



PRESERVING
PLANET

CLIMATE ACTION

Management Approach

As the third-largest source of direct CO₂ emissions among industrial sectors, the chemical industry plays a critical role in mitigating climate change. Today, leading companies are taking the necessary steps to transition toward more environmentally responsible operations and help shape a sustainable future.



As a global leader in our industry, Kraton's climate action strategy is rooted in delivering long-term sustainability value for our operations, our business, and our broader stakeholder community. We take a forward-looking, integrated approach that includes setting bold targets for reducing greenhouse gas (GHG) emissions, deploying robust monitoring and management systems, and evaluating both the opportunities and risks of emerging climate initiatives. **This proactive framework positions Kraton to meet the growing challenges of climate change while supporting the global transition to a low-carbon future.**

Climate change mitigation, adaptation, and energy management are ranked as high-priority topics in Kraton's materiality assessment. This ranking, in addition to financial materiality, acknowledges the importance of the impact of these topics for our stakeholders. Consequently, climate action management and the corresponding disclosures of Kraton's performance are critical focus areas for our external stakeholders and the respective Kraton governance committees.

From a climate action governance perspective, Kraton's Strategy, Sustainability & 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 is pivotal in guiding the company's global approach to climate change. Serving as the corporate-level decision-making body, it defines resource requirements and oversees 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 operating level.

Kraton has actively measured and reported Scope 1 and 2 emissions since 2014. In 2024, we reviewed our emission factors to confirm our historical GHG data performance and remain committed to our greenhouse gas intensity target.

Our current target:

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

Furthermore, we made significant progress on our decarbonization strategy, focusing on continuous data improvement and target management. A comprehensive review of energy sources across all manufacturing locations was conducted. This enabled the recalculation of our 2022 GHG emissions, that needed no restatement, allowing us to prepare our baseline for future discussions on target revisions.

To drive further decarbonization, we partnered with a reputable energy consulting firm to perform energy audits across all manufacturing sites, identifying opportunities to enhance energy efficiency and reduce emissions. Recommendations were tailored for each site, covering measures such as optimizing heat systems, recovering waste heat or steam, electrifying production processes, and exploring alternative fuels. We also evaluated renewable electricity procurement options to address Scope 2 emissions while complementing our efforts to reduce Scope 1 emissions. Further information about our decarbonization journey can be found in the Approach to Sustainability section.

To adhere to the commonly accepted sustainability reporting standards (GRI, SASB, ESRS), 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 significantly contributes to company-wide harmonization, guaranteeing the same calculation approach and methodology for all manufacturing locations.

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

We have quantified GHG emissions from our non-manufacturing facilities, including offices, laboratories, and innovation centers. Although these emissions are considered non-material, as they comprise less than 1% of total GHG emissions relative to those from our manufacturing facilities, understanding their impact on people and the environment remains essential. This approach signifies a more holistic perspective, emphasizing the element of climate and environmental performance in the People pillar beyond the manufacturing operations.

Internal Carbon Price

In 2024, Kraton established its approach for determining an internal carbon price and defined the operating principles to guide its implementation. Following the internal agreement, which Kraton's Sustainability Council supported, Kraton decided to operate regional and dynamic carbon pricing, distinguishing between the European and the US regions. Kraton considered the current and anticipated developments for carbon prices in these regions, such as the European Emissions Trading Scheme (EU ETS) and the Carbon Border Adjustment Mechanisms (CBAM) in the European region, and existing carbon prices in the individual states in the United States and the US Regional Greenhouse Gases Initiative region (US RGGI). Finally, when determining Kraton's internal carbon prices, careful considerations were given to the existing, or absent, carbon regulations in the countries or states where Kraton's manufacturing facilities are located. We anticipate that operating Kraton's internal carbon price will help us prepare for potential emerging external carbon pricing regulations and will allow us to create holistic business cases for informed decision-making.

