

SUSTAINABILITY REPORT

2021



BRENNTAG WORLDWIDE

Brenntag is the global market leader in the distribution of chemicals and ingredients. We connect thousands of chemical producers (our suppliers) with chemical users (our customers) through our range of complete distribution solutions and individual chemical products.

Our network comprises about 700 locations in 78 countries in the regions North America, Latin America, EMEA (Europe, Middle East & Africa) and Asia Pacific. We serve around 180,000 customers worldwide.

Our top strategic goal is to be the preferred distributor for specialty and industrial chemicals and, at the same time, the industry leader in safety, growth and profitability. We provide a positive working environment to our more than 17,200 employees worldwide.



■ Regional headquarters
■ About 700 locations worldwide



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- Denotes separate non-financial Group report (NFB) symbol



01

“We want to do our bit to steer our society, and especially our industry, in the direction of sustainable change.”

*Dear readers,
dear shareholders,*

2021 again presented our global community with major challenges to overcome, not least as a result of the Covid-19 pandemic and the immense pressure placed on global supply chains. These events also placed a great strain on us as the global market leader in the distribution of chemicals and ingredients. Yet they also showed us just how important our role in the supply chain is, that we must work harder to fulfil the responsibility placed upon us through this role and our position, and that we need to get involved in a more high-profile way.

As you are aware, Brenntag attaches great importance to ESG matters, with the concept of sustainability having been a central part of our actions for a number of years now. We want to do our bit to steer our society, and especially our industry, in the direction of sustainable change. In our Sustainability Report 2021, which I am very pleased to present to you now, you will discover more about our progress towards creating a more sustainable Brenntag and a more sustainable chemicals trade.

It was only one year ago that I announced our new, long-term ESG strategy. This is something we worked hard on in 2021. We have developed a strategy in the three areas of environment, social and governance, as well as a

CEO LETTER

Dr. Christian Kohlpaintner
Chief Executive Officer





long-term sustainability vision: “Future Sustainable Brenntag.” This concept contains diverse and ambitious goals. It entails a sustainable approach to Brenntag’s future as a strong global market leader in the responsible distribution of chemicals with a long-term focus in line with the UN’s Sustainable Development Goals.

Our commitment in terms of sustainability to environmental, social and good governance underscores our long-standing membership of the UN Global Compact (UNGC), an internationally renowned voluntary initiative to promote sustainable development and social commitment. This sustainability report also serves as our annual UNGC progress report, laying out how we have developed in respect of its ten sustainability principles.

Our environmental goals include achieving “net zero”, i.e. that we want to stop emitting Scope 1 and 2 emissions from 2045. We are taking a systematic and continuous approach to this long-term goal with full commitment. One important milestone here will already occur in 2025. From this year onwards we will permanently procure 100% of our electricity consumption from renewable sources, including using our own solar power installations. We have also voluntarily committed to becoming carbon neutral from 2025 by offsetting unavoidable and unreducible greenhouse gas emissions resulting from our own activities. Recognition was given to our climate protection efforts made to date, the effects of which are already noticeable, by means of a CDP rating that was improved by two notches.

We are also on our way to centrally aligning our product portfolio and services with sustainability criteria by 2025. This is a goal that we ourselves can actively influence and through which we can meaningfully increase the level of sustainability in our own company and along the entire value chain. We took the first step towards this in 2021 with the launch of the “Step4Change” initiative, through which we are also actively helping our customers act in a more sustainable way by increasingly offering them customised products that are more sustainable, as well as comprehensive services for effective CO₂ management.

We are also taking an even closer look at sustainability efforts in our supply chain, making use of our established sustainability assessments and audits and, in future, supplementing these with a risk assessment. For example, as a member of the industry initiative “Together for Sustainability”, we are committed to respecting human rights and paying living wages in our global supply chains. What is needed here above all, in addition to the commitment shown by individual companies, is that everyone in the industry pulls together. In doing so, we are coming out strongly in favour of working together fairly around the world.

Finally, I would like to express my particular thanks to the people who did an outstanding job for Brenntag in 2021: our more than 17,000 employees worldwide. It is thanks to their hard work that we continued managing to reliably supply our customers around the world despite all the difficulties caused by the pandemic and the crisis. This achievement cannot be taken for granted, all the more so in these stressful and uncertain times. With two additional personal days in 2022, we, the Brenntag Board of Management, want to show our special appreciation to our employees.

Dear readers, we have set ourselves ambitious ESG targets for 2022 and our ESG strategy forms the basis for ensuring these targets and the sustainable further development of Brenntag. Together with our employees, our customers and our suppliers, we intend to and will set new standards in efforts to achieve greater levels of sustainability, both in our own company and in the value chain of the chemical industry.

Yours sincerely,

Christian Kohlpaintner



02 GLOBAL BUSINESS



AN OVERVIEW

“ConnectingChemistry” is the brand promise of Brenntag. We source, transport, store, blend and sell chemicals, chemical products and ingredients all over the world. We are the global market leader in these areas.

In 2021, we made fundamental changes to our operating business structure and implemented two global divisions. Brenntag Essentials and Brenntag Specialties each pursue a different management approach but operate under the joint Brenntag umbrella. Brenntag Essentials markets a comprehensive portfolio of process chemicals for a broad

spectrum of sectors and applications. The company benefits from economies of scale in this area. Brenntag Essentials relies on its global reach and its extensive product portfolio. Brenntag Specialties focuses on ingredients and value-added services for globally relevant sectors with great potential for an extensive range of solutions and high regulatory requirements. These are supplemented by corporate functions and business services to simplify and harmonize our organizational structure. Their support makes it possible for the two operating units to completely concentrate on working with our customers and suppliers.

