



KRATON™
SUSTAINABILITY
REPORT 2022

SUSTAINABLE SOLUTIONS. ENDLESS INNOVATION.™

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About this Report

This Sustainability Report covers the period of January 1, 2022 to December 31, 2022, and is part of Kraton's corporate story, allowing us to show progress year-on-year. In connection with our sustainability policies, the Annual Sustainability Report, and our website helps showcase Kraton's efforts to integrate sustainability throughout our company, our processes, and the products we produce. This report has been prepared in accordance with the GRI Standards and the Sustainability Accounting Standards Board (SASB). The report also contains a Taskforce on Climate-related Financial Disclosures (TCFD) table. 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.



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 CEOS



Marcello Boldrini
Co-Chief Executive Officer

As we navigate an ever-changing global landscape, one thing remains clear: sustainability is a necessity for building a resilient and prosperous future. At Kraton, we recognize our business's impact on the environment and are committed to managing that impact responsibly and transparently. In 2022, we made significant strides in reducing our carbon footprint, improving our utilization of renewable resources, and fostering circularity in our supply chain. Our dedication to enhancing our sustainability management system earned us the globally recognized EcoVadis Platinum rating in 2022, placing Kraton in the top 1% of over 90,000 companies evaluated by EcoVadis. Further, we are proud to have achieved several sustainability targets ahead of schedule and continually strive to improve our performance.

Developing a sustainable business model creates long-term value for all stakeholders, including our employees, customers, and communities. In this report, we are happy to share our progress and achievements and look forward to driving continuous improvement and positive change across our business and beyond.

The Sustainability Pillars Guiding Our Strategy:

Climate Action & Environmental Impact

We see climate change as one of the world's most urgent problems and are committed to action. This is why we've set ambitious targets for 2030, including a 20% cut in Scope 1 and 2 GHG emissions and a 10% cut in water and waste intensity.

We are proud to share that in 2022, we achieved a 5.8% reduction in our GHG Intensity compared to our 2020 baseline year, demonstrating the continued success of our efforts to lessen our negative effect on the environment.



Holger Jung
Co-Chief Executive Officer

In addition to reducing our GHG emissions, we have made significant progress in modernizing our technology and machinery to improve efficiency and reduce our overall carbon footprint. For instance, at our Belpre, Ohio facility, our new heat and power system has enabled us to cut carbon dioxide emissions by almost 50,000 MTCO₂ annually, a significant achievement that underscores our dedication to sustainability.

Being a Responsible Business

A responsible business recognizes its broader responsibility beyond maximizing profits. Kraton is committed to empowering our organization and suppliers to make a positive impact through responsible business practices. This means ensuring our Responsible Procurement Program aligns with Together for Sustainability (TfS) and advances our goal to reduce our environmental footprint, uphold human rights, and promote sustainable development in our communities. It also means conducting business with reliable suppliers aligned with our environmental, social, and ethical standards. We are proud to share that Kraton had zero human rights incidents during 2022.

Enhancing Bio & Circular Economies

We recognize innovation's crucial role in advancing a biobased and circular economy and addressing environmental concerns. For example, our SBC technology has enabled Playmobil®, Germany's largest toy manufacturer, to enhance the durability and recyclability of their products, reducing waste and promoting a more sustainable toy industry.

Moreover, our latest product brand, SYLVASOLV™, features 100% biobased oils that deliver superior performance and sustainability benefits across diverse industries, from cleaning solvents and coatings to defoamers. By leveraging biobased materials, SYLVASOLV offers a more sustainable alternative to non-renewable fossil-based materials in various applications.

By leveraging our expertise and innovation, we will continue developing sustainable solutions that benefit customers and the environment.

People & Communities

Kraton's mission is to make a positive difference in our business and the world. We take great pride in celebrating the unique qualities of each of our employees and are dedicated to providing a safe and inclusive environment for all. Our dedication to the safety of our employees was rewarded with a record-breaking year in 2022 when there were no process safety incidents. We understand that our impact extends well beyond our operations. Kraton is pleased to have contributed over \$400,000 in 2022 to causes, including bettering education, helping the disadvantaged, and creating a more sustainable world. Through our partnership with Tree Nation, we planted over 25,000 trees across North America and Europe, offsetting over 4,700 tons of CO₂ from our tree planting initiative alone. Additionally, Kraton sponsors scholarships and provides mentorship through the Future of Stem Scholars Initiative (FOSSI), a program to support students pursuing STEM disciplines at Historically Black Colleges and Universities (HBCUs). In 2023, we are excited to expand our reforestation efforts and further execute our corporate social responsibility (CSR) strategy.

Looking Ahead

As we embark on 2023, we understand sustainability is not a destination but an ongoing journey. We are firmly committed to leading the way in innovation, transparency, and accountability at Kraton. Our dedication to the United Nations Global Compact's Human Rights, Labor, Environment, and Anti-Corruption principles and Sustainable Development Goals (SDGs) that are relevant to our business model remains steadfast. We will continue adapting our business strategy to meet future sustainability needs, with data excellence being a critical focus area in 2023. Additionally, we will analyze and refine our governance structure to further optimize our impact. Together with our suppliers, customers, and employees, we will keep working to lessen our negative effects on the environment, promote social responsibility, and advance a sustainable, circular, and bio-based economy. We sincerely thank our stakeholders for their support as we strive to create a better world for future generations.

*compared to the 2020 baseline year.

SUSTAINABILITY FASTFACTS 2022



PLATINUM **Top 1%**
2022
ecovadis
Sustainability
Rating

**ECOVADIS
PLATINUM**
SUSTAINABILITY
RATING

**GOVERNANCE &
RISK MANAGEMENT**
TO MANAGE CLIMATE
& SUSTAINABILITY



KRATON'S SUSTAINABILITY
REPORTING ALIGNS WITH THE
**UNGC PRINCIPLES
& SDGS**



**2030 STRATEGIC
TARGETS SET**
FOR CLIMATE ACTION
AND ENVIRONMENTAL IMPACT

ISCC EU CERTIFIED
SITES IN: **Dover | Oulu | Sandarne | Savannah**

ISCC PLUS CERTIFIED
SITES IN: **Berre | Sandarne**



ISCC
International Sustainability
& Carbon Certification



ALL MANUFACTURING SITES

13 ISO 14001/RC 14001 CERTIFIED

55%
OF NEW HIRES
ARE DIVERSE*

157 USDA BIOPREFERRED® CERTIFIED PRODUCTS

zero

TIER 1 PROCESS SAFETY INCIDENTS DURING 2022,
MAKING IT OUR BEST SAFETY PERFORMANCE HISTORICALLY

BUSINESS BUILT ON

50% BIOBASED RAW MATERIALS

WE PLANTED

25K TREES ON **60+** ACRES



IMPLEMENTING RECOMMENDATIONS

TCFD
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



TOGETHER FOR SUSTAINABILITY

DRIVING SUSTAINABILITY IN PROCUREMENT



FOSSI
The Future of STEM Scholars Initiative

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

MESSAGE FROM OUR CHIEF SUSTAINABILITY OFFICER



Sustainability is an integral part of our long-term success at Kraton. It is not simply about reducing waste or improving operational efficiency; it is an opportunity to foster innovation and create incremental value for all stakeholders. Companies must have a firm grasp on the environmental, social, and governance (ESG) concerns affecting businesses to succeed.

In 2022, Three Forces Shaped an Ever-Changing ESG Landscape:

Regulatory & Mandatory Reporting: Highlighting requirements to comply with emerging key ESG reporting laws such as the Corporate Sustainability Reporting Directive (CSRD) and the Task Force on Climate-related Financial Disclosures (TCDF).

We are currently performing a Double Materiality Assessment, which will assess the financial materiality (economic value creation) and the impact materiality (external impacts including communities and environment).

A fraction of our success depends on ESG evaluation, and our disclosures convey our dedication to openness and accountability as crucial to Kraton's success.

Market & Customers: We believe that the true currency of Sustainability is data. As customers become more aware of sustainability challenges down the value chain, they want proof of circular and sustainable products and services. Understanding the industry's wants and needs is the core underpinning of our customer engagement and collaboration in driving sustainability initiatives.

Technologies Enablement: Technology is crucial in enabling companies to achieve sustainability goals. In addition to sustainable, innovative products, advanced analytics, artificial intelligence, and digital platforms can help companies track, analyze, and improve ESG performance.

To advance our sustainability strategy, we focus on bolstering our data management systems to enhance our organization's accuracy, uniformity, and comprehensiveness. Focusing on these goals will bring Kraton to the forefront regarding supply chain effectiveness, carbon footprint, and resource efficiency tracking.

We take inventory of Scope 3 emissions before setting targets and are preparing for our first Carbon Disclosure Project (CDP) submission in 2023. Scope 3 emissions refer to the Corporate Value Chain Accounting and Reporting Standard, allowing companies to assess their entire value chain emissions impact and identify where to focus reduction activities. Kraton maintains its focus on EcoVadis, Life Cycle Assessment (LCA), and International Sustainability and Carbon Certification (ISCC) programs and portfolio certifications.

Considering these forces, we're concentrating on three key areas: Planet, Performance & Partnerships, and People to achieve our goals effectively.

PLANET

To be environmentally responsible, a company must consider how its actions and decisions may affect the globe. We have set goals for 2030, with 2020 serving as a benchmark. Already we have accomplished much; in 2021, we achieved a 26% GHG emissions reduction (vs. the 2014 baseline). In addition, we recognize the industry's shift towards Science-based targets and are considering this as we plan for 2023.

PERFORMANCE & PARTNERSHIPS

Achieving sustainable development is crucial to the organization's long-term health and growth. An organization must have beneficial partnerships and generate sufficient profit longevity.

Kraton believes it is our responsibility to decrease our environmental impact and support our customers to do the same. Reaching value chain ESG targets requires trust-based collaborations, which benefits everyone. Kraton can reach sustainable goals by partnering with suppliers, customers, and other stakeholders.

PEOPLE

Our efforts to advance our people and communities include making complex topics tangible for our stakeholders. It also means carrying others along in our journey and ensuring we build a culture where driving sustainability is everyone's responsibility, no

matter your role at Kraton. Further, we seek to make a positive difference in the lives of people around us. That means fostering an environment where all employees are valued, respected, and given the support and resources needed to realize their full potential and enhance their well-being.

We continue to work together and give back to our communities through initiatives that go beyond monetary investment and give back our most valuable resource, our time, toward bettering our planet and communities. This includes projects like our partnership with American Rivers to help protect vital habitats and reduce river pollution.

Kraton remains committed to advancing a more sustainable world. This requires collaboration and a shared sense of purpose across the entire value chain, working closely with partners and customers, and mobilizing our employees. Our core values of ownership, relationship, and integrity guide us in everything we do and are fundamental to our long-term success. As we face ongoing challenges and uncertainties in today's rapidly evolving world, we remain steadfast in our dedication to sustainability. Together, we can create positive change and make a meaningful difference.

“ We have ambitious goals to reduce our impact on the environment and the climate.



Pedro Lopes
Chief Sustainability Officer

OUR APPROACH TO SUSTAINABILITY

Kraton at a Glance

Kraton Corporation develops, manufactures, and markets biobased chemicals and specialty polymers that deliver exceptional value and enhance people's lives globally. As a leading global producer of styrenic block copolymers (SBC) and pine chemicals, we manufacture high-performance materials that differentiate our customers' products and meet multiple market needs. Our global footprint, extensive expertise, and integrated portfolio of high-quality products help push the boundaries of performance to power the future of innovation.



1000+

**Patent &
Patent Applications**

100+

Combined Years of
Pioneering Innovations

700+

Customers

6

Regional
Headquarters

13

Manufacturing
Sites

8

Innovation
Centers

1854

Employees
Globally

70+

Countries
Served

157

USDA BioPreferred[®]
Certified Products

Our Vision & Values

Our vision fuels our aspiration to be an industry leader in the specialty chemical industry. Through our unique chemistry and commitment to sustainable innovation, we address market needs, including the increasing demand for higher performance, differentiation, and addressing environmental concerns.

We remain dedicated to delivering compelling and innovative solutions that support our customers' needs, create value for our shareholders, and enrich the lives of our employees — all of which are essential to our company's continued growth.

Vision Statement

Kraton's vision is to be a world-leading specialty polymer & biobased chemical solutions supplier, delivering sustainable growth by leveraging our innovation and diverse culture.

Enhancing people's lives and contributing to a sustainable society is essential at Kraton. We are committed to being part of the solution to the global challenges we collectively face. This requires us to align our corporate strategy with sustainability to ensure we meet the expectations of our stakeholders. By focusing on our team and supplier relationships, we can help our customers improve their sustainability performance and provide the solutions necessary to address global challenges as an industry. Furthermore, having a strategic focus on profitable growth, operational excellence, value creation, and a sustainable business model is pivotal to achieving and excelling in our vision.

Core Values

At Kraton, our core values are the pillars that drive us to make a Positive Difference in the world and remain the standard for how we operate. By living out these six principles, we create sustainable products and solutions that produce exceptional value for our customers and, in turn, for our global society.



SAFETY

➤ We value the health of our people and our environment.



INTEGRITY

➤ We are compliant, respectful, and ethical.



RELATIONSHIPS

➤ We listen, communicate, and collaborate.



VERVE

➤ We value talent and passion.



CREATIVITY

➤ We innovate in everything we do.



OWNERSHIP

➤ We listen, communicate, and collaborate.