Greenhouse Gas (GHG) Emissions Performance

Kraton is actively working to lower its carbon footprint and energy use. Our target to achieve a 20% decrease in GHG emissions intensity from 2020 levels by 2030, against a 2020 baseline, remains unchanged. However, in 2025, as part of our standard target revision practice, we plan to review any changes in operational control. Based on this review and our performance toward the current target, we will determine whether an update to the GHG reduction target is needed.

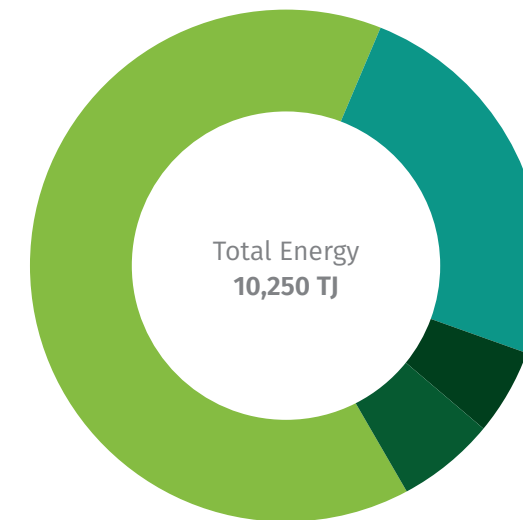
ENERGY CONSUMPTION

Kraton promotes a culture of energy efficiency by encouraging open communication and aligning around shared performance targets. To support this commitment, our facilities utilize digital tools, including dashboards, operator interfaces, and visual display screens, to monitor and manage energy consumption in real-time. We also implement practical efficiency measures, including steam trap maintenance and leak detection programs. To drive continuous improvement and knowledge-sharing, our sites actively participate in bi-monthly energy network meetings, strengthening collaboration across our global operations.

In 2024, Kraton consumed 10,250 (TJ) of energy, approximately a 4% decrease over 2020 baseline. Notably, 12.7% of our energy consumption was renewable, a slight increase compared to 2023. This includes using our biobased by-products, such as pitch, as fuel, and the ongoing use of renewable electricity in our Scandinavian facilities.

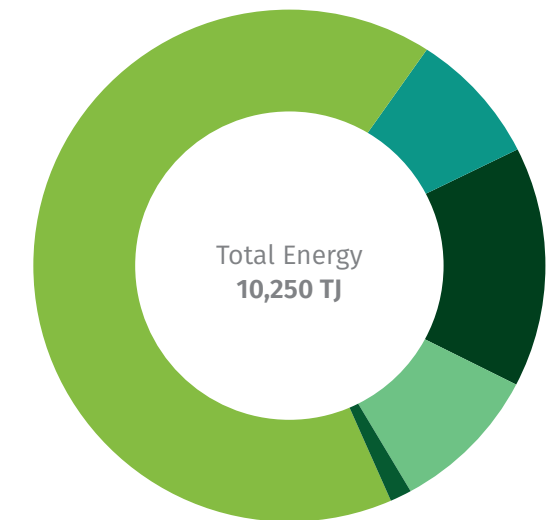
Energy Intensity was 8.4 MMBTU/Ton, constituting a 9% decrease compared to 2023. The change in energy intensity is mainly attributable to a return to a higher volume of production across the organization in 2024. Energy intensity is calculated based on the total energy consumed within the organization divided by the tons of product produced.

Energy Source Type (2024)



Direct Non-Renewable	70.1%
Indirect Non-Renewable	17.2%
Indirect Renewable	5.5%
Direct Renewable	7.2%

Energy Source Breakdown (2024)



Natural Gas	68.52%
By-products	8.14%
Purchased Steam	14.64%
Electricity	8.00%
Fuel Oils	0.72%

SCOPE 1 & 2 EMISSIONS

We have consistently made progress in reducing our Scope 1 and 2 emissions, reflecting a positive trend in our ongoing efforts to improve operational efficiency. We have continued modernizing our technology and machinery to reduce the overall CO₂ output. For instance, the continued operation of a combustion turbine generator with a heat recovery boiler in Belpre, Ohio reduced purchased electricity by 87% throughout 2024, reducing costs and carbon dioxide emissions.

