KRATON™

SUSTAINABLE SOLUTIONS.
ENDLESS INNOVATION.™



WORKING TOGETHER FOR A SUSTAINABLE TOMORROW

2023 Sustainability Report

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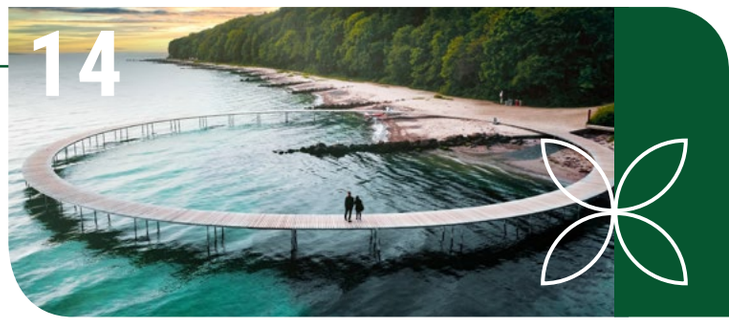
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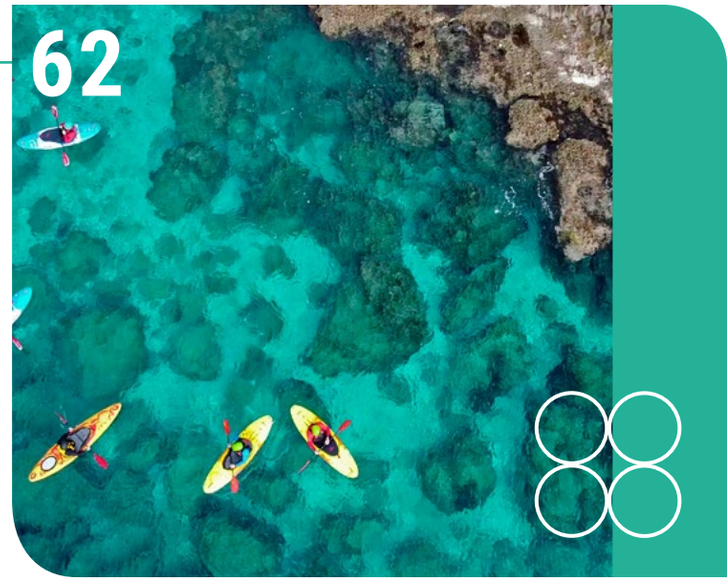
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ABOUT THIS REPORT

This Sustainability Report covers the period of January 1, 2023, to December 31, 2023, and forms an integral part of Kraton's corporate narrative, enabling us to demonstrate our progress over the last year. In alignment with our sustainability policies, both the Annual Sustainability Report and our website serve as platforms to showcase Kraton's ongoing efforts to integrate sustainability throughout our operations, processes, and product lines. Prepared in accordance with the Global Report Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB), this report also contains a table outlining Kraton's adherence to the Taskforce on Climate-Related Financial Disclosures (TCFD). Furthermore, Kraton's sustainability management and reporting are guided by our commitment to the ten principles of the United Nations Global Compact (UNGC) and the Sustainable Development Goals (SDG).

We invite stakeholders to learn more about Kraton's approach to sustainability by visiting our website: www.kraton.com.

COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

MESSAGE FROM OUR CEO



MARCELLO BOLDRINI

Chief Executive Officer

For over a century, Kraton has been a pioneer in sustainable innovation. Our enduring legacy is marked by solutions that improve quality of life, protect the environment, and help our customers achieve their goals sustainably. Reflecting on 2023, I am proud to share Kraton's continued commitment to sustainability, which remains a cornerstone of our long-term success and operational integrity. As we navigate a complex world, Kraton has consistently prioritized innovative solutions that drive value for our stakeholders while addressing our planet's urgent challenges.

Our sustainability strategy—focused on Preserving the Planet, Building Reliable Partnerships, and Empowering People—embodies our corporate vision of creating innovative solutions for a sustainable tomorrow.

This strategy, along with our vision and values, defines our purpose and guides our sustainability outlook.

Preserving Planet

In 2023, we made substantial advancements in reducing our environmental footprint and conserving resources.

We aim to reduce Scope 1 and 2 GHG emissions intensity by 20% and water withdrawal and waste intensity by 10% by 2030 compared to the 2020 baseline year.

We are progressing toward these targets by minimizing greenhouse gas (GHG) emissions, improving energy efficiency, and managing waste and water resources sustainably.

For example, our investment in new machinery at our Belpre, Ohio facility reduced carbon dioxide emissions by nearly 60,000 $MTCO^2$. Additionally, we significantly reduced our Scope 2 emissions by transitioning to fossil-free energy for our Scandinavian plants, resulting in an estimated reduction of 18,000 tonnes of CO^2 equivalent compared to 2022. These initiatives demonstrate our unwavering commitment to environmental stewardship and our leadership in the fight against climate change.

Building Reliable Partnerships

Since our inception, we've been committed to developing sustainable solutions that help our customers reduce environmental impact throughout the product lifecycle, from designing for recyclability to enabling biobased alternatives to fossil-based products. This year, we enhanced transparency and accountability across our supply chain, ensuring our partners adhere to the highest environmental and social responsibility standards. By fostering these reliable partnerships, we support our customers' sustainability journeys while reinforcing our commitment to ethical business practices and innovation.

Our commitment to sustainable procurement was recognized with the prestigious 2023 Henkel Adhesive Technologies Supplier Award in the Sustainability category, highlighting our efforts to increase our customers' sustainability performance.

Empowering People

Kraton is dedicated to providing a safe and inclusive workplace where every employee can thrive. This year, we made significant progress in promoting diversity and inclusion, with 56% of our new hires being diverse, in addition to enhancing employee well-being and professional development. Our commitment to social responsibility extends beyond our workforce to the communities around us. We have strengthened our community relationships through various initiatives, supporting education, sustainability, and leadership programs that make a positive difference in people's lives.

As we move forward, our commitment to sustainability remains unwavering. In 2024, we will continue to collaborate with our partners to achieve sustainability goals and create lasting value for our stakeholders. Together, with the support of our dedicated team, customers, and partners, we look forward to a future where sustainability and innovation drive continued growth and success. Thank you for joining us on this transformative journey.

Marcello

MESSAGE FROM OUR CHIEF SUSTAINABILITY OFFICER

PEDRO LOPES
Chief Sustainability Officer



In a rapidly evolving global landscape of environmental, social, and governance (ESG) factors, Kraton remains steadfast in our belief that sustainability is an integral component of our long-term success. As part of our commitment, we proactively navigate regulatory complexities by adhering to various mandatory requirements and standards. Our recent double materiality assessment has familiarized us with the process, pinpointing areas for improvement as we progress towards fulfilling our 2026 reporting obligations under the Corporate Sustainability Reporting Directive (CSRD). We have also taken a significant step forward with the issuance of our first Carbon Disclosure Project (CDP) disclosure for "Climate Change" as part of our Task Force on Climate-Related Financial Reporting (TCFD) roadmap.

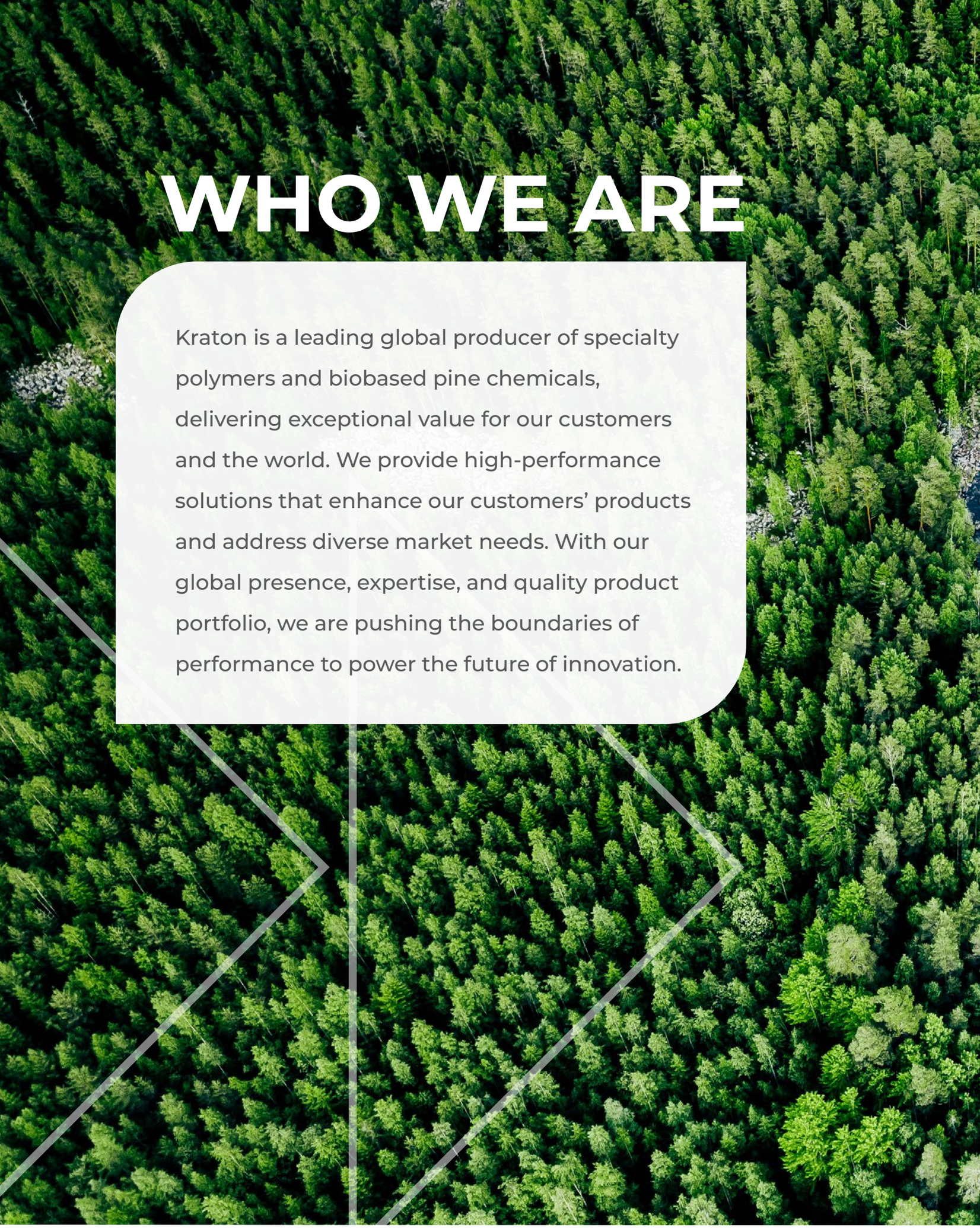
In addition to ensuring compliance with mandatory reporting policies, in 2023, Kraton has significantly advanced our sustainability strategy, culminating in an updated corporate structure and governance. To materialize our sustainability vision of positively impacting the world through unwavering passion and sensible business principles, we have introduced our new three-pillar strategy: Preserving the Planet, Empowering People, and Building Reliable Partnerships. These pillars are supported via accurate and harmonized data management efforts. The framework of this report is structured around this 3Ps approach, delineating the impressive progress Kraton has made in reducing our environmental footprint and impacting those that our business touches daily. Further, we emphasize the importance of stakeholder collaboration to share best practices, allocate resources, and leverage each other's strengths to achieve our shared objectives.

As we deepen our sustainability focus, it becomes increasingly ingrained in our operations, underscoring our passion for value-added innovation and responsible practices. As Kraton continues this journey, we remain committed to transparent and informed decision-making, reflecting our commitment to our customers and stakeholders.

Driven by passion and purpose, we attract the brightest minds, particularly in today's post-COVID landscape. With this in mind, we fully embrace our responsibility as stewards of the environment, ensuring we meet future expectations. Guided by our sustainability pillars, innovation, and stakeholder collaboration, Kraton is steadfast in leading change and setting the standard for excellence.

Pedro





WHO WE ARE

Kraton is a leading global producer of specialty polymers and biobased pine chemicals, delivering exceptional value for our customers and the world. We provide high-performance solutions that enhance our customers' products and address diverse market needs. With our global presence, expertise, and quality product portfolio, we are pushing the boundaries of performance to power the future of innovation.



100+
Combined Years of Pioneering Innovations

6
Regional Headquarters

700+
Customers

13
Manufacturing Sites

70+
Countries Served

8
Innovation Centers

1800+
Employees Globally

2023 SUSTAINABILITY HIGHLIGHTS

13 ALL MANUFACTURING SITES
ISO 14001/RC 14001 CERTIFIED

164 USDA BIOPREFERRED® CERTIFIED PRODUCTS

56% OF NEW HIRES ARE DIVERSE*

$150K DONATED TO COMMUNITIES IN NEED

50% BUSINESS BUILT ON BIOBASED RAW MATERIALS

2023 HENKEL ADHESIVES TECHNOLOGIES SUSTAINABILITY SUPPLIER AWARD WINNER

100K TREES PLANTED OVER THE LIFETIME OF OUR TREE NATION PARTNERSHIP

* Our diversity tracking is based on race in the U.S. and based on gender outside the U.S.

Our Intensity Targets

REDUCE SCOPE 1 AND 2 GHG EMISSIONS INTENSITY BY 20% AND WATER WITHDRAWAL AND WASTE INTENSITY BY 10% BY 2030 COMPARED TO THE 2020 BASELINE YEAR.

ECOVADIS PLATINUM

SUSTAINABILITY RATING

KRATON'S SUSTAINABILITY REPORTING ALIGNS WITH THE

UNGC PRINCIPLES & SDGS

ISCC EU CERTIFIED

SITES IN: DOVER | OULU
SANDARNE | SAVANNAH

ISCC PLUS CERTIFIED

SITES IN: BERRE | BELPRE
OULU | SANDARNE

IMPLEMENTING TCFD RECOMMENDATIONS

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

DRIVING SUSTAINABILITY IN PROCUREMENT

GOVERNANCE & RISK MANAGEMENT

TO MANAGE CLIMATE AND SUSTAINABILITY



VISION

WE CREATE INNOVATIVE SOLUTIONS FOR A SUSTAINABLE TOMORROW.

CORE VALUES

SAFETY & INTEGRITY

We are committed to safe and ethical behavior.

CREATIVITY

We innovate in everything we do.

COURAGE

We boldly face challenges and take initiative.

OWNERSHIP

We own our actions and pursue excellence.

TEAMWORK

We collaborate with respect and unity.

AGILITY

We adapt to challenges swiftly.

OUR CULTURE

Throughout the more than 100-year combined history of the Polymers and Pine Chemicals businesses, advancing sustainability has been woven into all that Kraton does, including our business strategy, culture, commitments, and products. Kraton's strategic pillars and values serve as our guiding compass, propelling us to make a positive difference for people and the planet. By embracing challenges as opportunities for growth and innovation, we are dedicated to creating lasting value for our stakeholders while safeguarding the planet for future generations. Together, we can shape a world where sustainability and innovation are seamlessly integrated, laying the foundation for a brighter future for all.

OUR STRATEGIC PILLARS:

BOOST STRATEGIC GROWTH

OPTIMIZE ORGANIZATIONAL EXCELLENCE

LEAD HIGH-PERFORMING TEAMS

DRIVE INNOVATION CAPABILITIES & ESG IMPROVEMENTS



APPROACH TO SUSTAINABILITY





IN THIS CHAPTER

- Our Sustainability Commitments
- Sustainability Strategy & Governance
- Stakeholder Engagement
- Materiality & Material Topics



OUR SUSTAINABILITY COMMITMENTS

OUR SUSTAINABILITY VISION:

To Positively Impact the World Through Unwavering Passion and Sensible Business Principles





RELIABLE PARTNERS

We are a committed partner, unwavering in our dedication to excellence in everything we do to support our customers' sustainability journey.

Advancing the Biobased Economy and Enabling Circular Economy

SDG: 12
UNGC Principles 9

Deliver innovative solutions that enable the sustainable advancement of the markets where we operate.

Collaborating for Responsible Business Practice

SDG: 3, 9, 12
UNGC Principles 1, 2

Empower and ensure our team and value-chain partners make a positive impact through ethical and responsible business practices.

OUR SUSTAINABILITY PILLARS

PRESERVING PLANET

We are committed to building a sustainable future, taking decisive action to decrease environmental impact and conserve resources.

Climate Action

SDG: 13
UNGC Principles 7, 8 ,9

Reduce our Scope 1 and 2 greenhouse gas (GHG) emissions intensity (per ton of product) by 20% by 2030 (against a 2020 baseline).

Environmental Impact and Resource Efficiency

SDG: 6, 9, 12
UNGC Principles 7, 8 ,9

Reduce water intensity by 10% by 2030 (against a 2020 baseline).

Reduce waste intensity by 10% by 2030 (against a 2020 baseline).

EMPOWERING PEOPLE

We prioritize the safety, well-being, and growth of our employees and community to make a positive difference.

Our People & Communities

SDG: 3, 8
UNGC Principles: 1, 2, 3, 4, 5, 6, 10

American Chemistry Council (ACC) top quartile performance for Recordable Injury Rates and achieving zero fatalities and zero serious injuries.

Achieving process safety performance of ≤ 1 Tier 1 event, and ≤ 8 combined Tier 1 and 2 events.

Nurture diversity and inclusion in the workplace.

Strengthen community relationships through education, sustainability, and leadership.

SUSTAINABILITY STRATEGY & GOVERNANCE

Our vision is to create innovative solutions for a sustainable tomorrow. This is why sustainability is the core of our business ethos, embodied by three core pillars that guide our strategy.

EMPOWERING PEOPLE

PRESERVING PLANET

RELIABLE PARTNERS



Kraton prioritizes data excellence in decision-making to effectively translate our sustainability strategy into actionable results. Our focus on accurate, reliable data ensures informed choices that drive tangible progress in our sustainability efforts, aligning measurable actions with our long-term vision.

Our commitment is embedded across the organization. Kraton's Board of Directors (Board) is at the top of Kraton's Governance structure and consists of eight non-executive Directors and one executive director. The Board's Strategy, Sustainability and Investments (SSI) Committee, specifically, oversees Kraton's sustainability initiatives on behalf of the Board.

Assessing and managing climate-related risks and opportunities, as well as broader ESG concerns, is a top priority for the SSI Committee, which also reviews the company's sustainability policies and efforts regularly.

The committee reports to the Board at least twice a year on the company's environmental and social sustainability-related matters. They ensure climate and sustainability-related risks and opportunities, including those pertaining to emerging climate legislation and regulation, are integrated into the company strategy and investment decisions.

Simultaneously, the Audit and Compliance Committee ensures that climate-related risks are integrated into the Enterprise Risk Management Assessment, which is performed annually. This committee also ensures appropriate risk management actions are identified and undertaken to manage climate-related risks and compliance under CSRD. See the *Climate Action, Environmental Impact & Resource Efficiency* section for further details on Kraton's work in this area.

Kraton's Board of Directors brings diverse skills and professional experiences, including:

Strategy

Organizational Management and Innovation

Sustainability and Climate Change

Operations and Commercial

Finance and Compensation

Diversity and Inclusion



From left to right: Sung Hoon Jang, Joseph B. Donahue, Jonghyn Kim, Marcello Boldrini, Karen A. Twitchell, Robert R. Frei Jr. | Seated: Daniel (Dan) J. Phelan, Jin Wook Lee

Leadership & Control

(Strategic Plan)

Sustainability Council

Chair: Chief Sustainability Officer

Functional Leaders in Legal, Operations, Procurement, Supply Chain, Commercial, Innovation, Human Resources, Finance, Communications & Sustainability Team

Kraton Leadership Team

(includes Chief Sustainability Officer)

Chief Executive Officer

Vision & Oversight

Strategy, Sustainability & Investments Committee

(Board of Directors)

Audit & Compliance Committee

(Board of Directors)

Chief Executive Officer

Coordination of Sustainability Program & Implementation

Kraton Sustainability Team

Sustainability program management, implementation, and coordination (goals, KPI definition)

Performance and issue monitoring

Sustainability reporting

Sustainability capacity building

Stakeholder engagement

SUSTAINABILITY GOVERNANCE

Our sustainability strategy is seamlessly integrated into our operations and spearheaded by the Chief Sustainability Officer (CSO), who drives the global sustainability strategy and initiatives forward. The CSO also leads the Sustainability Council, which includes executive representatives from Kraton's Commercial, Operations, Finance, Procurement and Supply Chain, Human Resources, and other departments. The cross-functional approach ensures thorough engagement to embed sustainability into the company's strategy and operations, now and in the future. As of April 2024, Rogier Roelen was appointed Kraton CSO in addition to his role as VP, General Counsel.

The Council oversees and facilitates the development and implementation of Kraton's corporate global sustainability strategy and ESG plans by:

- Providing strategic oversight
- Enabling cross-functional executive leadership decision-making
- Tracking the progress of sustainability and ESG initiatives
- Prioritizing initiatives in alignment with the Polymers and Pine Chemicals business' critical success factors

Kraton has also initiated the creation of the Sustainability Task Forces for the Polymers and Pine Chemicals businesses to facilitate tactical execution of our sustainability strategy at the business and functional levels. In addition, we have a dedicated corporate sustainability team in place to drive internal and external actions and support functions to transform the sustainability strategy into tangible outcomes.



Divisional Strategy & Tactical Execution

Polymers Task Force

Pine Chemicals Task Force

Drive functional implementation of sustainability programs, goals, and KPI including critical resource requirements

STAKEHOLDER ENGAGEMENT

As a global enterprise, Kraton engages in partnerships with various stakeholders, including customers, communities, employees, governments, industry associations, and suppliers. Our focus on sustainability adds significant value for both Kraton and our stakeholders by promoting environmentally responsible practices that allow us to reduce our carbon footprint, increase productivity, and better manage risks. It requires that we remain sensitive to the needs and expectations of our stakeholders when designing sustainability initiatives that address, mitigate, or avoid risks and create long-term value.

OUR STAKEHOLDER EXPECTATIONS AND CHANNELS:

Customers

Seek sustainable solutions supported by data that enable them to improve their production processes and end products. They also expect transparency on how our organization is governed, how we manage environmental, climate, and social risks in our operations, and how these risks and opportunities factor into our strategy and approach to managing risks.

Engagement includes:
Key account management, trade shows, sustainability workshops, webinars, conferences, industry gatherings



Regulators & Communities

Expect reduced environmental and social impacts, more ambitious climate mitigation measures, and increased transparency in sustainability management systems. Their expectations for contributing to global challenges are substantially increasing with the tightening of the policy and regulatory environment.

Engagement includes:
Memberships at trade and community organizations, volunteering activities, community development programs



Employees

Expect their employers to be ambitious and develop practical sustainability programs illustrating the company's efforts, goals, and evolution toward sustainability.

Engagement includes:
Town hall meetings, employee surveys, collective bargaining, grievance mechanisms, employee resource groups, training and development programs, dialogues, one-to-one feedback



Suppliers & Business Partners

Expect a fair and transparent partnership that nurtures mutual trust and strategic alignment.

Engagement includes:
Communications through various channels, industry and trade group involvements



Materiality & Material Topics

To anticipate evolving mandatory reporting requirements, we have conducted a materiality assessment to identify and prioritize key environmental and social impacts within and outside our operations well ahead of the mandatory requirements. As part of this assessment, we gathered feedback from key internal and external stakeholders and identified the material topics. Besides focusing on these key material topics, we align our reporting with the United Nations Sustainable Development Goals (SDGs), which define the global ambition for sustainable development.

Kraton has identified six SDGs relevant to our business, for which we can play a prominent role today and in the future. This report will link our sustainability ambitions, business practices, activities, and products to these SDGs. We recognize the significant opportunity sustainability offers our business and are dedicated to creating exceptional value for our stakeholders. We continue to include sustainability in our strategy and tactics to define our ambitions and develop sustainability practices.

Kraton is committed to collaborating with customers to deliver innovative solutions that make a positive difference. We are equally committed to our stakeholders to meet their needs for sustainability management, safe and inclusive working environments, transparency, and reporting of our company's Environmental, Social, and Governance (ESG) risks.