Stakeholder Engagement

As a global enterprise, Kraton interacts and partners with many 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



Customers seek sustainable solutions 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 risk.



Regulators and 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.



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



MATERIALITY & MATERIAL TOPICS

Regarding our material topics, we have identified the following pillars with their respective topics.

These topics inform the baseline of this report. We reached these topics through internal consultations, peer benchmarking, and working with experts in the field. Besides the focus on these key material topics, we also 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 employees and governments worldwide 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.



1

Climate Action

Energy Consumption

GHG Emissions

2

Our People & Communities

Employee Health & Safety

Working Conditions

Social Dialogue

Career Management & Training

Information Security

Diversity, Equality & Inclusion

Anti-Corruption



3

Environmental Impact & Resource Efficiency

Water, Local & Accidental Pollution

Hazardous Materials, Chemicals & Waste Management

Product Regulatory and Customer Health & Safety

Biodiversity

4

Collaborating for Responsible Business Practice

Child Labor, Forced Labor & Human Trafficking

External Stakeholder Human Rights & Supplier Social Practices

Supplier Environmental Practices



Our Commitments



Advancing the Biobased Economy & Enabling Circular Economy



SDG 12

UNGC Principle 9

Innovate & Manufacture Products that Advance and Enable the Biobased & Circular Economy.

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 & Resource Efficiency



SDG 6, 9, 12

UNGC Principles 7, 8, 9

Reduce Waste and Water intensity by 10% by 2030, (against a 2020 baseline).

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 ≤ 10 combined Tier 1 and 2 Events.

Collaborating for Responsible Business Practice



SDG 3, 9, 12

UNGC Principles 1, 2

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

Governance, Compliance & Business Ethics

Kraton’s Board of Directors (Board) is at the top of Kraton’s Governance structure and consists of nine Directors. The Board’s Strategy, Sustainability & 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 is also charged with reviewing the company’s sustainability policies and efforts on a regular basis.

The Committee reports at least twice a year to the Board on the Company’s environmental and social

sustainability-related matters and ensures that 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 & Compliance Committee ensures that climate-related risks are integrated into the group-wide risk management framework, and annually assesses whether the group-wide risk management framework remains effective. This committee also ensures appropriate risk management actions are identified and undertaken to manage climate-related risks. See the chapter “Climate Disclosure” for further details on Kraton’s work in this area.

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

Strategy

Operations & Commercial

Organizational Management & Innovation

Sustainability & Climate Change

Finance & Compensation

Diversity & Inclusion





From left to right: Dan Phelan, J.H. Kim, Holger Jung, Karen Twitchell, Yong Nam, Dominique Fournier, Marcello Boldrini and Bob Frei. Jin Wook Lee not pictured.

Pedro Lopes was appointed Chief Sustainability Officer in 2022 to oversee the organization’s global sustainability strategy and initiatives. As CSO, Pedro leads Kraton’s Sustainability Council, which includes members from the company’s Commercial, Operations, Finance, Procurement & Supply Chain, Human Resources, and other departments.

The purpose of the Council is to oversee and facilitate 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.

33% Committees
Chaired by Women

33% Directors are
Ethnically Diverse

78% Non-Executive
Members

1 of 4 Female External
Board Members

45% Independent

64 Average Age

45% Based Outside
the U.S.

ADVANCING THE BIOBASED AND CIRCULAR ECONOMY

Enhancing a biobased and circular economy is essential for achieving sustainable development and addressing global challenges such as climate change, depletion of natural resources, and biodiversity loss. We create value while contributing to a more sustainable future by collaborating with our customers to understand their sustainability goals and by developing customized solutions that enhance the sustainability of their products and processes.

Kraton takes great pride in creating innovative technology and solutions for customers in over 70 countries. Our company offers its customers two distinct products and services: polymers and (biobased) chemicals. Our polymers are used in many applications, including adhesives, coatings, consumer and personal care products, sealants, medical, packaging, automotive, paving, roofing, and footwear. Kraton's pine-based specialty products are used in adhesives, coatings, road markings, tires and a wide array of other markets.

“

We are committed to developing sustainable solutions that help our customers integrate their products and processes into the biobased and circular economy and improve their products' sustainability.

Marianne Ros
VP, R&D, Pine Chemicals





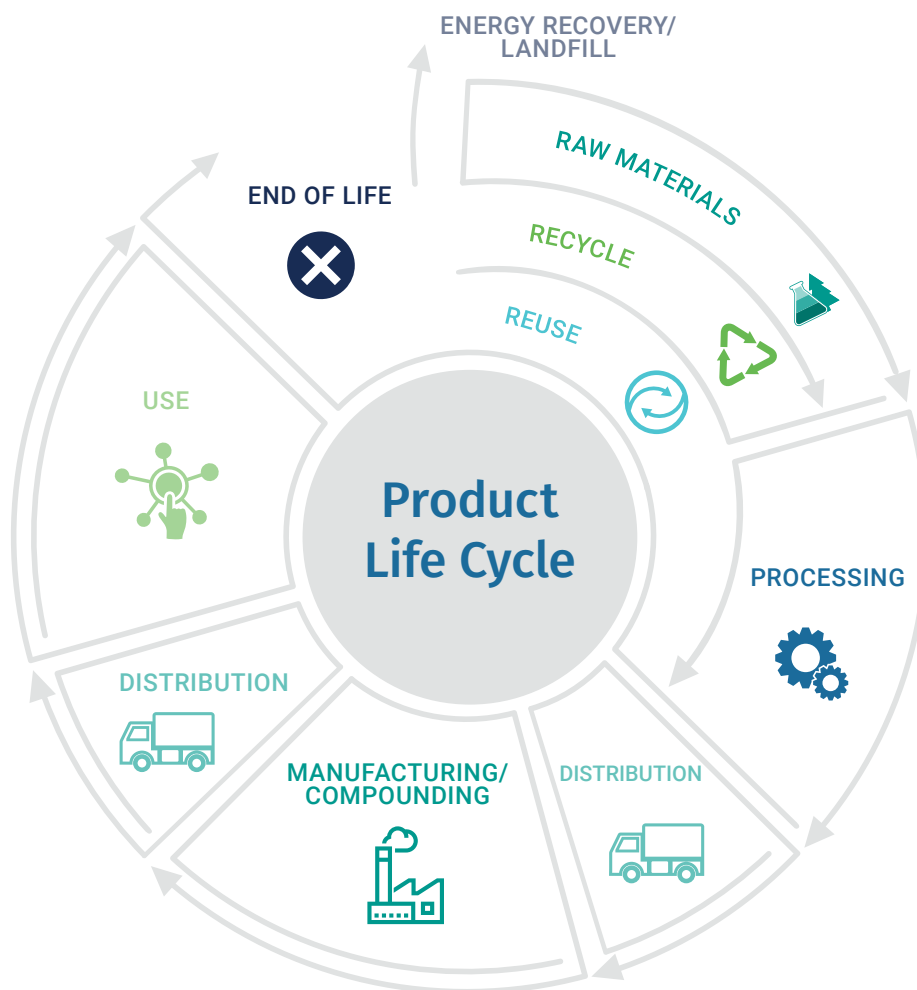


OUR COMMITMENT

Innovate & Manufacture Products that Advance and Enable the Biobased & Circular Economy

LCA Program

To further understand our customers' sustainability needs, Kraton takes a holistic approach to identify opportunities for sustainable market-driven innovations. We review the complete product life cycle with our customers to determine how our sustainable solutions can reduce environmental impacts from cradle to the product's end of life. Conducting Life Cycle Assessments (LCAs) enables informed decision-making regarding product development and production processes. The solutions we develop enable our customers to lower carbon emissions, extend product life, shift to renewable materials, improve product performance, and increase the use of recycled plastics.



> Figure

LCAs are an essential tool to foster closer engagement with suppliers, supply chain partners, and customers around their products and move towards improved sustainability in the value chain and society overall.

Markets

- Adhesives
- Automotive
- Biofuels
- Coatings
- Consumer Durables
- Cosmetics
- Fuel Additives
- Lubricants
- Medical
- Oil Gels
- Oilfield Chemicals
- Paving
- Personal Care
- Plastics Recycling
- Protective Film
- Roadmarkings
- Roofing
- Sealants
- Tires
- Wire & Cable



POLYMER GROUP

Our SBC polymers are a class of thermoplastic elastomers, which is a plastic material that behaves like rubber, delivering both strength and elasticity.

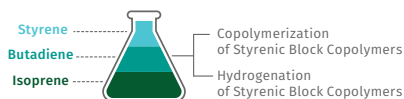
CRUDE OIL & REFINING



STRATEGIC RAW MATERIALS



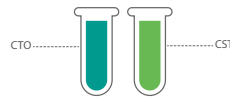
CHEMISTRY PROCESS



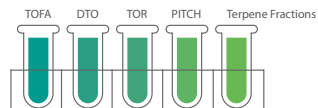
CHEMICAL GROUP

Our biobased pine chemistry enables numerous industries to replace non-renewable resources with high-performance, sustainable alternatives.

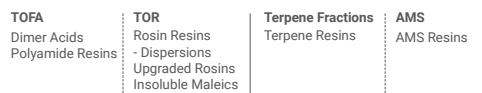
BIO-REFINING



FRACTIONS



UPGRADES/DERIVATIVES



Enabling Sustainable Toy Design with Kraton SBC

A Case Study Featuring Playmobil®

› Collaborating with our customers enables us to develop innovative solutions that create value for our stakeholders. By partnering with Playmobil, Kraton played a pivotal role in enhancing the end-of-life recyclability and durability of Wiltopia, Playmobil's first eco-friendly product line.

Sustainable toy design is critical to the toy industry's efforts to make environmentally responsible toys and preserve a healthy planet for future generations; this includes ensuring children's toys are safe and don't harm the environment on which their future depends. As a result, toy manufacturers are adopting more sustainable practices to lessen their environmental impact and promote ecological design.

Playmobil®, Germany's largest toy manufacturer under the Horst Brandstätter Group, has been a producer and distributor of children's toys since 1974. Playmobil toys are known for their plastic figurines and themed playsets designed to encourage imaginative play.

Once Playmobil sought to develop Wiltopia, its first eco-friendly product line, they trusted Kraton™ polymers to help improve the line's end-of-life recyclability and durability.

The Wiltopia playsets teach children exciting knowledge about animals, nature, and the importance of sustainability in a fun and engaging way. It is also Playmobil's first product range made from an average of over 80% sustainable material. Playmobil partnered with Coolrec to produce the toys with recycled ABS plastic from refrigerator waste to achieve this. Coolrec, part of Renewi, is a leading e-waste-to-product company focusing on high-quality raw materials like (non-ferrous) metals and plastics. To meet Playmobil's performance and quality needs, Kraton SBC was utilized as an additive to increase the impact strength of the recycled ABS material and help maintain good product stiffness.

In combination with the recycled waste, Kraton's high-performance polymers enabled enhanced durability, crack resistance, and extended product life for the new toy line.

Kraton is proud to enable sustainable toy design and help Playmobil continue to create high-quality, safe, and environmentally friendly toys. As a result, Playmobil successfully launched its eco-friendly Wiltopia line while still providing

its customers with the same product quality and longevity they have come to know and love. The product line has won numerous global awards, including the 2022 Toy of the Year in Belgium and Sweden by the Swedish Baby and Toy Association, Lek & Baby. It is also the recipient of U.S.-based magazine Good Housekeeping's 2022 Best Toy Awards and the 2022 National Parenting Product Award (NAPPA).



Advancing Tire Sustainability

with SYLVATRAXX™ 2097

➤ For over 65 years, Kraton has served the rubber and tire industry with renewable and sustainable products to enable best-in-class tire performance and safer driving experiences.

The tire industry's drive to reduce emissions and develop innovations targeted toward safety and sustainability is ongoing. Tire manufacturers continue to reduce their environmental footprint by using more sustainable materials, improving manufacturing processes, and finding ways to recycle and reuse waste materials. For over 65 years, Kraton has served the rubber and tire industry with renewable and sustainable products to enable best-in-class tire performance and safer driving experiences.

With millions of drivers worldwide, tire reliability is vital to ensuring effective vehicle safety and performance. Kraton's SYLVATRAXX 2097 is a new sustainable tread enhancement additive that helps improve driver safety by offering better tire grip on wet roads. By improving tire tread performance, SYLVATRAXX 2097 provides tire manufacturers with a unique solution to optimize the balance between wet grip and rolling resistance. Further, the improved wet traction helps reduce the braking distance on wet surfaces, providing additional protection when driving in inclement weather conditions. Enhanced rolling resistance has also been shown to reduce car fuel consumption and enable extended range in electric vehicles.

Improving wet grip, tread wear, and rolling resistance continues to be the standard for tire performance. However, the industry has recently acknowledged sustainability as a critical factor of equal importance.



SYLVATRAXX™

As a 97% USDA BioPreferred® certified biobased product, **SYLVATRAXX 2097** is a suitable alternative to fossil-based hydrocarbon products, helping customers increase the biobased content of their products while potentially lowering their carbon footprint.

In addition to being sourced from responsibly managed forests, our solutions do not impact any food chain, require no land-use change, and sourced from responsibly managed pine forests and waste reduction due to an 18-month shelf-life. The SYLVATRAXX product family is part of Kraton's pine chemistry portfolio. Using the Kraton TEA™ technology, Kraton continues to develop the SYLVATRAXX portfolio of natural, synthetic, and hybrid products which satisfies the tire industry's need for environmentally responsible materials without compromising safety, efficiency, or performance.