Key figures

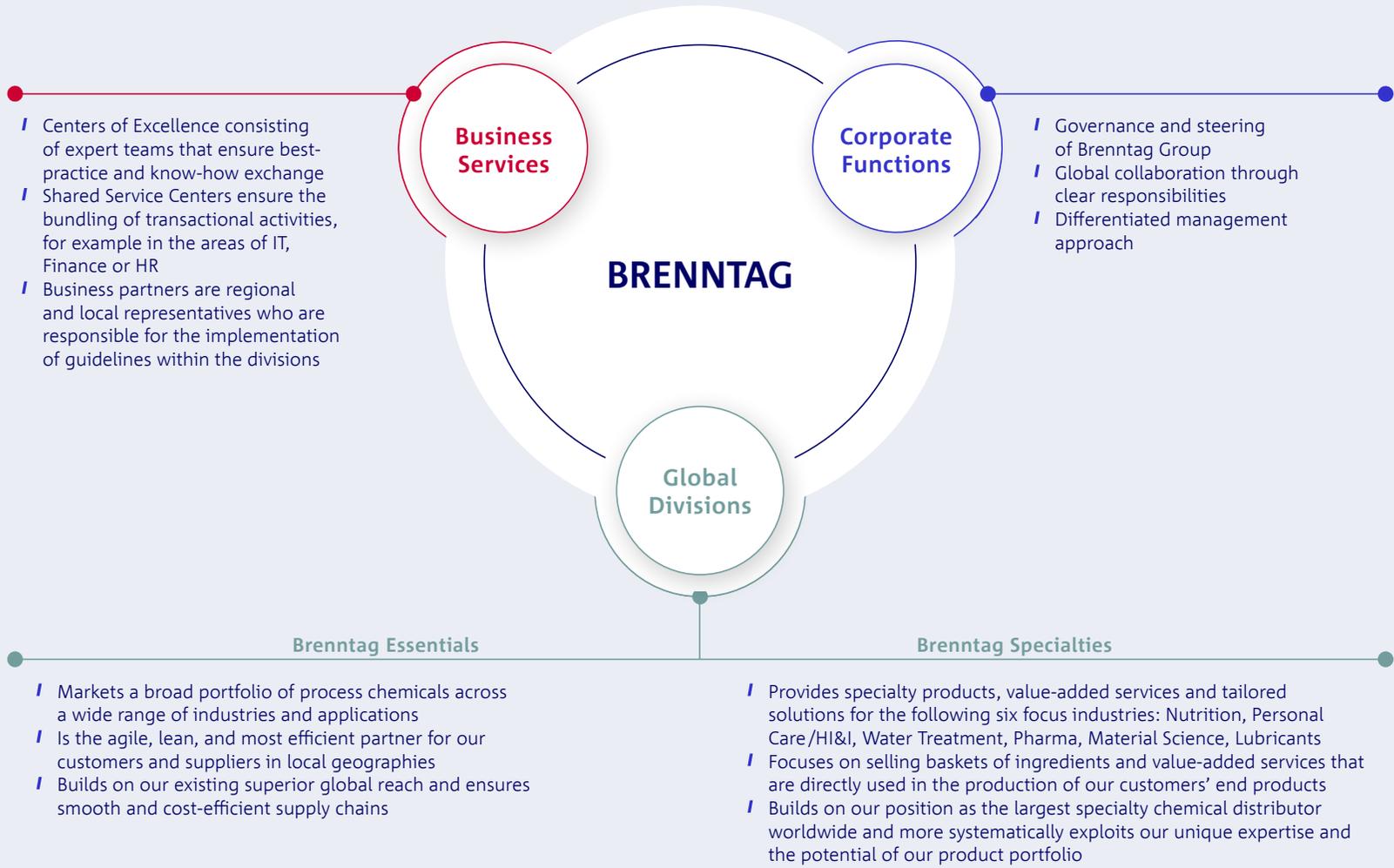
	2021	2020
Sales (in EUR m)	14,382.5	11,794.8
Profit after tax (in EUR m)	461.4	473.8
Employees at Dec. 31	17,236	17,237
Personnel expenses including social insurance contributions (in EUR m)	1,205.3	1,107.0
Accident rate (TRIR ¹)	3.1	3.2
Voluntary employee turnover rate in %	9.3	6.1
Scope 1 and 2 emissions (in tonnes CO ₂ e; market-based)	227,380	242,255
ISO 14001 ² certifications (% of operating sites)	27	31

¹ Number of workplace accidents involving injuries that require medical treatment (beyond first aid), per one million work hours.

² The decrease in the number of sites with ISO 14001 certification in 2021 is due to the expiration of the certificate in North America. However, many of the requirements relevant to Brenntag are already covered under the Responsible Distribution Programme of the National Association of Chemical Distributors (NACD).



OUR BUSINESS STRUCTURE



[More details here.](#)



QUALITY MANAGEMENT

Brenntag is a chemical distributor which differentiates itself from its competitors through the high level of quality of its products and services as well as its strong customer focus and the excellent level of service provided by its employees. Our Group’s sustainability performance has now also become a competitive advantage. We increasingly receive enquiries from our customers who are themselves evaluating their suppliers according to sustainability criteria (for example, in the form of a “Sustainability Balanced Scorecard”) and who factor this into their purchasing decisions. For example, we are asked for information about our carbon footprint or how we deal with the issues of recycling and waste. As a result of our sustainability monitoring and our

participation in external ratings such as the EcoVadis assessment or the CDP climate rating, Brenntag is able to respond to these enquiries and meet the standards to which we are held.

Using management systems, certificates and audits, we constantly ensure compliance with the quality standards required of us and which we define ourselves. Procedures are in place at our company which ensure that products are procured from reliable sources and meet quality standards. Through various mechanisms, we obtain customer feedback for the continuous monitoring and improvement of our service quality.

The basis for quality management within the Brenntag Group is the internationally applicable ISO 9001 standard. We aim for a global coverage rate of at least 90% at the relevant Brenntag locations.

Year	Relevant ¹ Brenntag locations worldwide	Locations with ISO 9001 certifications	
	abs.	abs.	in %
2016	395	354	90
2017	422	363	86
2018	387	353	91
2019	390	355	91
2020	388	354	91
2021	401	359	90

¹ Operational sites managed by Brenntag

CREATING VALUE – BRENNTAG’S CENTRAL ROLE IN THE SUPPLY CHAIN





03

STRATEGY AND MANAGEMENT

SUSTAINABILITY AT BRENTAG

STRATEGY AND MANAGEMENT

- 09 Sustainability at Brenttag
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SUSTAINABILITY TARGETS 2021

“Action now” was the goal in 2021. During the year, we renewed our clear commitment to sustainable action. With the end of our target programme, which was in place from 2016 to 2020, we set ourselves short-term goals for safety, climate protection, sustainable procurement and ratings in 2021. These goals have been the basis and preparation for our new ESG strategy (ESG = environment, social, governance).

The following overview explains our goals for the reporting year. We set ourselves three objectives for 2021 in terms of safety, two of which we attained or exceeded. We aimed to reduce spillages exceeding 200 litres in volume by 15% compared to 2020. In practice, we achieved an impressive 43% reduction. The more complete and strict implementation of safety guidelines at all sites played a major role in this success. In comparison to previous years, we successfully continued to reduce the *Total Recordable Injury Rate (TRIR)*.

[More information on target attainment and future targets can be found in the chapter Safety, page 47.](#)



NFB However, we narrowly missed out on the ambitious target of 2.9 for 2021, instead recording 3.1. We also wanted to cover all our sites with process safety management standards. We have almost achieved this with a coverage rate of 97%.