Absolute Emissions Progress

Between 2014 and 2020, Kraton achieved a remarkable 41% reduction in absolute emissions, showcasing the long-term impact of our decarbonization efforts. From 2020 to 2024, we achieved an 18% reduction in absolute emissions, including a 10% decrease from 2022 to 2024.

Kraton decreased its absolute Scope 1 & 2 GHG emissions by 41% since 2014.

GHG ABSOLUTE REDUCTIONS

2014-2024	2020-2024	2022-2024	2023-2024
-41%	-18%	-10%	+2%

GHG INTENSITY REDUCTIONS

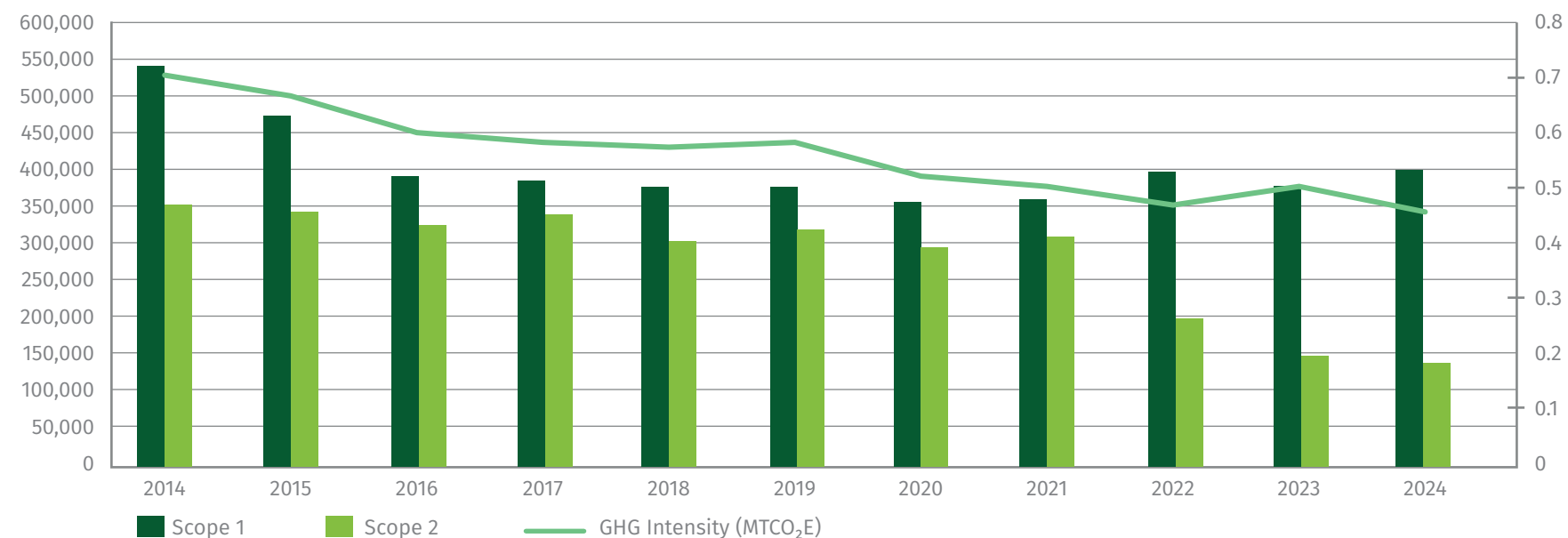
2014-2024	2020-2024	2022-2024	2023-2024
-35%	-12%	-3%	-10%

GHG Intensity Progress

In terms of GHG intensity, we reduced emissions intensity by 35% between 2014 and 2024, reflecting substantial improvements in operational efficiency. From 2020 to 2024, intensity fell by nearly 12%, including a 3% reduction from 2022 to 2024 and a notable decrease of 10% between 2023 and 2024.