Enhancing Healthcare Safety & Sustainability

with Kraton Enhanced Rubber Segment
("ERS") Technology

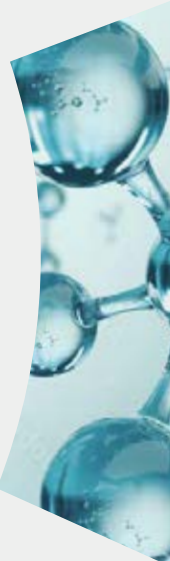
➤ For over 30 years, the medical industry has relied on Kraton to deliver high-quality solutions to advance patient safety and sustainability while meeting strict performance requirements.

Superior product quality is critical to ensure the medical industry meets the highest patient safety and effectiveness standards. In addition, healthcare manufacturers must seek regulatory compliance, better performance, and sustainable product design to remain competitive.

For over 30 years, the medical industry has relied on Kraton to deliver high-quality solutions to advance patient safety and sustainability while meeting strict performance requirements.

Kraton's enhanced rubber segment (ERS) polymer technology offers improved processability and compatibility with polypropylene (PP). The ERS and PP blends can withstand most sterilization methods, significantly enhancing performance and transparency in medical bags, tubes, and flexible films. Kraton G1646, the latest product based on ERS midblock technology, delivers excellent optical properties, flexibility, and kink resistance in medical tubing while being plasticizer-free*. Our polymers can replace polyvinyl chloride (PVC) in medical equipment applications and are free of phthalates and plasticizers*.

Plasticizers are chemicals commonly used in PVC for medical applications such as IV bags and tubing to make plastics more flexible and durable. However, according to the National Institute of Environmental Health Sciences, using plasticizers in medical devices can negatively affect patient health.



Known Health Effects Include:

Toxicity:

Certain plasticizers, such as phthalates, are known to be toxic and interfere with the body's mechanism for hormone production.

Leaching:

Plasticizers can leach out of medical devices and contaminate IV fluids or medications.

Allergic Reactions:

Patients may be allergic to plasticizers used in medical devices, which can cause skin irritation and rashes.

Environmental Impact:

PVC-based medical equipment is often incinerated, which can cause the release of dioxins from the incineration of PVC-based materials.

Kraton's products enable medical manufacturers to lower leachable profiles, improve drug compatibility, and resolve Type I allergies caused by plasticizers. Our recyclable products offer a path to sustainable design due to more efficient end-of-life waste management. By switching to Kraton's ERS-based solutions, the healthcare industry can eliminate plasticizer-related health concerns, comply with stringent regulations, and advance sustainability within medical equipment and devices.

* No plasticizers or phthalates intentionally added.

SYLVASOLV™ Oils

Aligning Sustainability with
High-Performance Innovation

➤ SYLVASOLV oils are a unique new Kraton product line that provides unparalleled performance and sustainability benefits across diverse industries. Their biobased design reduces fossil-fuel use and carbon emissions, providing the industry with a sustainable alternative enabling a cleaner future.

At Kraton, we are committed to developing innovative solutions that advance the sustainability of our customers' products. SYLVASOLV oils are a unique new Kraton product line that enables safe handling and provides unparalleled performance and sustainability benefits across diverse industries. Utilizing unique pine chemistry, these 100% biobased* oils offer high solvency power and good lubrication properties while providing superior cold temperature properties in product formulations.

In addition to their outstanding performance, SYLVASOLV oils enable formulators to switch to renewable materials and reduce their carbon footprint**. Sourced from responsibly managed pine forests and derived from the Kraft pulp industry, they do not require land-use change, are non-food sourced, and are non-GMO. SYLVASOLV's biobased design makes it a more sustainable alternative to fossil-based materials in various applications. Additionally, SYLVASOLV oils are non-flammable with minimal VOC***, offering safer handling.

SYLVASOLV oils have many applications, including cleaning solvents, coatings, fertilizer coatings, defoamers, and lubricants. Their high solvency power makes them highly effective in cleaning complex hydrophobic materials, like grease, tar, and other tough soils. SYLVASOLV can optimize elasticity, hardness, adhesion, and dry-film appearance when used as a plasticizer in epoxy and polyurethane-based protective coatings. Further, as a carrier for active ingredients in oil-based defoamers, they prevent and



minimize foaming in various industrial processes. In addition, the low pour point of SYLVASOLV oils allows it to flow at lower temperatures, enabling easier handling, storage, and transport. Their low pour point also provides outstanding cold temperature qualities essential for minimizing energy consumption and expenses by reducing the heating required.

Property Benefits Highlight:

Non-Flammability

Its high flash point renders it non-flammable, enabling its usage in a broad range of applications requiring higher temperatures. Its non-flammability also facilitates safer handling and storage.

Low VOCs

Volatile organic compounds (VOC) are a class of chemicals that vaporize at indoor temperatures and pressures, releasing toxic vapors into the air. The low VOC content of SYLVASOLV oils reduces the negative impact on air quality, thereby mitigating the harmful effects associated with VOCs. With a high boiling point, 99.4% of SYLVASOLV components are classified as low vapor pressure VOCs by the California Air Resources Board (CARB).

High Solvency

SYLVASOLV oils are 100% biobased oils with high solubility vital for a wide range of cleaning applications. These oils also allow for excellent compatibility with various additives in diverse applications including lubricants, engine oils, and coatings.

Lubricity

SYLVASOLV oils provide improved lubricity performance in fuels and lubricants. In addition, SYLVASOLV oils are compatible with several hard to solubilize lubricant additives in engine oil formulations. These oils are also compatible with metal working soluble oil additives enhancing lubricity performance.

SYLVASOLV oils were first sampled to market in 2020 with bulk production and some commercial trial sales in 2022. Full commercial production will begin in May 2023.

*Provisional biobased carbon content based on radiocarbon C14 test by USDA certified lab, according to USDA BioPreferred® program.

**The actual life cycle performance improvement that is achieved by using SYLVASOLV oils can only be concluded through an ISO certified process.

***The boiling point distribution of the product was assessed by SIM-Dist analysis performed according to EN-15199-2 and ASTM D2887 to classify low VOC based on EU Directive 2004/42/EC and CARB LVP-VOC.

CLIMATE ACTION

Management Approach

We recognize that stakeholders expect greater transparency concerning climate disclosures. Now that we've reached the next stage of our sustainable journey, we've ramped up our efforts in 2022 to better adhere to the guidelines established by the Task Force on Climate-Related Financial Disclosures (TCFD). We are evaluating the risks and opportunities brought on by climate change and the shift to a low-carbon economy in accordance with external frameworks like the TCFD. This project helps us gain insight into the potential effects of climate change on our business and the steps we should take to adapt. Creating more value from the same amount of input resources is key to being accountable to our stakeholders and thriving in the future.

Kraton has mapped physical and transition risks against multiple climate scenarios, the primary accomplishment in 2022 towards implementing our TCFD strategy. We utilize the Representative Concentration Pathway scenarios (RCP2.6, RCP4.5, and RCP8.5) set out by the Intergovernmental Panel on Climate Change (IPCC) with projections running to 2050 and 2070, respectively. These scenarios have helped us to understand the potential future risk.



Some of our manufacturing plants are in areas susceptible to extreme weather events. Physical climate impacts may also be felt along our value chain and supply lines of raw materials, including upstream in the pine forests from which the raw materials in our Pine Chemicals business are derived. Our initial assessments indicate that the majority of physical climate risks to Kraton's operations and suppliers (including raw materials) are relatively low in most locations. Worldwide the regulatory and policy environment is evolving to align with the Paris Agreement on climate change. Kraton is an active member of industry associations like the American Chemistry Council (ACC), The European Chemical Industry Council (Cefic), and others to ensure that we collectively anticipate, shape, and adapt to our changing futures. Additionally, the transition to a low-carbon economy accelerates change in the policy, legal, technology, and market contexts.

Kraton has Governance and Risk Management systems and processes to identify, assess, manage, and oversee our response to climate change. Kraton's Strategy, Sustainability & Investments (SSI) Committee of the Board oversees Kraton's sustainability efforts, including climate change. The Board oversees major plans, investments, annual budgets, and setting performance objectives relating to climate change. Kraton's Enterprise Risk Management (ERM) process identifies, evaluates, and monitors risks to our business. Existing enterprise risks, including climate risks and new or emerging risks and legislation, are reviewed quarterly. The Internal Audit department facilitates our ERM process and reports to the Audit & Compliance Committee of our Board of Directors. Quarterly updates on Enterprise Risk topics, such as climate change, are provided to the Board by the Internal Audit Department.

Kraton's Sustainability Council guides the company's global approach to climate change, serving as a decision-making body, defining resource requirements, and overseeing the implementation and progress of our climate change initiatives.

The Sustainability Council comprises eight Functional Senior Executive Leaders and Directors from Commercial, Operations, Legal, Finance, R&D, Procurement and Supply Chain, Communications and Human Resources, and the Global Sustainability Team members. The Council was chaired by the Global Sustainability Director, transitioning responsibilities to the newly appointed Chief Sustainability Officer, who provides a quarterly progress report to the Kraton Leadership team. A core responsibility of the Council is to measure, monitor, and publish the Sustainability Dashboard. The Council monitors the progress of the global sustainability strategy and policies on a Sustainability Balanced Scorecard, which includes Climate Change. Metrics measured and input into the scorecard include energy savings, energy intensity, and Scope 1 and 2 GHG emissions.

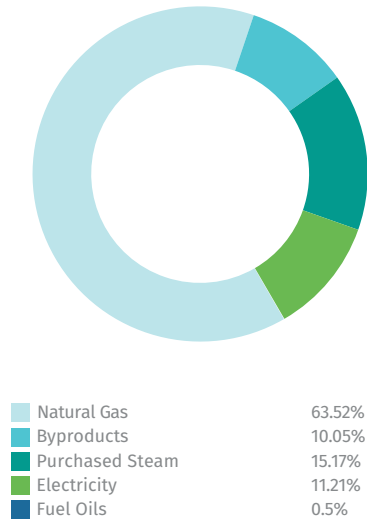
Kraton has actively measured and reported Scope 1 and Scope 2 emissions since 2014. In 2022 we initiated a new greenhouse gas intensity target.

Our new target is: Reduce Scope 1 and 2 GHG emissions Intensity (per ton of product) by 20% by 2030 compared to the 2020 baseline year.

We are pleased to have accomplished our prior goal 10 years early. By 2020, we had cut the intensity of our greenhouse gas emissions by 26% compared to 2014. The Environment chapter of this report contains additional information and more performance reporting on Environmental topics.

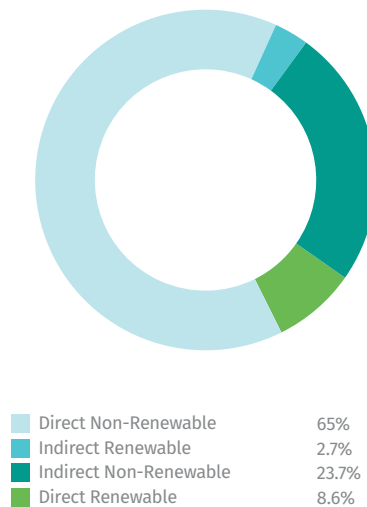
Energy Source Breakdown 2022

Total Energy 10,058 TJ



Energy Source Type 2022

Total Energy 10,058 TJ



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

- Energy,
- GHG emissions, and
- Air Emissions

Energy Consumption

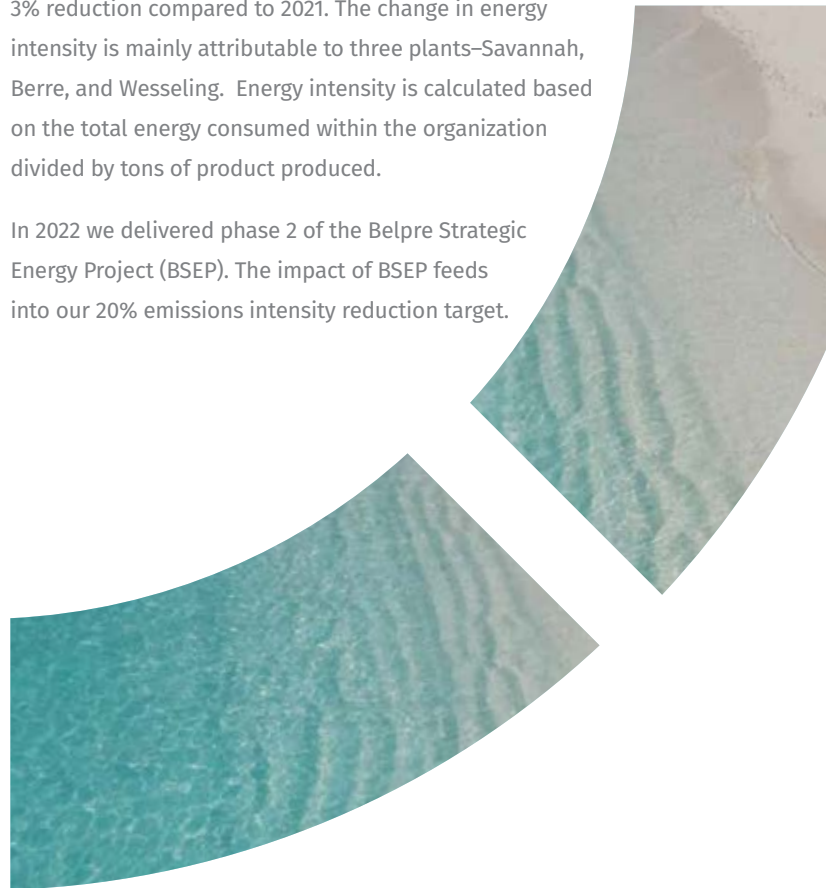
By maintaining open lines of communication and setting collective targets, we could foster an environment where energy efficiency was prioritized. Our facilities also use information screens, dashboards, and operator views to create energy visualizations. Additionally, we implemented steam trap maintenance and leak elimination programs and generated engagement among the plants through bi-monthly energy network meetings.