NFB The topic climate protection covered three goals for 2021 in addition to a medium-term target for 2025. This enabled us to reduce our *Scope 1 and 2 CO₂e emissions* as planned by 4%. In terms of Brenntag’s own energy generation through the use of solar energy, solar panels were put into operation at three sites in 2021. For nine further sites globally feasibility studies have been conducted. As a result, we are well on the way to achieving our medium-term goal of using 100% green energy and generating our own energy by 2025. We have consequently met our *climate protection targets* for 2021.

With regard to *sustainable procurement*, our target for 2021 was to obtain 80% of our chemical spend (in EUR) from suppliers we have audited at least once with a sustainability assessment as part of our membership in the *Together for Sustainability initiative (TfS)*. Due to the pandemic and strained supply chains, it was not possible to convince enough suppliers to carry out an assessment, so that the coverage rate was similarly to the previous year. In 2021 it stood at roughly 75%. Our second target in this area is linked to the first. By the end of 2021, we wanted 55% of our suppliers undergoing re-assessment to have improved their score by at least one point compared to their previous assessment. We reduced the target from 70% in the previous year to 55% for 2021 as practical experience – including experience derived from the TfS initiative – showed that it is difficult for suppliers to further increase their score if they already had good assessment results. In 2021,

NFB **Overview: Sustainability targets 2021**

	Targets 2021	Status	Reference
Safety	TRIR (Total Recordable Injury Rate): 2.9	3.1	See chapter Safety, pages 31, 49 and 54.
	15% reduction in spillages (>200 litres) in comparison to 2020	43%	
	100% of sites covered by process safety management standards	97% ¹	
Climate protection	-4% for total Scope 1 and 2 CO ₂ e emissions in comparison to 2020 ²	-6.1%	See chapter Environmental protection, pages 25 and 27.
	Nine sites will have undergone a complete feasibility study for solar panels	√	
	Three sites will start to generate energy through solar panels	√	
	100% energy consumption from green energy ³ by 2025	In progress	
Sustainable procurement	80% of the chemical spend (in EUR) from suppliers that have been audited with sustainability assessments	75%	See chapter Supply chain, page 57.
	55% of suppliers have undergone a new assessment and improved their score by at least 1 point	65%	
Ratings	EcoVadis score of at least 71 (Gold Recognition Level)	71	See chapter Sustainability at Brenntag, page 10.
	CDP score of C	B	

¹The indicator has not been audited by PWC.

²Calculated with the market-based method.

³Electricity from renewable sources, which we procure through direct supply contracts by purchasing guarantees of origin and by generating it on-site.

NFB around 65% of our suppliers successfully managed to achieve an improvement.

With regard to the ratings and our own sustainability performance as a supplier, the Brenntag Group achieved 71 points as part of the EcoVadis assessment, allowing it to once again confirm its gold status from the previous year. The consistent implementation of our climate goals has enabled us to improve our CDP climate rating in 2021; up two levels from level C in the previous year to level B.

In addition to the above, we laid the groundwork for our future sustainability goals and a further developed ESG strategy during the reporting year. We have developed a long-term sustainability picture based on numerous sustainability trends and tendencies along with our business model. In order to achieve this set of tar-

NFB gets, we have set both quantitative medium-term targets and short-term targets for 2022 in six focus areas (Climate protection and reduction of emissions, Resource efficiency and circular economy, Fair and safe employer, Responsible partner for suppliers and communities, Management structures for business ethics, Portfolio and investment steering).

FUTURE-ORIENTED SUSTAINABILITY APPROACH AND KEY TOPICS

Responsibility and obligation: As a global market leader in the distribution of chemicals and ingredients, we play a key role in the value chain in the chemical industry. In light of this, we have a major responsibility and obligation to contribute to increased sustainability, both in the industry and for our customers and suppliers. This involves a number of global challenges, above all climate protection, which we are actively working on. Topics such

See page 28 for definition.

More information on target attainment and future targets can be found in the *environmental protection chapter, page 25.*

More information on target attainment, TfS and future targets can be found in the *supply chain chapter, page 57.*

tfs-initiative.com



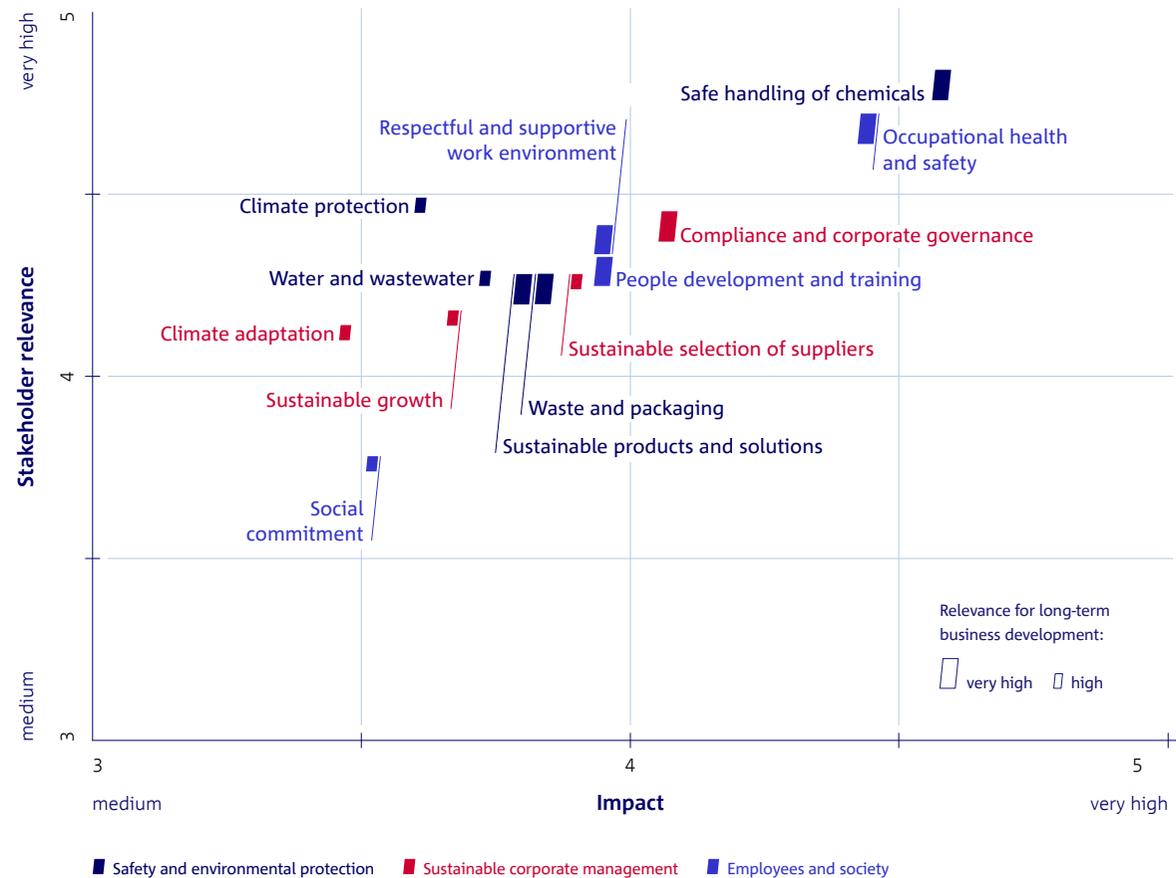
as safety, health and environmental protection, resource conservation and efficiency along with full compliance with laws and regulations are deeply rooted in our company. We pursue our sustainability approach on a global scale and work with other companies in partnerships or initiatives to promote the UN's Sustainable Development Goals or jointly introduce measures to combat climate change, for example. Since 2014, we have been a member of the *UN Global Compact* and are committed to the ten principles for human rights, labour standards, environmental protection and fighting corruption. In 2020, our CEO also signed the "Global Compact Statement of Business Leaders for Renewed Global Cooperation" along with over 1,000 other CEOs of companies from more than 100 countries. Brenntag became a member of the global *RE100 initiative* in 2021 as part of its commitment to 100% renewable energy.