We have identified the following pillars with their respective topics:



Reliable Partners

Collaborating for Responsible Business Practice

Child Labor, Forced Labor and Human Trafficking

External Stakeholder Human Rights and Supplier Social Practices

Supplier Environmental Practices

Product Regulatory and Customer Health and Safety



Preserving the Planet

Climate Action, Environmental Impact & Resource Efficiency

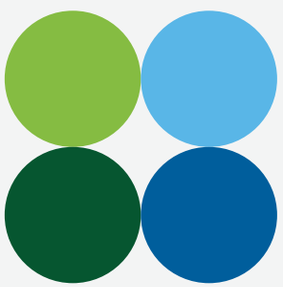
Energy Consumption

GHG Emissions

Water, Local and Accidental Pollution

Hazardous Materials, Chemicals and Waste Management

Biodiversity



Empowering People

Our People & the Communities

Employee Health and Safety

Working Conditions

Social Dialogue

Career Management and Training

Information Security

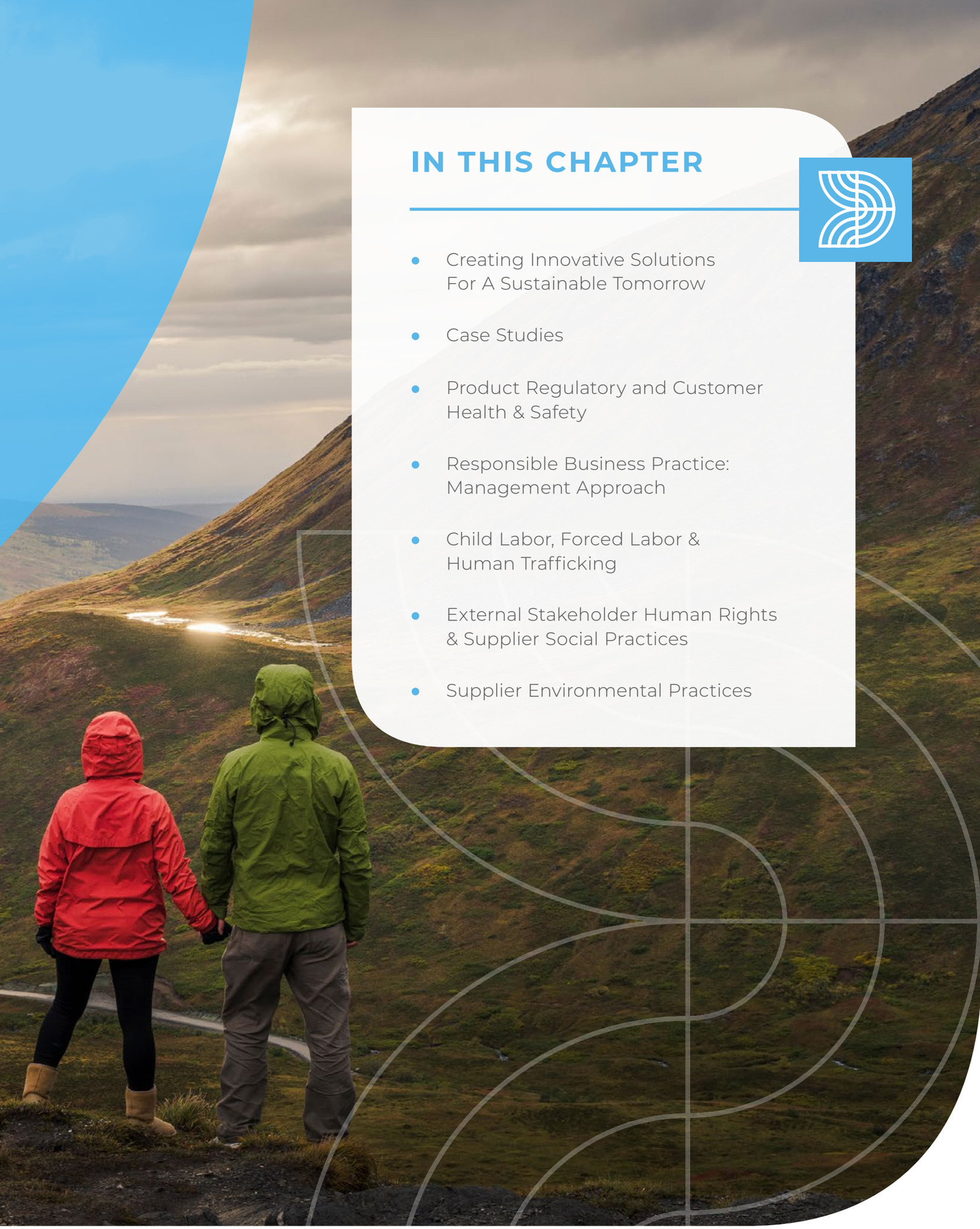
Diversity, Equality and Inclusion

Anti-Corruption



RELIABLE PARTNERS





IN THIS CHAPTER

- Creating Innovative Solutions For A Sustainable Tomorrow
- Case Studies
- Product Regulatory and Customer Health & Safety
- Responsible Business Practice: Management Approach
- Child Labor, Forced Labor & Human Trafficking
- External Stakeholder Human Rights & Supplier Social Practices
- Supplier Environmental Practices

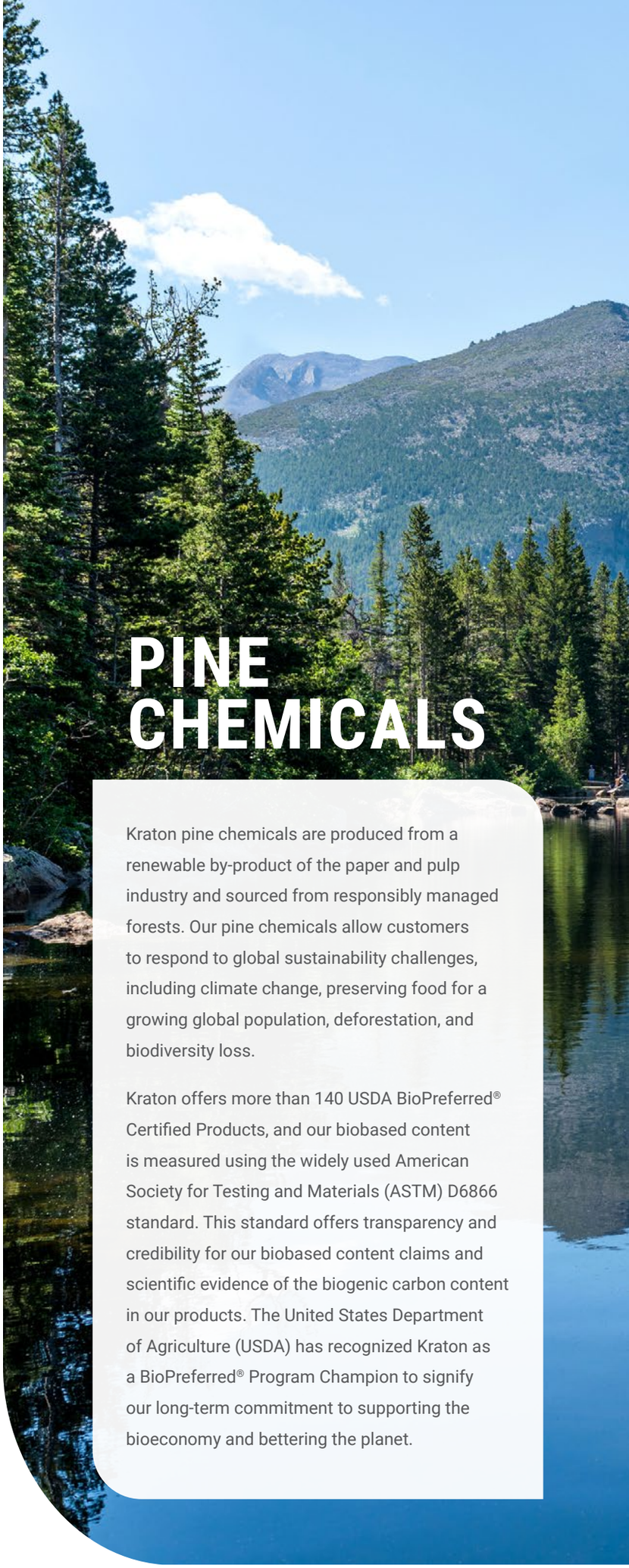
Creating Innovative Solutions For A Sustainable Tomorrow

In the shift from linear to circular economy, resources are repurposed rather than discarded, emphasizing reuse, repair, and recycling to preserve value. Industries worldwide are intensifying efforts to enhance sustainability by reducing environmental impact throughout the product lifecycle. Many global brands and industry organizations have committed to increasing the use of recycled or renewable materials and improving end-of-life recyclability. Kraton is dedicated to advancing the biobased and circular economy, offering innovative solutions to help customers reduce fossil-based materials, increase the use of recycled or renewable resources, and lower carbon emissions while enhancing product performance and extending product life.

We innovate to deliver sustainable solutions that help our customers reduce environmental impact during product manufacturing, processing, use, and end-of-life.

Kraton Product Portfolio

Kraton is a leading global producer of styrenic block copolymers, specialty polymers, and high-value performance products derived from pine wood pulping by-products. Our polymers are used in many applications, including adhesives, coatings, consumer and personal care products, sealants, medical, packaging, automotive, paving, roofing, and footwear. Our pine-based products are used in adhesives, roads and construction, tires, fuel additives, oilfield chemicals, coatings, metalworking fluids, lubricants, inks, flavors and fragrances, and mining.



PINE CHEMICALS

Kraton pine chemicals are produced from a renewable by-product of the paper and pulp industry and sourced from responsibly managed forests. Our pine chemicals allow customers to respond to global sustainability challenges, including climate change, preserving food for a growing global population, deforestation, and biodiversity loss.

Kraton offers more than 140 USDA BioPreferred® Certified Products, and our biobased content is measured using the widely used American Society for Testing and Materials (ASTM) D6866 standard. This standard offers transparency and credibility for our biobased content claims and scientific evidence of the biogenic carbon content in our products. The United States Department of Agriculture (USDA) has recognized Kraton as a BioPreferred® Program Champion to signify our long-term commitment to supporting the bioeconomy and bettering the planet.

KRATON PINE CHEMICAL BENEFITS

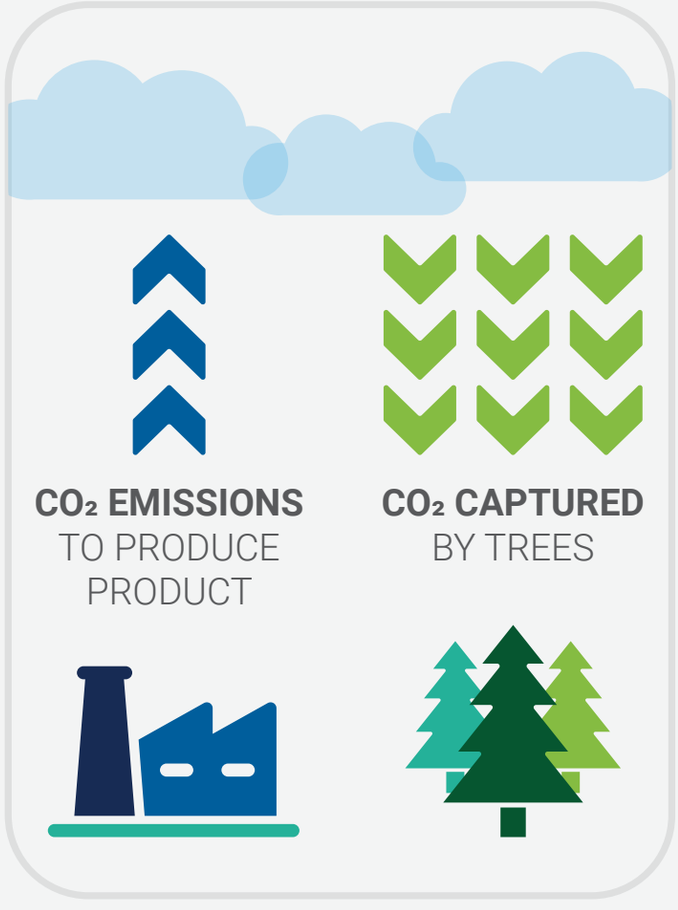
- Biobased, By-Product of the Kraft Pulp Industry
- Sourced From Responsibly Managed Forests
- Do Not Compete For Land With Food Crops
- Are Not Genetically Modified
- Do Not Require Land-Use Change
- Non-food sourced

Biobased Tackifiers

Our biobased portfolio can deliver value to numerous industries due to its reduced cradle-to-gate environmental impact and International Sustainability & Carbon Certification (ISCC) PLUS-Certified renewable content. This includes our high-quality tackifiers, which offer excellent adhesion performance in applications such as packaging, tapes, labels, and flooring adhesives. These tackifiers also offer many sustainability advantages, such as enabling reduced adhesive carbon footprint*, containing up to 95% ISCC PLUS-Certified renewable content. Cradle-to-gate LCA analysis shows that the CO_2 captured by pine trees during the tackifier's lifecycle exceeds the CO_2 emissions from its production processes, resulting in a significant negative carbon emission.

*The actual lifecycle performance improvement that can be achieved can only be concluded through an ISO-Certified process.

CAPTURING CO_2 FROM THE ATMOSPHERE



POLYMERS

As the inventor of styrenic block copolymers (SBC), Kraton is proud to be a global leader in polymer solutions. With over 60 years of experience, we've continued to innovate and push the boundaries of what is possible with polymers. Our SBC technology has revolutionized countless industries, from adhesives to paving to medical solutions, and is found in hundreds of products used daily around the globe. Our SBCs enable customers to improve product performance and efficiency, extend product life, and design for recyclability. By developing high-performance solutions, we're making a positive difference for our customers and the world.

Our Polymer Solutions Offer:

Enhanced Durability

Ideal for applications requiring wear, tear, and impact resistance.

Improved Flexibility

Ideal for products that require flexibility and ease of movement.

Increased Adhesion

Excellent adhesion to many substrates, making them ideal for adhesives, coatings, and sealants.

Enhanced Softness

Ideal for products that require a soft, comfortable feel, such as medical products, personal care products, and consumer goods.

Superior Weatherability

Ideal for outdoor applications requiring resistance to UV light, extreme temperatures, and other environmental factors.





CirKular+™ Solutions for Plastics Upcycling & Circular Economy

Kraton's CirKular+™ product line enables a holistic approach to the plastic product lifecycle and the circular economy. Our solutions offer versatile multi-resin compatibilization and performance enhancement in various applications. CirKular+ applications include post-consumer resin and industrial plastic recycling streams, bioplastics, and flexible product designs, combining virgin and recycled plastic materials. CirKular+ Performance Enhancement Series has received RecyClass technology approval and the Critical Guidance Recognition for recyclability from the Association of Plastics Recyclers (APR), for use in rigid High-Density Polyethylene (HDPE) and Polypropylene (PP) containers.

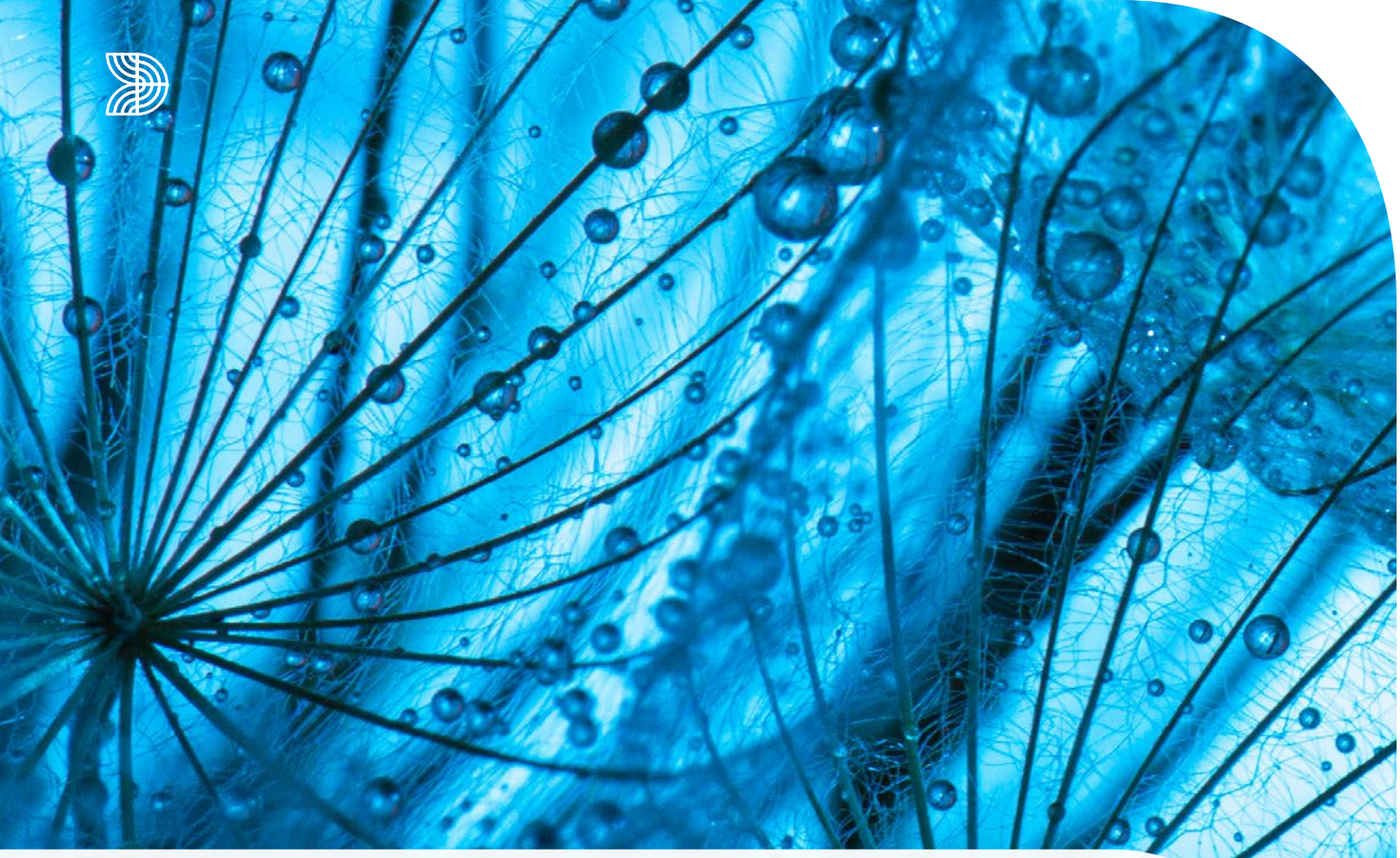
CirKular+ ReNew Series

With up to 100% certified renewable content, the CirKular+ ReNew Series allows customers to use the mass balance approach and adopt ISCC PLUS certification to produce renewable products without compromising performance or quality. Due to the renewable feedstock, products made with ISCC PLUS certified renewable raw materials have a substantially lower carbon footprint* compared to fossil-based materials and capture CO_2 from the atmosphere, resulting in reduced carbon emissions.

*The actual lifecycle performance improvement that can be achieved can only be concluded through an ISO-Certified process.

CIRKULAR+ RENEW SERIES ISCC PLUS CERTIFIED SOLUTIONS





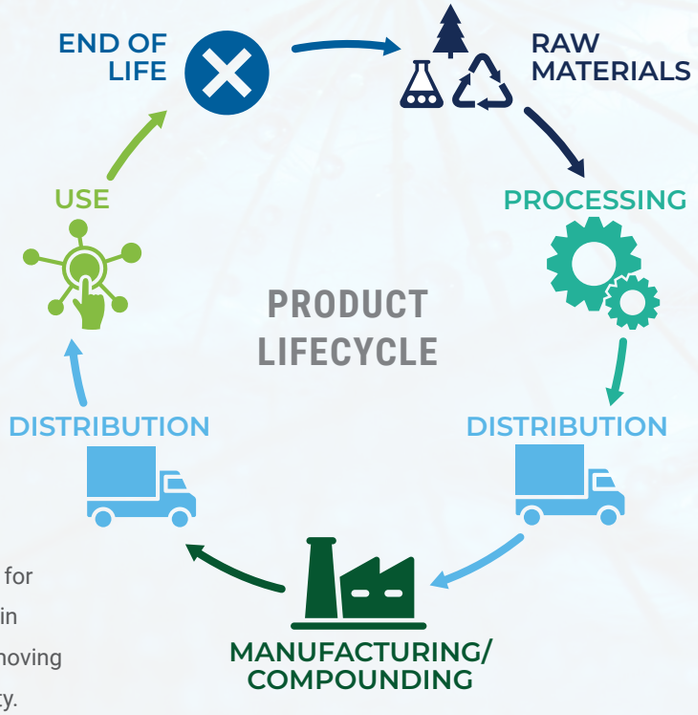
Lifecycle Assessment

Meeting our customers' sustainability needs requires credible data that helps quantify the value of using Kraton products. Lifecycle Assessments (LCA) are vital for assessing products' environmental impacts, providing a standardized methodology primarily recognized for calculating global warming potential or carbon footprint.

Over the past year, Kraton has advanced its LCA program, which involves reviewing emissions from raw materials, upstream transport, and our own operations. The outcome of an LCA is very specific and dependent on the origin of our raw materials and plant-specific elements like energy mix and type of processing technology.

Our LCAs allow us to make informed decisions and identify whether optimizing the production process or raw materials used could improve the product's environmental footprint. They are also an essential tool for fostering closer engagement with suppliers, supply chain partners, and customers regarding their products and moving towards improved value chain and societal sustainability.

We will continuously enhance our LCA capability to meet the demand for credible environmental impact data.



International Sustainability & Carbon Certification (ISCC)

The chemical industry faces various challenges in transitioning to the use of recycled or renewable raw materials. These raw materials may not be of consistent quality or available year-round. Their use may require modification of the chemical processes and impact production efficiency.

The mass balance approach offers the opportunity to start using sustainable raw materials to produce more sustainable products. In this approach, a portion of fossil-based raw materials is replaced with recycled or renewable raw materials. The amount of sustainable raw material used is then attributed to a given output.

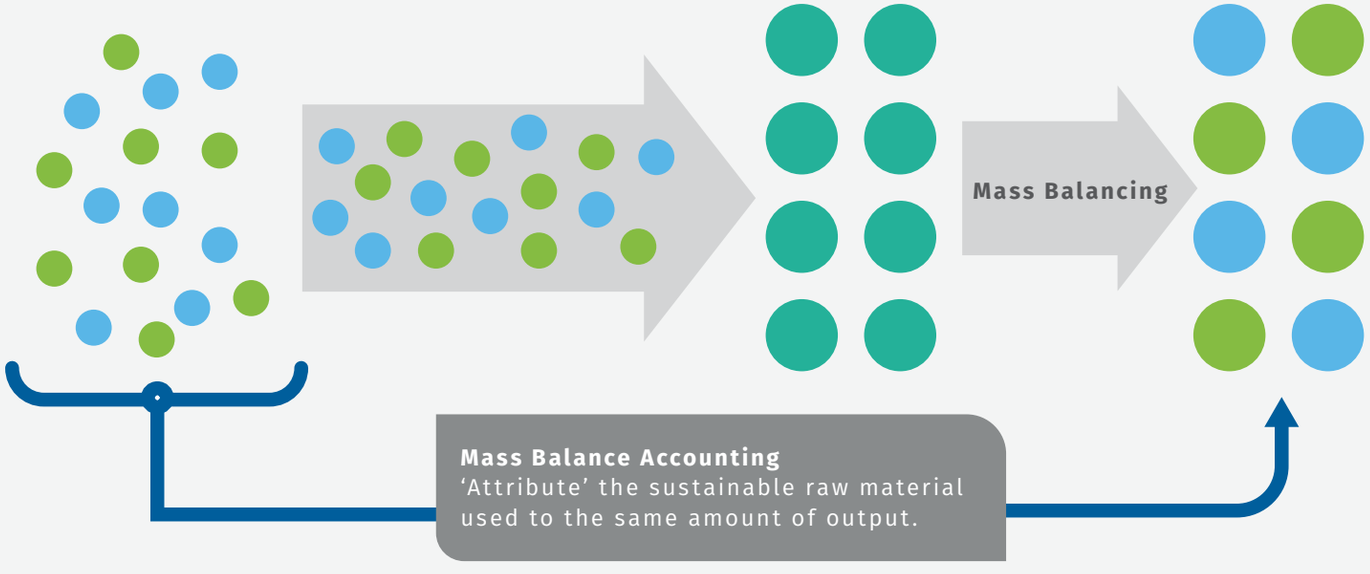
ISCC PLUS is a globally applicable sustainability certification system covering all sustainable feedstocks, including agricultural and forestry biomass, circular and biobased materials, and renewables. ISCC PLUS provides traceability along the supply chain and verifies that the amount of certified recycled or renewable raw material that a company uses matches the amount of recycled or renewable content that is attributed to their end products.

Four of our Pine Chemicals and Polymers production facilities are certified according to ISCC PLUS. This allows our customers to reduce the amount of fossil raw materials that they use and adopt and certify their own mass balance approach to produce ISCC PLUS certified renewable or recycled products.

THE MASS BALANCE APPROACH

- Use a mix of fossil and sustainable raw material
- Attribute the sustainable raw material to a similar output
- Operate ISCC Certified processes to provide market assurance

ISCC
International Sustainability & Carbon Certification



CASE STUDY

Designing for Recyclability

With Kraton Styrenic Block Copolymers

Kraton offers sustainable polymer solutions that help various industries enable end-of-life recyclability, have design freedom, and maximize recycled content.

From automotive and packaging to medical applications, brand owners trust Kraton to help achieve their sustainability goals.

Our SEBS and SBS products are the ideal solution for enabling brand owners to develop recyclable and recycled content designs. Further, the inherent recyclability of Kraton SBCs supports increasing consumer expectations and regulatory requirements.

For Consumer Goods

Kraton's SBCs are traditionally used to create thermoplastic elastomeric compounds (TPE-S) that are typically used in over-molded, soft-touch applications such as toothbrush grips or kitchenware handles. In accordance with the RecyClass protocols, Kraton's in-house technical study demonstrated that Kraton SEBS-based TPE-S compounds are compatible with polypropylene (PP) recycling streams, at up to 5% weight.

In one example, a global pet accessories manufacturer was able to replace the non-skid bottom layer of their pet bowl with a TPE-S compound based on Kraton SEBS, for a transition from a thermoplastic polyurethane (TPU) bottom layer. This change was made to achieve the bowl's recyclability at the end of life.

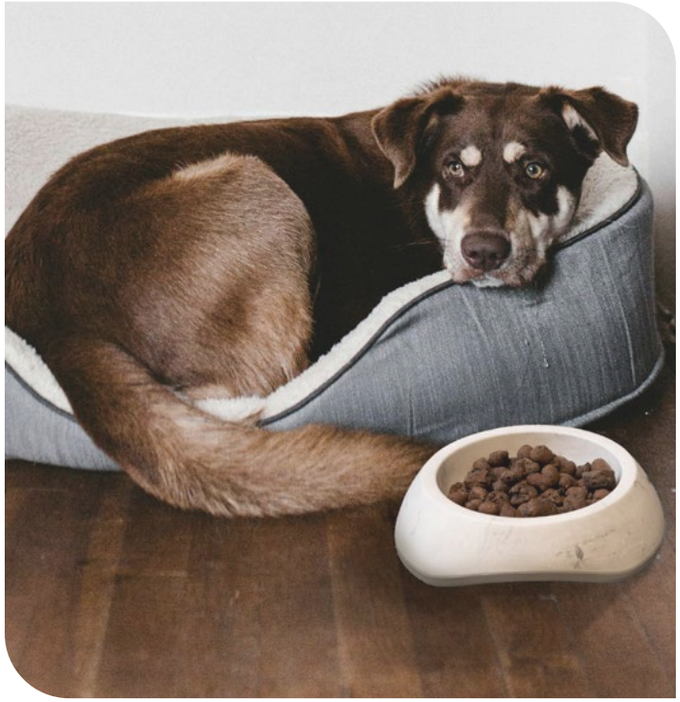


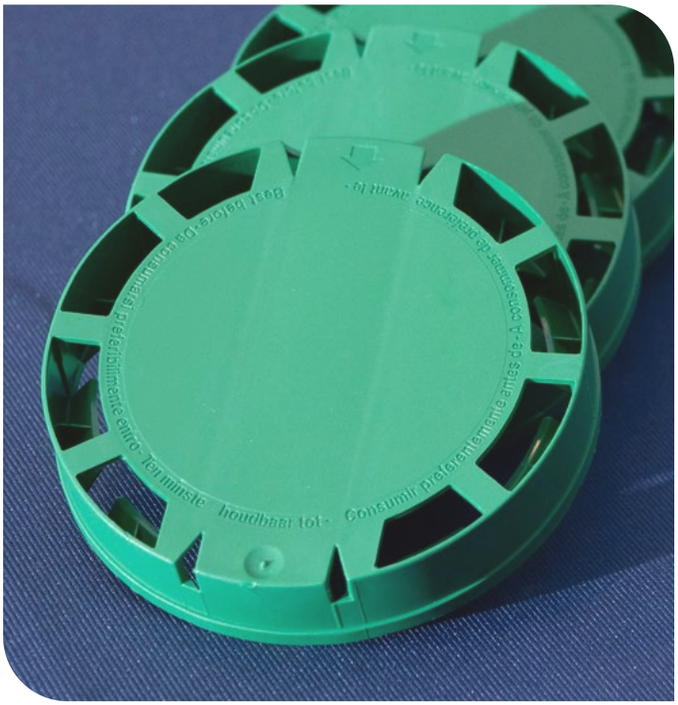
For Rigid Plastic Packaging Design

In rigid applications, Kraton's polymers allow enhanced aesthetics, superior durability, toughness, and impact performance while supporting both recyclable and lightweight designs. Kraton CirKular+ additives can lead to up to 13% weight reduction by reducing polypropylene(PP) part thickness and support the industry's need to adopt plastic materials that are curbside collected and recycled at scale.

Kraton's solution supported a consumer-packaged goods (CPG) brand owners' sustainability key initiative. By adding 8% of SBC to virgin PP in the thermoforming process of the ice-cream lid, the customer was able to shift to recyclable packaging, away from the original polystyrene-based design. In this case, Kraton's polymer acted as an impact modifier to prevent PP breakage at -40° C while maintaining the required stiffness in a transparent, thin-walled lid.

In molded cap applications, Kraton's CirKular+ C2000 enabled the use of post-consumer resin (PCR) PP while still allowing the brand owner to have an end-of-life recyclable product. C2000 reduced stress cracking and allowed the use of existing molding equipment and 95% PCR PP content in the final product.





CASE STUDY

Advancing Adhesives Sustainability

With Kraton Soft SBS Polymers

INNOVATION STORIES

In today's adhesive industry, there's an increasing demand for solutions that deliver exceptional performance and prioritize sustainability and cost-efficiency. With growing environmental concerns and market competition, formulators constantly seek innovative raw materials that meet these evolving needs.

Our latest polymer innovation is a new design of SBS polymer that provides exceptional performance in pressure-sensitive adhesive (PSA) applications, such as tapes and labels, particularly when combined with biobased ingredients. This innovative SBS polymer is a competitive alternative to SIS in specific PSA formulations, providing formulators with a versatile raw material that also improves their supply security.