The data presented here reflects our ongoing commitment to continuously reducing GHG emissions and improving efficiency across operations. While historical data from earlier years may have inherent limitations, the overall trends clearly illustrate significant achievements over time, particularly when considering the substantial reductions since 2014.

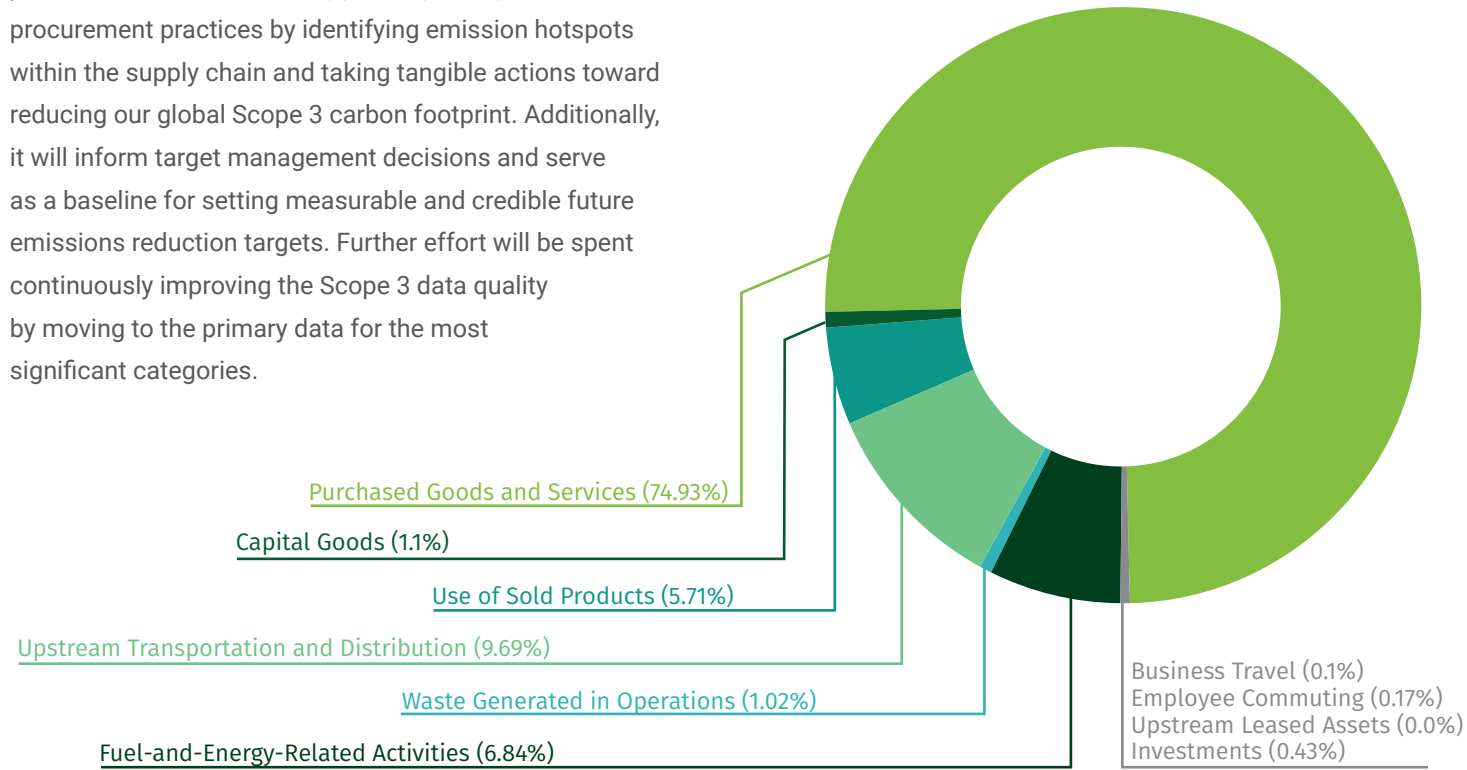
Greenhouse Gas (GHG) Emissions (MTCO₂E)



SCOPE 3 EMISSIONS

In 2024, our team mapped Scope 3 emissions for the year 2022. This effort will support improving sustainable procurement practices by identifying emission hotspots within the supply chain and taking tangible actions toward reducing our global Scope 3 carbon footprint. Additionally, it will inform target management decisions and serve as a baseline for setting measurable and credible future emissions reduction targets. Further effort will be spent continuously improving the Scope 3 data quality by moving to the primary data for the most significant categories.