Expectations in terms of sustainability have significantly increased in recent years, a trend that will continue into the future. End consumers have demonstrated a strong interest in environmentally friendly and biobased products. Job hunters now also screen prospective employers according to their sustainability performance and non-financial targets. In addition, regulatory requirements have increased, such as due diligence within supply chains and compliance with human rights as well as expectations in the global effort to combat climate change and reducing emissions in accordance with the Paris Agreement. This trend is underpinned by the call for more transparency, i.e. in relation to *EU Taxonomy*, and an increasing number of concrete demands from investors regarding non-financial issues in order to manage their risks and opportunities.

Developing the ESG strategy: The aim of the new ESG strategy is to ensure Brenntag is in a position to adapt to the evolving conditions and increased expectations of our stakeholders at an early stage. In turn, this will enable us to ensure Brenntag's long-term success. The new ESG strategy will also form part of the Group-wide realignment launched in 2020, which will enable us to respond

to the various stakeholder expectations in an improved and more efficient manner. Our transformation has been accelerated by the impacts of the COVID-19 pandemic on supply chains, which continued to boost our commitment to our internal transformation in 2021. The Group's overall transformation process was characterized by a transition from old to new in 2021.

BRENNTAG MATERIALITY MATRIX



www.unglobalcompact.org

www.there100.org

[More details on page 32.](#)



Materiality assessment: The key aspects addressed in our sustainability strategy are based on the **materiality assessment**. We account for the materiality of topics in terms of three aspects when determining the content of the non-financial report based on the Global Reporting Initiative (GRI) approach and the requirements of the German Commercial Code (HGB): the significance for stakeholders, for understanding the business performance, the financial result and current position and the effects of Brenntag’s activities on the environment, society and the economy. In addition to internal and external stakeholders, namely employees, customers, suppliers and association representatives, we included investors for the first time in 2019. When developing our new ESG strategy, we incorporated the results of the materiality assessment along with the regulatory developments in Europe, such as the Green Deal, or the new due diligence requirements in global value chains, such as the Act on Corporate Due Diligence in Supply Chains. Another key point of discussion was how Brenntag can most effectively promote and implement the UN’s Sustainable Development Goals within its own strategy. With this in mind, we identified eight *Sustainable Development Goals (SDGs)* with relevance to Brenntag. We continuously monitor external developments in order to keep our ESG strategy up to date and, in this context, plan to update our materiality assessment once the operational Group-wide restructuring is finalized.

LONG-TERM ESG STRATEGY

Future Sustainable Brenntag: Although Brenntag has been committed to sustainability for many years, the Group plans to undergo groundbreaking changes in terms of sustainability performance. In 2021, we set the course for our new ESG strategy, primarily with the development of our Future Sustainable Brenntag vision:

Our vision entails a sustainable approach to Brenntag’s future with our position as a global market leader in the responsible distribution of chemicals strengthened in the long term in line with the UN’s Sustainable Development Goals. We have adopted a systematic and ongoing approach to this long-term goal in order to master the many changes we face in the future resiliently.

FUTURE SUSTAINABLE BRENTTAG



[See page 14.](#)

¹ e.g., biobased, biodegradable, less toxic, recycled, resource efficient, CO₂ reduced
² Internal combustion engine (fuel additive, lubricant and oil mining);
³ PCF: Product Carbon Footprint (CO₂ footprint of products)



NFB In order to achieve our long-term *Future Sustainable Brenntag* vision, we have established a framework with medium-term goals. In addition, we have also defined short-term actions and goals for 2022 to pave the way to a medium-term framework. The individual timescales build on each other. This development will have a meaningful impact on Brenntag's operations, supply chains and product portfolio.

Future Sustainable Brenntag enables Brenntag to guarantee long-term success and meet the increased expectations of its stakeholders with regard to non-financial performance.

NFB *Brenntag's ESG framework:* In order to reach our Future Sustainable Brenntag vision and to address the corresponding topics, we will introduce ongoing and targeted measures in the following six focus areas as part of our new ESG strategy from 2022 onwards:

- / Climate protection and reduction of emissions
- / Resource efficiency and circular economy
- / Fair and safe employer
- / Responsible partner for suppliers and communities
- / Management structures for business ethics
- / Portfolio and investment steering

NFB When it comes to climate protection and reducing emissions, we want to achieve net zero emissions and avoid all spillages or leaks that impact the environment in line with the European Green Deal. With regard to resource efficiency and the circular economy, we will intensify our action in relation to recycling and reuse, and work closer with suppliers and customers in order to market particularly sustainable products. We will increase the number of sustainable solutions in our portfolio in order to provide resource-conserving, eco-friendly and safe products across the entire value chain. In the third focus area, we aim to ensure that Brenntag develops its reputation as a fair and safe employer. With this in mind, we want to create a dynamic corporate culture shaped by diversity and invest in the development of our employees on an ongoing basis. Safe working conditions are our greatest asset and zero work accidents our top priority. In the fourth focus area, we're working on identifying and revealing room for improvement across the entire Brenntag value chain in order to ensure consistently safe and fair conditions. We want to be considered a responsible partner not just among our suppliers, but also by the local communities in the neighbourhood. Our comprehensive expansion of governance structures in the fifth focus area provides transparency and relia-

NFB bility along with holding management more accountable. The sixth focus area, portfolio and investment steering, covers all Group guidelines and principles we use to ensure that the topic of sustainability remains firmly anchored in all business activities.