A standout feature of our soft SBS polymer is its capability to substantially reduce the CO_2 footprint in PSA formulations.* By substituting SIS with our new soft SBS, formulators can achieve up to 18% reduction in fossil carbon footprint. This reduction primarily originates from utilizing raw materials like polymer, resin, and oil, with additional contributions from transportation to hot-melt plants and adhesive manufacturing facilities.

Further emphasizing our commitment to sustainability, our soft SBS polymer can be produced with ISCC PLUS-certified mass-balanced bio-circular materials. This certification not only showcases our dedication to minimizing environmental impact, but also empowers formulators to achieve greater reductions in their carbon footprint.

With the inclusion of ISCC PLUS certified CirKular+ ReNew, our product can offer an additional approximately 16% total carbon reduction including biogenic and fossil carbon footprint.

*The actual lifecycle performance improvement that can be achieved can only be concluded through an ISO-certified process.



CARBON SEQUESTRATION

CO_2 EMISSIONS
TO PRODUCE PRODUCT

CO_2 CAPTURED
BY TREES



This amplifies the sustainability credentials of our soft SBS polymer, cementing its reputation as a genuinely environmentally responsible choice for adhesive formulations. By using butadiene over isoprene dimer, we enhance the usability and overall user experience of formulations incorporating our soft SBS polymer.

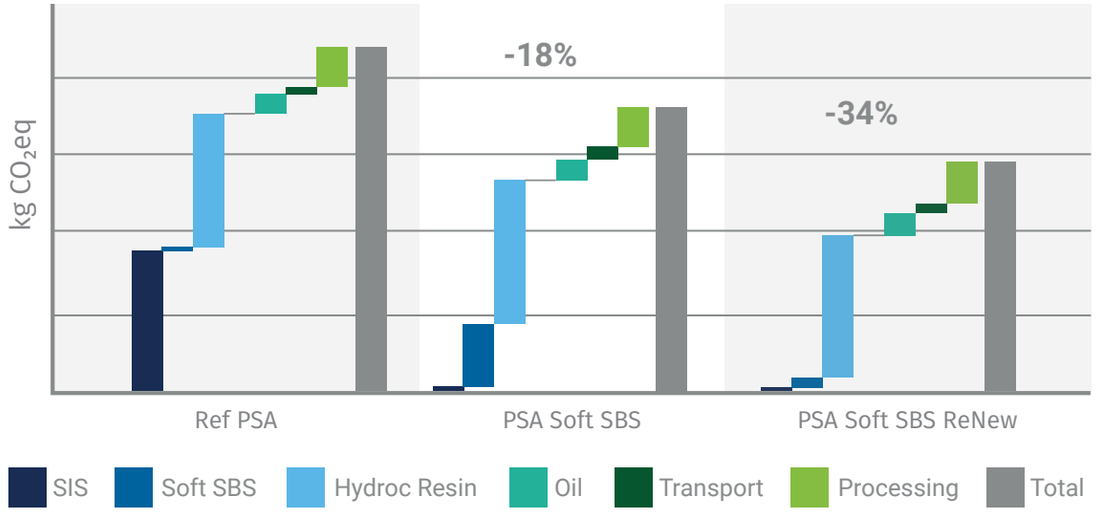
Moreover, its lower polymer content enables formulators to reduce the overall cost of adhesive systems without sacrificing performance or quality. This cost-effective advantage adds another valuable dimension for businesses seeking to optimize their adhesive formulations while staying competitive.

Kraton's soft SBS polymer marks a significant advancement in adhesive technology, delivering unparalleled performance, sustainability, and cost-saving benefits. With this innovative solution, we continue to drive progress and shape the future of the adhesive industry.

Benefits

- Enables CO_2 footprint reduction
- Eliminates the presence of isoprene dimers
- Allows to lower adhesive system cost
- Improves your supply security

Carbon Estimate - kgCO_2eq per kg



Main contribution from raw materials (polymer, resin, and oil)

Small contribution from transport to hot-melt plant and adhesive manufacturing

Default conservative value for adhesive processing

CASE STUDY

Enabling Biobased Hygiene Solutions

With Kraton Biobased Tackifiers

Sustainability and innovation have become increasingly important in the hygiene market, with stakeholders pushing for eco-friendly alternatives to traditional materials. Kraton has been at the forefront of these efforts, collaborating closely with key industry stakeholders and the European Commission to impact the Ecolabel criteria for absorbent hygiene products. The Ecolabel is instrumental in the European Commission's Sustainable Consumption and Production (SCP) and Sustainable Industrial Policy (SIP) action plans.

One significant outcome of these collaborative efforts is the removal of ambiguity regarding the use of rosin esters in adhesives for absorbent hygiene products like diapers. This revision paves the way for the accelerated adoption of biobased alternatives, marking a pivotal shift away from fossil-based raw materials.

Kraton's biobased tackifiers, such as SYLVALITE™ 9100, developed with RE*volution*™ rosin ester technology, offer a compelling solution by replacing fossil resins in adhesive formulations. This substitution can reduce the cradle-to-gate Product Carbon Footprint up to approximately 30%*. Beyond environmental benefits, this solution provides premium color and odor performance thanks to Kraton's RE*volution* technology. Its initial color stability and low odor characteristics make it a viable and uncompromised alternative to fossil-based tackifiers.



Kraton has updated its LCAs to support the adoption of biobased tackifiers and enable customers to assess their sustainability impact accurately. These LCAs provide credible data on Global Warming Potential and other environmental impacts for all products relevant to hygiene applications.

With the hygiene sector recognizing the importance of sustainability and the need for innovation in raw materials, Kraton invites industry stakeholders to join us in making a positive difference. Together, we can drive forward the adoption of sustainable practices and materials in the hygiene market.

*The actual lifecycle performance improvement that can be achieved can only be concluded through an ISO-Certified process.



CASE STUDY

Driving Sustainability

Kraton's Tire Solutions for Today's Industry Needs

The tire industry's need to constantly innovate is driven by consumer demand for dependable yet affordable tires and vehicle manufacturers' quest for superior performance. In addition, global regulators amplify the challenge by setting strict minimum requirements for wet grip, rolling resistance, noise, and durability. These external pressures force tire companies to seek new materials from suppliers, and design new tires to continuously meet diverse demands.

Amidst this complexity, sustainability has emerged as a critical priority. Leading tire manufacturers recognize that realizing "Vision 2050" —aimed at achieving net-zero decarbonization— calls for sweeping changes across businesses, economies, and societies. With the rise of electric vehicles and the shift toward CO_2-free electricity generation from sources like solar, wind, and water, tire raw materials are expected to become the primary source of CO_2 emissions in the tire lifecycle.

For over 20 years, Kraton has been at the forefront of tire innovation, developing tread enhancement additives using its proprietary TEA™ Technology. These products, grouped under the SYLVATRAXX™ brand name, are tailored to meet specific performance, specifications, packaging, and application needs. In addition, our SYLVATRAXX additives support vehicle safety and efficiency, enabling good tire grip without compromising fuel efficiency.

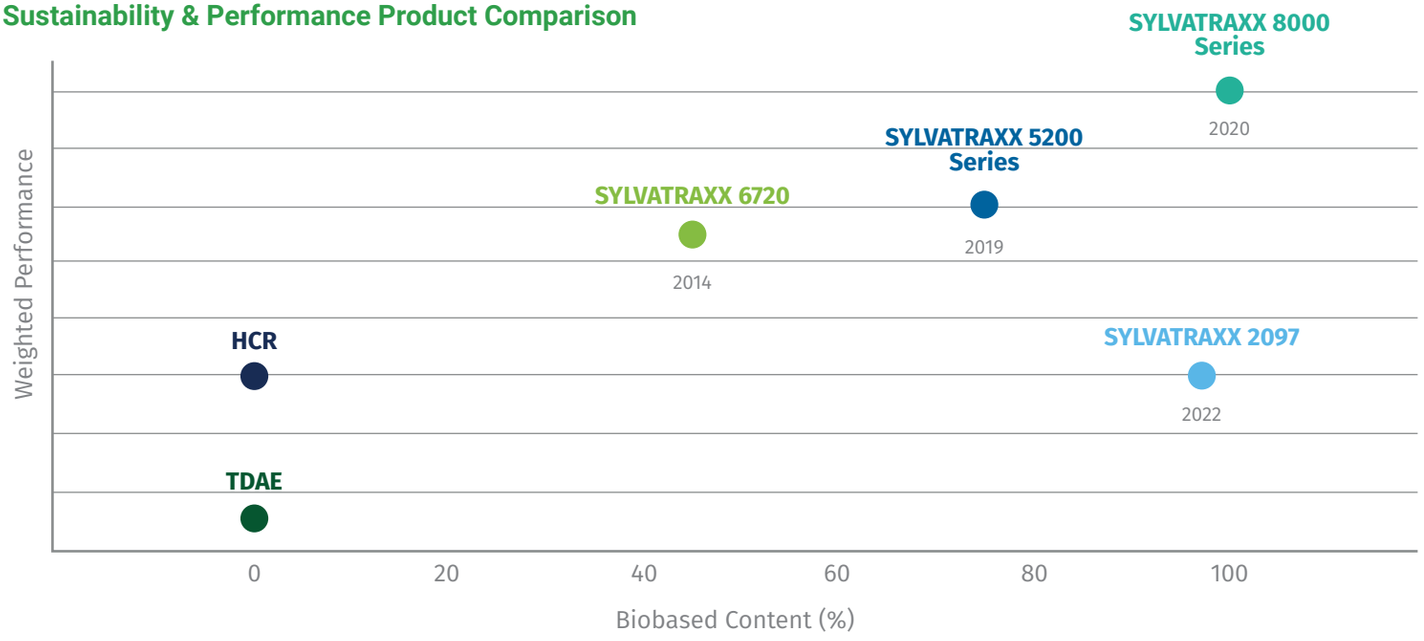
While our innovations are designed to improve tire performance, we have successfully increased the renewable content of our solutions, further enhancing their sustainability properties. Our latest solutions offer a complete range of customized additives



with renewable content. Notably, SYLVATRAXX 2097 provides a cost-effective solution optimizing wet grip and rolling resistance balance, while the SYLVATRAXX 8000 series caters to high-performance tires.

By leveraging Kraton's SYLVATRAXX additives, tire manufacturers can align with environmental goals without compromising performance or cost efficiency. As part of Kraton's pine chemistry portfolio, our tire solutions are sourced from responsibly managed forests, have no impact on the food chain, and require no land-use change. Amidst the tire industry's dynamic landscape, Kraton remains committed to anticipating the industry's demands and delivering sustainable, high-performance tire solutions to the market.

Sustainability & Performance Product Comparison



Product Regulatory & Customer Health and Safety

Kraton's Product Stewardship and Regulatory Affairs team (PSRA) actively participates in various stages of Kraton products' lifecycle, from inception in research and development to product launch, commercialization, distribution, and customer support. PSRA reviews raw materials and products for their health, safety, and environmental aspects by conducting material reviews, product testing, safety data sheets (SDS), labeling, risk assessments, product prioritization, and regulatory tracking (new regulations and changes to existing regulations) for both pine chemicals and polymer portfolios.

PSRA collaborates with multiple internal and external stakeholders on initiatives intended to monitor or improve our products' overall environmental, human health, and sustainability impact. PSRA also collaborates with Consortia and Consultants to ensure our products are tested for safety and comply with various regulations by market and region. In addition, the PSRA team actively participates in industry groups that monitor regulatory changes and trends in relevant topics to assess their impact on our product portfolio and the environment.

Notable Projects:

- Microplastics definition in the EU and assess potential impacts
- Styrene monitoring and impact assessment
- Supplemental Residual Antimicrobial Application for BiaXam polymer submitted to US EPA in Q1 2023
- 3-year strategy implementation for PSRA to continuously improve support and operations

The new raw materials approval workflow and database was implemented for pine chemicals in Q4 2023. It contains a supplier portal where regulatory and quality data will be collected from suppliers to maintain a more accurate and up-to-date hazard profile for the manufacturing and development of our products.

PSRA has conducted hazard assessments of 100% of our pine chemicals and polymers as part of the Product Safety Codes of the American Chemistry Council (ACC) Responsible Care®. PSRA assesses products whenever substance, processes, or regulatory changes occur and communicates the impact and necessary actions with stakeholders.

2023 FACTS

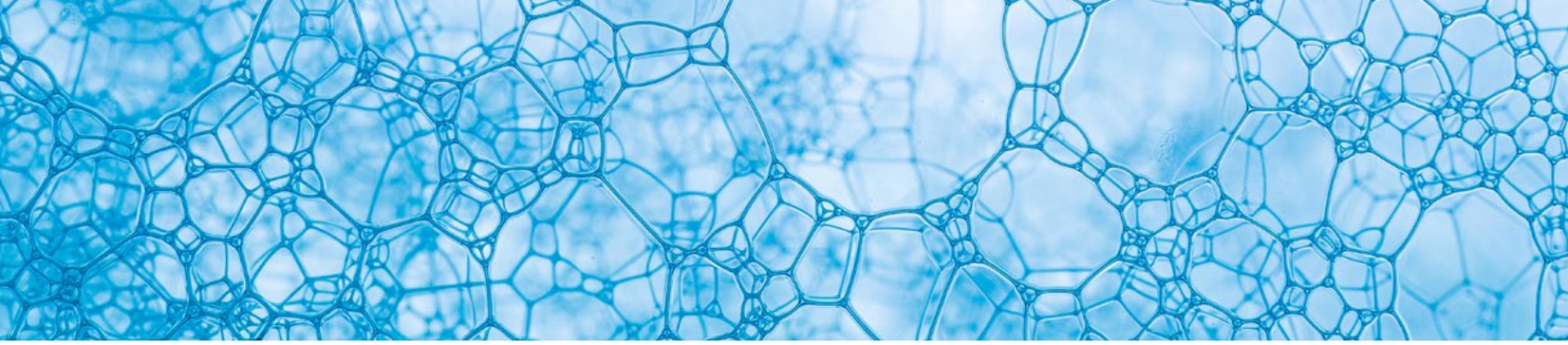
89% Of self-serve inquiries in 2023 averaged a turn-around time within three business days

90% Of standard inquiries in 2023 averaged a turn-around time within ten business days

100% Of our highest priority product categories were assessed for Health and Safety impact improvement

0 Fines, penalties, or warnings from jurisdictional authorities





Responsible Business Practice:
Management Approach

At Kraton, we recognize that responsible business practices are not limited to our operations, but extend into our supply chain. Our supplier relationships significantly impact the environment, society, and the economy. Therefore, we value collaborating with suppliers who share our commitment to responsible business practices. Our goal is to reduce our environmental footprint, uphold human rights, and promote sustainable development in the communities where we operate. By prioritizing responsible business practices throughout our supply chain, we build strong relationships with our suppliers, foster innovation, and create long-term value for all stakeholders.

To achieve this, we have created our Responsible Procurement Program based on the following policies:

- Sustainable Procurement Policy
- Supplier Code of Conduct
- Conflict Minerals Policy
- Human Rights Policy
- Slavery and Human Trafficking Statement

> We are committed to empowering and ensuring our team and partners make a positive impact through ethical and responsible business practices.

We are also committed to conducting business with reliable suppliers aligned with Kraton's environmental, social, and ethical standards.

The policies mentioned guide our suppliers in our expectations. We insist that all our suppliers:

- Conduct business ethically, with integrity, and in compliance with the law
- Be dedicated to responsible sourcing
- Respect their employees and treat them fairly in accordance with all applicable laws
- Be committed to Responsible Care or similar assurances to continuously improve their environmental, health, and safety performance

At Kraton, we collaborate with a diverse group of suppliers. In addition to complying with our high standards, we strongly emphasize partnering with key suppliers who share our commitment to improving sustainability performance and advancing our supply chain sustainability goals. Closely aligned with our participation with Together for Sustainability (TfS), our Responsible Procurement Program is designed to achieve five primary objectives:

- Apply a robust due diligence procedure in our supply chain
- Evaluate suppliers against corporate social responsibility (CSR) principles
- Conduct assessments and audits
- Increase supply security and reduce reputational, regulatory, and other risks
- Foster continuous improvement and capability-building

To evaluate supplier performance, we assess their management practices, environmental impact, health and safety records, labor and human rights practices, and ethical corporate governance. Identified improvements are tracked via corrective action planning, and reviewed through periodic reassessments or audits. Our Procurement team is invested in monitoring and working with suppliers toward these improvements. At Kraton, we believe that collaboration with suppliers is a key driver of positive change and progress toward our shared sustainability objectives.

Child Labor, Forced Labor & Human Trafficking

Kraton prohibits using any form of forced labor, including prison-, indentured-, bonded-, and military labor, as well as modern forms of slavery and any form of human trafficking. We expect our suppliers to uphold the same standards as described here.

We prohibit child labor, and our sites and operations verify our employees' age at the time of hire. We regularly review and update our Code of Conduct and have established procedures for reporting human rights, child labor, or forced labor incidents. In addition, Kraton implements quarterly employee compliance training on business ethics, discrimination, and harassment in line with specific statutory requirements.

External Stakeholder Human Rights & Supplier Social Practices

Respect for human rights and ethical business conduct is fundamental to Kraton's purpose of making a positive difference in our jobs, customers, and the world. We believe societies, economies, and businesses thrive when human rights are protected and respected. This is no different for our supply chains. Our Human Rights Policy states our commitment and approach to human rights.

We are committed to treating people with dignity and respect within our company and supply chain. Our core value of Safety & Integrity exemplifies this commitment in our everyday work. As part of our commitment to respect human rights, we have established mechanisms to help identify, address, and mitigate potential adverse human rights impacts our actions may cause. We have established global policies and processes to demonstrate our respect for human rights, including our global Code of Ethics and Business Conduct ("Ethics Code"), our Supplier Code of Conduct ("Supplier Code"), and the various practices described in our Slavery and Human Trafficking Statement, each of which re-affirms our commitment to our core values of Integrity and Safety. For example, we explicitly screen for Uyghur forced labor in China.

Conflict Minerals Policy

A core part of our approach to human rights in our supply chain is tied to our Conflict Minerals policy. This policy is a commitment to compliance and our core value of Safety & Integrity. Our policy is to responsibly source minerals and work with global supply chain partners to ensure compliance with appropriate diligence and disclosure requirements relating to Conflict Minerals. Further, our policy is to support the observance of the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and adhere to internal supply chain due diligence measures and internal controls concerning conflict minerals. Should our products contain conflict minerals necessary for the functionality of said products, it is our policy to conduct a reasonable country of origin inquiry to determine whether such conflict minerals come from the Democratic Republic of the Congo, the surrounding countries, or recycled or scrap sources.

The international supply chain for conflict minerals is complex, and tracing their origin is challenging. Therefore, we count on our suppliers to trace the origin of conflict minerals and disclose whether their products include any.

Kraton expects each of its suppliers to:

- Identify any conflict minerals supplied to Kraton or contained in products supplied to Kraton
- Conduct a reasonable inquiry into the country of origin of conflict minerals incorporated into products it provides Kraton, if any
- Conduct appropriate due diligence on their supply chains in accordance with industry standards
- Institute risk assessment and mitigation actions necessary to implement such country-of-origin inquiry and due diligence procedures
- Provide additional information reasonably requested by Kraton that is necessary for Kraton to fulfill its own due diligence and disclosure obligations

As part of our commitment to upholding our Sustainable Procurement Policy, Kraton undertakes regular due diligence and conducts surveys of our suppliers to verify their compliance with our policy. We hold our suppliers accountable for meeting our high standards and take appropriate action for suppliers that fail to comply with our policy. Our supply chain is integral to our efforts to promote sustainability and ethical business practices. We will succeed only by working together and staying committed to our values.

As a testament to our commitment to sustainable procurement practices, we have been awarded an EcoVadis sub-score of 90/100 on sustainable procurement for the second year in a row following the review of our policies, procedures, and other practices. We take great pride in this CSR third-party assessment score, which positions Kraton among the top-tier companies assessed by EcoVadis.

Together for Sustainability (TfS)

TfS is a global procurement-driven initiative to assess and improve the sustainability performance of chemical companies and suppliers. The TfS program delivers the de facto global standard for the ESG performance for chemical supply chains. The program is based on the UN Global Compact and Responsible Care® principles and facilitates exchanging best practices for embedding sustainability throughout the supply chain. TfS is a global organization with regional members in Asia, North America, and South America.

We utilize the TfS platform for multiple purposes, such as conducting due diligence on potential new suppliers. We also engage with current suppliers by recommending improvement actions and offering training support to help them build their capacity. Furthermore, we track the overall CSR performance of our supply chain with benchmarks and train procurement teams on sustainable development.

At Kraton, we are fully committed to promoting sustainable practices and responsible business conduct throughout our supply chain. To this end, we have integrated the TfS framework into our Sustainable Procurement Policy and Procedures:

- We require all our suppliers to commit to Kraton's Supplier Code of Conduct
- We leverage the TfS global tools, including TfS Assessments and TfS Audits, to increase transparency and collaboratively improve sustainability performance across the chemical industry and supply chains
- Vendor selection is based on their spend and CSR risk, considering the country, industry, and procurement risk.

We track performance using TfS Key Performance Indicators (KPIs) to measure sustainability improvements and increase their impact.

KPIs include:

- The number of valid assessments in the shared TfS pool
- The influx of new reassessments shared in the TfS pool
- The percentage of suppliers showing improvements after a reassessment

Regarding audits, we track the number of valid audits and the amount completed during the calendar year. We aim to continuously improve supplier sustainability performance and promote a culture of responsible business practices throughout our supply chain.

	2023 TARGET	2023 ACHIEVED	PERFORMANCE
Number of Valid Assessments (number of scorecards in Kraton's EcoVadis pool which are not older than 3 years by Dec 31, 2023)	259	218	84%
Number of Assessments on Volume During 2023 (new or re-assessments entering Kraton's EcoVadis pool)	116	160	>100%
Percentage Improved Assessments (re-assessments with improved scores within 2023)	62%	56%	90%
Number of Valid TfS Audits (completed and shared with all TfS members, not older than 3 years)	16	17	>100%
Number of TfS Audits Completed During 2023 (shared with all TfS members in 2023)	6	6	100%

These KPIs promote transparency when working with suppliers on continuous improvement. They capitalize on the synergies created by the collective efforts and contributions of TfS member companies to the TfS objectives. These KPIs are included in the annual goals of the Procurement organization and its global team members. Kraton incorporated a CSR section into the vendor performance scorecard, making it an integrated part of the evaluation and selection of our suppliers.



Supplier Environmental Practices

As an active TfS working group member, Kraton contributed to developing the Product Carbon Footprint (PCF) Guideline. The primary objective of the guideline is to assist TfS member companies in achieving their sustainability objectives in line with the Paris Climate Agreement. TfS is committed to finding a solution to Scope 3 greenhouse gas (GHG) emissions due to their significant share in chemical company emissions. In particular, Scope 3.1 emissions relate to the goods and services purchased from suppliers.

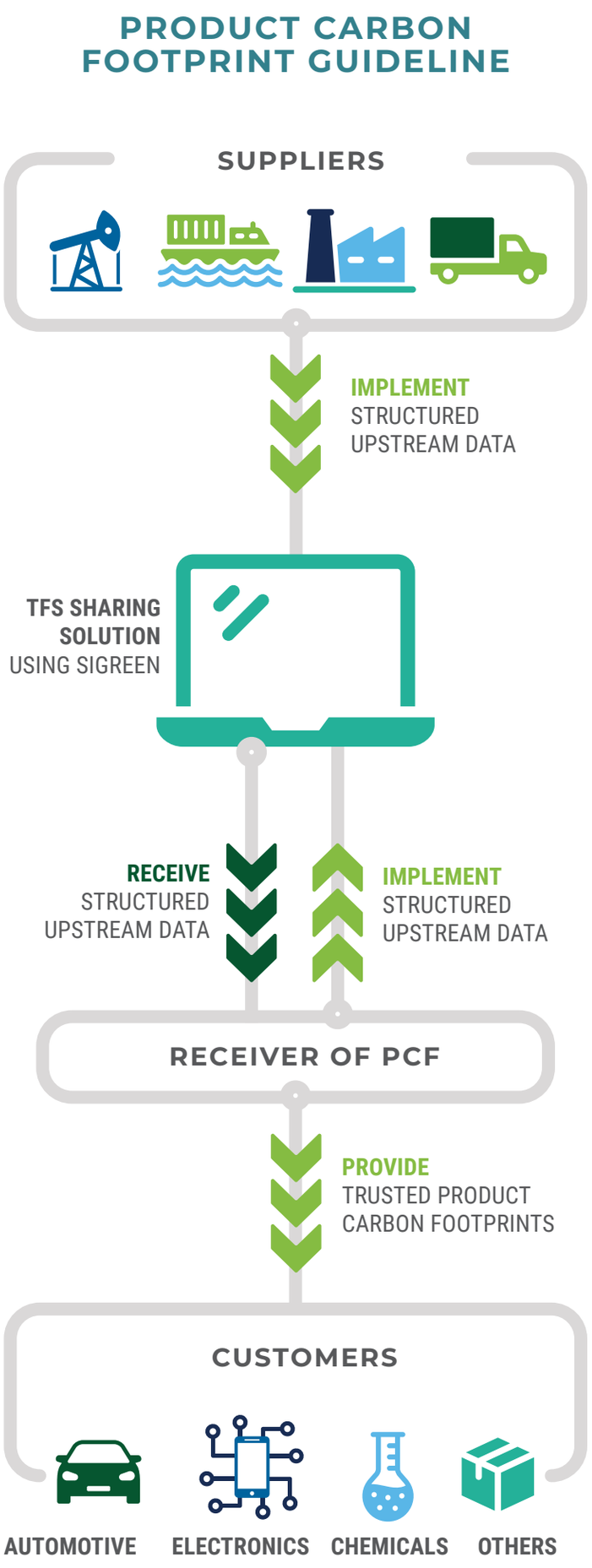
Monitoring, managing, and reducing these emissions requires an industry-wide harmonized approach to calculation. By working with organizations such as the GHG Protocol, WEF, Science-Based Targets initiative, and WBCSD, TfS developed a Product Carbon Footprint (PCF) Guideline, which is ISO and GHG protocol accounting standards compliant, for PCF calculations. The PCF Guideline will help Kraton accelerate its supplier engagement program and improve supplier environmental performance and practices, with product-level emissions transparency for identifying, tracking, and reducing Scope 3 GHG emissions.

In conjunction with the TfS PCF guideline, in 2023, the TfS community successfully launched the pilot of its PCF data-sharing solution using Siemens' SiGreen technology, in which Kraton actively participated. This TfS PCF data-sharing solution enables TfS members and suppliers to safely share upstream product carbon footprint. We expect this solution to facilitate large-scale PCF data exchange and play a vital role in driving the industry's decarbonization.

TfS PCF Guideline

The gold standard for calculating chemical Product Carbon Footprints (PCFs)

First-of-its-kind, industry-specific guidence on calculating chemical PCFs.	Empowers companies to produce higher quality carbon footprint data.	Allows for reviewing of chemical PCFs across companies.
Tailored to meet unique challenges when calculating chemical PCFs.	Compliant with ISO and GHG protocol accounting standards.	Open source, "drop-in" solution available to other industries using chemical material.



TfS PCF Data Sharing Solution

The TfS PCF Data sharing solution uses Siemens SiGreen software

Objectives

- Drives transparency in the chemical sector
- Facilities large-scale PCF data exchange
- Contributes to decarbonization goals

Platform

- SiGreen is an advanced PCF management platform, offering a trusted environment to safely share PCFs

How it Works

Companies can:

- Request and receive structure data from their suppliers using the TfS format (data will be compliant with the TfS PCF Guideline)
- Compare supplier data, process it further into calculation of PCFs and share the results with customers in downstream sectors

For more information, visit:
https://www.tfs-initiative.com/how-we-do-it/scope-3-ghg-emissions



Addressing Scope 3 Emissions Through Supplier Engagement

Complimentary to our work through the TfS initiative to enhance the sharing of PCF, we assessed the emissions of our value chain as accurately as possible to take tangible and effective actions toward reducing our global Scope 3 carbon footprint now and in the years to come.