2022 Baseline Scope 3 Emissions



#	SCOPE 3 CATEGORY	EMISSIONS (TCO ₂ E)	CATEGORY % IN TOTAL SCOPE 3
1	Purchased Goods and Services	1,351,666	74.93%
2	Capital Goods	19,784	1.10%
3	Fuel-and-Energy-Related Activities	123,397	6.84%
4	Upstream Transportation and Distribution	174,859	9.69%
5	Waste Generated in Operations	18,343	1.02%
6	Business Travel	1,786	0.10%
7	Employee Commuting	3,060	0.17%
8	Upstream Leased Assets	296	0.00%
11	Use of Sold Products	103,063	5.71%
15	Investments	7,753	0.43%
	TOTAL	1,804,005	100%

Carbon Disclosure Project (CDP) Rating

Kraton is among the 24,800+ companies committed to transparency and accountability in addressing climate change. We disclose and monitor our environmental impacts through the CDP Climate Change Questionnaire, which evaluates greenhouse gas emissions across all scopes, our strategies for reducing emissions, including target setting, and our approach to managing climate-related risks.

In 2024, Kraton received a C, reflecting our awareness of disclosing environmental impacts. This score reinforces our commitment to enhancing sustainability performance and driving positive change.



ENVIRONMENTAL IMPACT & RESOURCE EFFICIENCY

Management Approach

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 several other policies in place that reflect our environmental commitments, including:

- ▶ Health, Safety, Environment, and Security (HSES) Policy
- ▶ Conflict Minerals Policy
- ▶ Chemical Control Policy

Kraton is a proud ACC Responsible Care® initiative member and adheres to its associated management system requirements. Our manufacturing plants and the Jacksonville, Florida, corporate office are all certified to RC14001 and RCMS standards, respectively. Additionally, 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 2024, we continued participating in the European Responsible Care® initiative led by Cefic. We strengthened our engagement by supporting internal working groups to advance the Cefic-Kraton information exchange and knowledge sharing.

Our global 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's best practices. We are committed to environmental stewardship through sustainable operations and invest in projects continuously improving environmental performance.



WATER RESOURCE MANAGEMENT

Shifting patterns of water availability and incidences of flooding, driven by climate change, are raising global water concerns. While most of our plants are situated near water bodies, we 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 and climate action are essential 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. Kraton engaged a third-party expert to conduct these evaluations to enhance the quality of our water stress assessments.

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 & 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 installing new cooling towers and transitioning to recirculation designs for cooling water heat exchanger loops.

Similar to our energy consumption and Greenhouse Gas (GHG) emissions approach, we continue leveraging our reporting templates for water and waste reporting KPIs to align with commonly accepted sustainability reporting standards (GRI, SASB, ESRS). This initiative promotes company-wide harmonization and introduces the same definitions for water withdrawn and consumed across all manufacturing sites.

According to reporting standards, Water Withdrawn is the total amount of water our sites take 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 on-site 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 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 2025 demonstrates Kraton's commitment to continuously improving our water management practices.

Water Withdrawal and Consumption

In 2024, Kraton reported a withdrawal of 65,480 (1000 m³) of water, reflecting a 3% decrease compared to 2023 and an outstanding 14% decrease compared to the 2020 baseline. These reductions in absolute volume can be attributed to installing water-cooling towers at our Dover and Panama City facilities.