We have developed concrete and measurable medium-term targets for each focus area, which we have broken down into individual Group functions. We have established concrete measures for 2022 to set us in motion for achieving our medium-term targets.

 [See page 12.](#)



OUR ESG GOALS

NFB

Focus areas	Description	Mid-term targets	Long-term targets
		2023 — 2025	2030 — 2045
E Climate protection and reduction of emissions	<ul style="list-style-type: none"> Aim for carbon net zero, in line with EU green deal and ensure zero spills and releases with emissions into the environment 	<ul style="list-style-type: none"> 100% energy consumption from green energy (2025) Total spills < 0.7 events/MMH¹ (2025) 100% compensation of remaining Scope 1 and 2 emissions (2025) 	<ul style="list-style-type: none"> 40% absolute carbon reduction vs. 2020 (2030)² Net zero carbon emissions (2045)
		<ul style="list-style-type: none"> Assess portfolio for sust. (30% covered) and set 2025 quantitative target (2023) Ten circular businesses each generating >EUR 1 million (2025) 	
S Fair and safe employer	<ul style="list-style-type: none"> Ensure a dynamic and diverse organization that invests boldly into the development of its people Set a high bar across working conditions and strive for zero accidents 	<ul style="list-style-type: none"> 100% of employees earn at least a living wage (2023) Set-up of global organizational diversity, equity and inclusion structure (2023) 	<ul style="list-style-type: none"> Female representation of at least 30% across our entire management below the Board of Management (2030) TRIR³ < 2.0 and zero severe accidents (Actual Hurt Level 4–5) (2030)
		<ul style="list-style-type: none"> All suppliers are covered by risk management (2025) 	
G Management structures for business ethics	<ul style="list-style-type: none"> Look behind “own walls” and achieve sustainability-related improvements in the whole supply chain to secure sustainable and fair standards Being a responsible and valued neighbour 	<ul style="list-style-type: none"> Further adjustment of Board remuneration based on ESG (2024) 	
Portfolio and investment steering	<ul style="list-style-type: none"> Implement policies throughout Brenttag to ensure sustainability to be deeply integrated in all activities 	<ul style="list-style-type: none"> All new sites green building certified (2023) 100% portfolio steering towards sustainability (2025) Develop strategies to support technological advancement in important industry segments (e.g. automotive) (2025) 	

¹ MMH = million man-hours | ² Excl. sites that were not included in the 2020 base year; those will be recorded separately. | ³ Total Recordable Injury Rate

SDGs: Considering Brenttag's core competencies and business activities, we have selected eight Sustainable Development Goals (SDGs) to which Brenttag can make the greatest contribution.





Dr. Andreas Kicherer
Vice President Sustainability
Brenntag Group

“The aspiration of taking responsibility can be found everywhere throughout the company.”

How important is sustainability at Brenntag and for you personally?

At Brenntag, there is a great commitment to continue with the improvement of sustainability in every area of the business and across all the regions, including at every level of the hierarchy. This has become increasingly clear during the development of our new ESG strategy. The aspiration of taking responsibility and making the world more sustainable can be found everywhere throughout the company. We don't just want to be a global leader in the distribution of chemicals, but also a leader when it comes to sustainability. On a personal level, I've always been intrigued by the topic – not least due to the fact that I want to ensure a future worth living for my five children and four grandchildren.

What is the biggest challenge you've faced to date?

Sustainability is a vast topic that covers environmental issues such as CO₂ emissions, social aspects such as work accidents, and governance issues such as compliance with rules. Developing a consistent framework for

all of these topics and establishing long-term goals with a wide range of stakeholders is a highly complex undertaking. Defining the when and how with regard to achieving net zero targets for greenhouse gas emissions, and how we want to manage this, is no easy task.

By 2045, Brenntag wants to achieve net zero CO₂ emissions. Technical equipment to reach this goal requires a significant amount of money: where will the funds come from?

In order to achieve our net zero target as cost effectively as possible, we will be launching an innovative system with an internal CO₂ price. In other words, each Brenntag company will pay a set price for the emissions it causes. This money will then be paid into an internal climate protection fund that each company can apply for with CO₂-saving projects. As a result, the money will flow back to the companies that implement the most successful CO₂-saving projects. We are relying on the inventiveness of our Brenntag colleagues to propose innovative projects that best fit the local conditions.



ESG MANAGEMENT AND ORGANIZATION

At Group level, there are numerous strategic guidelines, policies and projects in the area of sustainability that have a global scope and have been further revised or harmonized as part of the Group’s transformation. In concrete terms, this refers to standards, processes and responsibilities at various levels throughout the Group. Moreover, in accordance with the Group’s guidelines, Brenntag’s individual companies and locations pursue a large number of activities on their own and in line with local and regional requirements and commitments. This approach remains the same with the Group’s new ESG strategy.

In order to push ahead with sustainability topics in the future in a more targeted and comprehensive manner within the Brenntag Group, an internal Corporate Sustainability department was established in 2020, which was renamed Sustainability Brenntag Group in 2021 and is headed by the Vice President (VP) Sustainability Brenntag Group. The VP reports directly to the CEO and is part of the global team of managers tasked with facilitating the integration of sustainability topics in other Group areas or the regions. The new Sustainability Brenntag Group has replaced the two working groups that worked on the topic of sustainability prior to 2021. In 2022, the restructuring will continue with the development of new governance structures. The VP is responsible for the further development and global implementation of the ESG strategy, while the international team that reports to him initiates and coordinates global projects. The sustainability team regularly conduct meetings or work intensively in project-based work

groups with other departments within the Group such as HR, QSHE, Internal Audit, Controlling, Communication, the business units and the respective employees in the regions. Further structural and organizational measures are scheduled for implementation in 2022.

MAINTAINING A DIALOGUE WITH OUR STAKEHOLDERS

Brenntag maintains a regular, transparent and target group-specific dialogue with its stakeholders to ensure they are kept in the loop with the latest updates. Key stakeholders include customers, employees, suppliers and business partners along with investors and analysts, the media and other representatives of society. We aim to notify our various target groups promptly and appropriately regarding developments at Brenntag and its objectives, thus enabling our stakeholders to obtain a comprehensive picture of our company and its business activities. In return, this dialogue enables Brenntag to identify the needs and expectations of our stakeholders, to evaluate them and to appropriately reflect them in our business decisions. As a member of relevant *technical and industry associations* at a local, regional and international level, Brenntag maintains an active dialogue concerning industry-specific issues. Brenntag’s Investor Relations and Global Communications departments regularly and promptly notify investors, analysts and journalists of developments within the company, e.g. by presenting the company at roadshows, in analyst conference calls, press releases, conferences and events as well as via the company’s website and various social media channels.