Accordingly, in 2023, we've invested significant efforts toward baselining the emissions related to the raw materials used at our facilities. Evidently, we cannot deliver on these commitments without the contributions of our key partners. This is why we've engaged with our key suppliers to:

- Request the Product Carbon Footprint (PCF) primary data of the raw materials they supply for our consumption
- Assess the maturity and pain points of our supplier base in relation to decarbonization
- Identify Scope 3.1 emission reduction opportunities in our value chain



Our team is committed to sustainable procurement and collaboration with suppliers to create transparency on Scope 3 GHG emissions and drive improvements .

The coverage of these discussions in 2023 represented 95% of our raw materials purchased (by mass) globally for our Polymers segment and 98% of the estimated Scope 3.1 emissions. We have also started assessing our Scope 3.9 transport-related emissions and developed modelling capabilities in 2023.

For our Pine Chemicals segment, our focus remains primarily on the EU region with a coverage of 98% of raw materials purchased regionally (by mass) and over 95% of the estimated Scope 3.1 emissions.

We look forward to continuing our journey toward understanding and addressing our Scope 3 emissions, with several pivotal milestones targeted in the coming years.

Addressing Scope 2 Emissions Through Fossil-Free Electricity Purchases At Our Scandinavian Plants

Working toward our 2030 goals on Scope 2 GHG intensity reduction, Kraton started to take tangible actions toward reducing our Scope 2 emissions through the purchase of fossil-free energy for our Scandinavian plants, making our Sandarne and Oulu plants 100% and 98% fossil-free respectively from 2023 onward. This procurement action led to a total estimated reduction of our Scope 2 CO_2 footprint of 18,000 tonnes of CO_2 equivalent for 2023 in comparison to 2022.

We are currently exploring several procurement opportunities to reduce our global Scope 2 footprint, with promising outcomes expected in the near future.



From left to right: Ernst Stoelzel, Minco van Breevoort, Marianne Ros, Pedro Lopes, Mark Dorn, Pernille Lind Olsen, Kevin Campbell

> Sustainability without a doubt has become the major topic across all different markets and industries we serve. Over the past years we have seen a massive increase of customer demands for solutions enabling emission reduction, circularity, and safety. Kraton shares our deep commitment to drive transformative change and has demonstrated strong contributions that support our ambitious sustainability targets and that are essential to create value for our customers.

Ulla Hüppe
Head of Sustainability for Adhesive Technologies, Henkel

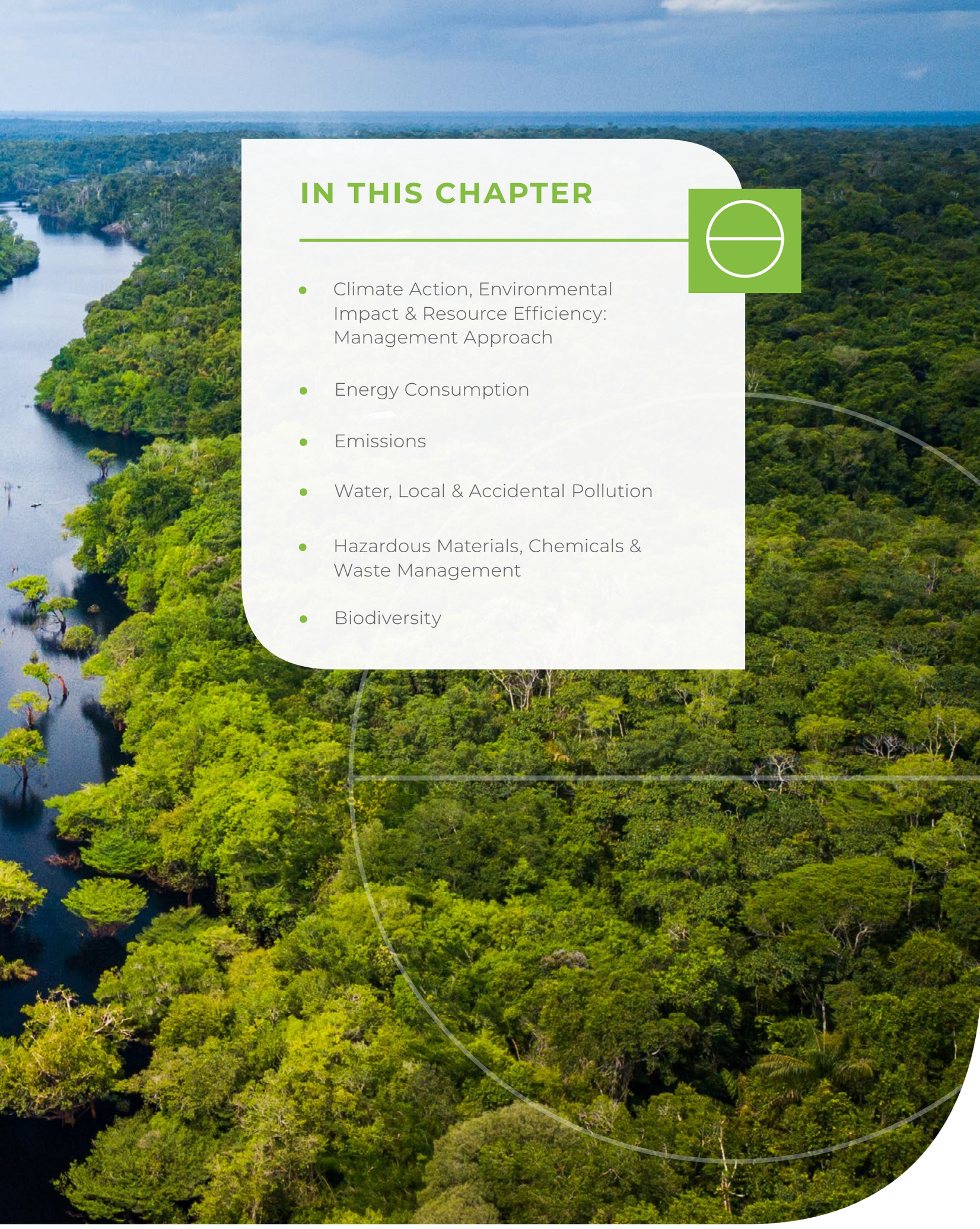
Sustainability Recognition:

HENKEL SUPPLIER AWARDS

Kraton is honored to receive the prestigious 2023 Henkel Adhesives Technologies Sustainability Award and recognized as runner-up for the Operational Excellence Award, a testament of our strong commitment to sustainability for our customers. Kraton continues to support Henkel in the move to improve the sustainability performance of the product portfolio in the packaging and consumer goods business area, enabling Henkel to develop a more sustainable portfolio and reduce their carbon footprint. Henkel's Supplier Awards are reserved for their top strategic partners globally, recognizing best-in-class performance.



PRESERVING PLANET



IN THIS CHAPTER

- Climate Action, Environmental Impact & Resource Efficiency: Management Approach
- Energy Consumption
- Emissions
- Water, Local & Accidental Pollution
- Hazardous Materials, Chemicals & Waste Management
- Biodiversity

Climate Action, Environmental Impact and Resource Efficiency:

Management Approach

The chemical industry is the third largest industry subsector in terms of direct CO_2 emissions. To mitigate climate change and create a more sustainable future for everyone, leading companies in the industry are taking steps to transition to more sustainable operations.

As a leading company in the industry, Kraton's climate action management approach centers on creating long-term sustainability value for our operations, businesses, and external stakeholders. Our proactive strategy takes a holistic approach, setting ambitious goals for reducing greenhouse gas (GHG) emissions, implementing effective monitoring and management systems, and exploring initiatives and their potential risks and benefits. This proactive stance enables Kraton to address the challenges presented by climate change and the urgent need to transition toward a low-carbon economy.

Climate, Energy, and GHG Management are ranked as high-priority topics in Kraton's materiality assessment. This ranking, in addition to the financial materiality, acknowledges the importance of the inside-out impacts of these topics for our stakeholders. Consequentially, climate action management and the corresponding disclosures of Kraton's performance emerge as critical focus areas for our external stakeholders and the respective Kraton governance committees.

From the climate action governance perspective, Kraton's Strategy, Sustainability and Investments (SSI) Committee of the Board oversees Kraton's sustainability efforts, including climate change. The Board is responsible for supervising major plans, investments, annual budgets, and setting performance objectives related to climate change.

Kraton's Sustainability Council plays a pivotal role in guiding the company's global approach to climate change. Serving as the corporate-level decision-making body, it defines resource requirements, and overseeing the implementation and progress of our climate change initiatives. Kraton's Polymers and Pine Chemicals Sustainability Task Forces execute the decisions made by the Sustainability Council and ensure the cascading of necessary actions through their respective organizations at the operation level.

In 2023, we made significant progress in adhering to the guidelines established by the Task Force on Climate-Related Financial Disclosures (TCFD). Kraton has successfully mapped physical and transition risks against multiple climate scenarios, a primary accomplishment in 2022 toward implementing our TCFD strategy.

Certain manufacturing sites we operate are situated in geographical locations with a heightened risk of exposure to natural disasters. Furthermore, the effects of climate change can extend to our value chain and supply lines of raw materials, including upstream pine forests from which the raw materials in our Pine Chemicals business are derived. Initial assessments suggest that the physical and climatic risks to Kraton's activities and suppliers, including raw materials, are predominantly low.

Kraton is currently developing its climate action transition plan. The plan will include a comprehensive long-range assets and investment planning strategy essential for executing the chosen reduction pathway.

In 2023, Kraton began studying the adoption of a shadow carbon price as a guiding element for cross-functional decision-making and risk management tools in business functions such as Operations, Supply Chain, and Procurement. This will allow us to create holistic business cases for informed decision-making and anticipate exposure to external carbon pricing regulations such as emission trading schemes (ETS), carbon taxes, etc.

Moreover, the regulatory and policy landscape worldwide is evolving to align with the Paris Agreement on climate change. Kraton is an active member of industry associations such as the American Chemistry Council (ACC) and the European Chemical Industry Council (Cefic) to collectively anticipate, shape, and adapt to future changes. Given that climate change and the transition to a low-carbon economy drive policy, legal, technological, and market shifts, we have established our internal network to closely monitor, anticipate, and react timely to evolving regulatory landscapes via participation in the Cefic and ACC working groups.

Our fundamental policies detail our commitment to climate action, expand beyond regulatory compliance, and center around these topics:

- Energy
- GHG emissions and other air pollutants

Kraton has actively measured and reported Scope 1 and Scope 2 emissions since 2014. In 2022 we reviewed our historical GHG data performance and initiated a new greenhouse gas intensity target.

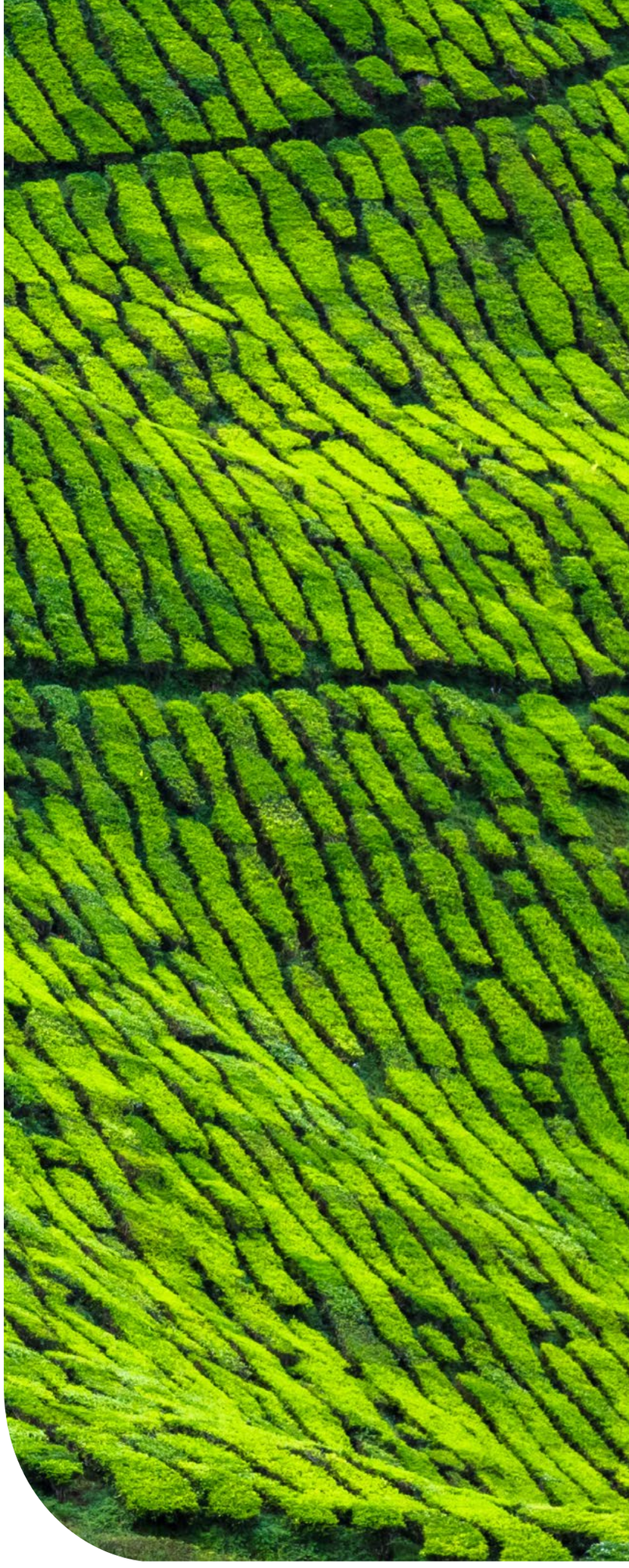
Our current target is:

Reduce Scope 1 and 2 GHG emissions intensity (per ton of product) by 20% by 2030 compared to the 2020 baseline year.

To adhere to the commonly accepted reporting standards (GRI, SASB) and prepare for the mandatory Corporate Sustainability Reporting Directive (CSRD) reporting in 2026, we reviewed and updated our reporting templates for energy consumption and GHG calculations, ensuring the use of the latest emission factors from our energy suppliers. This greatly contributes to companywide harmonization, ensuring the same calculation approach and methodology for all manufacturing locations.

Additionally, our team has made a significant effort to baseline the emissions from our major Scope 3 categories. This information provides essential input to further improve our sustainable procurement efforts and will be instrumental in making informed decisions about our SBTi (Science-Based Targets Initiative) commitment in the future.

We have conducted a quantification of GHG emissions emanating from our non-manufacturing facilities including offices, laboratories, and innovation centers. Although these emissions are considered non-material as they make up less than 0.5% of total GHG emissions relative to those arising from our manufacturing facilities. It is imperative that we consider them to understand their impact on the people and the environment. This approach signifies a shift from a purely environmental pillar perspective to a more holistic perspective, emphasizing the people pillar.



Environmental Impact & Resource Efficiency

Kraton adheres to the highest standards in conducting our business. Our environmental management systems are designed to achieve Zero Harm: no harm to our employees, communities, or the environment. Our suite of policies goes beyond regulatory compliance, and highlights various environmental aspects and risks.

These policies include:

- Water, Local and Accidental Pollution
- Hazardous Materials and Waste Management
- Product Regulatory and Customer Health and Safety

In addition, we have a several other policies in place that reflect our environmental commitments, including:

- HSES Policy
- Conflict Minerals Policy
- Chemical Control Policy

Kraton is a proud member of the ACC Responsible Care® initiative and adheres to its associated management system requirements. Our manufacturing plants and Florida corporate office are certified to RC14001, and Responsible Care Management Systems (RCMS) standards, respectively. Additionally, all our global manufacturing sites are certified to ISO 14001, with ISO 9001 certification. Moreover, our Sandarne, Oulu, Dover, and Savannah locations are ISCC EU certified, and our Sandarne, Berre, and Belpre sites are ISCC PLUS certified.

In addition, in 2023, we extended our commitment to responsible practices by joining the European Chemical Industry Council, giving us an opportunity to join the European Responsible Care Initiative, with plans for active engagement in 2024.

Our global Health, Safety, Environment, and Security (HSES) network develops guidelines to help employees maintain safe and healthy working conditions at all sites. We continuously enhance our standards and procedures based on insights from our continuous improvement processes and industry best practices. We are committed to environmental stewardship through sustainable operations and invest in projects that continuously improve environmental performance.





Water

Shifting patterns of water availability and incidences of flooding, driven by climate change, are raising global water concerns. While the majority of our plants are situated near bodies of water, we currently operate in areas not classified as water-stressed. However, we recognize that water availability is a critical issue for certain parts of the world and will likely become more severe over time. Water is a basic requirement for our manufacturing operations, with the chemical industry relying on water for materials processing, washing, cooling, and transportation of products via waterways. Hence water stewardship, alongside climate action, holds particular importance to Kraton.

Looking ahead, we have conducted a climate-related risk assessment to evaluate the potential physical risks to our sites, including impacts related to water availability and flooding. Following assessments against Verisk Maplecroft's Water Stress Index and WRI Aqueduct, Gassert et al. 2013, we determined that Kraton does not source water from regions categorized as High or Extremely High Baseline Water Stress. To enhance the quality of our water stress assessments, Kraton engaged a third-party expert to conduct these evaluations.

While water management is conducted locally at each plant, Kraton has established Governance and Risk Management systems and processes to identify, assess, manage, and oversee water-related issues. At the highest level, Kraton's Strategy, Sustainability and Investments (SSI) Committee of the Board oversees Kraton's sustainability efforts, including water management.

Our approach focuses on managing risks and fostering long-term water security for all. Kraton's Enterprise Risk Management (ERM) process identifies, evaluates, and monitors risks to our business. Existing enterprise risks include water-related risks. We have assessed acute and chronic water risks (coastal and fluvial flooding, sea-level rise, and changing precipitation patterns). Additionally, we regularly monitor and review evolving regulations in this domain. Kraton is committed to safeguarding our water resources. This includes focusing on ways to reduce water consumption in our operations. We strive to improve water use efficiency through innovative equipment, methods, and technologies, such as the installation of new cooling towers and transitioning to recirculation designs for cooling water heat exchanger loops.

Similar to our approach to energy consumption and GHG emissions, we have reviewed and updated our reporting templates for water and waste reporting KPIs to align with commonly accepted reporting standards (GRI, SASB) and prepare for the mandatory CSRD reporting in 2026. This initiative promotes company-wide harmonization and introduces the use of the same definitions for water withdrawn and water consumed across all manufacturing sites.

According to reporting standards, Water Withdrawn is the total amount of water our sites take in every year from every source regardless of the end-use on site. We also track Water Consumed. Water Consumed is the amount of water used on site. This excludes water extracted from a source, e.g., river, circulated on site as 'non-contact' cooling water and then returned to its original source, either directly or via an onsite wastewater treatment plant (WWTP). All water supplied by a utility provider is classified as water consumed.

Kraton remains committed to our long-term target for water: Reduce water withdrawn intensity by 10% by 2030, compared to the 2020 baseline year.

As we make progress in reducing water withdrawal, we are in a position to reassess our current water reduction target and explore the possibility of setting an even more ambitious goal. This forward-looking ambition for 2024 demonstrates Kraton's commitment to continuously improving our water management practices.

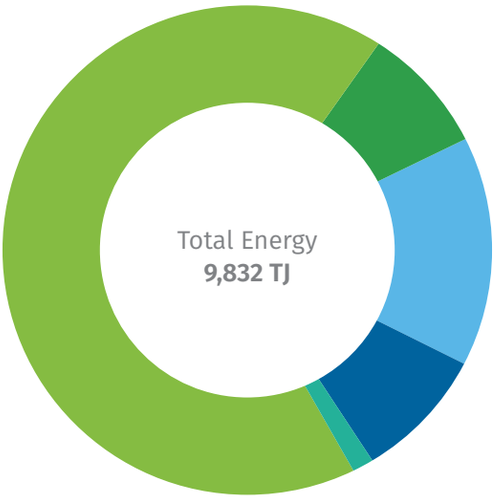
Waste Management

Waste management is another key aspect of Kraton's environmental performance.

Kraton remains committed to our 2030 target for waste intensity reduction, aiming to reduce waste intensity by 10% by 2030, compared to the 2020 baseline year.

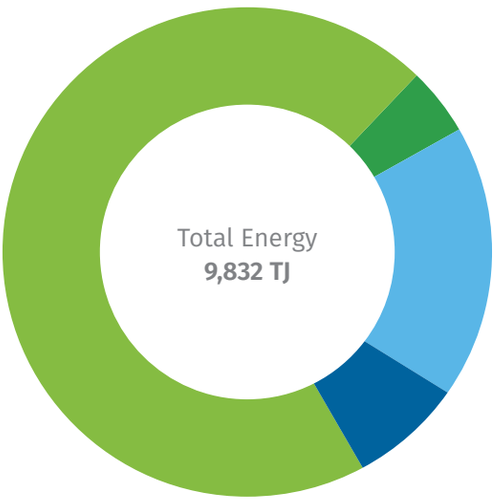
We continue to improve our processes and reduce the generation of process residuals. Wherever possible, we seek to minimize waste by recycling or reusing process residuals such as catalysts. Additionally, we maintain vigilant oversight of non-conforming products, including using our by-products for fuel or other commercial applications. Our revamped waste management policy was introduced in 2022, reinforces our fundamental approach to waste management. Furthermore, to mitigate potential risks associated with the transportation of hazardous materials, we've implemented hazardous material transportation training programs. In setting our waste intensity reduction targets, we adhere to the GRI and SASB reporting standards to follow the definitions of solid and hazardous waste.

Energy Source Breakdown
2023



Natural Gas	68.34%
Byproducts	8.01%
Purchased Steam	14.17%
Electricity	8.24%
Fuel Oils	1.24%

Energy Source Type
2023



Direct Non-Renewable	69.9%
Indirect Renewable	4.4%
Indirect Non-Renewable	18.1%
Direct Renewable	7.6%

The following section will provide insights into Kraton's 2023 performance on environmental KPIs including energy consumption, GHG emissions, water, and waste management. It is important to note that the figures presented encompass only Kraton manufacturing facilities proportionally, including facilities within industrial parks and premises where some processes are shared with other companies but exclude Kraton joint ventures. However, in anticipation of mandatory CSRD reporting obligations in 2026, and in alignment with future decision-making on SBTi target commitments, Kraton's joint ventures performance in Mailiao, Taiwan, and Kashima, Japan will be included in the reporting scope in the coming years. This inclusion will be retrospective and will contribute to the analysis and decision making on our SBTi targets.

Energy Consumption

By maintaining open lines of communication and setting collective targets, we seek to foster an environment where energy efficiency is prioritized. As part of our commitment, our facilities utilize information screens, dashboards, and operator views visualize energy usage. Additionally, we have implemented steam trap maintenance and leak elimination programs and fostered engagement among the plants through bi-monthly energy network meetings.

In 2023, Kraton consumed 9,832 (TJ) of energy, approximately an 8% decrease compared to 2020. Notably, 12% of our energy consumption was renewable, representing a slight increase compared to 2022. This includes the use of our biobased byproducts, such as pitch, as fuel, and the purchase of renewable electricity in our Scandinavian facilities.

Energy intensity was 9.2 MMBTU/Ton, constituting a 16% increase compared to 2022. The change in energy intensity is mainly attributable to a low volume of production across the organization in 2023. Energy intensity is calculated based on the total energy consumed within the organization divided by tons of product produced.

In 2023, we initiated the Belpre Strategic Energy Project (BSEP), which involves generating electricity on-site. The impact of BSEP feeds into our 20% emissions intensity reduction target, as purchased electricity in this facility was reduced by 75%.



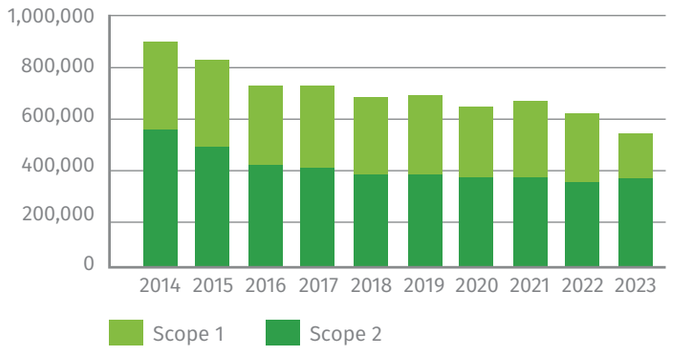
Emissions

Kraton is actively working to lower its carbon footprint and energy use. Our aim to achieve a 20% decrease in GHG emissions intensity from 2020 levels by 2030, against a 2020 baseline, remains unchanged.

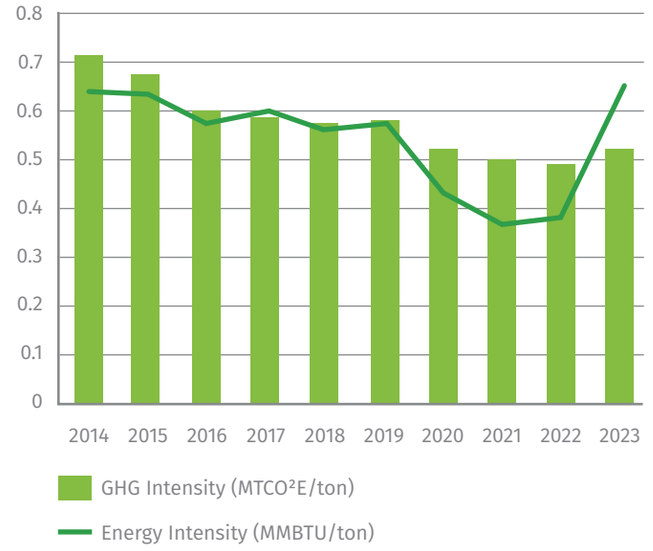
Over the past three years, we have consistently made progress, reflecting a positive trend in our on-going efforts to improve operational efficiency. Notably, we have continued to modernize our technology and machinery to reduce the overall CO_2 output. For instance, the installation of a combustion turbine generator with a heat recovery boiler in Belpre has not only reduced purchased electricity costs, but also resulted in a reduction of carbon dioxide emissions by almost 60,000 $MTCO_2$ compared to 2022, thanks to the new combined heat and power system.

Since 2014, Kraton has steadily reduced our total absolute emissions (Scope 1 and Scope 2). In 2023, our total absolute emissions decreased by approximately 14% compared to 2022, despite experiencing a production volume decrease of approximately 18%.

GHG Emissions ($MTCO_2E$)



GHG Emissions Intensity vs Energy Intensity



Water, Local & Accidental Pollution

Water is critical to life on Earth and one of our planet's most valuable resources, which demands careful stewardship. With global water stress as an evolving challenge, Kraton recognizes the intrinsic link between climate change and water availability, and takes a holistic view of safeguarding and conserving our natural resources.

In 2023, Kraton reported a withdrawal of 67,410 (1000) m³ of water, reflecting a notable 5% decrease compared to 2022 and an impressive 11% decrease compared to the 2020 baseline. These reductions in absolute volume can be attributed to the installation of water-cooling towers at our Dover and Panama City facilities.