Furthermore, Kraton reports 16,356 (1000 m³) of water consumption.

Kraton's water withdrawn intensity figures for 2024 are 56.5 (1000 m³/ton) of product produced. This represents a 6% decrease compared to the 2020 baseline.

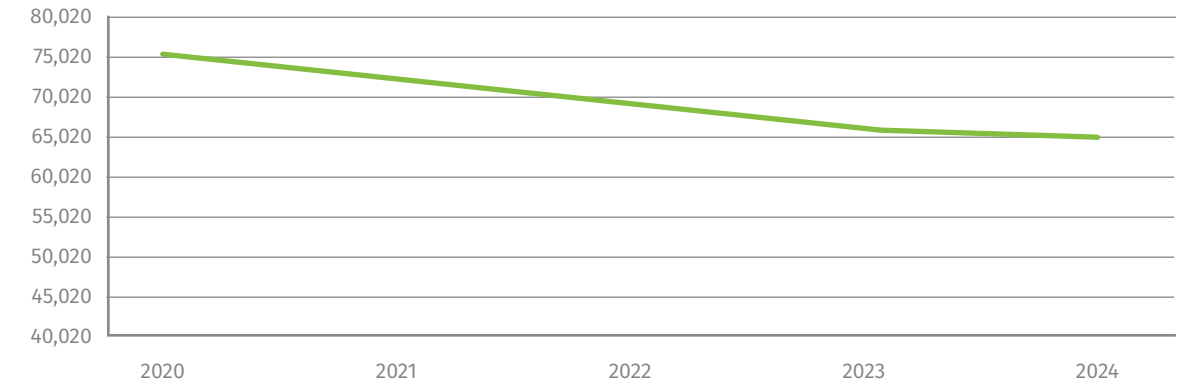
Kraton maintains water monitoring systems and ensures compliance with federal, state, and local requirements at all our sites.

In 2024, no incidents of non-compliance were associated with water quality permits, standards, and regulations.

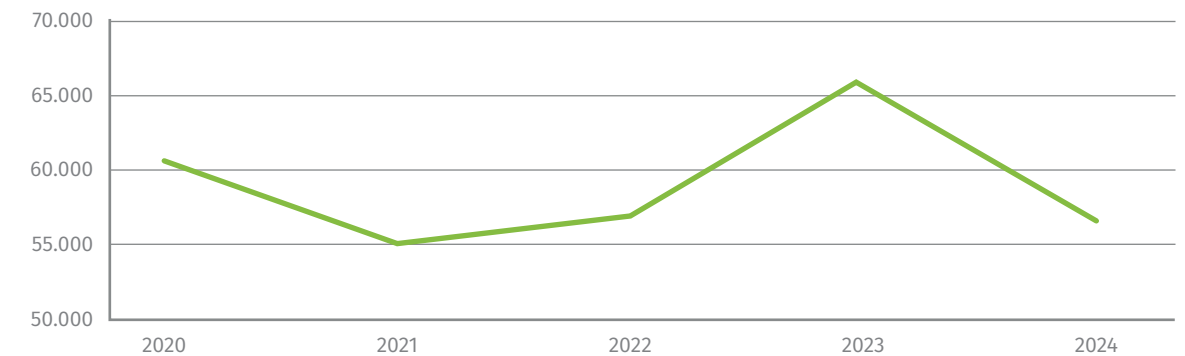
In the unlikely event of a local uncontrollable release, we have emergency preparedness

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 odor emissions and material releases from our operations. Further, we have installed filters and vacuum equipment to control or reduce emissions of dust or particles. As part of the ongoing legacy remediation program, we also undertook soil testing for heavy metal contamination, and no contamination was detected at our perimeter sampling points.

Water Withdrawn - Absolute Global (1000 m³)



Water Withdrawn Intensity Global (1000 m³/Ton)



WASTE MANAGEMENT & POLLUTION

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 are committed to continually improving our processes and reducing the generation of process residuals. We seek to minimize waste by recycling or reusing process residuals such as catalysts wherever possible. 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 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.