Kraton consumed 10,058 (TJ) of Energy during 2022, approximately a 6% decrease compared to 2020. 11.3% of our energy consumption was renewable, a slight increase compared to 2021.

A component of this was using our biobased byproducts, such as pitch, as fuel.

Energy Intensity was 7.6 MMBTU/Ton, constituting a 3% reduction compared to 2021. The change in energy intensity is mainly attributable to three plants—Savannah, Berre, and Wesseling. Energy intensity is calculated based on the total energy consumed within the organization divided by tons of product produced.

In 2022 we delivered phase 2 of the Belpre Strategic Energy Project (BSEP). The impact of BSEP feeds into our 20% emissions intensity reduction target.





Emissions

Kraton is actively working to lower its carbon footprint and energy use. After meeting our goal of a 26% reduction in GHG intensity by 2030 ten years early, we set ourselves the challenge in 2021 of coming up with a new, even more ambitious goal. Our goal of a 20% decrease in GHG emissions intensity from 2020 levels by 2030 (against a 2020 baseline) remains unchanged.

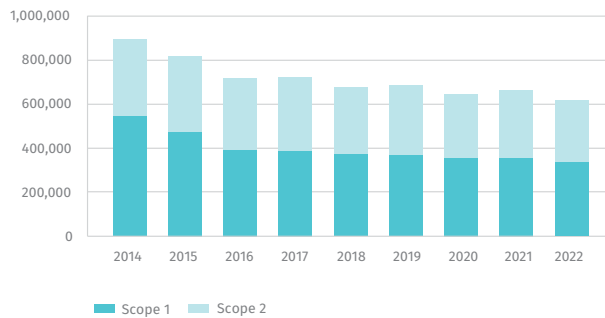
We have made consistent progress over the past three years, a historical pattern reflected positively in our continuing efforts to improve operational efficiency. Kraton continued its 2022 efforts to modernize its technology and machinery to lower its overall CO₂ output. The project's objective was to install a combustion turbine generator with a heat recovery boiler to reduce purchased electricity costs and provide a new larger efficient boiler to improve reliability. Carbon dioxide emissions were cut by almost 50,000 MTCO₂ per year due to the new combined heat and power system.

Since 2014, Kraton has steadily reduced our total absolute emissions (Scope 1 and Scope 2). In 2022 our total absolute emissions decreased by approximately

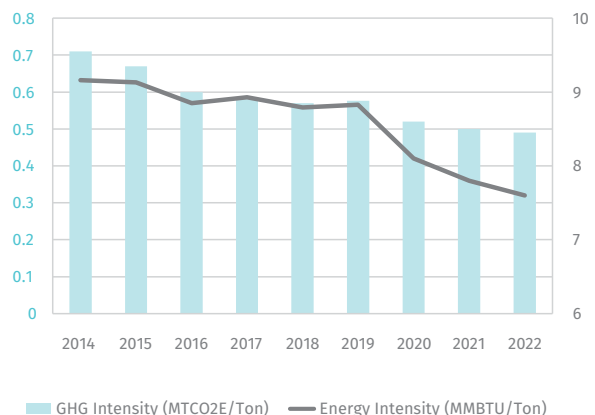
7.4% compared to 2021. However, we also experienced a production volume decrease of approximately 6%.

Kraton's production decreased by approximately 6% in 2022, which is vital in achieving further reductions in Energy Intensity and GHG Intensity. Our GHG intensity decreased by 5.8% compared to the 2020 baseline year. GHG intensity is calculated based on total absolute GHG emissions (Scope 1 and Scope 2) divided by tons of product produced. We are proud to have achieved a further reduction during 2022 and will continue working towards our new long-term GHG Intensity reduction target.

GHG Emissions (MTCO₂E)



GHG Emissions Intensity vs Energy Intensity



ENVIRONMENTAL IMPACT & RESOURCE EFFICIENCY

Management Approach

Kraton operates by the highest standards in the conduct of its business. Our environmental management systems are designed to achieve zero harm: no harm to our employees, communities, or the environment. Our suite of policies highlights environmental aspects and risks, which expand beyond regulatory compliance.

These include:

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

We have a variety of policies in place that reference our environmental commitments:

- HSES Policy
- Conflict Minerals Policy
- Chemical Control Policy
- Waste Management Policy

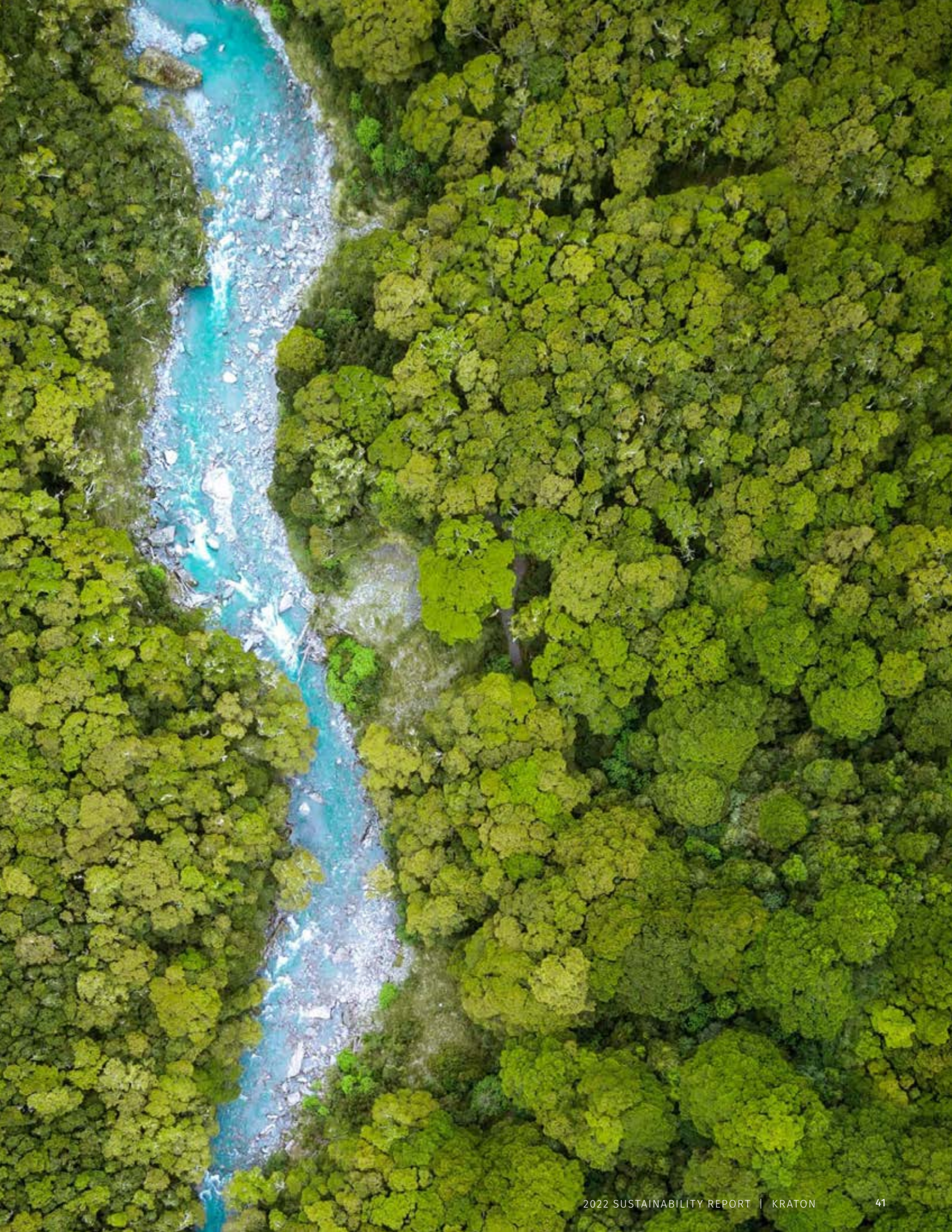
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Our global HSES network develops guidelines to help employees maintain safe and healthy working conditions at all sites, and we continuously refine our standards and procedures based on industry best practices.

Edgar Baena

VP, Global Operations, Pine Chemicals





Kraton is a member of the American Chemistry Council Responsible Care® initiative and its associated management system requirements. Our manufacturing plants and Florida corporate office are certified to RC14001, and RCMS standards, respectively. Our global manufacturing sites are also certified to ISO 14001, and all sites have ISO 9001 certification. Additionally, our Sandarne, Oulu, Dover, and Savannah locations are ISCC EU certified. Sandarne is also ISCC PLUS certified, as is our manufacturing site in Berre.

Our global Health, Safety, Environment, and Security (HSES) network develops guidelines to help employees maintain safe and healthy working conditions at all sites, and we continuously refine our standards and procedures based on key learnings 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.

Kraton has begun implementing three new 2030 targets for GHG emissions, waste, and water withdrawal/consumption, which we set in 2021. You can find further details in the subsections below.

Water, Local & Accidental Pollution

Water is critical to life on Earth and one of our planet's most valuable resources, which should be used carefully. Global water stress is an evolving challenge. Kraton recognizes the intrinsic link between climate change and water and takes a holistic view of protecting and preserving our natural resources.

Shifting patterns of water availability and incidences of flooding driven by climate change are causing global water concerns. While we operate most plants on the edges of water bodies, we currently do not operate in water-stressed areas. 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. The chemical industry uses water for materials processing, washing, cooling, and more. We also transport our products via waterways. Hence water stewardship (and climate action) is particularly important to Kraton.

Focusing on the future, we have conducted a climate-related risk assessment on physical risks to our sites, including potential water availability or flooding impacts.

Following our assessments against Verisk Maplecroft's Water Stress Index and WRI Aqueduct, Gassert et al. 2013, we determined that Kraton does not source water from High or Extremely High Baseline Water Stress regions.

Kraton engaged a third-party expert to conduct these assessments to enhance the quality of our water stress assessments. Regarding strategic suppliers, only one supplier out of 57 assessed fell into the high-risk category.

While water management is conducted locally at each plant, Kraton has 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 is to manage risks and promote 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). We also monitor and review evolving regulations in this space quarterly. Kraton is committed to protecting our water resources. This includes focusing on ways to reduce water consumption in our operations. We improve water use efficiency through innovative equipment, methods, and technologies, such as installing new cooling towers and replacing once-through cooling water heat exchanger loops with a recirculation design. Kraton has also begun

a pilot to test rainwater for potential fire hazards and emergencies at our Niort, France site.

Kraton continues to contribute to our long-term target for water: Reduce Water Intensity by 10% by 2030, compared to the 2020 baseline year.

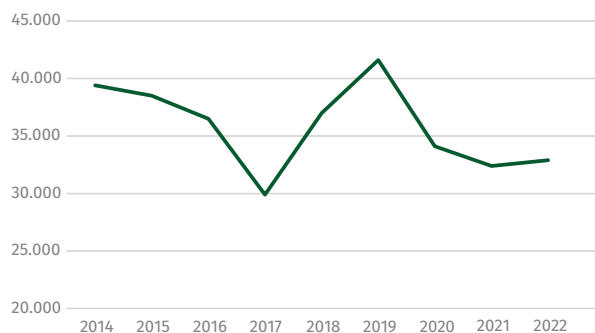
Water withdrawn is the total amount of water our sites take in every year from every source regardless of the end-use on site. Water consumed is the amount of water actually used on site. This does not include any water extracted from a source, i.e., river, circulated on site as ‘non-contact’ cooling water, for example, and then returned to its original source, whether directly or via an onsite wastewater treatment plant (WWTP). All water supplied by a utility provider is classified as water consumed.

In 2022, Kraton reported 41,020 Megaliters of water withdrawn—a 4.4% decrease compared to 2021.

Furthermore, Kraton reports 3,284 Megaliters of water consumed.

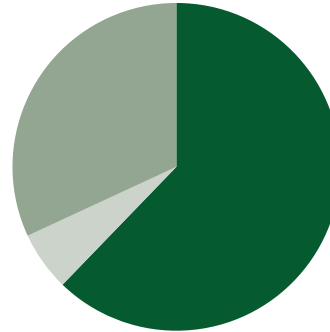
Kraton’s water withdrawn intensity figures for 2022 are 32.9 m³/ton of product produced, representing a 3.5% decrease compared to the 2020 baseline year.

Water Withdrawn Intensity (Megaliters/Ton)



Regarding water withdrawn by source, we can report that 31.9% comes from utility water, 62.23% from surface water, and 5.87% from groundwater.

Water Withdrawn by Source 2022



Utility Water	31.90%
Surface Water	62.23%
Groundwater	5.87%

In 2022, Kraton implemented systems and sensors to detect and eliminate the potential for accidental waterbody contamination. To this end, we maintain water-monitoring systems and comply with federal, state, and local requirements at all our sites. In 2022, there were no incidents of non-compliance associated with water quality permits, standards, and regulations.