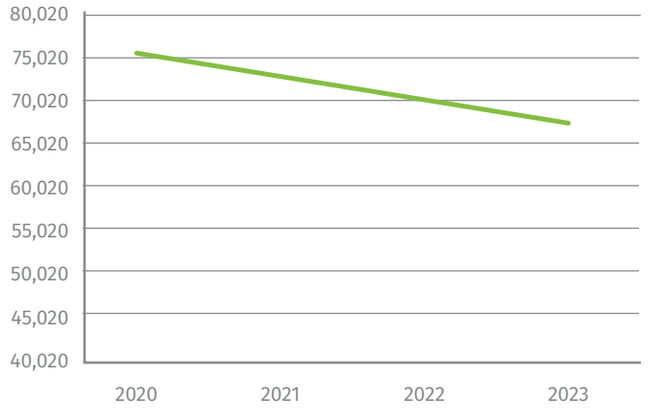
Furthermore, Kraton reports 9,356 (1000) m³ of water consumption.

Kraton's water withdrawn intensity figures for 2023 are 66.2 (1000) m³/ton of product produced. Due to low production volumes, this represents an increase compared to the 2020 baseline.

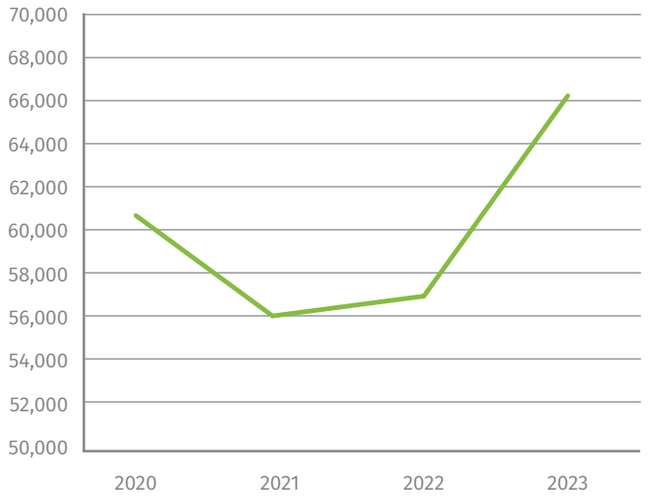
Kraton successfully implemented systems and sensors in 2022 to detect and prevent potential accidental waterbody contamination. Further, we maintain water monitoring systems and ensure compliance with federal, state, and local requirements at all our sites. In 2023, there were no incidents of non-compliance associated with water quality permits, standards, and regulations.

In the unlikely event of a local uncontainable release, we have emergency preparedness and response procedures to mitigate the impact. We have invested in additional process control instrumentation and introduced better tank sealing and control improvements to minimize both odor emissions and material releases from our operations. Further, we have installed filters and vacuum equipment to control or minimize emissions of dust or particles. As part of the ongoing legacy remediation program, we also undertook soil testing for heavy metal contamination. No contamination was detected at our perimeter sampling points.

Water Withdrawn - Absolute Global (1000 m³)

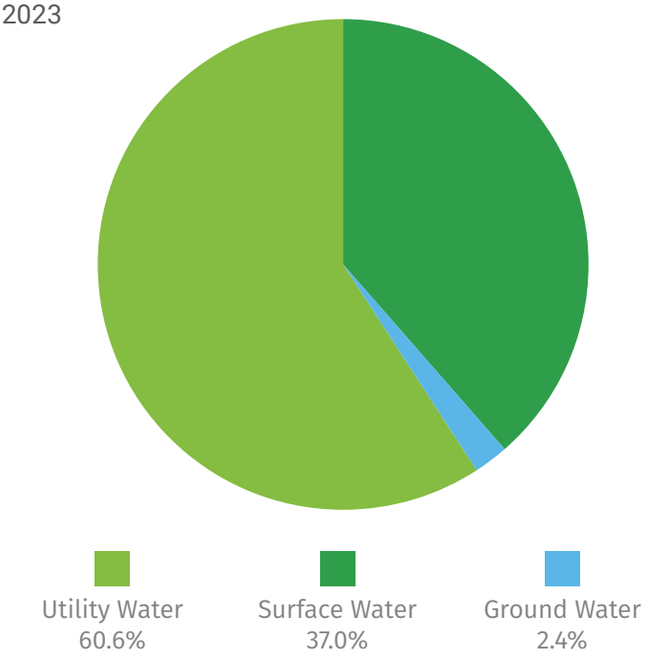


Water Withdrawn - Intensity Global (1000 m³/Ton)



Water Sources (2023)

2023





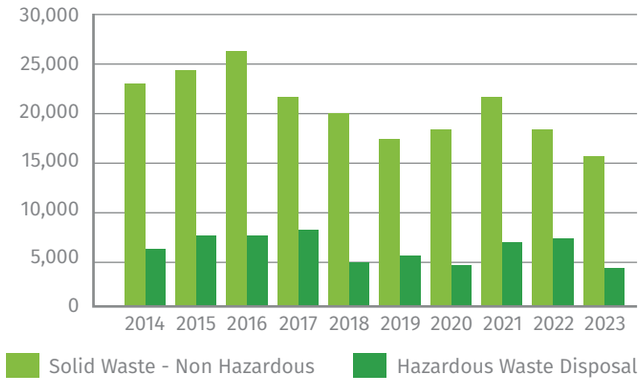
Hazardous Materials, Chemicals & Waste Management, Air Pollution

We are committed to continually improving our processes to minimize the generation of process residuals. Wherever possible, we seek to minimize waste by recycling or reusing process residuals such as catalysts, maintaining proper oversight of non-conforming products, and using our by-products for fuel or other commercial applications. Our waste management policy, introduced in 2022, underscores our core approach to waste management. Additionally, we've introduced hazardous material transportation training to proactively mitigate potential risks associated with transporting hazardous materials.

In 2023, we achieved significant reductions in both non-hazardous solid waste disposal and hazardous waste generation compared to 2022. Our non-hazardous solid waste disposal decreased by approximately 14% amounting to 15,394 tons.

Our hazardous waste generation decreased by 30%, amounting to 4,483 tons.

Solid & Hazardous Waste Disposal (tons)



Regarding the breakdown of the disposal methods for hazardous waste, energy recovery accounted for 45%, incineration 35%, and recycling 20%.

Hazardous Waste Disposal Breakdown by Method

2023

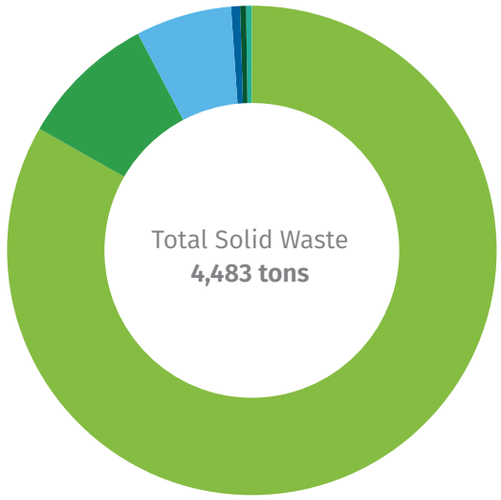


Landfill	0%	Incineration	35%
Recycling/Reuse	20%	Other	0%
Energy Recovery	45%		

Regarding the breakdown of the disposal methods for solid waste, landfill accounted for 83.3%, recycling 9.1%, and energy recovery 6.4%.

Global Solid Waste Disposal Breakdown by Method

2023

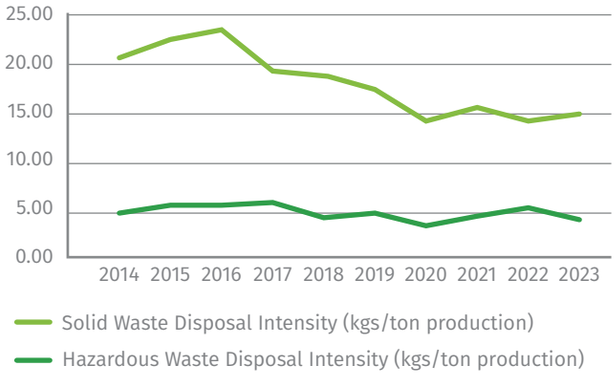


Landfill	83.3%	Incineration	0.6%
Recycling/Reuse	9.1%	Composting	0.3%
Energy Recovery	6.4%	Other	0.3%

In terms of waste intensity figures reported (2023):

TYPE OF WASTE	KG/TON OF PRODUCT PRODUCED	COMPARED TO 2020 BASELINE
Solid Waste Intensity	15.1245.81 Kg Solid Waste	4% Decrease
Hazardous Waste Intensity	4.41 Kg Hazardous Waste	19% Increase

Waste Disposal Intensity



As part of permit requirements and/or regulations, we also monitor the concentration of several pollutants in gas emissions (e.g., VOCs, NOx, SOx). We continued our efforts to reduce our air emissions, such as reducing leaks and losses from mechanical equipment.

In 2023 we reported:

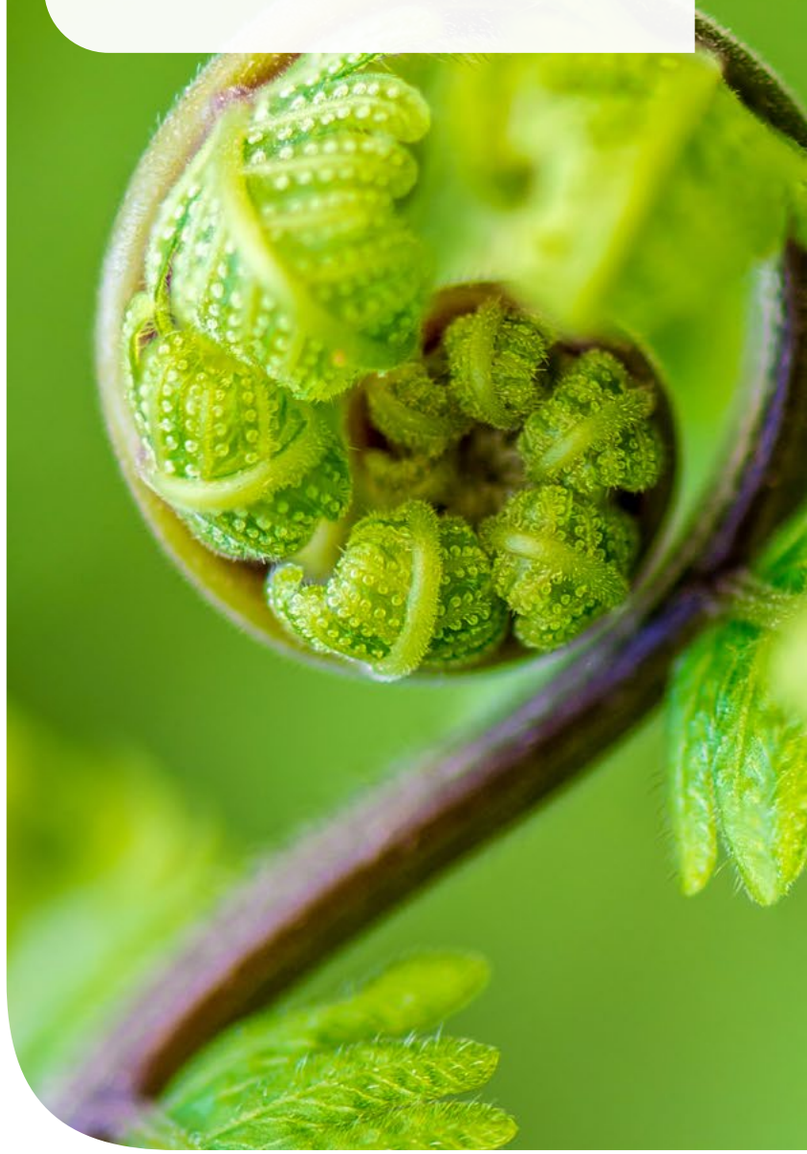
AIR EMISSION TYPE	YEAR: 2023	COMPARED TO 2022
Volatile Organic Compounds (VOC)	336 Tons	21% Decrease
Sulphur Oxides (SOx)	52 Tons	27% Increase
Nitrogen Oxides (NOx)	301 Tons	9% Decrease

The changes are attributable to more extensive and improved monitoring of boiler performance. Since 2015, we have replaced one natural gas and to coal boilers in Belpre with two new natural gas boilers from the Belpre Strategic Energy Project (BSEP I and BSEP II projects). This purchase has brought us a substantial, immediate reduction in emissions, including NOx, and we continue to see this benefit on a year-by-year basis.

BIODIVERSITY

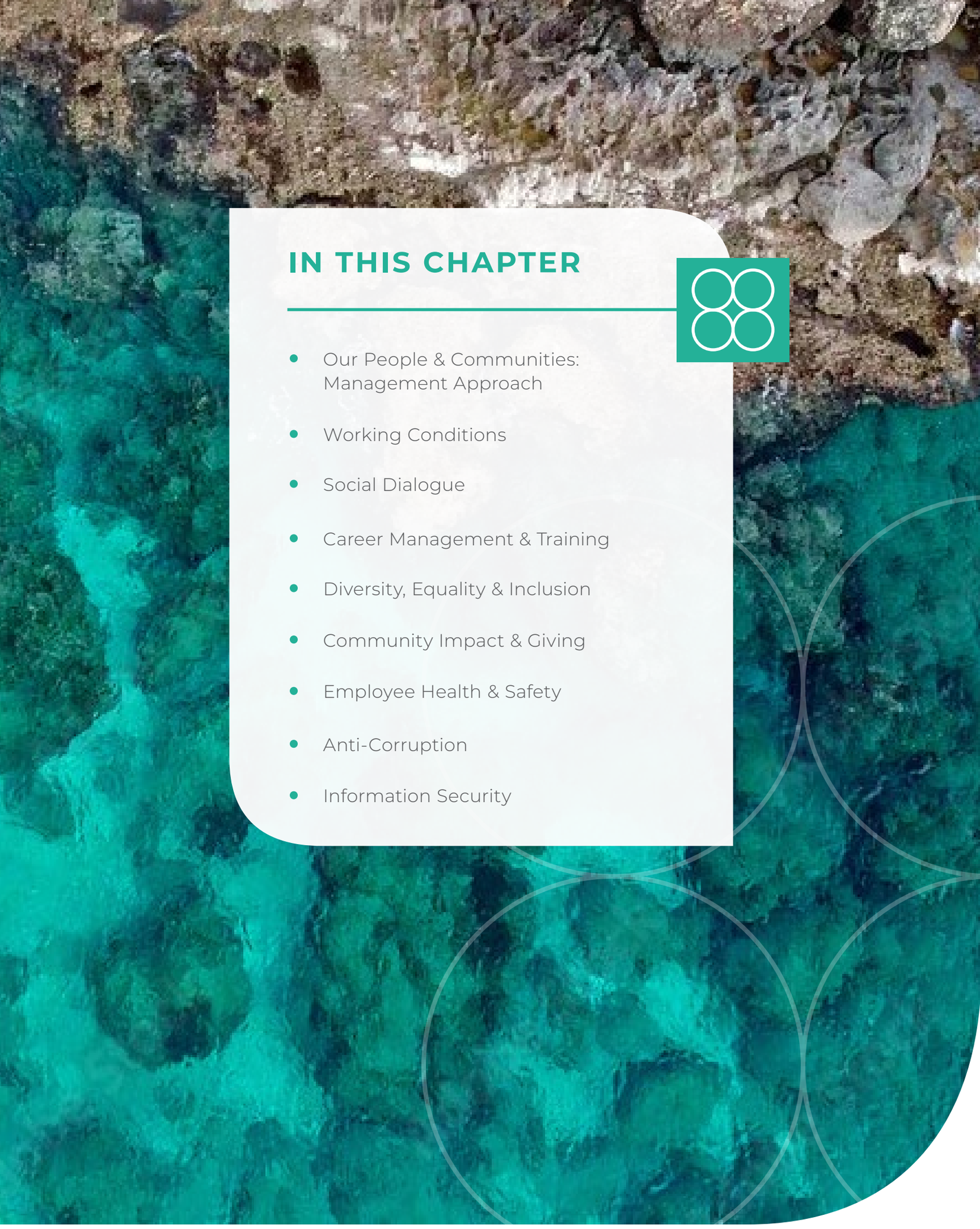
Kraton is dedicated to preserving biodiversity and the ecosystems in which we operate. Biodiversity is essential to the health and resilience of ecosystems and people. We understand how business operations can impact the local biodiversity. Kraton is committed to identifying and managing its biodiversity risks and promoting sustainable land use practices.

Our facilities are strategically located in cities or towns that are not deemed critical habitats or recognized for high biodiversity value or High Conservation Value (HCV). Additionally, we have refrained from constructing any new facilities in green fields that could pose a threat to biodiversity.



EMPOWERING PEOPLE





IN THIS CHAPTER

- Our People & Communities: Management Approach
- Working Conditions
- Social Dialogue
- Career Management & Training
- Diversity, Equality & Inclusion
- Community Impact & Giving
- Employee Health & Safety
- Anti-Corruption
- Information Security

Our People & Communities:

Management Approach

Kraton's mission is centered on building a better future for our people and communities. We achieve this by fostering a culture that celebrates diversity and inclusion, where the unique backgrounds and strengths of every individual are valued and embraced. It also entails upholding human rights, prioritizing employee safety and well-being, and fulfilling our corporate social responsibility. As one of our fundamental sustainability pillars, our dedication to Impacting People serves as a cornerstone of our success, intricately woven into our values, policies, and strategic goals.

Our organization's commitment to our people and communities is exemplified through the implementation of well-structured management systems. These systems comprise meticulously defined policies, procedures, and targeted actions that are not only designed to meet but exceed regulatory standards. We aim to set a precedent in our industry and inspire others beyond it. To achieve this, we regularly review and update our policies and procedures, regulatory changes, internal requirements, and industry best practices.

Our Labor, Human Rights, and Supply Chain Policies include:

- Code of Ethics and Business Conduct
- Human Rights Policy
- Health Safety Environmental and Security (HSES) Policy (Responsible Care®)
- Contractor Qualification Policy
- Management of Change (MOC) Policy
- Slavery and Human Trafficking Statement
- Supplier Code of Conduct
- Sustainable Procurement Policy

These policies are not merely intentions. They form the basis of our day-to-day operations across the entire value chain, addressing and mitigating the most pressing social issues and critical risks. We expect the same ethical behavior, respect for human rights, and business standards from our vendors, contractors, and collaborators as we do from ourselves. Our Supplier Code of Conduct, Code of Ethics and Business Conduct, Human Rights Policy, and Sustainable Procurement Policy all spell out Kraton's expectations of our business partners. We require our business partners to enhance their performance regarding labor and human rights continually.

KEY AREAS OF FOCUS



Well-Being

Ensuring the safety and well-being of our employees and communities is paramount. It reflects our commitment to responsible and sustainable business practices.



Our Culture

Fostering a diverse and inclusive culture that drives excellence and performance, operating with the highest integrity.



Community Engagement

Empowering people and communities to thrive through various volunteering projects and programs, aiding those in need.

Working Conditions

Kraton firmly believes in providing fair compensation to all our employees. We are committed to ensuring that the minimum pay within Kraton is above the living wages globally and with equitable compensation. We prioritize work-life balance for our employees, and we provide additional leaves beyond typical vacation days such as parental, bereavement, and military leaves, among others. We also offer flexible working arrangements, such as remote work and flextime, when appropriate for each employee's role and business conditions. Moreover, we offer comprehensive healthcare coverage for all eligible employees throughout our organization.

To further support our employees, we have expanded our bonus compensation program to include more eligible employees than ever before. The program recognizes and rewards employees based on both company-wide achievements and individual performance. Notably, employee safety is a key metric in the company performance segment, emphasizing its critical role within our organization. We also implemented the Kraton Corporate Care Solutions program, offering a range of benefits, including elderly care, childcare, and tutoring services for children. We also offer an education assistance program covering undergraduate programs to employees in some locations. In addition, Kraton assists eligible new hires with relocation benefits, including housing-related assistance.

Kraton values employees' work-life balance and has an operational work-from-home policy that allows office workers in certain job roles to have a 2–3-day flexible working schedule. For those colleagues who are physically present in our offices, we have an ergonomics policy to promote healthy working habits and reduce employee stress and noise levels. At Kraton, we are committed to providing employees with a safe, healthy, and inclusive work environment.

We've established protocols for virtual check-ins with all employees, prioritizing our organization's health and safety, whether on-site or working remotely. Furthermore, through our Employee Assistance Program (EAP), we are proud to collaborate with third-party provider Health Advocate, which provides employees with free stress, health, and well-being management resources. We also provide Teladoc®, a service aimed at providing 24/7 access to physicians, including mental health care providers, for US employees. Furthermore, starting in 2023, all Kraton employees in Europe now have access to Telus Health, which offers confidential professional physical and mental health support.

2023 FACTS

Kraton annually reviews the employee compensation structure to ensure that all full-time employees:

- Are paid above the living wage for their region
- Have access to paid annual leave and company-paid holidays, based on the country in which they live
- Are covered by a healthcare package, applicable in their country
- Participate in a bonus structure (for non-union employees)



SOCIAL DIALOGUE

Kraton acknowledges and upholds the fundamental rights of all employees to form, join, or support associations to represent their interests and negotiate collectively or individually. We are committed to ensuring an open two-way communication system that allows employees to comfortably voice their concerns. We have implemented collective agreements in various Kraton locations across the US and Europe, and established employee representative bodies, such as works councils, at our facilities worldwide. However, we believe that collaborating directly with our employees is the most effective way to explore possibilities and drive change together, rather than relying solely on third-party representatives.

We conduct quarterly town hall meetings, allowing our employees to voice their opinions and concerns and discuss health and safety, well-being, and working conditions directly to the CEO, the President, and leaders in each of Polymers and Pine Chemicals businesses. These meetings are integral to our culture and ensure an open dialogue with our employees. To further improve our employee engagement, we conduct an employee engagement survey every other year. Our next engagement survey, slated for November 2024, will allow us to gather valuable feedback from our employees. We use these results to identify improvement areas and develop action plans that address our employees' needs and concerns.

In 2023, Kraton started key initiatives and communication focusing around overall employee well-being. Throughout the year, we communicate on key wellness strategies like eating healthy, staying active, wellness challenges and provide access to webinars on financial wellness.

2023 FACTS

38.8% Of Kraton's employees in the USA are unionized

59.0% Of Kraton's employees in Europe are part of collective agreements

Career Management & Training

Kraton launched Management Fundamentals training in 2023, a new development program catered to both entry-level and experienced people leaders. This program was specifically developed based on valuable feedback from our employees, aiming to address the growing demand for bolstering leadership competencies and improving manager effectiveness.

Management Fundamentals is designed to equip new people leaders with the skills needed to confidently assume leadership roles and earn the opportunity to influence others. Nearly 400 leaders and aspiring managers completed the first two modules of Management Fundamentals in 2023. The remaining 4 modules are scheduled to roll out in 2024, with new modules being added to the curriculum.

In addition, we take steps to strengthen the overall health of our organization and our teams through our Leadership Essentials Program, which includes a series of healthy discussions conducted to create clarity and alignment, build trust, and instill purpose and meaning in our employees. Our primary focus is on enhancing our collaboration to achieve our organization goals. We believe in fostering personal relationships to build trust and mutual respect, while promoting open dialogues between leaders and employees across all levels of the organization.

At Kraton, we recognize that the development of our employees is fundamental to ensuring the sustainability and long-term success of our organization. Employees are encouraged to dedicate time exploring their strengths, talents, and career aspirations through the Career Mind Map tool. This, along with Kraton's Career Development Framework, help leaders and team members discuss career paths and growth opportunities effectively.

As part of Kraton's mandate to further develop talent, each employee has the opportunity and is encouraged to create a dedicated career roadmap through an Individual Development Plan to achieve their career goals and objectives.

Employees take ownership of their career development in consultation with their leaders and create a plan covering the upcoming three years. We conduct an annual assessment of individual performance and provide skills and leadership development training in a comprehensive blended format. Operator employees undergo a performance assessment review according to their contract. In 2023, we've successfully transitioned our employee development program into a virtual setting, expanding its reach and increasing coverage to ensure continued employee growth across diverse teams and geographical locations.

In 2023, we estimate that our operator employees spent at least 20 hours on career development training, while our non-operator employees spent an average of 10 hours throughout the year.



2023 FACTS

100% Kraton non-operator employees received an annual performance review

55% Kraton non-operator employees have an active Individual Development Plan

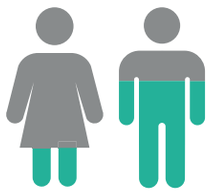
Diversity, Equality & Inclusion

At Kraton, diversity and inclusion are foundational to our culture and success. We're deeply committed to creating a workplace where every individual is valued and empowered to bring their authentic selves to work. Through comprehensive initiatives, inclusive hiring practices, and open dialogue platforms, we strive to ensure equal opportunities for all employees. Our policies reflect this commitment, aiming to remove barriers and biases while fostering a culture of respect and collaboration. By embracing diversity and inclusivity, we aim to cultivate a vibrant organization where everyone can thrive.

Diversity, equity, and inclusion are integral to our values and business strategy. We recognize that a diverse and inclusive workforce fosters innovation, promotes employee engagement, and helps achieve our business objectives. That's why we have implemented a comprehensive diversity and inclusion (D&I) initiative that goes beyond policies and programs to ensure that every employee is treated with respect and dignity.



1862
Employees



25.8% 74.2%

2023 FACTS

1862 Employees as of Dec 31, 2023

233 New hires during 2023

56% Of new hires are diverse*

26% Of total global workforce are female

1 OF 7 External BOD (excluding CEO) are female (14.3%)

4 OF 18 Executive leadership positions are female (22.2%)

100% Of all our corporate offices have infrastructure for employees with disabilities

*Our diversity tracking is based on race in the U.S. and based on gender outside the U.S.



North America

64% Global Workforce



Europe

29% Global Workforce



South America

1% Global Workforce

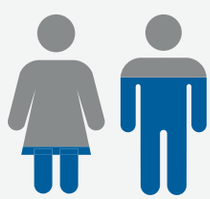


Asia

6% Global Workforce



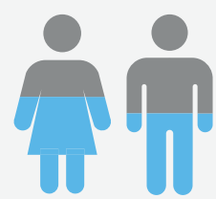
22% 78%



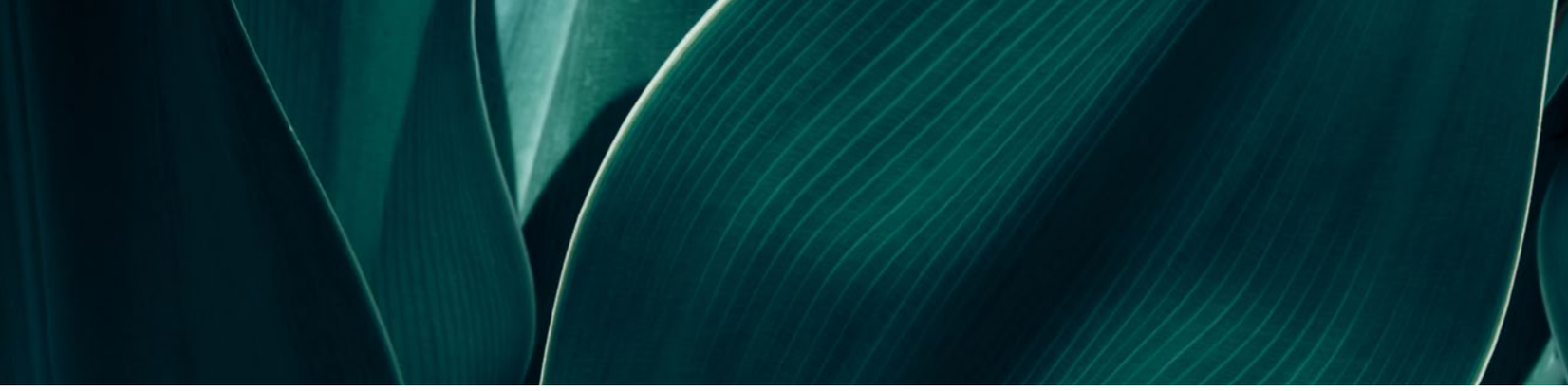
30% 70%



47% 53%



56% 44%



In 2023, we continued our focus on raising cultural awareness and promoting diversity through various initiatives, including presentations highlighting the unique cultures of the countries we operate, podcasts, panel discussions with employees, internal news articles, and a dedicated internal website with resources for employees. We continue to enhance our recruiting and hiring processes, expanding our networks, joining diverse professional groups and job boards, and strengthening our university relations with Historically Black Colleges and Universities (HBCUs) to attract a more diverse pool of candidates. As a result of these efforts, we are proud to report that approximately 56% of our total hires in 2023 were from diverse backgrounds.