Hazardous Materials, Chemicals, & Waste Management

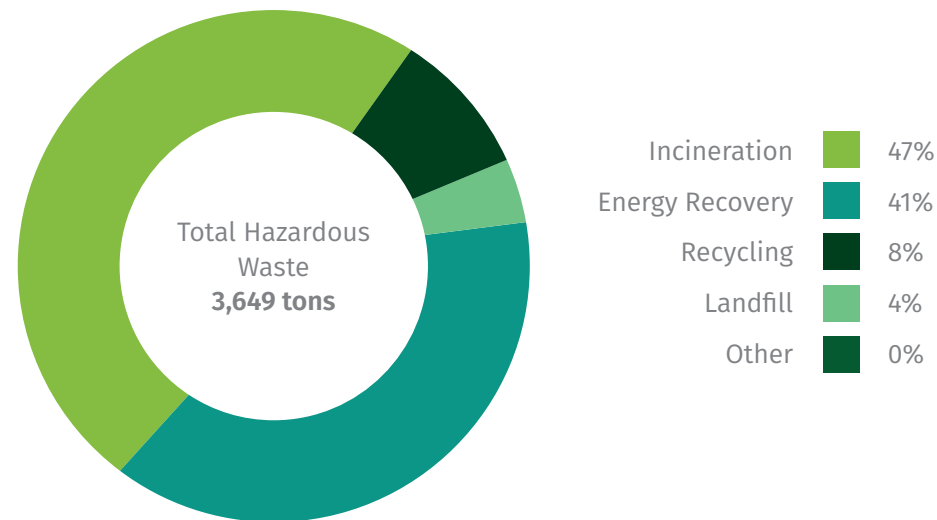
In 2024, we saw an increase in non-hazardous solid waste and a decrease in hazardous waste generation compared to 2023. Our non-hazardous solid waste increased by approximately 14%, amounting to 17,502 tons, in line with 2022 numbers. Our hazardous waste generation decreased by 19%, amounting to 3,649 tons.

Solid & Hazardous Waste Disposal (tons)



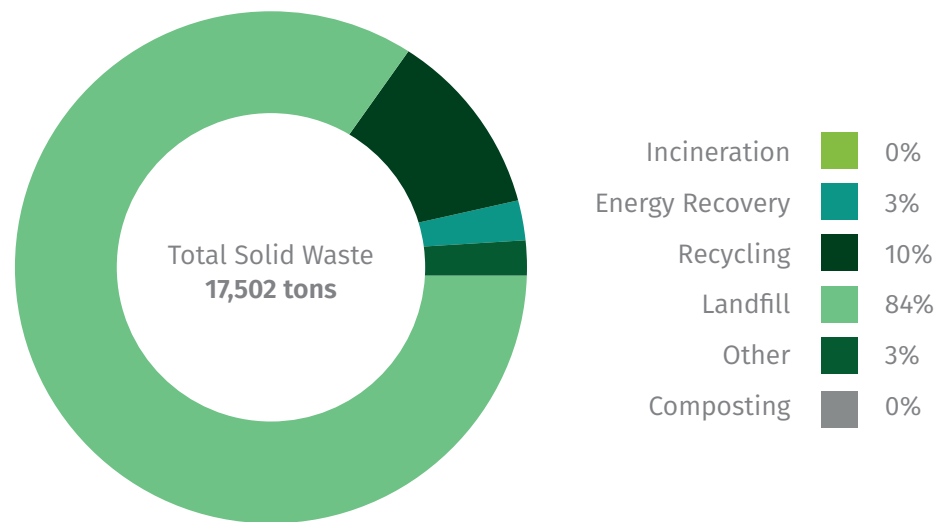
Regarding the breakdown of the disposal methods for hazardous waste, energy recovery accounted for 41%, incineration 47%, and recycling 8%.