In 2021, we continued to regularly communicate with our employees in meetings, and provided information through our *together* magazine, newsletter, video conference calls and via the Intranet. Communications in relation to the COVID-19 pandemic became routine during the reporting year. Digital communications are now firmly embedded in the company and the Board of Management continued to provide regular updates on the current status or new measures in 2021. Once again, in 2021, most trade fairs where Brenntag would normally present its portfolio of services and interact with business partners were cancelled or, in a handful of cases, held online. Our interactions with customers largely continued as normal in digital format.



A list of Brenntag’s key memberships can be found here.



STEP4CHANGE INITIATIVE

Driven by and in response to *Future Sustainable Brenntag* and the new ESG strategy, in 2021, Brenntag Essentials made a number of key steps towards continually making the services and the product portfolio offered by the Brenntag Group more sustainable. With Step4Change, Brenntag Essentials EMEA has launched a company initiative aimed at actively helping customers reach their sustainability targets by identifying more sustainable product solutions from our manufacturing partners that meet their needs and providing them in the required manner, quickly and flexibly. The initiative has also continued to develop service solutions on the topic of carbon management. In this context, we have fostered transparency by stating the carbon emissions of the products, the logistics chain and the Brenntag value added based on the available data in each case. As a result, we have laid the foundation for optimizing the value chain from producers and Brenntag to thousands of Brenntag customers situated throughout Europe based on carbon emissions.

SUSTAINABLE SOLUTIONS FOR OUR CUSTOMERS

We are proud to present solutions that offer a better sustainability profile than the established industry standard in the form of our constantly expanding Step4Change product portfolio. Based on their contribution to sustainability, the products are either included in the CO₂-reduced ‘low carbon economy’ portfolio, or in the group of ‘safer products’.

Our constantly evolving ‘low carbon economy’ product portfolio focuses on products that offer an advantage in terms of carbon emissions compared to established standard products. This advantage either comes from

the raw materials used during manufacturing (biobased, biomass-balanced or recycled) or from the use of regenerative energy during the manufacturing process. An additional criteria for the Step4Change product portfolio is a product-related certified carbon offset mechanism (see GTL example on next page), which offsets the carbon emissions that cannot be avoided or reduced without disproportionate effort from cradle to gate, i.e. to the customer’s door.

Products in the ‘safer products’ category of the Step4Change portfolio feature a significantly lower toxicity profile in comparison to industry standards and are far less dangerous for the environment and people who come into contact with them. The products are also selected based on their ready biodegradability in accordance with OECD 301.

See page 12.



The work of the Step4Change initiative frequently monitors market and industry trends, analyses best practice examples and pairs this with regular knowledge sharing. The team unites several key competencies from various specialist areas and consists of a core team (from left to right: Karl Shone, Jason Woods, Diana Dittrich, Wolfgang Edel, Anne Troost, Verena Barkowsky; not pictured: Stefan Franke, Ian Irvine and Marianne Lyngsaae) and an additional one to two employees for each region.

SUSTAINABLE PRODUCT PORTFOLIO

Low-carbon economy

Sustainability value proposition:
Reduced/
compensated carbon emissions



- Raw materials
- Green energy
- Carbon compensation
- Product carbon footprint

Safer products

Sustainability value proposition:
Protects the environment
and health



- Improved product labelling¹
- Reduced toxicity profile¹
- Low ecological impact¹

¹vs. industry standard



MANAGING AND REDUCING CARBON EMISSIONS ALONG THE SUPPLY CHAIN

The initiative also addresses carbon emissions along the supply chain. Companies require transparency with regard to emissions in order to effectively manage and control their carbon emissions. Step4Change will add to this transparency in the future with a concept that makes carbon emissions more visible for customers. To this end, Brenntag determines the expected carbon emissions that can be attributed to the transport, storage and packaging processes related to the transaction and adds them proportionally to the carbon footprint of the respective chemical products purchased by the customer. This service was initially developed for the first pilot products and partners on the basis of real data and reference values, and will continue to be enhanced and improved on an ongoing basis. The

initiative aims to provide active carbon management as a standard service to all Brenntag customers in the medium term. In addition to improving the data used to measure emissions, the circular economy will continue to be developed with its special models in this field. The primary focus is on promoting the reuse or recycling of packaging and product-related solutions for the management of waste streams and by-products.

OFFSETTING CARBON WITH GAS TO LIQUID (GTL)

Following Brenntag's entry into the Shell programme "nature-based solutions" in 2020, 2021 marked another successful year of partnership.

We continued to offset the emissions related to the gas-to-liquid (GTL) product group in 2021. For each tonne of product sold, we jointly offset two tonnes of carbon emissions, which roughly corresponds to the emissions generated by manufacturing, storage and transport to the final delivery point.

Offsets were achieved with the support of reforestation projects such as in Glengarry Forest in Scotland. This project aims to replant the region with a wide variety of local tree species such as the Caledonian pine, which naturally binds atmospheric carbon and also improves local biodiversity. The amount of carbon offset in 2021 corresponds to an equivalent of around 1,000 full-grown Caledonia pines, roughly six soccer fields in total.



More information can be found here.

"We are able to offer our customers added value by increasing the transparency of emissions created by transporting our products and by identifying and implementing decarbonization measures. We are constantly working to improve the quality of our data through data enhancement and expanding our sources of data."

— Stefan Franke, Transport Manager EMEA

SUSTAINABLE SERVICES

Carbon management

Sustainability value proposition:

Reduced/
offset carbon emissions

- Cradle-to-gate carbon footprint**
- Product carbon footprint (various qualities)
- Brenntag's carbon emissions for each product
- Transparency for carbon emissions
- Carbon optimization and benchmarking

Circular economy

Sustainability value proposition:

Resource efficiency and reduced carbon emissions

- Circular business models**
- Leasing and recycling chemicals
- Optimizing packaging



GOVERNANCE

RESPONSIBLE GOVERNANCE

Brenntag has always attached great importance to responsible, prudent and future-oriented corporate governance. Starting in 2022, we plan to introduce structural changes and special bodies within the Group to further strengthen our governance. Legal requirements and voluntary internal policies on conduct must be complied with and upheld at all times. To ensure that this happens, management uses various *internal control and risk management systems* and

has established a compliance organization within the company. All Brenntag employees are responsible for compliance with the pertinent laws, directives and requirements.

We began with the expansion of our governance structures in the reporting year. A steering committee led by the CEO will be responsible for setting the strategic ESG targets and degree of sustainability performance at Brenntag along with providing recommendations for

decisions. Furthermore, the Supervisory Board intends to review the existing Board of Management compensation system and to link variable compensation components more closely to the achievement of ESG targets in the future. A proposal to this effect is being prepared by the Supervisory Board.