Kuorum™
A Network for Women in R&D

In September 2023, Kuorum™, the first Employee Resource Group (ERG) was established under the guidance of the Global D&I Council and Steering Committee. Kuorum is a global network created for women that promotes inclusion, diversity, and awareness in the fields of science, technology, engineering, and math. Their mission is to foster a welcoming community at Kraton, empowering women in Polymers R&D to voice their opinions, expand relationships and personal networks, and accelerate the development and advancement of women within the field. As of 2023, it comprises 28% of the Polymers R&D workforce. Named 'Kuorum,' a clever play on the word 'Quorum,' the network symbolizes unity and collaboration.

Their three primary focus areas are:

- Professional and Leadership Development
- Mentoring
- Recruitment and Advocacy

Since its launch, the network has experienced robust engagement, successfully launching four local chapters by year-end. A central resource hub has also been established as a vital platform for member communications, facilitating interactions, and providing access to a wide range of resources. As we look ahead, we eagerly anticipate the continued growth and establishment of more ERGs in the near future.

Kraton is committed to fostering a workplace culture free from harassment, discrimination, and retaliation. We have strict procedures for reporting, investigating, and addressing incidents related to discrimination and harassment. We provide awareness training on business ethics, discrimination, harassment, and associated topics to all employees, including new hires. We regularly review and update our Code of Ethics and Business Conduct to ensure we maintain the highest standards of ethics and integrity.

Our commitment to diversity and inclusion is not just the right thing to do, but also a business imperative that enables us to attract, retain, and develop the best talent and build a culture of innovation and excellence. We are proud of our progress and remain committed to continuous improvement in our D&I efforts.

2023 FACTS

100% Of new employees in scope were trained on fairness, anti-harassment, and anti-discrimination

100% Of employees in scope for Compliance training module on Appropriate Workplace Behavior completed the training

98% Of employees in scope completed trainings on fairness, anti-harassment, and anti-discrimination

0 Reported cases of discrimination or harassment

COMMUNITY IMPACT & GIVING

People are at the heart of our sustainability efforts, and we recognize that a thriving community is not just the backdrop for our operations, but a critical stakeholder in our journey towards growth and innovation. This is why community engagement is fundamental for us to foster trust and build long-lasting relationships with the communities we serve. It enables us to understand and respond to local concerns and needs, while also aligning our business objectives with community interests.

Our approach to community engagement combines global cohesion with local relevance, ensuring that our core values and strategies are adapted to meet the unique needs of each community we serve. This approach allows us to maintain a global standard of excellence while embracing local cultures, regulations, and community expectations. It is a balance of global vision and local action.

At the core of our engagements with communities, we focus on three key themes that we believe we can make the most impact:

We are Partners in Education: Supporting education to build skills and enable a successful future

We Support Sustainable Communities: Helping communities thrive through volunteering, supporting those in need, and promoting environmental sustainability

We are Leaders in our Communities: Performing vital action within our communities where we can come together to make a positive difference

We dedicate volunteer time, resources, expertise, and funding to organizations and institutions that build strong & vibrant communities. With the help of our employees and strategic partnerships, we create a positive difference in the communities where we live, work, and do business. In 2023, we donated over $150,000 to people and communities in need worldwide. In addition, our employees contributed over 2,000+ hours of their time to volunteer across seven countries. We continue to impact our local communities by executing our corporate social responsibility (CSR) strategy.

Partners in Education

Kraton maintains a strong commitment to support the next generation for a brighter future. We aim to actively support student development and learning by providing them with tools, knowledge, and resources to ensure they have equal opportunities to reach their academic goals and succeed in the future. Through various global partnerships, we've helped students discover Science, Technology, Engineering, and Mathematics (STEM) careers, provided scholarships for underrepresented college students, and raised funds to offer necessary supplies to schools in need.

IMC Weekendschool

Kraton continues to support IMC Weekendschool, a non-profit organization providing supplementary special education to children aged 10-14 from underprivileged neighborhoods in the Netherlands. Our volunteers successfully delivered science lessons at primary schools for children facing challenges in accessing mainstream education, often due to conditions like ADHD, autism, and attachment issues. We aim to continue this initiative in 2024, and provide more guest lessons not only catered to science topics, but also including broader lessons to leverage or expertise in other facets.

FOSSI Partnership

Kraton is dedicated to supporting diversity, equity, and inclusion in the STEM workforce and is honored to partner with the Future of STEM Scholars Initiative (FOSSI). FOSSI is an industry-wide program that aims to increase the representation of underrepresented groups in STEM fields by providing scholarships to students pursuing STEM degrees at Historically Black Colleges

and Universities (HBCUs). In 2023, we continue to support this cause and granted four scholarships through FOSSI. Kraton is committed to creating a more diverse and inclusive STEM workforce for a brighter future.

Society of Women Engineers

Kraton is a proud sponsor of the Society of Women Engineers (SWE) collegiate chapter at Ohio State University. SWE is a non-profit professional organization that promotes the development of women in STEM fields at the undergraduate, graduate, and professional levels. As part of our sponsorship, we've donated to the chapter's Discovering Engineering Program, which provides an interactive learning experience for elementary to high school girls interested in engineering and ignites their passion for pursuing a STEM career in the future.

Support Sustainable Communities

We are committed to supporting our communities by implementing our CSR strategy, which aims to create positive environmental and social impacts through our collective actions. In 2023, we dedicated over 450 volunteer hours for clean-up activities in our local communities. In one instance, volunteers in our Amsterdam office took on the task of cleaning a local park and planting fruit trees for the children in the community.

Advancing a Greener Planet

In 2023, we marked a significant environmental milestone by planting our 100,000th tree through our partnership with Tree-Nation. This initiative is part of our ongoing efforts to address the challenges of climate change and contribute to global reforestation, recognizing the vital role of trees in absorbing carbon dioxide, enhancing biodiversity, and supporting communities. We carefully choose an impactful reforestation program to support, and we strive to plant forests not only for the environment, but to support local communities in sustainable land management, agriculture, and access to water. As we continue this journey, we remain dedicated to expanding our green footprint, driven by the belief that restoring forests is essential for a sustainable future for all.

Supporting Socio-Economic Activities

We are also dedicated to providing basic needs such as food and clothing to those in need, including women & children, the elderly, and those facing food insecurity to improve their quality of life. We volunteered for TUFF bags, a backpack program aimed at eradicating child hunger in Ohio, and partnered with United Way, raising over $85,000 to support community programs in education, financial stability, and health.

Feeding Northeast Florida

We continue to partner with Feeding Northeast Florida in solving food insecurity and providing nutritious food and resources to families in need in Northeast Florida. In 2023, we conducted four food drives servicing over 300 families, where a large portion of the families served are active duty or veterans in the US military. We will continue to dedicate our time and resources to advocate for food security as we believe access to adequate nutrition is a fundamental human right.

Leaders in our Communities

At Kraton, we strive to uphold our commitment to our communities through active leadership. In 2023, we continued to leverage our involvement in local organizations like local Chambers of Commerce and initiatives such as the Leadership Tuscarawas Program, a local leadership program based in Ohio, to develop passionate and visionary leaders for the community. We have also allocated resources to support economic development through leadership, collaboration, and innovative partnerships to retain and create job opportunities.



Employee Health & Safety

Safety & Integrity is one of our leading core values and we foster a culture of Zero Harm in all our operations. To build on this, reporting and tracking all incidents, including near misses, is a fundamental element of our health and safety program. This approach allows us to implement effective measures to prevent similar occurrences in the future. We firmly believe that by employing the Plan, Do, Check, Act (PDCA) cycle approach and prioritizing culture, operational discipline, defined management systems & processes, appropriate tools & equipment, worker commitment, and regular risk assessments, we can continually advance towards HSES Excellence. The PDCA cycle is engrained in our Safety Management System (SMS) and is the feedback loop for our continual improvement in all aspects of HSES.

We are committed to achieving American Chemistry Council (ACC) top quartile performance for Recordable Injury Rates and achieving zero fatalities and zero serious injuries.

We are also committed to working toward achieving Process Safety performance of ≤ 1 Tier 1 event, and ≤ 8 combined Tier 1 and 2 Events.



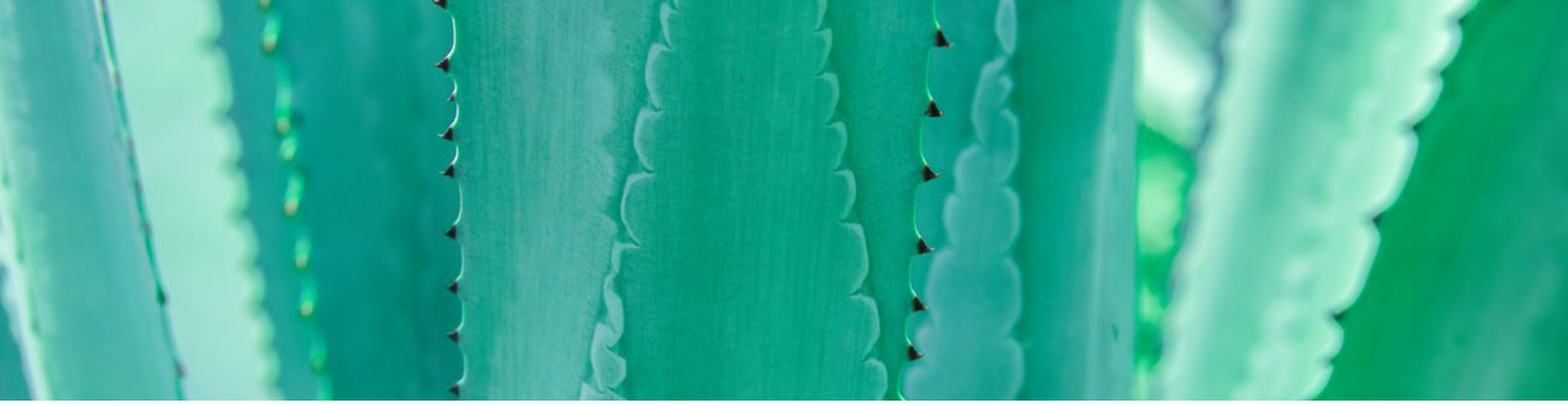
Kraton is a proud participant in the American Chemistry Council (ACC) Responsible Care® initiative. All our manufacturing plants in North America currently hold RC14001 SMS certification. Outside of the US, moreover, our plants in Oulu (Finland), Sandarne (Sweden), Gersthofen and Wesseling (Germany), Niort and Berre (France), and Kashima (Japan) are all certified to ISO14001 with our sites in Oulu and Berre additionally certified to ISO45001. Further, our Jacksonville (Florida) headquarters maintains an ACC Responsible Care Management Systems (RCMS) certification. The American Chemistry Council's website provides a list of standards associated with both RC14001 and RCMS. These management systems comprehensively cover all Kraton employees and contractor activities at those locations.

Process Safety Management

We are committed to Process Safety Management (PSM) principles across all our facilities, extending beyond PSM and Seveso regulations. Encouraging our sites to adhere to this higher standard drives continuous improvement, advancing our goals of zero compromises on HSES, net zero GHG through sustainability efforts, and fostering active participation from every Kraton employees in upholding our strategy.

Ensuring the health and development of our programs is crucial for the success of our SMS. To achieve continual improvement, we conduct internal audits on health and safety issues at our locations, maintain Hazard and Operability studies, and develop Risk Mitigation and Compliance plans. In addition, we conduct HSES risk assessments, pre-startup safety reviews, personal safety, and pre-job risk assessments. We provide protective equipment to all impacted employees, and uphold a Management of Change policy and procedures.

In alignment with our PDCA approach, all risk assessments are continuously performed and updated for normal work, incidents, and investigation findings that are reviewed and rated based on a standard risk matrix. This ensures the highest risks are prioritized and addressed, reducing the company's overall risk profile. Further, applying the hierarchy of controls ensures that the most effective guidelines are adopted.



HSES Committees

At Kraton, we place a high priority on health and safety across all our global sites. To achieve our goal of eliminating accidents and injuries, we have established Kraton Safety Committees that bring together representatives from management and operating teams. These committees serve as a platform for employee participation and involvement, providing cross-functional department representation and a mechanism for addressing safety concerns and issues. Operating under the guidance of the CEO, the committees offer valuable advice and insights that help improve our environmental, health, and safety programs and drive improvement through those doing the work.

Our employees and contractors are active members of various health and safety committees.

They are involved in multiple programs that leverage their collective knowledge and input. This includes participating in shift meetings, root-cause-failure-analysis (RCFA) events, hazard risk assessments, process hazards reviews, job safety analyses, housekeeping rounds, 5S efforts (Sort, Set in order, Shine, Standardize, and Sustain), and other initiatives. Through these programs and our open and inclusive culture, we strive to continually improve our health and safety practices and create a safe work environment.

Training

Kraton prioritizes employee safety and well-being, and training plays a crucial role in our SMS. Our commitment to safety is reflected in our Health and Safety policies and procedures, which define our targeted training programs for employees and contractors. We provide comprehensive training on health and safety risks and best working practices, covering Chemical, General, and Personal Safety topics.

In addition to our standard training modules, we also offer specialized training tailored to the specific activities at our chemical plants. Our training programs include, but are not limited to:

TRAINING PROGRAMS

- Working from Heights
- Preparing Equipment for Maintenance
- Hazardous Materials Transportation
- Emergency Response
- Respiratory Protection

We employ a Learning Management System (LMS) to manage training completion and identify training needs to ensure our employees have the necessary knowledge and skills to perform their work safely. As a standard practice, employees and contractors are provided with Personal Protective Equipment (PPE). We conduct thorough workplace hazard assessments, permitting, and standard operating procedures to determine the appropriate type of PPE necessary for each task. Our employees and contractors are trained in the proper maintenance of their PPE, and we provide them with the best available PPE protection. Furthermore, we inspect contractor PPE against Kraton standards to ensure alignment with our site expectations, promoting a culture of safety across all operations. At Kraton, safety is everyone's responsibility, and we are committed to providing the necessary training and resources to maintain a safe work environment for all.

All Kraton employees and contractors receive training on Health and Safety topics throughout the year.



Safety Data

2023 Data

	TOTAL WORK HOURS	TRIR (200,000-MAN HOUR BASIS)	RECORDABLE INJURIES	LOST WORKDAYS INJURIES	FATALITIES
Employees	3,918,081	0.31	6	3	0
Contractors	1,485,977	0.40	3	0	0
Total	5,404,058	0.33	9	3	0

2023 Performance vs. Targets

	2023 TARGET	2023 PERFORMANCE	2024 TARGET
Personal Safety	TIR </= 0.28	0.33	TIR </= 0.19
Process Safety	3 Tier 1 PSE	0.11	0 Tier 1 PSE

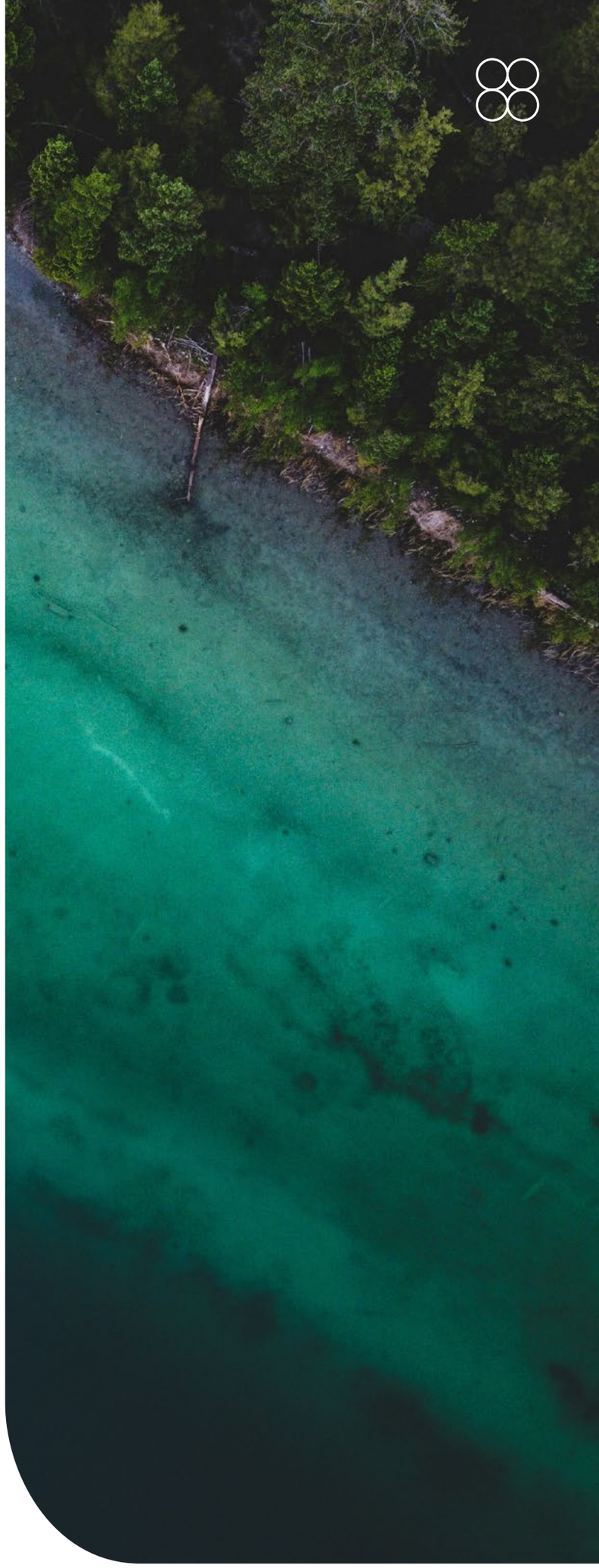
Our 2023 results for TIR and PSIR were aligned with similar organizations of a comparable size. A total of 79 injuries were reported worldwide during the year. Of these, 9 met the United States Occupational Safety and Health Administration (OSHA) recordable classification, 3 of which were lost time incidents. The injuries amounted to a Total Injury Rate (TIR) of 0.33. Hand injuries accounted for most injuries, 23, followed by 11 back, 10 other, 9 eye, 8 leg, 6 head/neck, 6 arm, 3 shoulder, 2 foot, and 1 chest/abdomen. This trend is similar to the rest of the chemical industry at large, and we will actively continue to address this with our Operational Excellence strategies, increased awareness campaigns, enhanced machine guarding, and reinforcing the use of personal protective equipment.

Process Safety continues to be a key area of focus. Kraton tracks all releases, including those captured and never released to the environment. For 2023, there were three Tier 1 Process Safety Incidents for a Process Safety Incident Rate (PSIR) of 0.11. In this data set, two of the three were personal safety events related to process safety.

As third-party entities manage transportation within Kraton, we are only notified of transportation incidents if they result in product damage. Hence, we do not have comprehensive data on worldwide transportation incidents. Improving the reliability and scope of this data will be a focal point for 2024.

In the United States, our ACC membership provides access to CHEMTREC® reports, and incidents were recorded in 2023, 2022, and 2019. One event in 2023 required regulatory follow-up.

We have implemented training regarding transporting hazardous materials at all our sites. Kraton maintains contracts with CHEMTREC and other international emergency service providers to receive urgent product safety and transportation emergency calls, accessible 24 hours a day, 365 days a year. This process is linked to Kraton's Crisis Management Plan.



Anti-Corruption

Our view on corruption and bribery is simple: We do not tolerate bribery in any form; by our employees or those working on our behalf. We recognize that corruption is not only against the law, but it also harms the local communities affected by it. We live our values by preventing bribery and corruption, even if doing so costs us a business opportunity. No amount of profit is worth sacrificing our values.

We require our administrative workforce (approximately 1,200 employees) to complete two online compliance training modules each quarter. Employees susceptible to increased compliance risks due to interactions with certain businesses and people outside of Kraton also receive virtual or in-person training.

In 2023, we continued to increase our focus on the global compliance training offered to the Commercial, Research and Development (R&D), Human Resources, Manufacturing, Procurement, Supply Chain, and Finance business functions. We also communicated compliance information related to gifts and entertainment through the Kraton intranet site, which is available to all employees.

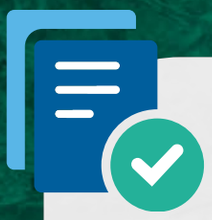
Kraton's external website houses policies and codes of conduct currently available to third parties. In 2023, Kraton continued with focused screening procedures relating to the Ukraine and Russia sanctions in place.

Kraton's ethics reporting procedures incorporate a zero-tolerance, non-retaliation provision, which is communicated to the entire organization and during the Compliance Orientation Training for new hires, reinforcing our commitment to compliance.

To support and encourage violation reporting, we also have an anonymous reporting system (where permitted by law). We conduct audits of control procedures designed to prevent corruption and specific approval procedures for sensitive transactions. In addition to a robust compliance and ethics program, we have established an extensive third-party anti-corruption compliance due diligence program. Annual compliance training is conducted with our distributors, marketing representatives, and other third-party representative. Distributors and marketing representatives must also certify they comply with all applicable laws and regulations annually.

In 2023, Kraton provided general compliance training sessions for distributors and marketing representatives located in the Americas and Europe. We continue to strengthen the monitoring of due diligence performed on all distributors and marketing representatives, as well as high risk logistics vendors. Employees responsible for designated third parties continue to receive additional live training on an ongoing basis and are aware of their responsibility to report any violations or suspected incidents of wrongdoing.

In 2023, we continued enhancing our Compliance and Ethics program by realigning our Corporate Compliance Committee, updating the compliance metrics, and reevaluating our core compliance risks. Throughout the years, Kraton has maintained zero reported incidents regarding corruption and anti-competitive practices. This is primarily due to the robust Compliance procedures, policies, and practices currently in place to help protect and prevent Kraton from becoming involved in any illegal activity or suspected wrongdoing. Kraton also continues enhancing in-house systems for reporting and monitoring compliance-related violations.



2023 FACTS

0 Incidents of corruption violations related to Kraton were reported during the reporting period

0 Incidents of anti-competitive practices related to Kraton were reported during the reporting period

99.9% Of non-operator employees completed two e-learnings every quarter on business ethics topics (including anti-corruption and anti-competitive practices)

9656 Person-hours of online compliance awareness training

1325 Person-hours of virtual and in-person training



Information Security

Kraton's Information Security team is dedicated to ensuring the confidentiality and security of all proprietary and confidential information of both Kraton and our third-party trading partners through our Information Security Program. Our comprehensive approach includes administrative, technical, and physical safeguards that are regularly evaluated by external security service providers. We use the US Department of Commerce National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) to assess our current cyber capabilities and maturity levels. Our full-service Security Information and Events Monitoring (SIEM) system, which has been in place since 2019, is monitored by a third-party provider. We have implemented various enhancements to strengthen our security measures, including updating our email filtering system to detect spoofing and malware attachments, increasing our password policy to 12 characters, and implementing Plant IT segmentation to restrict access to manufacturing facility and lab assets.

Kraton also recognizes the importance of data privacy. We have implemented a data privacy program to protect sensitive data belonging to our employees, customers, and suppliers. We conduct regular information management and security risk assessments to mitigate risks. We have implemented a robust information management response procedure to address data privacy concerns. Furthermore, to ensure that all employees remain vigilant about data privacy and other security issues, we provide quarterly e-learning courses covering topics such as social media use, social engineering red flags, and password trivia games. Our commitment to data privacy and security is unwavering, and we continually strive to improve our processes and procedures to maintain the highest level of protection for all sensitive information. In 2023, our Corporate Compliance Committee adopted a new Information Security Policy designed to provide clarity and support towards achievement of our goals. This includes the establishment of an Information Security Steering Committee, tasked with regularly reviewing progress and adopting additional policies and procedures to safeguard Kraton's networks, as well as proprietary and confidential information of Kraton and our trading partners.