Hazardous Waste Disposal Breakdown by Method (2024)

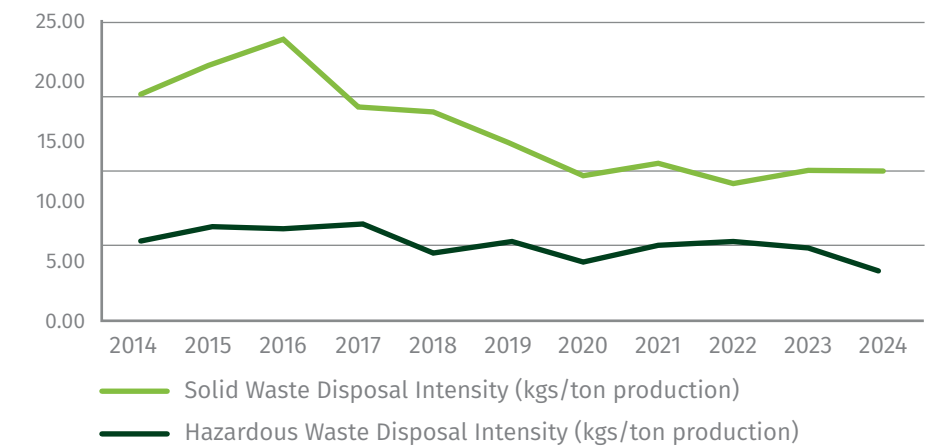


Regarding the breakdown of the disposal methods for solid waste, landfills accounted for 84%, recycling 10%, and energy recovery 3%.

Global Solid Waste Disposal Breakdown by Method (2024)



Waste Disposal Intensity



In terms of waste intensity figures reported for 2024:

TYPE OF WASTE	KG/TON OF PRODUCT PRODUCED	COMPARED TO 2020 BASELINE
Solid Waste Intensity	15.108 Kg Solid Waste	4% decrease
Hazardous Waste Intensity	3.15 Kg Hazardous Waste	15% decrease

Air Emissions

As part of permit requirements and/or regulations, we monitor several air pollutants (e.g., VOCs, NOx, SOx). In 2024, we focused on reducing emissions from mechanical equipment leaks and system losses. In 2024, we reported:

AIR EMISSION TYPE	2024	COMPARED TO 2022
Volatile Organic Compounds (VOC)	393 tons	16.8% increase
Sulfur Oxides (SOx)	74 tons	43% increase
Nitrogen Oxides (NOx)	288 tons	4% decrease

The changes are attributable to more extensive and improved monitoring of boiler performance. Since 2015, we have replaced two coal and one natural gas boiler 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 year by year.

Sustainable Achievement: TRANSFORMING WASTE INTO VALUE IN PANAMA CITY

Our Panama City manufacturing plant is on track to achieve a significant sustainability milestone with an initiative that will enable the reduction of 2.5 million pounds of hazardous waste annually. Beginning in December 2024, Aluminum Oxide (ALOX), historically treated as hazardous waste, will be converted into a sellable product. This shift is expected to deliver significant value in combined financial benefits through revenue generation and cost savings, while significantly reducing the plant's environmental impact and advancing our sustainability goals.

This effort showcases the innovative thinking and collaboration of our team to address environmental challenges. Once fully implemented, this initiative will set a benchmark for sustainable manufacturing practices within Kraton. Inspired by this progress, we are actively exploring similar waste reduction opportunities in other areas to drive further improvements across our operations.

BIODIVERSITY

Kraton is deeply committed to safeguarding biodiversity and the vital ecosystems that support both nature and communities. We recognize that healthy, resilient ecosystems are fundamental to our planet's future—and that our operations carry a responsibility to minimize environmental impact. That's why we rigorously identify and manage biodiversity risks, championing sustainable land use practices at every stage.

Our facilities are purposefully situated in urban or developed areas, steering clear of critical habitats and regions of High Conservation Value (HCV). Importantly, we have taken a firm stance against building new facilities on untouched greenfield sites, ensuring that our growth never comes at the expense of biodiversity.