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

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

In 2022 we reported:

Air Emission Type	Year: 2022	Compared to 2021
Volatile Organic Compounds (VOC)	425 Tons	3% decrease
Sulphur Oxide (SOx)	70 Tons	10% increase
Nitrogen Oxide (NOx)	332 Tons	14% decrease

The changes are attributable to more extensive and improved monitoring of boiler performance. We replaced two coal and one natural gas boiler in Belpre with two new natural gas boilers (BSEP I and BSEP II projects) since 2015. That brought us a substantial, immediate reduction in emissions, including NOx.

Hazardous Materials, Chemicals & Waste Management

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, maintaining proper oversight of non-conforming products, and using our byproducts for fuel or other commercial applications. Our new waste management policy was introduced in 2022, which underlines our core approach to waste management. Additionally, we've introduced hazardous material transportation training aimed at pre-mitigating any potential risk resulting from transporting hazardous materials.

“ We continue to be committed to reducing Waste Intensity by 10% by 2030, compared to the 2020 baseline.

Torsten Schmidt

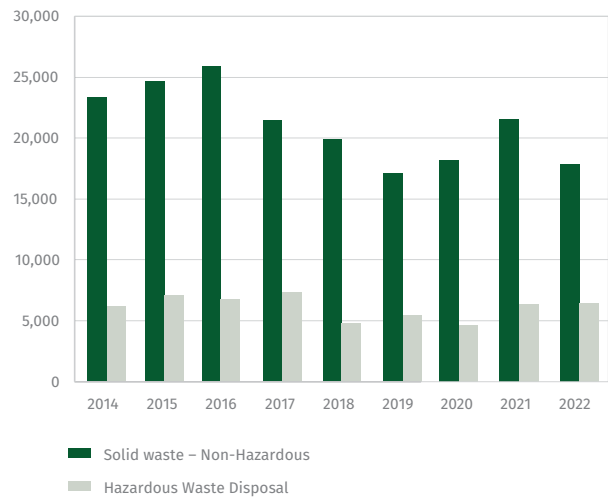
VP, Commercial, Pine Chemicals



Our non-hazardous solid waste disposal decreased by approximately 17% compared to 2021, generating 17,900 tons. In 2021, we experienced issues with the wastewater treatment plant (WWTP), resulting in high amounts of sludge waste. We have since rectified the issue and, as a result, reduced the sludge waste in 2022. Additionally, we have made strides in managing prewash from vessels by handling it on our site instead of disposing of it as waste, which has led to improvements. We separate oil from water, returning the former to production while releasing the latter to the WWTP.

Our hazardous waste generation increased by 1% compared to 2021, reaching 6422 tons.

Solid and Hazardous Waste Disposal (tons)



Regarding the breakdown of the disposal methods for this waste, recover energy from 40%, incinerate 34%, and recycle 25%.

Hazardous Waste Disposal Breakdown by Method - 2022

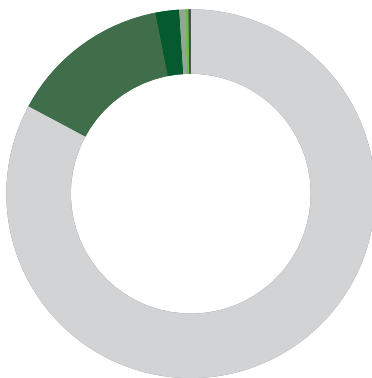
Total Hazardous Waste 6,422 Tons



Incineration	34%
Energy Recovery	40%
Recycling	25%
Landfill	0%
Other	1%

Global Solid Waste Disposal Breakdown by Method - 2022

Total Solid Waste 17,900 Tons

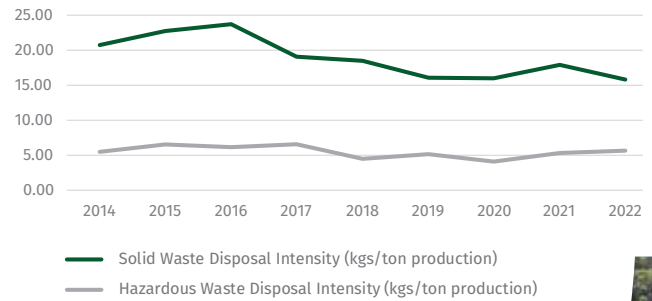


Incineration	1%
Energy Recovery	2%
Recycling/Reuse	14%
Landfill	83%
Composting	0%
Other	0%

In terms of waste intensity figures reported for 2022:

Type of Waste	Kg / Ton of Product Produced	Compared to 2020 baseline
Solid Waste Intensity	15.81 Kg	1% decrease
Hazardous Waste Intensity	5.67 Kg	39% increase

Waste Disposal Intensity



Product Regulatory and Customer Health & Safety

Kraton's Product Stewardship & Regulatory Affairs (PSRA) team manages our raw materials and products' health, safety, and environmental aspects throughout their lifecycle and the value chain to mitigate risks to customers, stakeholders, and the environment. PSRA conducts raw material reviews, product reviews, product testing, SDS/labeling, product hazard, risk assessments; product prioritization; and regulatory tracking (new regulations and changes to existing regulations) for both pine chemicals and polymer portfolios.

The PSRA team collaborates with R&D, Operations, Commercial, and Legal on research projects intended to monitor or improve our products' overall environmental and human health impact. The PSRA team collaborates with consortia and consultants to ensure our products are tested for safety and comply with international chemical regulations. In addition, the PSRA team actively participates in industry groups that monitor regulatory changes and trends in relevant topics such as microplastics to assess their impact on Kraton's product portfolio and the environment.

Notable Projects:

- Microplastics proposed regulatory amendment in the EU and monitoring potential impacts
- Nanomaterial trends and impact on industries
- Replacement of chemicals of concern such as Bisphenol A and Talc

2022 Facts

90%

of self-serve inquiries in 2022 averaged a turn-around time within three business days

PSRA collaborated with a cross-functional project team and third-party software provider to develop a new repository and workflows for raw materials data collection. In 2022, we launched a project to implement a new raw materials database and supplier portal designed to securely collect sensitive regulatory and quality data from our suppliers to maintain a more accurate and up-to-date hazard profile for the manufacturing and development of our products. The expected go-live date is Q3 2023.

PSRA conducted hazard assessments of 100% of our pine chemicals and polymers as part of the Product Safety Codes of ACC Responsible Care. Through this process, we have identified the top 10 highest-priority chemical families based on human health and environmental risk, and we reviewed these for potential areas of risk mitigation. We reassess Kraton products whenever product changes, processes, or regulations occur and communicate the impact and necessary actions with stakeholders.

2022 Facts

100%

of our highest priority product categories were assessed for Health and Safety impact improvement

There were no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of our products. Kraton received no fines, penalties, or warnings from jurisdictional authorities.



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, and we understand how business operations can significantly impact it locally. Kraton is committed to identifying and managing its biodiversity risks and promoting sustainable land use practices.

Our facilities are in cities or towns that are not considered critical habitats or recognized for high biodiversity value or High Conservation Value (HCV). Additionally, we have not built any new facilities in green fields that would threaten biodiversity.

Safety should be transparent.

Kraton's Safety Data Sheets (SDS) are available on Kraton's webpage for our active products.

OUR PEOPLE & COMMUNITIES

Management Approach

Kraton's mission is to create a better tomorrow for its people and communities. By tapping into the strengths of individuals, we cultivate a culture that values and embraces people from all walks of life. We commit to providing a workplace that upholds human rights and prioritizes our employees' safety, security, and well-being, while creating professional growth and development opportunities. Our core values guide our actions and guarantee everyone is treated with dignity and respect.

Our Labor and Human Rights 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
- Responsible Procurement Policy

“

We take great pride in celebrating each of our employees' diverse and unique qualities and strive to ensure an inclusive environment for all.

Shane Broomall

VP, Chief Human Resources Officer





Kraton sets high standards for the way we conduct business. We have implemented policies, processes, and concrete actions to address and mitigate the most pressing social issues and critical risks. Our Employment and HSES Policies are reviewed regularly and updated to reflect regulatory changes, internal requirements, and industry best practices.

Important Topics include:

- Human Rights, Child, and Forced Labor
- Discrimination & Harassment
- Diversity & Inclusion
- Working Conditions
- Social Dialogue
- Career Management
- Health & Safety

“

We expect the same ethical behavior, business standards, and respect for human rights from our vendors, contractors, and collaborators as we do from ourselves.

Rogier Roelen
General Counsel



Our Supplier Code of Conduct, Code of Ethics and Business Conduct, Human Rights Policy, and Responsible Procurement Policy all spell out our business partners' expectations.

We require our suppliers to continually enhance their performance regarding labor and human rights. To assess and improve supplier performance, we use EcoVadis rating system and participate in the TFS chemical industry initiative.

Employee Health & Safety

At Kraton, we consider the reporting and tracking of all incidents, including near misses, 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 PDCA (Plan, Do, Check, Act) 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.

We are committed to achieving 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 ≤ 10 combined Tier 1 and 2 Events.

Kraton is a proud participant in the American Chemistry Council Responsible Care initiative. All our manufacturing plants in North America currently hold RC14001 certification. Moreover, our plants in Oulu (Finland), Sandarne (Sweden), Gersthofen (Germany), Niort and Berre (France), Wesseling (Germany), and Kashima (Japan) are certified to ISO14001. Further, our Jacksonville (Florida) site has obtained 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 remain committed to Process Safety Management (PSM) principles at all our facilities and go above and beyond by including areas not covered by the PSM and Seveso regulations. Challenging our sites to operate to this higher standard has helped us continue to improve our performance and move us closer to achieving our aspiration of operational excellence and zero harm.

As part of our management systems, we conduct internal audits on health and safety issues at our locations and maintain Hazard and Operability studies and Risk Mitigation and Compliance plans. In addition, we conduct HSES risk assessments, pre-startup safety reviews, personal safety, and pre-job risk assessments, and provide protective equipment to all impacted employees. We also maintain a Management of Change policy and procedures.

All risk assessments, incidents, and investigation findings 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 Chairman, the committees offer valuable advice and insights that help to improve our environmental, health, and safety programs.

Our employees and contractors are active members of various health and safety committees and are involved in multiple programs that leverage their collective knowledge and input. This includes participating in shift meetings, root-cause-analysis (RCA) 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

At Kraton, we prioritize employee safety and well-being, and training plays a crucial role in our management systems. 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 topics such as Chemical, General and Personal Safety.

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:

- Working from Heights
- Preparation of 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. Further, we provide our employees and contractors with Protective Personal Equipment (PPE) and conduct workplace hazard assessments, permitting, and standard operating procedures to determine the appropriate type of PPE necessary. Our employees are trained in maintaining their PPE and issued with a variety of PPE that has been evaluated and upgraded with the best available protection. We also inspect contractor PPE against Kraton standards to ensure alignment with our site expectations and that our contractors operate safely. 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 received training on Health & Safety topics during the reporting period.

Safety Data

2022 Safety Data:

	Total Work Hours	TRIR (200,000 man-hour basis)	Recordable Injuries	Lost Work Injuries	Fatalities
Employees	3,754,897	0.21	3	1	0
Contractors	1,516,614	0.26	1	0	0
Total	5,236,943	0.23	4	1	0

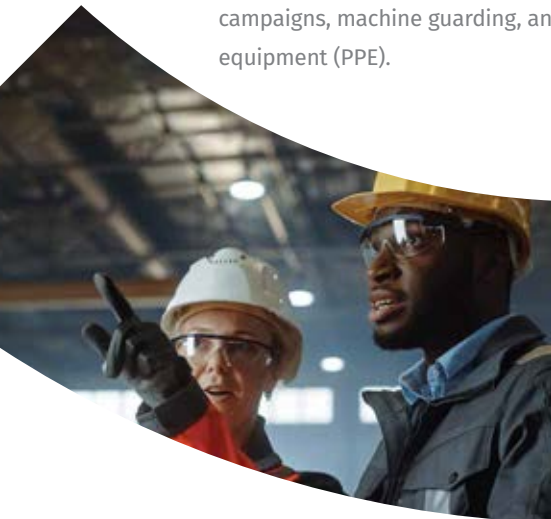
2022 Performance vs Targets

	2022 Target	2022 Performance	2023 Target	Definition as Zero Harm
Personal Safety	TIR ≤ 0.28	TIR = 0.26	TIR 0.26	Achieve recordable injury rate - TIR ≤ 0.28 (ACC Top Quartile Performance)
Personal Safety	0 Tier 1 PSE	LWIR = 0.04	0 Tier 1 PSE	Achieve Zero Fatalities and Zero Serious Injuries

2022 results for TIR and PSIR were Kraton's historical best performance. A total of [53] injuries were reported worldwide during the year. Of these, [5] met the OSHA (United States Occupational Safety and Health Administration) recordable classification, [1] of which were lost time incidents. The injuries amounted to a Total Injury Rate (TIR) of [0.19]. Hand injuries accounted for most injuries [16], followed by [10] Head/Neck, [7] Leg, [7] Foot, [6] Eye, [5] Back, [4] Shoulder, and [1] Chest/Abdomen. This trend is similar to the rest of the chemical industry at large, and we continue to focus on this with increased awareness campaigns, machine guarding, and personal protective equipment (PPE).

“
In 2022, there were zero Tier 1 Process Safety Incidents during the year, making it our best safety performance historically.”

David Schofield
VP, Operations, Polymers



Process Safety was a key area of focus for 2022. Kraton includes all releases in its tracking, including those captured and, therefore, never released to the environment. There were zero Tier 1 Process Safety Incidents during the year for a Process Safety Incident Rate (PSIR) of 0.0. This is considered best-in-class performance in our industry and Kraton's historical best safety performance. It also represents the 5th year of sequential performance improvement.