2023 FACTS

93% Kraton employees and contractors completed e-learning modules. Topics include:

- Social engineering
- Social media safety
- Incident reporting
- Phishing attacks
- Document disposal
- CEO fraud
- Clear desktop
- Password safety
- Ransomeware attacks
- Travel security

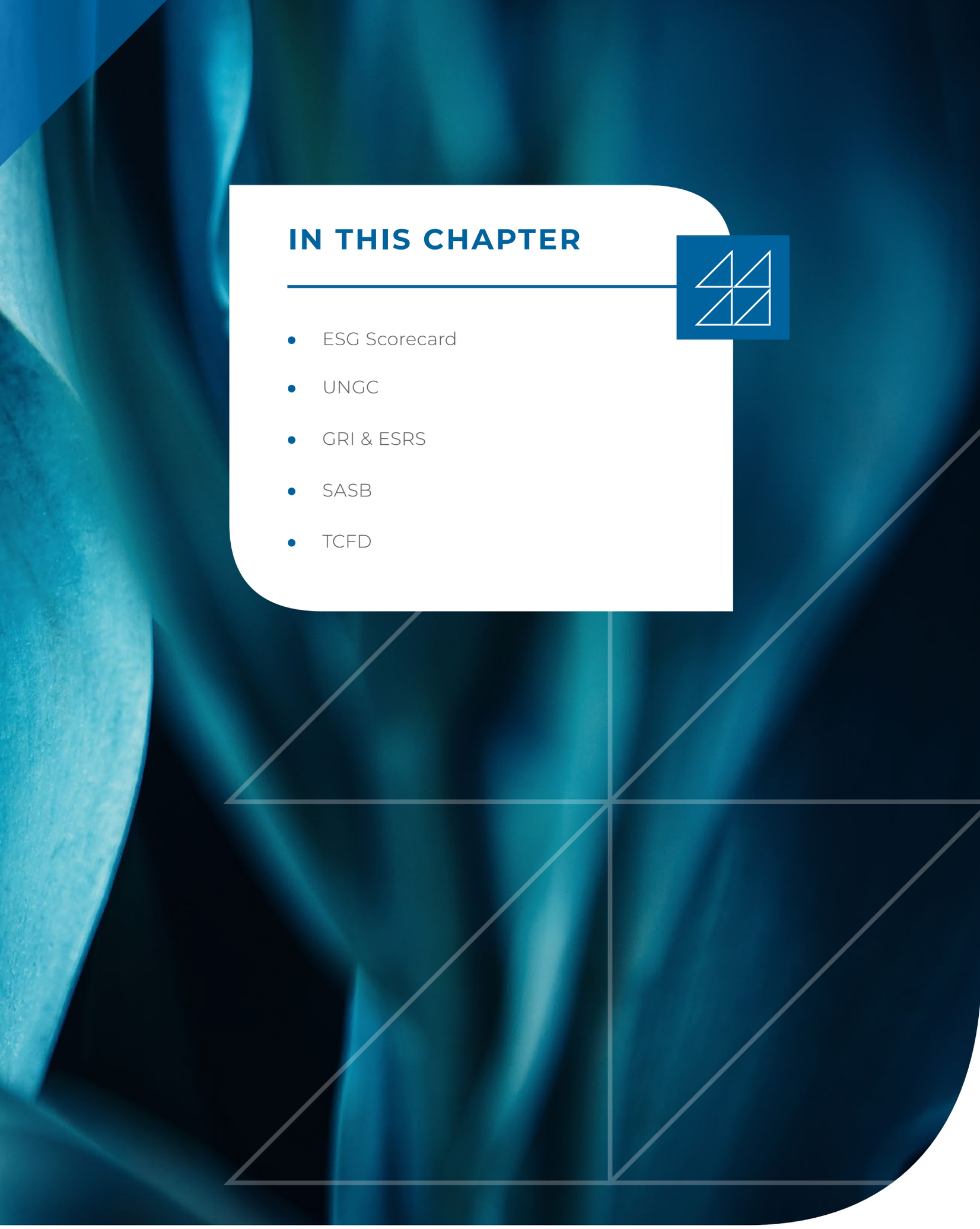
0 Breaches of customer privacy were reported during the reporting period

We conducted multiple awareness campaigns throughout 2023, including:

- Five-week Cyber Security Awareness Month Campaign including Phishing, Phish Reporting, Ransomware, Keeping Devices Updated, Social Media Fraud, What To Do If Computer Is Hacked, Passwords and Password Managers
- Quarterly Phish Testing
- Golden Phish Contest to promote positive reporting
- Payment Fraud Training

APPENDIX





IN THIS CHAPTER

- ESG Scorecard
- UNGC
- GRI & ESRS
- SASB
- TCFD

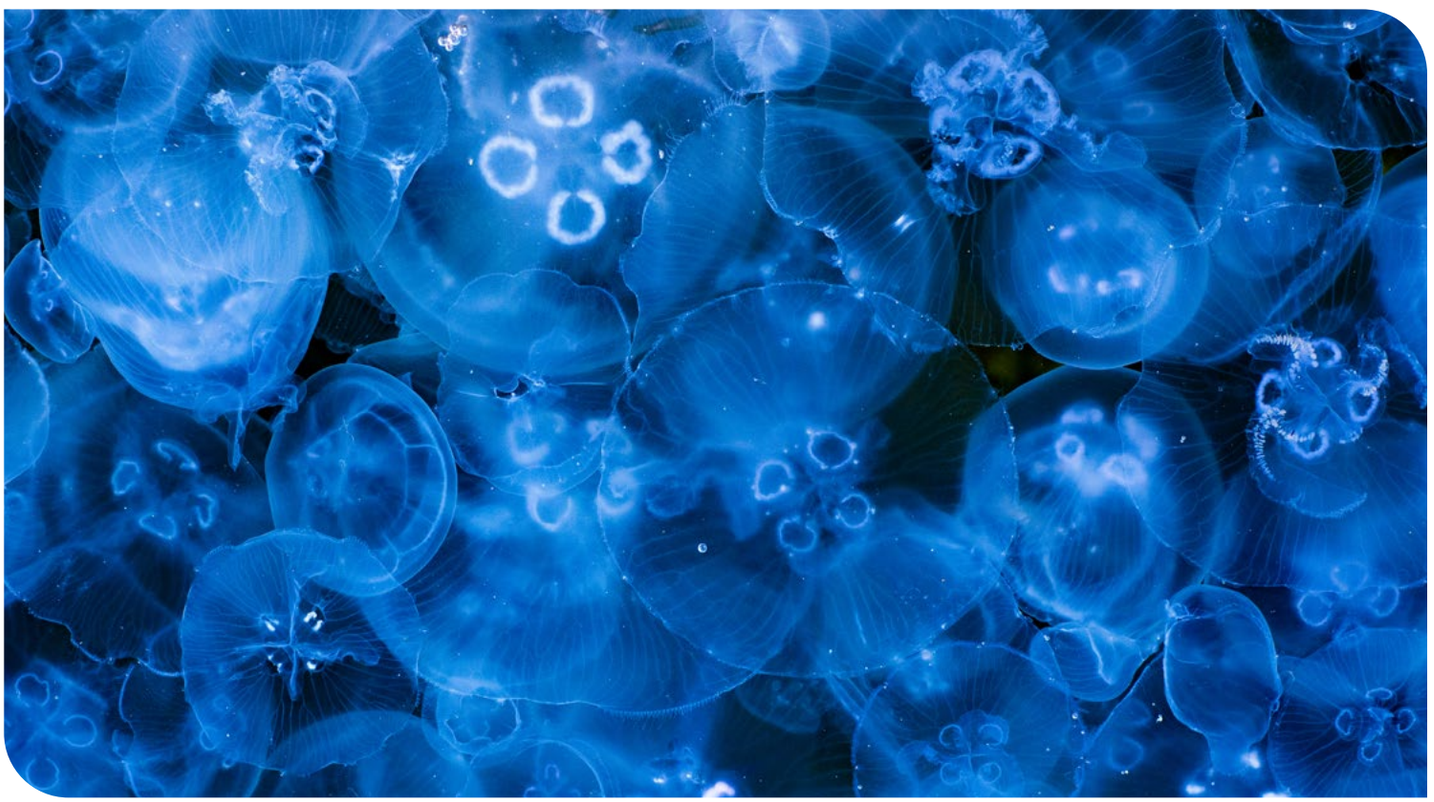
Kraton ESG Scorecard

YEAR	2020	2021	2022	2023
Performance	2020	2021	2022	2023
EcoVadis Rating	Silver	Gold	Platinum	Platinum
CDP	-	-	-	C
Health & Safety	2020	2021	2022	2023
Fatalities	0	0	0	0
Total Incident Rate (TIR)	0.31	0.23	0.19	0.33
Incident Rate, direct employees	0.26	0.22	0.21	0.31
Incident Rate, contractors	0.43	0.26	0.13	0.4
Process Safety Incident Rate (PSIR)	0.11	0.04	0	0.11
Total Recordables (# number)	8	6	4	9
Employees and Contractors Trained on Health and Safety issues (percentage)	100%	100%	100%	100%
Customers & Markets	2020	2021	2022	2023
Number of Customers (# Number)	700	700	700	700
Biobased-Certified Products (# Number)	118	115	157	164
Energy & GHG Emissions	2020	2021	2022	2023
Energy Consumption (TJ)	10721	10843	10058	9832
Energy Intensity (MMBTU/Ton product)	8.1	7.8	7.6	9.2
Renewable Energy Use (%)	10.60	11.20	11.30	12.00
GHG Emissions ($MTCO_2E$)	643810	664706	615466	527257
Scope 1 GHG Emissions ($MTCO_2E$)	356642	355120	336064	350599
Scope 2 GHG Emissions ($MTCO_2E$)[1]	287168	309586	279402	176658
GHG Intensity ($MTCO_2E$/Ton)	0.52	0.50	0.49	0.52
Environment	2020	2021	2022	2023
Responsible Care / ISO 14001 certified (percentage out of 13 plants)	86%	100%	100%	100%
Water Withdrawn (1000 m^3)	75872	73201	70652	67410
Water Withdrawn Intensity (m^3/Ton product)	60.3	55.2	56.6	66.2
Volatile Organic Compounds (VOCs) (Tons)	389	440	425	336
Sulphur Oxide (SOx) (Tons)	74.6	63.7	70.4	52.0
Nitrogen Oxide (NOx) (Tons)	338	387	332	301
Solid waste - Non Hazardous (Tons)	18228	21553	17900	15394
Solid waste Intensity (KGs/Ton product)	16.00	17.90	15.81	15.12
Hazardous Waste Disposal (Tons)	4670	6355	6422	4483
Hazardous Waste Intensity (KGs/Ton product)	4.09	5.28	5.67	4.41

1 All Scope 2 GHG emissions figures used or presented in the report are market-based emissions.

Kraton ESG Scorecard (continued)

YEAR	2020	2021	2022	2023
People	2020	2021	2022	2023
Number of Employees (# number)	1808	1751	1854	1862
Male (# number)	1368	1324	1396	1381
Male (percentage)	76.0%	75.6%	75.3%	74.2%
Female (# number)	440	427	458	480
Female (percentage)	24.0%	24.4%	24.7%	25.8%
Number of New Hires (# number)	112	157	355	233
Number of (substantiated) Human Rights Incidents Reported During Reporting Period	0	0	0	0
Percentage of Female Executive Leadership Positions	22.0%	22.0%	15.8%	22.2%
Percentage of Female External Board of Directors (excluding Kraton's CEO)	50.0%	50.0%	14.3%	14.3%
Compliance & Business Ethics	2020	2021	2022	2023
Percentage Non-Operator Employees Trained on Business Ethics (anti-corruption, anti-competitive practices, and IT security).	99%	99%	99%	100%
Number of Incidents of Corruption Violations Related to Kraton Reported During The Reporting Period	0	0	0	0
Number of Incidents of Anti-Competitive Practices Related to Kraton Reported During the Reporting Period	0	0	0	0
Number of Incidents of Customer Privacy and Losses of Customer Data Related to Kraton Reported During the Reporting Period	0	0	0	0
Number of Incidents of Data Breaches Related Tto Kraton Reported During the Reporting Period	0	0	0	0
Community Engagement	2020	2021	2022	2023
Number of Volunteer Hours (estimated)	1189	1068	2280	2355



Reporting Standards

This report includes financial and nonfinancial information from Kraton Corporation about activities, data, activities and accolades related to environmental, social, and governance topics covering the 2023 calendar year unless otherwise stated. This 2023 sustainability report integrates and aligns with various sustainability and reporting frameworks, namely the Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB), Taskforce on Climate-Related Financial Disclosures (TCFD), the United Nations Global Compact (UNGC), and the United Nations Sustainable Development Goals (SDGs). We are also working on aligning our reporting framework with the European Sustainability Reporting Standards (ESRS) and identified interoperability between the GRI and ESRS.

Global Reporting Initiative (GRI)

GRI Standards are globally recognized standards for sustainability reporting. This report has been prepared in accordance with the GRI Standards: Core option. Kraton Corporation has not sought independent verification for this report.

European Sustainability Reporting Standards (ESRS)

ESRS along with the Corporate Sustainability Reporting Directive (CSRD), comprise guidelines set by the EU to enhance transparency and consistency in companies' reporting of environmental, social, and governance (ESG) factors, aiming to improve stakeholders' ability to assess sustainability performance.

Sustainability Accounting Standards Board (SASB)

The purpose of the Sustainability Accounting Standards Board (SASB) is to establish industry-specific disclosure standards across environmental, social and governance topics that facilitate communication between companies and investors about financially material decision-useful information. The SASB standards are maintained by the Value Reporting Foundation.

Taskforce on Climate-Related Financial Disclosures (TCFD)

The purpose of the TCFD framework is to help companies report on governance, strategy, risk management, and targets and metrics related to material climate-related risks and opportunities.

United Nations Global Compact (UNGC)

The United Nations Global Compact is a voluntary initiative based on CEO commitments to implement ten universal sustainability principles and to take steps to support UN goals.

United Nations Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) are a global framework for sustainable development. The framework is designed to tackle the world's most pressing social, economic, and environmental challenges by 2030. For Kraton, the SDGs provide a lens through which to translate global needs and ambitions into business solutions. Countries around the globe adopted the SDGs to end poverty, protect our environment, and ensure prosperity as part of the new sustainable development agenda. Each goal has specific targets that must be achieved in the next ten years. Kraton Corporation focuses on six out of 17 SDGs, specifically:

- **SDG 3:** Ensure healthy lives and promote well-being for all at all ages
- **SDG 6:** Ensure availability and sustainable management of water and sanitation for all
- **SDG 8:** Promote inclusive and sustainable economic growth, full and productive employment, and decent work for all
- **SDG 9:** Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
- **SDG 12:** Ensure sustainable consumption and production patterns
- **SDG 13:** Take urgent action to combat climate change and its impacts



UN Global Compact Commitment

Kraton is a signatory to the United Nations Global Compact at the Signatory level since 2020. We are committed to uphold and promote the UNGC's ten principles within our organization and sphere of influence.

	UN Global Compact Principles	Our position
1	Businesses should support and respect the protection of internationally proclaimed human rights.	Kraton prohibits the use of all forms of forced labor, including prison-, indentured-, bonded-, and military labor, as well as modern forms of slavery and any form of human trafficking. We regularly review and update our Code of Conduct and maintain a Human Rights policy. Additionally, we have an established ethics reporting procedure to report incidents related to human rights, child labor, or forced labor. We expect similar appropriate standards of conduct, ethical business practices, and respect for human rights from our suppliers, contractors, and partners.
2	Make sure that they are not complicit in human rights abuses.	
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Kraton respects the right of all employees to form, join or assist an association in representing their interests as an employee, to self-organize, and bargain collectively or individually. We have collective agreements in place in multiple Kraton locations, and Employee representatives or employee representative bodies such as works councils are established at Kraton facilities across the world. We expect similar appropriate standards of conduct, ethical business practices, and respect for human rights from our suppliers, contractors, and partners.
4	The elimination of all forms of forced and compulsory labor;	Kraton prohibits the use of all forms of forced labor, including prison-, indentured, bonded, and military labor, as well as modern forms of slavery and any form of human trafficking. We expect similar appropriate standards of conduct, ethical business practices, and respect for human rights from our suppliers, contractors, and partners.
5	The effective abolition of child labor;	Kraton prohibits child labor, and our sites and operations verify our employees' age at the time of hire. We expect similar appropriate standards of conduct, ethical business practices, and respect for human rights from our suppliers, contractors, and partners.
6	The elimination of discrimination in respect of employment and occupation.	Kraton will not tolerate discrimination or harassment in our workplace. We regularly review and update our Code of Conduct. We have a whistleblower procedure in place to report incidents related to discrimination and harassment. We also implement awareness training across business ethics, discrimination, harassment, and associated topics. All employees are treated with dignity and respect. Employees have the freedom to express their opinions and thoughts respectfully through a variety of established channels. We expect similar appropriate standards of conduct, ethical business practices, and respect for human rights from our suppliers, contractors, and partners.
7	Businesses should support a precautionary approach to environmental challenges	Kraton is committed to developing and diffusing sustainable solutions and environmentally friendly technologies. In the past year we set a new target for GHG emission reductions as our previous one was met and introduced targets for water use reduction and resource efficiency. Additionally, we incorporated TCFD recommendations in our overall climate action strategy. We take our environmental responsibility seriously and apply the precautionary approach principle. Therefore, we expect similar appropriate standards of conduct, ethical business practices, and respect for the environment and biodiversity from our suppliers, contractors, and partners. By working together, we can create tomorrow's sustainable solutions and help to achieve the Sustainable Development Goals.
8	Undertake initiatives to promote greater environmental responsibility	
9	Encourage the development and diffusion of environmentally friendly technologies	
10	Businesses should work against corruption in all its forms, including extortion and bribery	Kraton is committed to 100 percent compliance, 100 percent of the time. As part of our ongoing commitment to work against corruption in all its forms, we have prioritized the following compliance risk areas; Corruption, Anti-competitive practices, International trade, and Responsible information management. We have policies, procedures, training, and internal communications in place. We expect similar standards of conduct, ethical business practices, and working against corruption in all its forms from our suppliers, contractors, and partners.

GRI Content Index

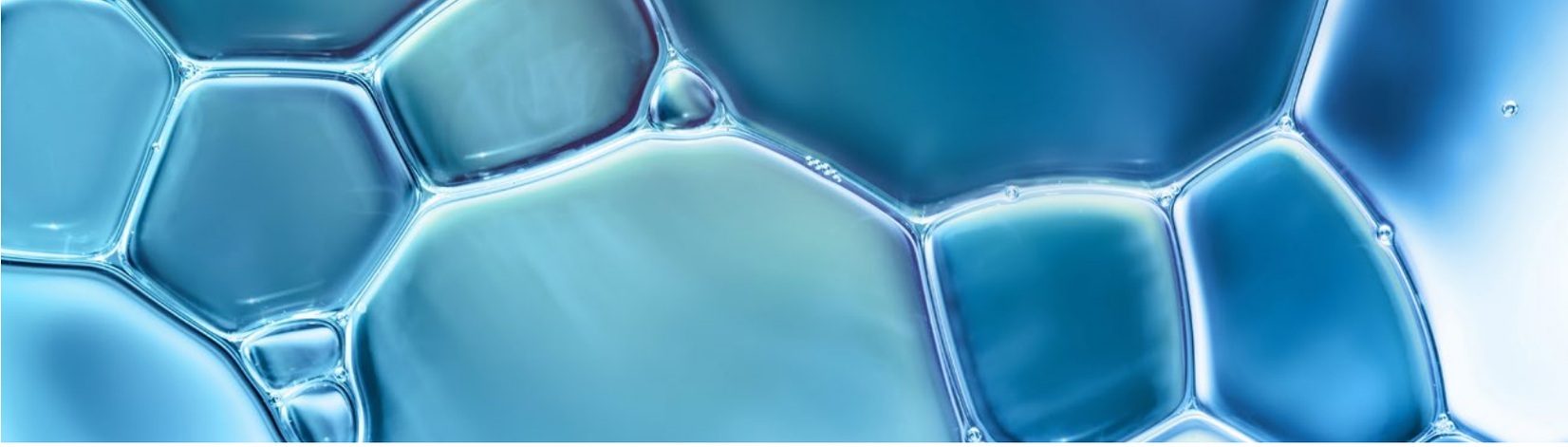
GRI STD.	ESRS DISCLOSURE REQUIREMENTS	DISCLOSURE TITLE	KRATON DISCLOSURE	UNGC & SDG
2-1	-	Organizational Details	Our Approach to Sustainability, p8	-
2-2	ESRS 1 5.1; ESRS 2 BP-1 §5 (a) and (b) i	Entities Included in the Organization's Sustainability Reporting	Our Approach to Sustainability, p8	-
2-3	ESRS 1 §73	Reporting Period, Frequency and Contact Point	The reporting period covers 1st January 2023 to 31st December 2023.	-
2-4	ESRS 2 BP-2 §13, §14 (a) to (b)	Restatements of Information	Due to methodology changes, adjustments were made to the water withdrawal data for the previous years.	-
2-5	See external assurance requirements of Directive (EU) 2022/2464	External Assurance	Currently, we do not pursue external assurance/ verification for our Sustainability Report. However, in the next reporting period, this will be reconsidered.	-
2-6	ESRS 2 SBM-1 §40 (a) i to (a) ii, (b) to (c), §42 (c)	Activities, Value Chain, and Other Business Relationships	Our Approach to Sustainability, p9	-
2-7	ESRS 2 SBM-1 §40 (a) iii;ESRS S1 S1-6 §50 (a) to (b) and (d) to (c), §51 to §52	Employees	Empowering People, p68 Appendix – Kraton ESG Scorecard	SDG 8 UNGC 6
2-8	ESRS S1 S1-7 §55 to §56	Workers Who Are Not Employees	Empowering People, p68 Appendix – Kraton ESG Scorecard	SDG 8 UNGC 6
2-9	ESRS 2 GOV-1 §21, §22 (a), §23; ESRS G1 §5 (b)	Governance Structure and Composition	Our Approach to Sustainability, p19	-
2-10	-	Nomination and Selection of the Highest Governance Body	Our Approach to Sustainability, p19	-
2-11	-	Chair of the Highest Governance Body	Our Approach to Sustainability, p19	-
2-12	ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) to (b); SBM-2 §45 (d); ESRS G1 §5 (a)	Role of the Highest Governance Body in Overseeing the Management Of Impacts	Our Approach to Sustainability, p19	-
2-13	ESRS 2 GOV-1 §22 (c) i, GOV-2 §26 (a); ESRS G1 G1-3 §18 (c)	Delegation of Responsibility for Managing Impacts	Our Approach to Sustainability, p19	-
2-14	ESRS 2 GOV-5 §36 IRO-1 §53 (d)	Role of the Highest Governance Body in Sustainability Reporting	Our Approach to Sustainability, p19	-
2-15	-	Conflicts of Interest	Kraton's Code of Ethics sets out the company's policy on conflicts of interest, which includes the obligation to disclose any actual or potential conflicts of interest and to take steps to avoid or mitigate them. Code of Ethics.pdf (kraton.com)	-
2-16	ESRS 2 GOV-2 §26 (a) ESRS G1 G1-1 AR 1 (a); G1-3 §18 (c)	Communication of Critical Concerns	Kraton values the concerns and feedback of stakeholders, including employees, customers, and communities. We have established communication channels, such as a hotline and an email address, to receive and address critical concerns raised by our stakeholders. Kraton encourages employees and stakeholders to raise concerns about any potential violations of the company's Code of Ethics or other ethical or legal standards. The company has established reporting mechanisms, including a hotline, to facilitate reporting such concerns. Code of Ethics.pdf (kraton.com)	-

(GRI Content Index Continued)

GRI STD.	ESRS DISCLOSURE REQUIREMENTS	DISCLOSURE TITLE	KRATON DISCLOSURE	UNGC & SDG
2-17	ESRS 2 GOV-1 §23	Collective Knowledge of the Highest Governance Body	Our Approach to Sustainability, p19	-
2-18	-	Evaluation of the Performance of the Highest Governance Body	Our Approach to Sustainability, p19	-
2-19	ESRS 2 GOV-3 §29 (a) to (c); ESRS E1 §13	Remuneration Policies	Kraton's remuneration policies are designed to attract, motivate, and retain high-performing employees while aligning with our values and business goals. Kraton strives to provide competitive compensation packages that are above the living wages globally. These include base pay, performance-based bonuses, and benefits that support work-life balance and employee well-being. We regularly review our remuneration policies to ensure they are fair, transparent, and equitable. The policies are communicated to all employees, and training is provided to managers on their implementation and the importance of equity and fairness.	-
2-20	ESRS 2 GOV-3 §29 (e)	Process to Determine Remuneration	Kraton's remuneration policies are determined through a process that considers a range of factors, including employee performance, market data, internal equity, and business goals. Kraton uses a performance management system that sets clear expectations and goals for employees, and evaluates performance based on these criteria. A remuneration committee, which includes members of senior management and the board of directors, reviews and approves the remuneration policies and practices. The committee considers market data, internal equity, and the company's financial performance when making decisions on remuneration.	-
2-21	ESRS S1 S1-16 §97 (b) to (c)	Annual Total Compensation Ratio	Kraton implemented internal remuneration procedures to determine fair compensation for all employees within our organization. These procedures involve calculating each employee's compensation ratio as a percentage of the market rate associated with their respective salary range. We strive to establish salary ranges that are aligned with market standards to ensure competitive and fair compensation for our employees. All employees receive a base compensation that falls within their designated salary range, that is market competitive. We adhere to market norms and maintain internal consistency in our remuneration practices.	-
2-22	ESRS 2 SBM-1 §40 (g)	Statement on Sustainable Development Strategy	Our Approach to Sustainability, p19	-
2-23	ESRS 2 GOV-4; MDR-P §65 (b), (c), and (f); ESRS S1 S1-1 §19 to §21, and §AR 14; ESRS S2 S2-1 §16 to §17, §19, and §AR 16; ESRS S3 S3-1 §14, §16 to §17 and §AR 11; ESRS S4 S4-1 §15 to §17, and §AR 13; ESRS G1 G1-1 §7 and §AR 1 (b)	Policy Commitments	Our Approach to Sustainability, p19	-

(GRI Content Index Continued)

GRI STD.	ESRS DISCLOSURE REQUIREMENTS	DISCLOSURE TITLE	KRATON DISCLOSURE	UNGC & SDG
2-24	ESRS 2 GOV-2 §26 (b); MDR-(c) 65 (c); ESRS S1 S1-4 §AR 35; ESRS S2 S2-4 §AR 30; ESRS S3 S3-4 §AR 27; ESRS S4 S4-4 §AR 27; ESRS G1 G1-1 §9 and §10 (g)	Embedding Policy Commitments	Our Approach to Sustainability, p19	-
2-25	ESRS S1 (c) 1 §20 (c); S1-3 §32 (c), (b), and (e), §AR 31; ES(c) S2 S2-1 §17 (c); S2-3 §27 (a), (b), and (e), (c) R 26; S2-4 §33 (c); ESRS S3 S3-1 §16 (c)3-3 §27 (a), (b), (c), (d), (e), §AR 23; (c)4 §33 (c);ESRS S4 S4-1 §16 (c); S4-3 §25 (a), (b), and (e), §AR 23; S4-4 §32 (c)	Processes to Remediate Negative Impacts	Kraton through its ERM process is committed to identifying and addressing negative impacts associated with its operations, products, and services. The process for identifying and assessing these impacts, including the use of impact assessments and stakeholder engagement has been established. When negative impacts are identified, steps are taken to remediate them, including implementing corrective actions, engaging with affected stakeholders, and providing restitution where appropriate. Further, we conduct a review of the policies and practices to prevent similar impacts from occurring in the future is done.	-
2-26	ESRS S1 S1-3 §AR 32 (d); ESRS S2 S2-3 §AR 27 (d); ESRS S3 S3- 3 §AR 24 (d); ESRS S4 S4-3 §AR 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)	Mechanisms for Seeking Advice and Raising Concerns	Kraton has established several mechanisms for employees to seek advice and raise concerns, including a hotline, a dedicated email address, and an open-door policy. Training employees on these mechanisms and encouraging them to report any concerns they may have, is also provided. All concerns received through these mechanisms are reviewed by a designated team, and appropriate actions are taken to address and resolve the concerns. We are committed to maintaining confidentiality and protecting whistleblowers from retaliation. Code of Ethics.pdf (kraton.com)	-
2-27	ESRS 2 SMB-3 §48 (d); ESRS E2 E2-4 §AR 25 (b); ESRS S1 S1-17 §103 (c) to (d) and §104 (b); ESRS G1 G1-4 §24 (a)	Compliance With Laws and Regulations	Kraton is unaware of any incidents of non-compliance during the reporting period.	-
2-28	ESRS G1; ESRS 1 §AR 16	Membership Associations	Kraton is a member and active participant of the European Chemical Industry Council (Cefic) and the American Chemistry Council (ACC).	-
2-29	ESRS 2 SMB-2 §45 (a) i to (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §25, §27 (e), and §28; ESRS S2 S2-1 §17 (b); S2-2 §20, §22 (e), and §23; ESRS S3 S3-1 §16 (b); S3-2 §19, §21 (d), and 22; ESRS S4 S4-1 §16 (b); S4-2 §18, §20 (d), and §21	Approach to Stakeholder Engagement	Our Approach to Sustainability, p22	-
2-30	ESRS S1 S1-8 §60 (a) and §61	Collective Bargaining Agreements	Empowering People, p66	SDG 8 UNGC 3



(GRI Content Index Continued)