For further information on *management systems and certificates*, please see the *Safety chapter* from page 48.

For further information on *Brenntag's control and risk management system* as well as its *report on opportunities and risks*, please see pages 128ff. of *Brenntag's 2021 Annual Report*.



NFB COMPLIANCE MANAGEMENT

Compliance organization: At the head of Brenntag's compliance organization is the Board of Management and, within this body, its chairman. The Governance, Risk & Compliance (GRC) Manager in Brenntag SE's Compliance & Audit Brenntag Group department regularly reports to the Board of Management on compliance issues. The regular meetings of the Supervisory Board's Audit Committee also include reporting on compliance and whistle-blowing as well as on the ongoing development of the Group-wide compliance management system.

Regional compliance managers have been appointed at a regional level. They receive, assess and report any compliance issues and/or questions referred to them, coordinate the compliance management system at a regional level and regularly exchange information and experience with Brenntag SE's GRC manager. This ensures that our compliance management is closely interlinked with our business activities at regional level.

Code of Business Conduct and Ethics: As a global company, Brenntag is subject to a large number of laws, directives, regulations and provisions. In addition to compliance with regulatory frameworks, honesty and integrity are our top priority. All of our fundamental company values, ethical principles, compliance with laws, rules and regulations as well as the relevant guidelines and procedures which are of key significance for Brenntag and its reputation are summarized in a comprehensive Code of Business Conduct and Ethics. The latest *Code of Business Conduct and Ethics* was published at the start of 2021. All employees were notified in an email sent by the Board of Management. In addition,

NFB the respective management teams in the companies are responsible for ensuring all employees are aware of and comply with the new Code. Any infringement of the Code may lead to disciplinary action and have consequences under labour law or even criminal law for the employee in question.

The Code of Business Conduct and Ethics contains requirements for the following areas:

- / Health, safety and the environment
- / Human rights and working conditions
- / Relationships with business partners and public institutions
- / Combatting bribery and corruption
- / Competition and antitrust law
- / Avoidance of conflicts of interest
- / Data protection and information security
- / Foreign trade controls

The Code has been published in several languages. It applies to all employees at all levels of the company and is intended to give them guidance in the legal and ethical challenges of their daily work and to encourage proper conduct.

As well as the Code of Business Conduct and Ethics, there are further Group guidelines which stipulate compliance requirements, including an anti-corruption guideline, a guideline on compliance with foreign trade regulations and an internal control guideline. The Code and all guidelines that are applicable Group-wide can be accessed by all the Group's employees on the Intranet.

NFB **Preventing corruption:** Preventing corruption is an essential element of Brenntag's compliance management system. Group-wide requirements relating to fighting corruption are specified in codes and guidelines. They apply to all employees equally and compliance with them is monitored. If our employees fail to comply with these requirements, this could have reputational and financial risks for Brenntag. Employee misconduct is not tolerated by Brenntag (zero-tolerance policy) and can lead to disciplinary measures or have consequences under labour law.

The worldwide *anti-corruption guideline* for the Brenntag Group specifies what behaviours are expected of employees in this regard. It also provides guidance on how employees should behave in critical situations so that their conduct is compliant and risks are avoided.

The anti-corruption guideline contains and specifies requirements for the following areas:

- / Prohibition of corruption and bribery
- / Gifts, hospitality and other benefits
- / Donations and sponsorship, including prohibition of political donations on behalf of the company
- / Prohibition of facilitation payments
- / Relationship with third parties (sales brokers, agents, etc.)

 [The anti-corruption guideline is available here.](#)

 [The Brenntag Code of Business Conduct and Ethics is available here.](#)



NFB The internal control guideline contains further requirements and measures to counteract corruption and bribery, such as ensuring the separation of functions, complying with the double-check principle and adhering to the requirement to obtain comparative bids from suppliers and service providers.

Internal audits are regularly conducted at our Group companies to ensure compliance with these guidelines. The Internal Audit department conducted 25 audits in 2021. Further elements of the compliance management system relating to the prevention of corruption at Brenntag are target group-oriented training courses for employees, which are essentially rolled out via our e-learning systems. We also have a whistle-blowing system, which can be used to provide anonymous information. In the reporting year, no cases of corruption at Brenntag were reported.

Whistle-blowing system: Tried-and-tested processes are in place at Brenntag for the orderly acceptance and processing of Group-wide internal and external complaints as well as compliance reports. Our employees can either report corresponding information to their direct line managers or the regional compliance management team, or, alternatively, via central or regional whistle-blowing channels and systems. The whistle-blowing system also provides the option of making anonymous reports, e.g. on violations of human rights or suspected cases of corruption. Third parties can

NFB submit complaints and report violations by getting in touch with the **compliance contact** indicated on Brenntag SE’s website. The information received will always be dealt with on a strictly confidential basis. The reports received are examined and appropriate action taken if a compliance infringement has taken place. Email addresses and other whistle-blowing systems have also been set up at a regional level.

Incoming reports mainly concern cases of suspected fraud and theft. Violations of the Code of Business Conduct and Ethics (e.g. conflicts of interest and discrimination in the workplace) and reports concerning other compliance issues (e.g. violations of regulations) are also reported. Compliance managers also receive general enquiries, e.g. concerning possible conflicts of interest as well as enquiries regarding the acceptance of gifts or invitations. If a suspicion is confirmed, this will incur the sanctions permitted under labour law.

Year	Number of compliance incidents ¹	
	confirmed	concluded
2017	13	13
2018	11	11
2019	14	14
2020	17	15
2021	13	10

¹ These are cases notified to the GRC Manager and for which sufficient evidence has been established. Compliance incidents may also occur which are reported, assessed and processed at a local or regional level but which are not reported centrally on grounds of insufficient relevance.

NFB **Human rights:** Observing human rights is one of Brenntag’s top principles and is regarded as an essential element of its general compliance management system. Through its voluntary commitment to the principles of the UNGC, Brenntag seeks to lend further weight to its position. The Brenntag Code of Business Conduct and Ethics stipulates that our company and employees must avoid violations of human rights in any form. We oppose all forms of forced labour or child labour, advocate equal opportunities and fair work conditions, and reject discrimination of any kind.

Violations of human rights can be reported internally via our compliance organization and anonymously via our whistle-blowing system. External third parties can also use this system. If any suspected violations of human rights are confirmed, they are strenuously pursued and sanctions are incurred. In the reporting year, no violations of human rights within the corporate Group were reported.