Third parties handle all transportation within Kraton. In general, transportation incidents are not reported to us unless there is product damage. Hence, we do not have comprehensive data on worldwide transportation incidents.

In the United States, our ACC membership provides access to Chemtrec reports, and in 2022, 19 incidents were recorded, none of which required Regulatory Inspection.

Kraton will investigate the feasibility of collecting data from third parties to obtain a more comprehensive overview of transportation incidents worldwide.

We have implemented training regarding the transportation of hazardous materials throughout 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.

Working Conditions

Kraton firmly believes in providing fair compensation to all our employees, including living wages and compensation for extra or atypical working hours. We understand that work-life balance is essential. We provide additional leave beyond typical vacation days and 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 employees throughout our organization.

To further support our employees, we have expanded our bonus compensation program to include more eligible employees than ever before. Additionally, in 2022, we implemented Kraton's Corporate Care Solutions program,

which offers a range of benefits, including elderly care, childcare, and tutoring services for children.

During the COVID-19 pandemic, we transitioned to a virtual work setting to ensure the health and well-being of our employees, which has continued into 2022. To formalize these changes, we introduced a work-from-home policy that allows office workers and relevant 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.

Despite the pandemic, we implemented changes seamlessly without causing any disruptions to our customers. We maintained virtual checkpoints with all our employees and updated protocols to focus on the health and safety of our organization, both on-site and remote. Furthermore, we are proud of our collaboration with third-party provider Health Advocate, which provides employees with free stress and health management resources. Teladoc® is another service we offer to improve employee mental health. We also successfully transformed our employee development program into a virtual environment to ensure continued employee growth.

2022 Facts

All full-time employees have access to paid annual leave and company-paid holidays, based on the country in which they live.

All full-time employees are covered by a healthcare package, applicable in their country.

83.3%

of those assigned a Compliance training module on Appropriate Workplace Behavior completed the training.

\$2,000

inflation bonus paid to 57% of our 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 have established collective agreements in various Kraton locations across the USA and Europe and set up 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 changes together, rather than relying on a third-party representative.

2022 Facts

23.2%

of Kraton's employees in the USA are unionized

64.7%

of Kraton's employees in Europe are part of collective agreements

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. These meetings are integral to our culture and ensure an open dialogue with our employees. To further improve our employee engagement, we conducted an employee engagement survey in October 2022. This survey allows us to gather valuable feedback from our employees. We use the results to identify improvement areas and develop action plans that address our employees' needs and concerns.

We had an 88% response rate to our engagement survey, which exceeded the comparative global norm response rate of 76%. Our overall engagement score was on par with our 2019 engagement score, and our Leadership, Vision, and Management Effectiveness scores increased by 2% since 2019. These results underscore our leaders' strength and ability to energize our employees during times of uncertainty and change when most organizations experienced declining employee engagement.

We have made the following changes in response to the engagement survey feedback:

- Updated the Vision & Strategy for Pine Chemicals and Polymers and communicated with the organization in Town Hall meetings
- Broadened the eligibility for our employee incentive compensation plan
- Provided a one-time lump sum payment to employees not eligible for our incentive plan, to recognize performance and address inflation concerns

We will continue addressing additional focus areas with specific engagement survey actions during 2023.

Career Management & Training

Through Kraton's Leadership Essentials program, we advocate the personal relationship in establishing trust and mutual respect while encouraging open dialogues between leaders and employees throughout the organization.

Kraton's Career Development Framework enables leaders and team members to identify career paths and opportunities. The Individual Development Plan is the first step in this framework. 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.

2022 Facts

100%

of Kraton's employees (all non-operator employees) receive an annual performance review

49%

of Kraton's employees (all non-operator employees) have an active Individual Development Plan in the system

Information Security

Kraton is dedicated to ensuring the confidentiality and security of all sensitive information through our Information Security Program. Our comprehensive approach includes administrative, technical, and physical safeguards that external security service providers regularly evaluate. We use the 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, Security Scorecard. In 2022, we received an 88 rating (out of 100) from the 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 plant and lab assets.

Kraton also recognizes the importance of data privacy and has 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 and have 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 eLearning 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.

We also conducted multiple awareness campaigns throughout 2022, including:

- Email and Cyber Security Awareness Events
- Email Awareness including Business Email compromise, 7 signs of Phishing emails, and Urgency and Fear tactics
- Cyber Security Awareness including at work, at home, when traveling, and on social media
- Scam of the Week, Weekly Tips/Tricks, and Yammer Posts
- Awareness Champion Recognition Program (Individual / by Site) promoting positive behavior
- Data Privacy

2022 Performance Data:

99%

of non-operator employees complete two e-learning courses every quarter on business ethics topics (including IT security and data privacy)

zero

breaches of customer privacy and losses of customer data were reported during the reporting period



Diversity, Equality & Inclusion

Kraton is committed to fostering a diverse and inclusive workplace where all employees are treated with dignity and respect. Every employee should have a voice and the freedom to express their opinions and thoughts respectfully, which is why we have established various channels for them to do so. Our policies reflect our commitment to inclusivity and equal opportunity for all employees.

In 2022, we continued our efforts to address unconscious bias by providing training to all employees. We are proud to report that 97% of those in scope completed this training. To further deepen their understanding of unconscious bias, we developed tools for people leaders to facilitate discussions with their teams. Diversity and inclusion are critical to our success, and we remain committed to creating a workplace where everyone feels valued and respected.

2022 Facts

1,854 employees as of Dec 31, 2022

355 new hires during 2022

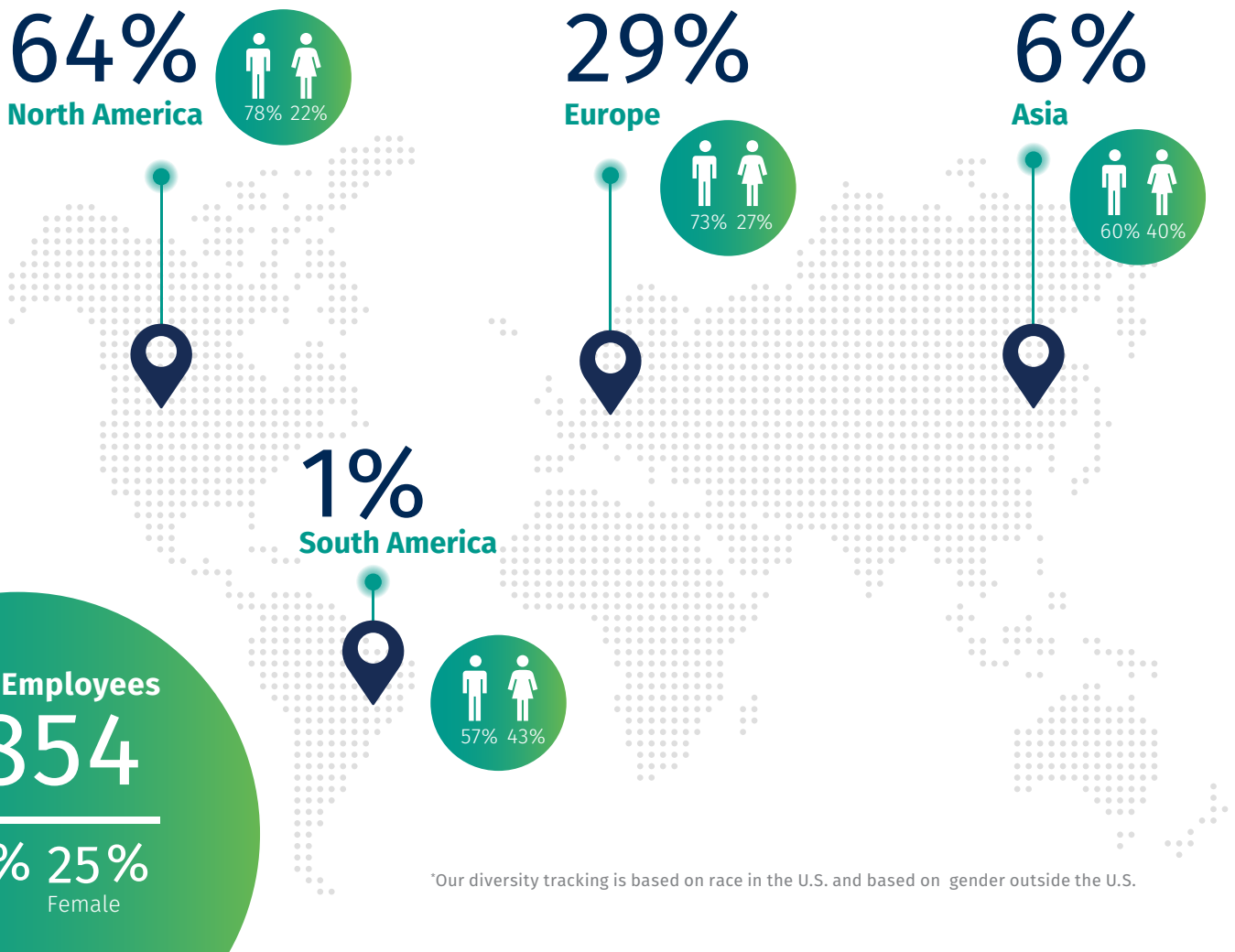
55% of new hires are diverse*

24.7% of total global workforce are female

1 of 7 external BOD (excluding CEO) are female ([14.3]%)

3 of 19 executive leadership positions are female ([15.8]%)

Infrastructure for employees with disabilities available in all corporate offices



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

Diversity, equity, and inclusion are essential to our values and business strategy. We understand that a diverse and inclusive workforce drives innovation, promotes employee engagement, and achieves our business objectives. That's why we have established a comprehensive diversity and inclusion (D&I) program that goes beyond policies and programs to ensure that every employee is treated with respect and dignity.

Our efforts in 2022 have been focused 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 have also taken concrete steps 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 provide an increased slate of diverse candidates. As a result, we are proud to have expanded our minority hires, with 55% of our total hires in 2022 being diverse.

At Kraton, we are 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.

2022 Facts

100%

of all new employees in scope were trained on fairness, anti-harassment, and anti-discrimination

100%

of those assigned a Compliance training module on Appropriate Workplace Behavior completed the training

zero

There were no substantiated cases of discrimination or harassment

“

Our commitment to D&I enables us to attract, retain, and develop the best talent and build a culture of innovation and excellence.

Garry Oosthuizen
VP, Human Resources



Anti-corruption

We require our administrative workforce (approximately 1,200 employees) to complete two quarterly online compliance training modules. 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 2022, 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 Financial business functions. We also communicated compliance information related to Gifts and Entertainment through the Kraton intranet site, which is available to all employees. Further, Kraton's external website houses policies and codes of conduct currently available to third parties. In 2022, Kraton updated the screening process that monitors violations for third parties and enhanced our screening procedures to include Ukraine and Russia sanctions information.

Kraton has ethics reporting procedures with a zero-tolerance, non-retaliation provision communicated to the entire organization and during the Compliance Orientation Training for new hires to further support our compliance efforts. 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 having a vigorous compliance & ethics program, we also have an extensive third-party anti-corruption compliance due diligence program in place. Compliance training is conducted with our distributors, marketing representatives, and other third-party representatives annually. Distributors and marketing representatives must also certify they comply with all applicable laws and regulations annually.

Further, we provided new distributors and marketing representatives with compliance training sessions and conducted a designated session for distributors in Asia. The transition to the online certification process has proven to be a reliable tool with enhanced efficiency

and adequate audibility. In addition, we updated the compliance due diligence procedures to increase the visibility and awareness for monitoring third-party commercial representatives. We strengthened the monitoring of due diligence performed on these groups. All employees involved with the designated third parties received additional training on the revised procedures and are aware of their responsibility to report any violations or suspected incidents of wrongdoing.

In 2022, we continued enhancing our Compliance & Ethics program by realigning our 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. In 2022, we also updated our online compliance training courses to include more engaging and interactive content.

“ We are committed to upholding the highest standards of compliance and take great pride in our reputation as an ethical company.”

Kristen Boyd
VP, Communications



2022 FACTS

99.9%

of non-operator employees completed two eLearnings every quarter on business ethics topics (including anti-corruption and anti-competitive practices)

8,827

person-hours of online compliance awareness training

zero

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

zero

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

Community Impact & Giving

Kraton seeks to increase economic well-being, educational development, and support underrepresented and underserved communities worldwide. We dedicate volunteer time, resources, expertise, and funding to organizations & 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 2022, **Kraton donated over \$400,000+** to people and communities in need worldwide. In addition, our employees **contributed over 2,200+ hours** of their time to volunteer across seven countries. We continue to impact our local communities by executing our corporate social responsibility (CSR) strategy.

➤ Kraton Focuses on Three Key Themes to Accelerate its CSR Strategy:



Partners in Education:

Provide educational institutions and students with resources, knowledge, and financial support to improve their skills and enable a successful future.



Leaders in Our Communities:

Seek leadership positions within local organizations to ensure we create impactful change in the neighborhoods and communities we serve.



Giving Back to Our Communities:

Help people and communities thrive through volunteering, providing for the needy, and supporting environmental sustainability.

Enabling Tomorrow's Leaders

By helping the next generation succeed academically, we're creating a brighter future. We aim to actively support students' 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 STEM careers, provided scholarships for underrepresented college students, and raised funds to offer necessary supplies to schools in need.