GRI STD.	ESRS DISCLOSURE REQUIREMENTS	DISCLOSURE TITLE	KRATON DISCLOSURE	UNGC & SDG
GRI 201: Economic Performance 2016				
201-1	-	Direct Economic Value Generated or Distributed	Empowering People, p70	SDG: 8,9
GRI 205: Anti-Corruption 2016				
205-1	ESRS G1 G1-3 §AR 5	Operations Assessed for Risks Related to Corruption	Kraton conducts an annual risk assessment related to corruption.	UNGC: 10
205-2	ESRS G1 G1-3 §20, §21 (b) and (c), and §AR 7 and 8	Communication and Training About Anti-Corruption Policies and Procedures	Empowering People, p76	UNGC: 10
GRI 302: Energy 2016				
302-1	ESRS E1 E1-5 §37; §38; §AR 32 (a), (c), (e), and (f)	Energy Consumption Within the Organization	Preserving Planet, p57 Appendix – Kraton ESG Scorecard	SDG: 8,12,13 UNGC: 7,8
302-3	ESRS E1 E1-5 §40 to §42	Energy Intensity	Preserving Planet, p57 Appendix – Kraton ESG Scorecard	SDG: 8,12,13 UNGC: 8
302-4	ESRS E1 covered by ESRS 1 §AR 16	Reduction of Energy Consumption	Preserving Planet, p57 Appendix – Kraton ESG Scorecard	SDG: 8,12,13 UNGC: 8,9
Indicator	-	Renewable Energy Use	Preserving Planet, p57 Appendix – Kraton ESG Scorecard	UNGC: 8,9
GRI 303: Water & Effluents 2018				
303-1	ESRS 2 SBM-3 §48 (a); MDR-T §80 (f); ESRS E3 §8 (a); §AR 15 (a); E3-2 §15, §AR 20	Interactions With Water as a Shared Resource	Preserving Planet, p59	SDG: 6,12 UNGC: 7,8
303-2	ESRS E2 E2-3 §24	Management of Water-Related Discharge	Preserving Planet, p59	SDG: 6 UNGC: 7,8
303-3	ESRS E3 covered by ESRS 1 §AR 16	Water Withdrawal by Source	Preserving Planet, p59 Appendix – Kraton ESG Scorecard	SDG: 6 UNGC: 7,8
303-5	ESRS E3 E3-4 §28 (a), (b), (d), and (e)	Water Consumption	Preserving Planet, p59 Appendix – Kraton ESG Scorecard	SDG: 6 UNGC: 7,8
Indicator	-	Water Intensity	Preserving Planet, p59 Appendix – Kraton ESG Scorecard	SDG: 6 UNGC: 7,8
GRI 304: Biodiversity 2016				
304-1	ESRS E4 §16 (a) i; §19 (a); E4-5 §35	Operational Sites Owned, Leased, Managed In, or Adjacent To, Protected Areas and Areas of High Biodiversity Value Outside Protected Areas	Kraton's facilities are located in cities or towns in areas that are not considered critical habitats or recognized for high biodiversity value or High Conservation Value (HCV). We have not built any new facilities in green fields that would threaten biodiversity.	UNGC: 7,8

(GRI Content Index Continued)

GRI STD.	ESRS DISCLOSURE REQUIREMENTS	DISCLOSURE TITLE	KRATON DISCLOSURE	UNGC & SDG
GRI 305: Emissions 2016				
305-1	ESRS E1 E1-4 §34 (c); E1-6 §44 (a); §46; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; AR §43 (c) to (d)	Direct Greenhouse Gas (Ghg) Emissions (Scope 1)	Preserving Planet, p58 Appendix – Kraton ESG Scorecard	SDG: 3,12,13 UNGC: 7,8
305-2	ESRS E1 E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; §AR 45 (a), (c), (d), and (f)	Energy Indirect Greenhouse Gas (Ghg) Emissions (Scope 2)	Preserving Planet, p58 Appendix – Kraton ESG Scorecard	SDG: 3,12,13 UNGC: 7,8
305-4	ESRS E1 E1-6 §53; §54; §AR 39 (c); §AR 53 (a)	Greenhouse Gas (Ghg) Emissions Intensity	Preserving Planet, p58 Appendix – Kraton ESG Scorecar	SDG: 13 UNGC: 8
305-5	ESRS E1 E1-3 §29 (b); E1-4 §34 (c); §AR 25 (b) and (c); E1-7 §56	Reduction of Ghg Emissions	Preserving Planet, p58 Appendix – Kraton ESG Scorecar	SDG: 13 UNGC: 8,9
305-6	ESRS E2 covered by ESRS 1 §AR 16	Emissions of Ozone-Depleting Substances (Ods)	Kraton does not produce any Ozone Depleting Substances.	SDG: 3,12
305-7	ESRS E2 E2-4 §28 (a); §30 (b) and (c); §31; §AR 21; §AR 26	Nitrogen Oxides (Nox), Sulfur Oxides (Sox), and Volatile Organic Compounds (Vocs)	Preserving Planet, p61 Appendix – Kraton ESG Scorecard	SDG: 3,12 UNGC: 7,8
GRI 306: Effluents and Waste 2016				
306-3	ESRS E5 E5-5 §37 (a), §38 to §40	Significant Spills	Kraton recorded no unrecovered significant environmental spills in 2023.	SDG: 3,6,12 UNGC: 8
GRI 306: Waste 2020				
306-2	ESRS E5 E5-2 §17 and §20 (e) and (f); E5-5 §40 and §AR 33 (c)	Management of Significant Waste-Related Impacts	Preserving Planet, p60	SDG: 3,6,12 UNGC: 8
306-3	ESRS E5 E5-5 §37 (a), §38 to §40	Waste Generated by Type and Disposal Method	Preserving Planet, p60	SDG: 3,6,12 UNGC: 8
306-4	ESRS E5 E5-5 §37 (b), §38 and §40	Waste Diverted from Disposal	Preserving Planet, p60	SDG: 3,12 UNGC: 8
306-5	ESRS E5 E5-5 §37 (c), §38 and §40	Waste Directed to Disposal	Preserving Planet, p60	SDG: 3,12 UNGC: 8



(GRI Content Index Continued)

GRI STD.	ESRS DISCLOSURE REQUIREMENTS	DISCLOSURE TITLE	KRATON DISCLOSURE	UNGC & SDG
GRI 308: Supplier Environmental Assessment 2016				
308-1	ESRS G1 G1-2 §15 (b)	New Suppliers That Were Screened Using Environmental Criteria	As part of Kraton's supplier selection procedure, suppliers are vetted through various processes before becoming an approved source; this includes an EcoVadis sustainability assessment and rating that covers Environmental criteria.	UNGC: 8
308-2	ESRS 2 SBM-3 §48 (c) i and iv	Negative Environmental Impacts in the Supply Chain and Actions Taken	As of 31 December 2023, we had 219 valid supplier assessments in our EcoVadis pool. These assessments include environmental impacts. We have identified 2 suppliers with adverse environmental impacts through the EcoVadis Third-Party CSR Assessments Program. In the event of the identification of a negative actual or potential environmental impact, we discuss improvements with suppliers through the vendor performance evaluation process.	UNGC: 8
GRI 401: Employment 2016				
401-1	ESRS S1 S1-6 §50 (c)	New Employee Hires	Empowering People, p68	SDG: 8 UNGC: 6
GRI 403: Occupational Health and Safety 2018				
403-1	ESRS S1 S1-1 §23	Occupational Health and Safety Management System	Empowering People, p72	SDG: 3,8 UNGC: 1
403-2	ESRS S1 S1-3 §32 (b) and §33	Hazard Identification, Risk Assessment, and Incident Investigation	Empowering People, p72	SDG: 3,8
403-4	ESRS S1 covered by ESRS 1 §AR 16	Worker Participation, Consultation and Communication on Occupational Health and Safety	Empowering People, p72	SDG: 3,8
403-5	ESRS S1 covered by ESRS 1 §AR 16	Worker Training on Occupational Health and Safety	Empowering People, p73	SDG: 3,8
403-8	ESRS S1 S1-14 §88 (a); §90	Workers Covered by an Occupational Health and Safety Management System	Empowering People, p72	SDG: 3,8
403-9	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (c); §AR 82	Work-Related Injuries	Empowering People, p74 Appendix – Kraton ESG Scorecard	SDG 3,8
Indicator	-	Total Incident Rate (Tir)	Empowering People, p74 Appendix – Kraton ESG Scorecard	SDG 3,8
Indicator	-	Process Safety Incident Rate (Psir)	Empowering People, p74 Appendix – Kraton ESG Scorecard	
GRI 404: Training and Education 2016				
404-1	ESRS S1 S1-13 §83 (b) and §84	Average Hours of Training Per Year Per Employee (Per Topic)	Empowering People, p67	SDG: 8 UNGC: 6
404-2	ESRS S1 S1-1 §AR 17 (h)	Programs For Upgrading Employee Skills and Transition Assistance Programs	Empowering People, p67	SDG:8
404-3	ESRS S1 S1-13 §83 (a) and §84	Percentage of Employees Receiving Regular Performance And Career Development Reviews	Empowering People, p67	SDG: 8 UNGC: 6

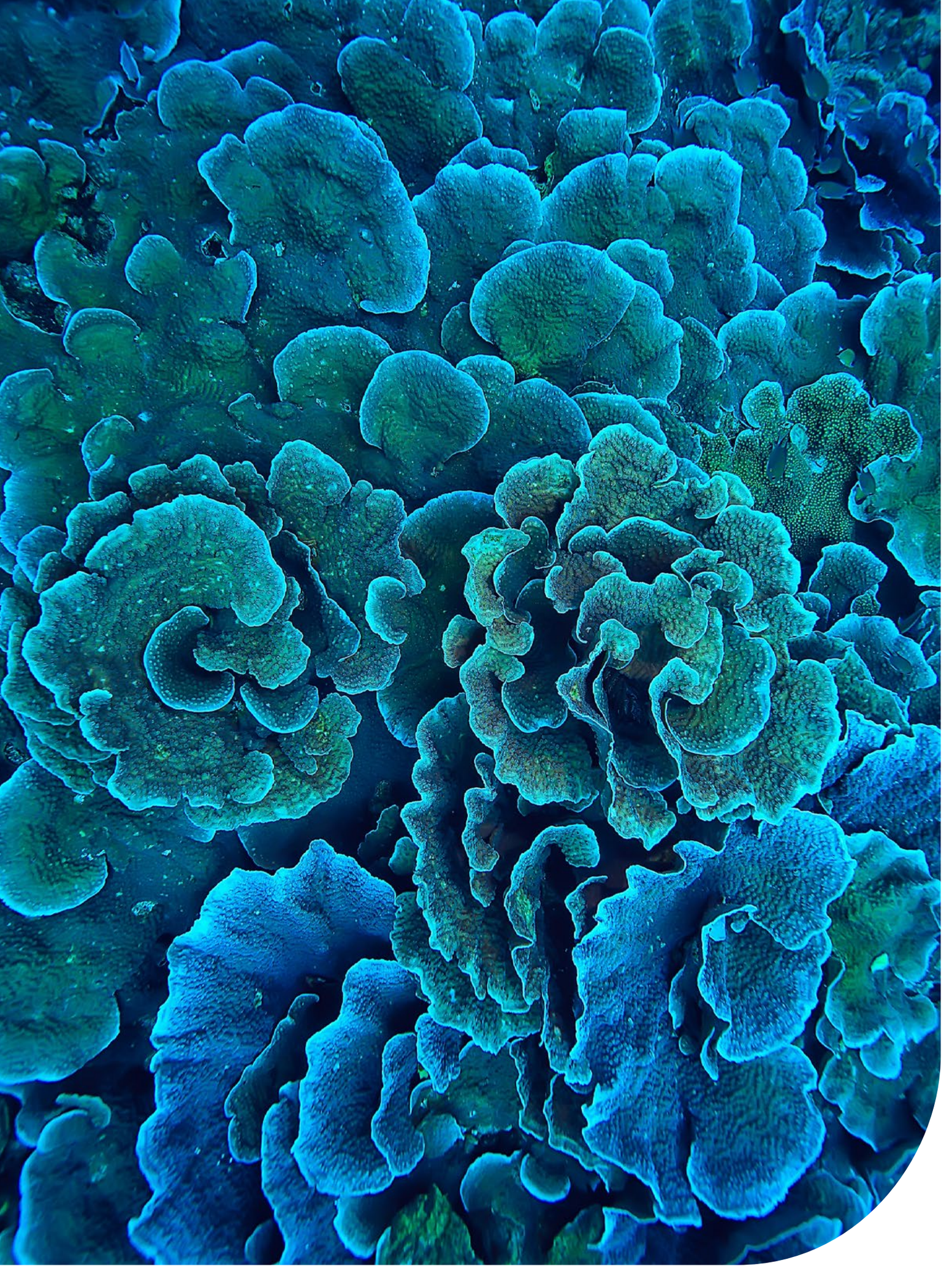
(GRI Content Index Continued)

GRI STD.	ESRS DISCLOSURE REQUIREMENTS	DISCLOSURE TITLE	KRATON DISCLOSURE	UNGC & SDG
GRI 405: Diversity and Equal Opportunity 2016				
405-1	-	Diversity of Governance Bodies and Employees	Empowering People, p67	SDG: 8 UNGC: 6
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	ESRS S1 and S2 covered by ESRS 1 §AR 16	Operations and Suppliers in which the Right to Freedom of Association and Collective Bargaining May Be At Risk	To our knowledge, within Kraton's own operations and those of our Joint Ventures the right to freedom of association and collective bargaining continue to meet all statutory requirements. Comprehensive information about supplier performance is currently unavailable. Also, see disclosure 414-2 regarding Supplier Social Assessments.	SDG: 8 UNGC: 3
GRI 408: Child Labor 2016				
408-1	ESRS S1 §14 (g); S1-1 §22ESRS S2 §11 (b); S2-1 §18	Operations and Suppliers at Significant Risk for Incidents of Child Labor	To our knowledge, within Kraton's own operations and those of our joint ventures, there is no significant risk of child labor. Comprehensive information about supplier performance is currently unavailable. Also, see disclosure 414-2 regarding Supplier Social Assessments.	SDG:8 UNGC: 5
GRI 409: Forced or Compulsory Labor 2016				
409-1	ESRS S1 §14 (f); S1-1 §22ESRS S2 §11 (b); S2-1 §18	Operations and Suppliers at Significant Risk of Incidents of Forced or Compulsory Labor	To our knowledge, within Kraton's own operations and those of our joint ventures, there is no significant risk for incidents of forced or compulsory labor. Comprehensive information about supplier performance is currently unavailable. Also, see disclosure 414-2 regarding Supplier Social Assessments.	SDG: 8 UNGC: 4
GRI 413: Local Communities 2016				
413-1	ESRS S3 S3-2 §19; S3-3 §25; S3- 4 §AR 34 (c)	Operations with Local Community Engagement, Impact Assessments, and Development Programs	Empowering People, p70	UNGC: 1
GRI 414: Supplier Social Assessment 2016				
414-1	ESRS G1 G1-2 §15 (b)	New Suppliers That Were Screened Using Social Criteria	As part of Kraton's supplier selection procedure, suppliers are vetted through various applicable processes before becoming an approved source; this includes an EcoVadis Third-Party CSR Assessments Program and rating that covers social criteria.	SDG: 8
414-2	ESRS 2 SBM-3 §48 (c) i and iv	Negative Social Impacts in the Supply Chain and Actions Taken	As of 31 December, 2023 we had 219 valid supplier assessments in our EcoVadis pool. These assessments include social impacts. We have identified 1 supplier with adverse social impacts through the EcoVadis Third-Party CSR Assessments Program. In the event of the identification of a negative actual or potential social impact, we discuss improvements with suppliers through the vendor performance evaluation process.	SDG: 8 UNGC: 2



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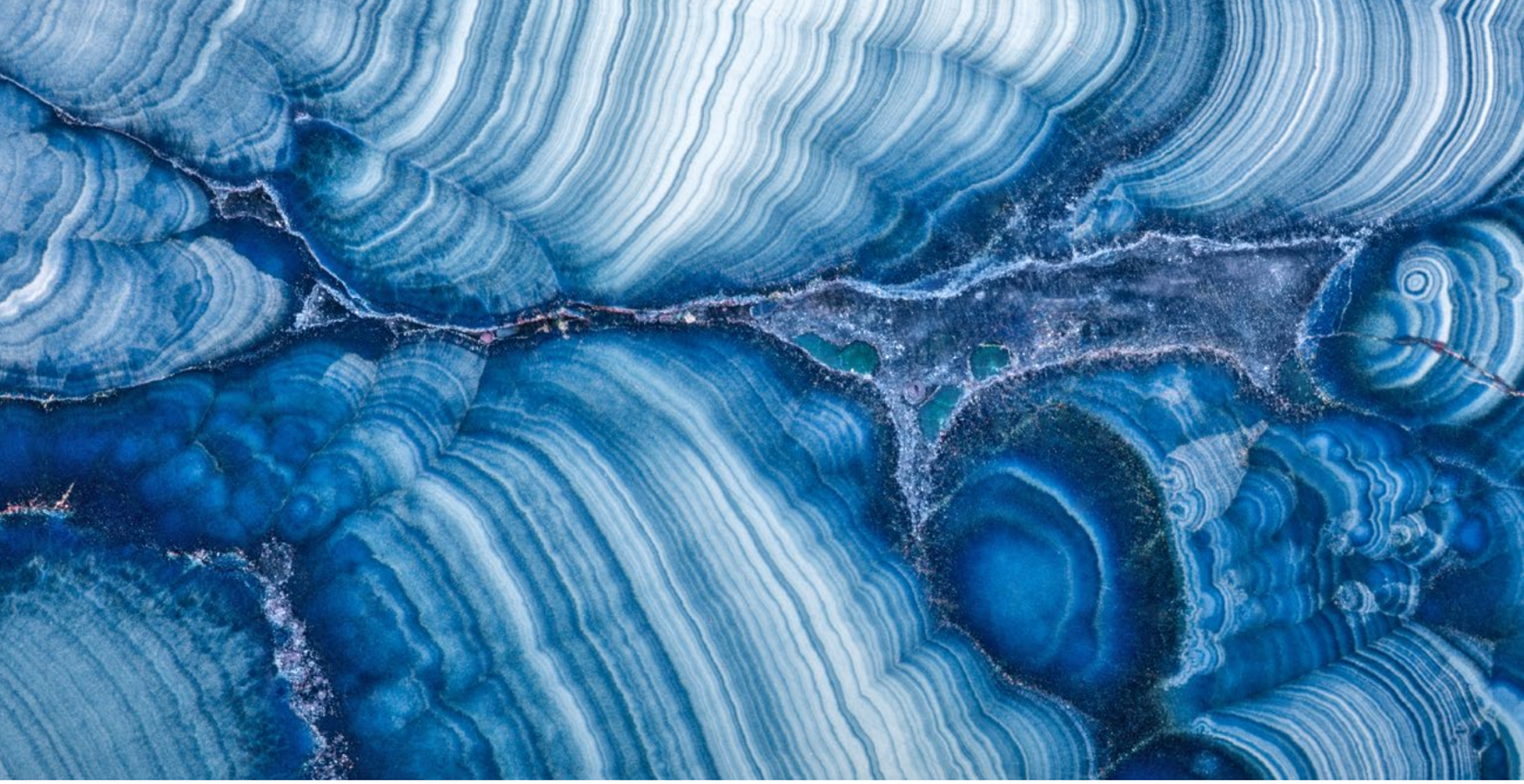
GRI STD.	ESRS DISCLOSURE REQUIREMENTS	DISCLOSURE TITLE	KRATON DISCLOSURE	UNGC & SDG
GRI 415: Public Policy 2016				
415-1	-	Political Contributions	Kraton does not make financial or in-kind political contributions. Through associations and platforms like ACC, Cefic, and TfS, Kraton can work with industry peers to define our collective positions regarding government regulations and policy proposals that address environmental and social factors and can develop approaches that shape sustainability for the future of the chemical industry. This collaboration is important because sustainability requires that we work with our industry peers to be able to make systemic progress. We are committed to high standards of transparency in our advocacy, public policy work, and lobbying activities.	-
GRI 416: Customer Health and Safety 2016				
416-1	ESRS S4 covered by ESRS 1 §AR 16	Assessment of The Health and Safety Impacts of Product and Service Categories	Reliable Partners, p42	-
416-2	ESRS S4 S4-4 §35	Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	Kraton is unaware of any incidents of non-compliance concerning the health and safety impacts of products and services during the reporting period.	-
GRI 417: Marketing and Labeling 2016				
417-1	ESRS S4 covered by ESRS 1 §AR 16	Requirements for Product and Service Information and Labeling	Reliable Partners, p42	SDG: 12
417-2	ESRS S4 S4-4 §35	Incidents of Non-Compliance Concerning Product and Service Information and Labeling	Kraton is unaware of any incidents of non-compliance concerning product and service information and labeling during the reporting period.	-
417-3	ESRS S4 S4-4 §35	Incidents of Non-Compliance Concerning Marketing Communications	Kraton is unaware of any incidents of non-compliance concerning marketing communications during the reporting period.	-
GRI 418: Customer Privacy 2016				
418-1	ESRS S4 S4-3 §AR 23; S4-4 §35	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Kraton is unaware of any substantiated complaints concerning breaches of customer privacy and losses of customer data during the reporting period.	-



SASB Chemical Industry Disclosures

The table below summarizes Kraton's SASB-aligned disclosures following SASB's Chemical Industry disclosure framework for the 2023 calendar year.

TOPIC	ACCOUNTING METRIC		UNIT OF MEASURE	UNIT OF MEASURE	DISCLOSURE / LOCATION
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2E, Percentage (%)	RT-CH-110a.1	Preserving Planet, p58 Kraton ESG Scorecard
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	RT-CH-110a.2	Preserving Planet, p52 Kraton ESG Scorecard
Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Quantitative	Metric tons (t)	RT-CH-120a.1	Preserving Planet, p61 Kraton ESG Scorecard
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CH-130a.1	Preserving Planet, p57 Kraton ESG Scorecard
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	RT-CH-140a.1	Preserving Planet, p59 Kraton ESG Scorecard
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	RT-CH-140a.2	Preserving Planet, p59
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	RT-CH-140a.3	Preserving Planet, p59
Hazardous Waste Management	Amount of hazardous waste generated; percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-CH-150a.1	Preserving Planet, p6 Kraton ESG Scorecard
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and Analysis	N/A	RT-CH-210a.1	Empowering People, p70
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	RT-CH-320a.1	Empowering People, p74 Kraton ESG Scorecard
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and Analysis	N/A	RT-CH-320a.2	Empowering People, p72
Product Design for Use-Phase Efficiency	Revenue from products designed for use-phase resource efficiency	Quantitative	Reporting currency	RT-CH-410a.1	We do not currently track this



SASB Chemical Industry Disclosures (continued)

TOPIC	ACCOUNTING METRIC		UNIT OF MEASURE	UNIT OF MEASURE	DISCLOSURE / LOCATION
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	Quantitative	Percentage (%) by revenue, Percentage (%)	RT-CH-410b.1	Reliable Partners, p42
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Discussion and Analysis	N/A	RT-CH-410b.2	Reliable Partners, p42
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	RT-CH-410c.1	Kraton products do not contain GMOs
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	N/A	RT-CH-530a.1	Our Approach to Sustainability, p19
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Quantitative	Number, Rate	RT-CH-540a.1	Empowering People, p74 Kraton ESG Scorecard
	Number of transport incidents	Quantitative	Number	RT-CH-540a.2	Empowering People, p74
Activity Metric	Production by reportable segment	Quantitative	Cubic meters (m^3) and/or metric tons (t)	RT-CH-000.A	Not disclosed

TCFD Recommendations

DISCLOSURE FOCUS AREA	DISCLOSURE	SUMMARY OF PROGRESS
GOVERNANCE		
Disclose Kraton's governance around climate-related risks and opportunities	a.) Describe the board's oversight of climate-related risks and opportunities	Our governance structure enables clear oversight and ownership of the sustainability strategy and climate-related issues at the Board level through the Strategy, Sustainability and Investments (SSI) and Audit and Compliance Committees.
	b.) Describe management's role in assessing and managing climate-related risks and opportunities.	Kraton's Sustainability Council provides executive direction for the company's global approach to climate change, serving as decision-making body, defining resource requirements, and overseeing implementation and progress of our climate change initiatives. Kraton's Polymers and Pine Chemicals Sustainability Task Forces execute the Sustainability Council decisions on the operation level and cascade the needed actions through their organizations.
STRATEGY		
Disclose the actual and potential impacts of climate-related risks and opportunities on Kraton's businesses, strategy and financial planning.	a.) Describe the climate-related risks and opportunities Kraton has identified over the short, medium, and long term	We continue to incorporate key climate risks and opportunities in our financial planning process. Our initial physical risk assessment has identified a small number of our sites that are exposed to potential material physical risks, including current extreme weather events (e.g. severe storms) as well as future changes in climate (e.g. shifts in heat stress conditions) Kraton has assessed its exposure to physical climate risks out to mid-century under three IPCC emissions pathways, including a 2°C scenario. Kraton has assessed the transition risks and opportunities it faces in the short-, medium- and long-term (1-5 years, 5-10 years and 10-30years respectively) under two scenarios: a Net Zero pathway (aligned to a 1.5C world) and IEA's STEPS. In 2023, we continue our work to further refine our understanding of the impact of climate-related risks and opportunities on Kraton's businesses, strategy and financial planning. Kraton regularly reviews and updates its Enterprise Risk Management (ERM) system to include, evaluate and mitigate risks to Kraton's potential continuous operations. Kraton has put measures in place to help mitigate the impact of future extreme weather events, drawing from insights from past experience. Events such as the 2021 freeze in Texas, 2018's Hurricane Michael and low water levels in the Rhine River, which have guided the development of these measures. All these events have caused significant operational challenges, ranging from outages of power, supply chain disruption and impacts on employees' well-being. In 2023, Kraton decided to implement internal (shadow) carbon price. We continue working on operationalizing the carbon price into our decisions making. Across our facilities, Kraton has built-in emergency response procedures to limit downtime and therefore maintain production rates. Mitigation actions include: ▶ Building inventory ▶ Diversifying suppliers ▶ Flood, hurricane assessments ▶ Crisis management plans
	b.) Describe the impact of climate-related risks and opportunities on Kraton's businesses, strategy, and financial planning	
	c.) Describe the resilience of Kraton's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	

TCFD Recommendations (continued)

DISCLOSURE FOCUS AREA	DISCLOSURE	SUMMARY OF PROGRESS
RISK MANAGEMENT		
Disclose how Kraton identifies, assesses, and manages climate-related risks.	a.) Describe Kraton's processes for identifying and assessing climate-related risks	We continue to embed climate risk into our activities and Enterprise Risk Management Framework, with more detailed and systematic assessment of climate risks facing the business undertaken in 2021.
	b.) Describe Kraton's processes for managing climate-related risks	Refer to Preserving Planet chapter, p52
	c.) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into Kraton's overall risk management	Refer to Preserving Planet chapter, p52
METRICS AND TARGETS		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities	a.) Disclose the metrics used by Kraton to assess climate-related risks and opportunities in line with its strategy and risk management process	Kraton uses several climate-related metrics to track progress and performance. These can be found in the Preserving Planet chapter page 58. Metrics include renewable energy use, energy intensity, and Scope 1 and Scope 2 GHG emissions as well as GHG intensity emissions. The data is reported in line with the GHG protocol on an annual basis to stakeholders through our sustainability report. Data is collected monthly at plant level and used in operations management. Furthermore, data is reported on a quarterly basis to the Sustainability Council and reported to the Board as described in our Governance chapter.
	b.) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Percentage Renewable Energy: 12 Percent Energy Intensity: 9.2 MMBTU/Ton product GHG Emissions Scope 1: 350599 $MTCO_2E$ GHG Emissions Scope 2: 176658 $MTCO_2E$ GHG Emissions Intensity (Scope 1 and 2): 0.52] $MTCO_2E$/Ton
	c.) Describe the targets used by Kraton to manage climate-related risks and opportunities and performance against targets	**Targets** Kraton is committed to reducing (Scope 1 and 2) greenhouse gas emissions intensity by 20% by 20230, compared to 2020 baseline year. **Performance** In 2023 Kraton achieved: ▶ A decrease of approximately 14% in total absolute emissions compared to 2022. This reduction can be attributed to low-carbon energy procurement at Kraton's Scandinavian facilities and the implementation of the Belpre Strategic Energy Project (BSEP), resulting in onsite generated electricity. However, this reduction was accompanied by a production volume decrease of approximately 18%. ▶ GHG intensity remained at 5.2% compared to 2020. This stability is primarily due to lower production volumes in 2022. GHG intensity is calculated as Scope 1 and 2 emissions per ton of product.



KRATON™

KRATON CORPORATION

For more information, visit our website at www.kraton.com or email sustainability@kraton.com.

U.S.A. Headquarters
Houston, Texas

Asia Pacific
Shanghai, China

Europe, Africa, Middle East
Almere, Netherlands

India/Southeast Asia
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