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). Kraton is proud to have awarded two students with \$10,000 yearly scholarships in 2022 and offered co-op and internship opportunities to provide them with hands-on experience in the industry. As part of the program, students are also matched with mentors at Kraton to receive valuable career coaching and guidance throughout their academic journey. 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.

Providing Aid to Those in Need

We're dedicated to providing basic needs such as food and clothing to those in need — including women and children, the elderly, and the food insecure so they can live thriving lives.

Promoting Food Security

In 2022, Kraton gave back by volunteering, collecting goods, and providing financial support to promote consistent access to food for families and households worldwide. In one example, volunteers in our Florida locations volunteered and donated towards packing meals for children and the elderly, totaling over 11,000 meals served to those in need in the areas where we live and work.

Enabling Economic Stability

We partnered with United Way raising over \$150,000 providing support for community programs related to the development of long-term housing solutions to prevent homelessness, support of re-employment and job training initiatives, and help for families recovering financially post-pandemic.

> Supporting a Greener Planet

By caring for our environment, we can live healthier lives and leave our planet a better place than we found. At Kraton, we understand our responsibility to advance sustainability within our business and communities.

Tree-Nation Partnership

In 2022, Kraton pledged \$75,000 to Tree-Nation, whose mission is to reforest the world. Planting trees has been proven to be one of the most efficient solutions to fight climate change. With deforestation responsible for about 17% of all climate emissions, tree replanting helps offset the CO₂ released into the atmosphere. By supporting Tree-Nation's global reforestation projects, Kraton has planted over 25,000 trees on 60+ acres across North America and Europe. This equaled over 4,700 tons of CO₂ offset from our tree planting initiative in 2022. We look forward to keeping sustainability and conservation at the forefront of our business as we seek to expand our reforestation efforts in 2023.

COLLABORATING FOR 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:

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

“ Our commitment is to empower and ensure our team and partners make a positive impact through ethical and responsible business practices.

Michael Frenzl

VP, Procurement & Supply Chain, Polymers





We are committed to conducting business with reliable suppliers aligned with Kraton’s environmental, social, and ethical standards. The policies mentioned above 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:

- Deliver a robust due diligence procedure in our supply chain
- Evaluate suppliers against 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 record, labor and human rights practices, and ethical corporate governance. Identified improvements are tracked via corrective action planning, and reviewed through reassessments or audits. Monitoring and supplier management are the responsibility of the individual member company. We can collectively drive positive change and progress toward our shared sustainability objectives through ongoing engagement and collaboration with suppliers.

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. Kraton has established procedures for reporting related to human rights, child labor, or forced labor incidents. We also implemented awareness training across business ethics, discrimination, harassment, and associated topics through designated quarterly compliance training and specific statutory requirements and other training.

2022 Facts

zero

human rights incidents during the reporting period

Age admission checks performed at all sites during the hiring process



We partner with key suppliers who share our commitment to improving sustainability performance and advancing our supply chain sustainability goals.

Minco van Breevoort

VP, Procurement & Supply Chain,
Pine Chemicals



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 values of Integrity and Safety exemplify 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. Because of this, we explicitly screen for Uyghur forced labor in China.

A core part of our approach to human rights in our supply chain is also related to our Conflict Minerals policy. This policy is a commitment to compliance and the core value of Integrity; this is fundamental to the philosophy of Kraton. Our policy is to responsibly source minerals and work with its 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 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 that are necessary for the functionality of said products, then our policy is 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 Responsible 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.



Supplier Environmental Practices

As an active Together for Sustainability (TfS) working group member, Kraton has played a critical role in developing the Product Carbon Footprint 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 was committed to finding a solution to Scope 3 Greenhouse Gas (GHG) emissions because of its significant share of a chemical company's emissions. Monitoring, managing, and reducing these emissions requires an industry-wide harmonized approach to calculation. By working with organizations such as GHG Protocol, WEF, Science-Based Targets initiative, and WBCSD, TfS has 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 further our supplier engagement program and improve supplier environmental performance and practices, with product-level emissions transparency for identifying, tracking, and reducing Scope 3 GHG emissions.

Together for Sustainability (TfS)

TfS is a global procurement-driven initiative to assess and improve chemical companies' and suppliers' sustainability performance. The TfS program delivers the de facto global standard for the chemical supply chains' environmental, social, and governance performance. 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' representation in Asia and North 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.

1. We require all our suppliers to commit to Kraton's Supplier Code of Conduct
 2. 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.

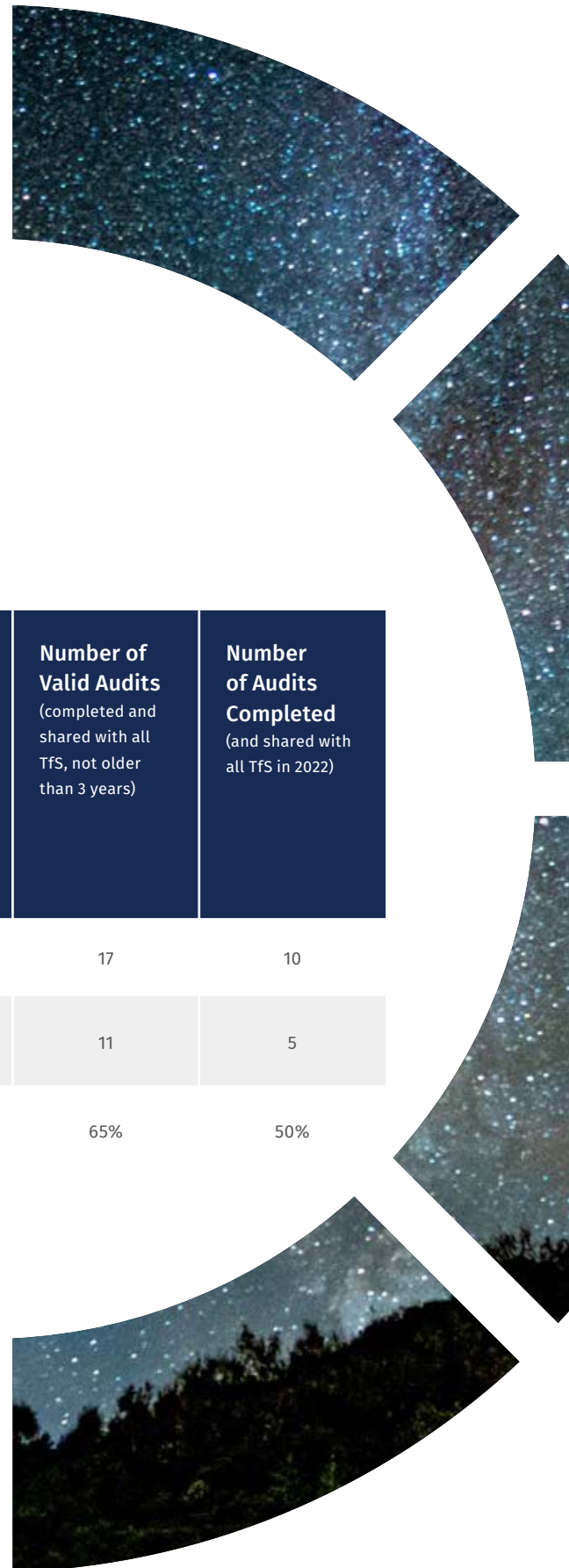
KPIs include:

- 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.

	Number of Valid Assessments (number of scorecards in Kraton's EcoVadis pool which are not older than 3 years by Dec. 31, 2022)	Number of Assessments in Volume During 2022 (new or re-assessments entering Kraton's EcoVadis pool)	Percentage Improved Assessments (re-assessments with improved scores within 2022)	Number of Valid Audits (completed and shared with all TfS, not older than 3 years)	Number of Audits Completed (and shared with all TfS in 2022)
2022 Target	196	106	61%	17	10
2022 Achieved	198	140	64%	11	5
Performance	>100%	>100%	>100%	65%	50%

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.



APPENDIX

In This Section:

ESG Scorecard

About this Report

UN Global Compact Commitment

GRI Content Index

SASB Chemical Industry Disclosures Index

Alignment with the TCFD Recommendations





Kraton ESG Scorecard

Year	2019	2020	2021	2022
PERFORMANCE	2019	2020	2021	2022
Revenue (US \$ Million)	1804	1563	1970	-
Adjusted EBITDA (US \$ Million)	321	262	295	-
Market Cap (US \$ Million)	804	886	1493	-
EcoVadis Rating	Silver	Gold	Platinum	Platinum
HEALTH & SAFETY	2019	2020	2021	2022
Fatalities	0	0	0	0
Total Incident Rate (TIR)	0.88	0.31	0.23	0.19
Incident rate, direct employees	1.02	0.26	0.22	0.21
Incident rate, contractors	0.57	0.43	0.26	0.13
Process Safety Incident Rate (PSIR)	0.25	0.11	0.04	0
Total Recordables (# number)	25	8	6	4
Employees and contractors trained on Health & Safety issues (percentage)	100%	100%	100%	100%
CUSTOMERS & MARKETS	2019	2020	2021	2022
Number of Customers (# Number)	700	700	700	700
R&D Spend (US \$ Million)	41	41	40.4	-
Granted Patents & Patent Applications (# Number)	1136	1120	1039	1000
Biobased-certified Products (# Number)	119	118	115	157
ENERGY & GHG EMISSIONS	2019	2020	2021	2022
Energy Consumption (TJ)	10934	10721	10843	10058
Energy Intensity (MMBTU/Ton product)	8.83	8.1	7.8	7.6
Renewable energy use (%)	10.50	10.60	11.20	11.3
GHG Emissions (MTCO ₂ E)	683281	643810	664706	615466
Scope 1 GHG Emissions (MTCO ₂ E)	370603	356642	355120	336064
Scope 2 GHG Emissions (MTCO ₂ E)	312814	287168	309586	279402
GHG Intensity (MTCO ₂ E/Ton)	0.57	0.52	0.50	0.49
ENVIRONMENT	2019	2020	2021	2022
Responsible Care / ISO 14001 certified (percentage out of 13 plants)	86%	86%	100%	100%
Water Withdrawn (1000 m ³)	48912	42898	43046	41020
Water withdrawn intensity (m ³ /Ton product)	41.6	34.1	32.4	32.9
Volatile organic compounds (VOCs) (Tons)	341	389	440	425
Sulphur Oxide (SO _x) (Tons)	80	74.6	63.7	70.4
Nitrogen Oxide (NO _x) (Tons)	371	338	387	332
Solid waste - Non Hazardous (Tons)	17118	18228	21553	17900
Solid waste Intensity (KGs/Ton product)	16.1	16.0	17.9	15.81
Hazardous waste disposal (Tons)	5481	4670	6355	6422
Hazardous waste Intensity (KGs/Ton product)	5.17	4.09	5.28	5.67

As a privately held company, we do not disclose EBITDA and market capitalization figures. Our decision to withhold these financial metrics is in accordance with our status as a privately held entity.

Kraton ESG Scorecard (continued)

Year	2019	2020	2021	2022
PEOPLE	2019	2020	2021	2022
Number of employees (# number)	1944	1808	1751	1854
Male (# number)	1475	1368	1324	1396
Male (percentage)	76%	76%	75.6%	75.3%
Female (# number)	469	440	427	458
Female (percentage)	24%	24%	24.4%	24.7%
Number of new hires (# number)	192	112	157	355
Number of (substantiated) Human Rights incidents reported during reporting period		0	0	0
Percentage of female Executive Leadership positions	30%	22%	22%	15.8
Percentage of female external Board of Directors (excluding Kraton's CEO)	50%	50%	50%	14.3
COMPLIANCE & BUSINESS ETHICS	2019	2020	2021	2022
Percentage non-operator employees trained on business ethics (anti-corruption, anti-competitive practices, and IT security).	99%	99%	99%	99%
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 to Kraton reported during the reporting period	0	0	0	0
COMMUNITY ENGAGEMENT	2019	2020	2021	2022
Number of volunteer hours (estimated)	2700	1189	1068	2280

About this Report

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 2022 calendar year unless otherwise stated. This 2022 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).

Global Reporting Initiative (GRI)

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

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. 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, have an established ethics reporting procedure to report incidents related to Human Rights, child labor, or Forced Labor.
2	Make sure that they are not complicit in human rights abuses.	We expect similar appropriate standards of conduct, ethical business practices, and respect for human rights from our suppliers, contractors, and partners.
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. Next to this 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 Standard	Disclosure Title	Kraton Disclosure	UNGC & SDG Disclosure
2-1	Organizational details	Our Approach to Sustainability, p10	
2-2	Entities included in the organization's sustainability reporting	Our Approach to Sustainability, p11	
2-3	Reporting period, frequency and contact point	The reporting period covers 1st January 2022 to 31st December 2022.	
2-4	Restatements of information	There are no significant restatements of information compared to the previous report.	
2-5	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	Activities, value chain and other business relationships	Our Approach to Sustainability, p10	
2-7	Employees	Our People and Communities, p48, p50	SDG 8, UNGC 6
2-8	Workers who are not employees	Our People and Communities, p48, p50	SDG 8, UNGC 6
2-9	Governance structure and composition	Our Approach to Sustainability, p20-21	
2-10	Nomination and selection of the highest governance body	Our Approach to Sustainability, p20-21	
2-11	Chair of the highest governance body	Our Approach to Sustainability, p20-21	
2-12	Role of the highest governance body in overseeing the management of impacts	Our Approach to Sustainability, p20-21	
2-13	Delegation of responsibility for managing impacts	Our Approach to Sustainability, p20-21	
2-14	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability, p20-21	
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	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)	
2-17	Collective knowledge of the highest governance body	Our Approach to Sustainability, p20-21	
2-18	Evaluation of the performance of the highest governance body	Our Approach to Sustainability, p20-21	
2-19	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 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.	

(GRI Content Index Continued)

GRI Standard	Disclosure Title	Kraton Disclosure	UNGC & SDG Disclosure
2-20	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	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	Statement on sustainable development strategy	Our Approach to Sustainability, p12	
2-23	Policy commitments	Our Approach to Sustainability, p34, p40, p48, p62	
2-24	Embedding policy commitments	Our Approach to Sustainability, p34, p40, p48, p62	
2-25	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 to remediate them, including implementing corrective actions, engaging with affected stakeholders, and providing restitution where appropriate; also, a review of the policies and practices to prevent similar impacts from occurring in the future is done. https://kraton.com/approach/ https://kraton.com/hses-policy/	
2-26	Mechanisms for seeking advice and raising concerns	Kraton has established several mechanisms for employees to seek advice and raise concerns, including a hotline, 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	Compliance with laws and regulations	Kraton is unaware of any incidents of non-compliance during the reporting period.	
2-28	Membership associations	Kraton is a member and active participant of the European Chemical Industry Council (Cefic) and the American Chemistry Council (ACC). https://kraton.com/approach/	
2-29	Approach to stakeholder engagement	Our Approach to Sustainability, p14	
2-30	Collective bargaining agreements	Our People and Communities, p54	SDG 8, UNGC 3

(GRI Content Index Continued)

GRI 201: ECONOMIC PERFORMANCE 2016			
201-1	Direct economic value generated or distributed	Our People and Communities, ESG score card	SDG: 8, 9
GRI 205: ANTI-CORRUPTION 2016			
205-1	Operations assessed for risks related to corruption	Kraton conducts an annual risk assessment related to corruption, p58	UNGC: 10
205-2	Communication and training about anti-corruption policies and procedures	Our People and Communities, p58	UNGC: 10
GRI 302: ENERGY 2016			
302-1	Energy consumption within the organization	Climate Action, p37	SDG: 8, 12, 13 UNGC: 7, 8
302-3	Energy intensity	Climate Action, p37	SDG: 8, 12, 13 UNGC: 8
302-4	Reduction of Energy Consumption	Climate Action, p37	SDG: 8, 12, 13 UNGC: 8, 9
Indicator	Renewable energy use	Appendix – Kraton ESG Scorecard	UNGC: 8, 9
GRI 303: WATER & EFFLUENTS 2018			
303-1	Interactions with water as a shared resource	Environmental Impact and Resource Efficiency, p42	SDG: 6, 12 UNGC: 7, 8
303-2	Management of water-related discharge	Environmental Impact and Resource Efficiency, p42	SDG: 6 UNGC: 7, 8
303-3	Water withdrawal by source	Environmental Impact and Resource Efficiency, p42	SDG: 6 UNGC: 7, 8
303-5	Water consumption	Environmental Impact and Resource Efficiency, p42 Appendix – Kraton ESG Scorecard	SDG: 6 UNGC: 7, 8
Indicator	Water intensity	Environmental Impact and Resource Efficiency, p42 Appendix - Kraton ESG Scorecard	SDG: 6 UNGC: 7, 8
GRI 304: Biodiversity 2016			
304-1	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 305: EMISSIONS 2016			
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Climate Action, p39	SDG: 3, 12, 13 UNGC: 7, 8
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Climate Action, p39	SDG: 3, 12, 13 UNGC: 7, 8
305-4	Greenhouse gas (GHG) emissions intensity	Climate Action, p39	SDG: 13 UNGC: 8
305-5	Reduction of GHG emissions	Climate Action, p39	SDG: 13 UNGC: 8, 9
305-6	Emissions of ozone-depleting substances (ODS)	Kraton does not produce any Ozone Depleting Substances	SDG: 3, 12
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and volatile organic compounds (VOCs)	Climate Action, p39	SDG: 3, 12 UNGC: 7, 8

(GRI Content Index Continued)

GRI 306: EFFLUENTS & WASTE 2016			
306-3	Significant spills	Kraton recorded no unrecovered significant environmental spills in 2022.	SDG: 3, 6, 12 UNGC: 8
GRI 306: WASTE 2020			
306-2	Management of significant waste-related impacts	Environmental Impact and Resource Efficiency, p44	SDG: 3, 6, 12 UNGC: 8
306-3	Waste generated by type and disposal method	Environmental Impact and Resource Efficiency, p44	SDG: 3, 6, 12 UNGC: 8
306-4	Waste diverted from disposal	Environmental Impact and Resource Efficiency, p44	SDG: 3, 12 UNGC: 8
306-5	Waste directed to disposal	Environmental Impact and Resource Efficiency, p44	SDG: 3, 12 UNGC: 8
GRI 307: ENVIRONMENTAL COMPLIANCE 2016			
307-1	Non-compliance with environmental laws and regulations	Environmental Impact and Resource Efficiency, p40	
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
308-1	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	Negative environmental impacts in the supply chain and actions taken	As of 31 December, 2022, we had 198 valid supplier assessments in our EcoVadis pool. These assessments include Environmental impacts. Information unavailable: Information regarding the number and nature of environmental impacts and corrective action plans is currently unavailable. During the next reporting cycle, following further implementation of Kraton's Responsible Procurement program, we expect to be able to report more comprehensively regarding the suppliers' performance in the program's scope .	UNGC: 8
GRI 401: EMPLOYMENT 2016			
401-1	New employee hires	Our People and Communities, p52	SDG: 8 UNGC: 6
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
403-1	Occupational Health & Safety management system	Our People and Communities, p48	SDG: 3, 8 UNGC: 1
403-2	Hazard identification, risk assessment, and incident investigation	Our People and Communities, p50	SDG: 3, 8
403-4	Worker participation, consultation and communication on occupational health and safety	Our People and Communities, p50	SDG: 3, 8
403-5	Worker training on occupational health and safety	Our People and Communities, p50	SDG: 3, 8
403-8	Workers covered by an occupational health and safety management system	Our People and Communities, p50	SDG: 3, 8
403-9	Work-related injuries	Our People and Communities, p50	SDG 3, 8
Indicator	Total Incident Rate (TIR)	Our People and Communities, p50	SDG 3, 8
Indicator	Process Safety Incident Rate (PSIR)	Our People and Communities, p50	

(GRI Content Index Continued)

GRI 404: TRAINING AND EDUCATION 2016			
404-1	Average hours of training per year per employee (per topic)	Kraton does not centrally track the average hours of training per employee. However, we discuss training hours, numbers of training, and participants in the subsections on Compliance & Business Ethics, Health and Safety, Information Security, Labor & Human Rights, and more.	SDG: 8 UNGC: 6
404-2	Programs for upgrading employee skills and transition assistance programs	Our People and Communities, p54	SDG:8
404-3	Percentage of employees receiving regular performance and career development reviews	Our People and Communities, p54	SDG: 8 UNGC: 6
GRI 405: DIVERSITY & EQUAL OPPORTUNITY 2016			
405-1	Diversity of governance bodies and employees	Our Approach to Sustainability, p21 Our People and Communities, p56	SDG: 8 UNGC: 6
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016			
407-1	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 remain compliant with all statutory requirements. Comprehensive information about supplier performance is currently unavailable. During the next reporting cycle, following further implementation of Kraton's Responsible Procurement program, we expect to be able to report more comprehensively regarding the performance of the suppliers in scope of the program. Also see disclosure 414-2 regarding Supplier Social Assessments.	SDG: 8 UNGC: 3
GRI 408: CHILD LABOR 2016			
408-1	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. During the next reporting cycle, following the further implementation of Kraton's Responsible Procurement program, we expect to be able to report more comprehensively regarding the performance of the suppliers in scope of the program. Also, see disclosure 414-2 regarding Supplier Social Assessments.	SDG:8 UNGC: 5
GRI 409: FORCED OR COMPULSORY LABOR 2016			
409-1	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. However, comprehensive information about supplier performance is currently unavailable. During the next reporting cycle, following the further implementation of Kraton's Responsible Procurement program, we expect to be able to report more comprehensively regarding the performance of the suppliers in scope of the program. Also, see disclosure 414-2 regarding Supplier Social Assessments.	SDG: 8 UNGC: 4
GRI 413: LOCAL COMMUNITIES 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Collaborating for Responsible Business Practice, p62	UNGC: 1

(GRI Content Index Continued)

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016			
414-1	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 sustainability assessment and rating that covers social criteria.	SDG: 8
414-2	Negative social impacts in the supply chain and actions taken	As of 31 December, 2022 we had 198 valid supplier assessments in our EcoVadis pool. These assessments include Social impacts. Information unavailable: Information regarding the number and nature of social impacts, and corrective action plans is currently unavailable. During the next reporting cycle, following the further implementation of Kraton's Responsible Procurement program, we expect to be able to report more comprehensively regarding the performance of the suppliers in scope of the program.	SDG: 8 UNGC: 2

GRI 415: Public Policy 2016			
415-1	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. Kraton does not make financial or in-kind political contributions.	

GRI 416: CUSTOMER HEALTH AND SAFETY 2016			
416-1	Assessment of the health and safety impacts of product and service categories	Environmental Impact and Resource Efficiency (Product Regulatory and Customer Health & safety)	
416-2	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	Requirements for product and service information and labeling	Environmental Impact and Resource Efficiency (Product Regulatory and Customer Health & safety) Kraton sales-Terms and conditions Product safety	SDG: 12
417-2	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	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	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 2022 calendar year.

Topic	Accounting Metric	Category	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) CO2E, Percentage (%)	RT-CH-110a.1	Climate Action, p39 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	Climate Action, p39 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	Climate Action, p39 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	Climate Action, p37 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	Environmental Impact and Resource Efficiency, p42 Kraton ESG Scorecard
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	RT-CH-140a.2	Environmental Impact and Resource Efficiency, p42
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	RT-CH-140a.3	Environmental Impact and Resource Efficiency, p42
Hazardous Waste Management	Amount of hazardous waste generated; percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-CH-150a.1	Environmental Impact and Resource Efficiency, p44 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	Our Approach to Sustainability, p14 Our People and Communities, p54 https://kraton.com/approach/

SASB Chemical Industry Disclosures (continued)

Topic	Accounting Metric	Category	Unit of Measure	Unit of Measure	Disclosure / Location
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	Our People and Communities, p50
	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	Our People and Communities, p50
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
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	Environmental Impact and Resource Efficiency, p44
	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	Environmental Impact and Resource Efficiency, p40
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, p20
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	Our People and Communities, p50 Kraton ESG Scorecard
	Number of transport incidents	Quantitative	Number	RT-CH-540a.2	Our People and Communities, p50
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	<ul style="list-style-type: none"> Our governance structure enables clear oversight and ownership of the sustainability strategy and climate-related issues at the Board level The SSI committee charter was updated to define the Board's remit in overseeing climate change mitigation and adaptation.
	b.) Describe management's role in assessing and managing climate-related risks and opportunities.	Kraton's Sustainability Council was established in 2021 to provide 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.

Disclosure focus area	Disclosure	Summary of Progress
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	<ul style="list-style-type: none"> In 2022 we have started to incorporate initial consideration of key climate risks and opportunities in our financial planning process. Our initial physical risk assessment has identified a small number of our sites and suppliers that are exposed to 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.
	b.) Describe the impact of climate-related risks and opportunities on Kraton's businesses, strategy, and financial planning	<ul style="list-style-type: none"> 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. During 2022 we will 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.
	c.) Describe the resilience of Kraton's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	<ul style="list-style-type: none"> Kraton has put measures in place to help mitigate the impact of future extreme weather events, and the measures have, in part, been informed by our experiences in the past, such as the 2021 freeze in Texas, 2018's Hurricane Michael and low water levels in the Rhine River, that all caused significant operational challenges. These challenges ranged from outages of power, supply chain disruption and impacts on employees' well-being. Across our facilities, Kraton has built-in emergency response procedures to limit downtime and therefore maintain production rates. Mitigation actions include: <ul style="list-style-type: none"> Building inventory Diversifying suppliers Flood, hurricane assessments Crisis management plans

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 Climate Action chapter
	c.) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into Kraton's overall risk management	Refer to Climate Action chapter

Disclosure focus area	Disclosure	Summary of Progress
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	<ul style="list-style-type: none"> • Kraton uses several climate-related metrics to track progress and performance. These can be found in the Climate Action Chapter, page 34. • 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 reported 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: 11.3 Percent Energy Intensity: 7.6 MMBTU/Ton product GHG Emissions Scope 1: 336064 MTCO2E GHG Emissions Scope 2: 279402 MTCO2E GHG Emissions Intensity (Scope 1 and 2): 0.49] MTCO2E/Ton
	c.) Describe the targets used by Kraton to manage climate-related risks and opportunities and performance against targets	<p>Targets Kraton is committed to reducing (Scope 1 and 2) Greenhouse Gas emissions intensity by 20% by 20230, compared to 2020 baseline year.</p> <p>Performance In 2022 Kraton has achieved: Our Scope 1 and Scope 2 absolute emissions have decreased by 7.4 percent compared to 2021. Our GHG Intensity reduced by 5.8 percent compared to 2020. GHG intensity is calculated as Scope 1 and 2 emissions per ton of product.</p>

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