For several years, Brenntag has voluntarily undergone a sustainability assessment by the international rating agency EcoVadis every two years. In January 2022, the Brenntag Group achieved a score of 71 points, thereby confirming once again its gold status that it achieved in 2016. EcoVadis evaluates the sustainability performance of companies in terms of four categories: environment, labour practices, fair business practices and sustainable procurement. The review of aspects in the area of human rights is an essential element of this external assessment of Brenntag.





NFB Brenntag believes that there is a big risk of potential violations of human rights in our supply chain. Brenntag's Supplier Code of Conduct explicitly requests that our suppliers support the observance of international human rights and that they avoid violations of human rights. Within the framework of our membership of the industry's "Together for Sustainability" (TfS) initiative, we also request that our suppliers undergo *EcoVadis sustainability assessments* and *TfS audits*, which also include a review of compliance with human rights. In the reporting year, as in the previous year, we requested that our suppliers take corrective actions if they had an EcoVadis score of below 45. A separate review of the area of labour and human rights showed that 142 (2020: 96) corrective actions were implemented. As a result, 41% (2020: 22%) of suppliers were able to improve their score in a re-assessment. This enabled us to increase the average score of our suppliers for whom we carried out at least one sustainability assessment from 46 in 2020 to 59 in 2021.

Training: Our compliance programme focuses particularly on observing our Code of Business Conduct and Ethics and antitrust law requirements as well as on the prevention of corruption and environmental and health protection, since it is here that Brenntag sees the greatest risks. We hold regular employee training sessions covering these issues – through regional and global events which employees attend either in person or via e-learning systems. The aim is to keep all of Brenntag's employees' knowledge up to date and to avoid any illegal actions as well as to protect the environment from being damaged and employees from being injured.

NFB There is a global online training module on the Code of Business Conduct and Ethics for all employees which was continued in the reporting year. Participation is mandatory for all new employees when they join the Group. Employees can complete the one-hour training module on the internet via the global e-learning platform at any time and from any location. A total of twelve topics are covered – including anti-corruption and the observance of human rights – using practical examples and exercise questions. The employees then take a test to ensure that the knowledge has been transferred.

In the reporting year, a total of approximately 11,000 Brenntag employees worldwide completed this training module, representing around 95% of the relevant employees. There are also in-depth compliance training modules at a regional and global level on the topics of bribery and corruption and on antitrust law. In the reporting year, training modules on bribery and corruption as well as European antitrust law were rolled out and made mandatory for all employees and managers operating on the market. 7,000 employees also completed refresher training on bribery and corruption in the process. This corresponds to approximately 92% of the relevant employees. Since it was once again rolled out at the end of the reporting year, roughly 1,400 employees (approximately 70%) have completed refresher training on European antitrust law at the time of reporting. The aim is for all training modules not completed in 2021 to be caught up on in 2022. Since the EU's General

¹In general, this excludes employees who do not have access to the e-learning platform (primarily employees who work in the warehouses). These employees will receive training on the Code of Business Conduct and Ethics using alternative methods.

NFB Data Protection Regulation (GDPR) came into force, there has been a multi-level training concept for the issue of data protection. Employees are informed of and trained on this issue through various channels.

RISK REPORTING

The risk inventories performed every six months by our Group companies are an important instrument for global risk management within the risk management system. They involve enquiring about existing risks and assessing these in terms of their probability of occurrence and their potential damage. The risk assessment includes risks and opportunities with a sustainability dimension, such as environmental risks, employee turnover or risks in the area of law/compliance. The Group risk management system also includes sustainability-related aspects concerning the climate, environmental and employee matters, human rights, and anti-corruption and bribery matters and the associated risks.

The risks from the COVID-19 pandemic continue to persist in terms of regional and global economic development. To date, Brenntag has overcome the risks posed by the pandemic relatively well thanks to its wide geographical spread and close supplier relations. New virus variants, in particular, have a significant impact on the number of infections and consequently make it difficult to precisely forecast the development of global business. As a result, the development of our business continues to be marked by uncertainty. Crucial elements in this regard are how long the pandemic prevails, how quickly the affected economies can recover and how



NFB quickly production and supply chains can be rebuilt in the event of disruptions. In the past, we were able to benefit, in particular, from our diversified strategy in terms of our product portfolio and our global supplier and customer relations. During difficult phases, they provided natural protection against local infection hot-spots. Accordingly, our network has acted as a basis for minimizing the risks posed by the pandemic to our daily business.

However, the COVID-19 pandemic did not change the risk factors that we have to take into consideration. As a result, there were no changes to our risk assessment in 2021. With regard to the important risks to Brenntag in terms of the German HGB, a net assessment of the risks did not identify any material risks which are associated with our business activities or our business relationships, products and services and which are very likely to have serious negative effects now or in the future.

We are very closely monitoring the current situation and developments in the war in Ukraine as well as international measures and decisions and regularly conduct a risk assessment on this basis. We are in constant dialogue with our customers and suppliers in the region, which also enables us to identify any impact on our business and supply chains at an early stage and act accordingly. It is currently impossible to assess whether there will be any far-reaching effects on global economic growth and our business.

NFB DATA PROTECTION

Data protection requirements are increasing. As head of the Global Data Protection department, the Group Data Protection Officer reports independently and directly to the Board of Management. Data protection coordinators in the various regions support the Global Data Protection department and report to the central unit. Data protection recommendations and developments are regularly discussed with the departments.

The global data management system (One Trust), introduced in 2020, supports and automates the documentation of all global processing procedures, including the service providers involved and the corresponding risk analyses. Since the launch of the system, data and processes have been centrally managed and controlled. In 2021, the quality of data and documentation in One Trust was further improved and the data protection coordinators in the regions received corresponding training. We also developed new templates in 2020 that can be used to easily check data protection requirements for suppliers. Other topics we addressed in relation to data protection in 2021 included breach management and global crisis management in relation to data protection and IT security incidents.

NFB TAXES

Compliance also includes adherence to the applicable tax laws and tax regulations (tax compliance). In 2021, the Brenntag Group paid EUR 222.5 million in income taxes.

The Brenntag Group's tax policy is specified by the Board of Management of Brenntag SE and implemented with the central involvement of the Group Tax department. The core elements of the tax policy are

- / Complying fully with all relevant tax laws, rules, regulations and reporting obligations in countries where Brenntag operates
- / Ensuring that all tax matters are dealt with in accordance with Brenntag's business strategy and the fundamental values specified in the Code of Business Conduct and Ethics
- / Applying professional diligence in relation to all tax matters
- / Maintaining constructive and transparent relationships with tax authorities that are based on integrity, cooperation and mutual trust
- / Engaging in sustainable tax planning in accordance with legal regulations. Brenntag does not engage in tax planning that is not related to business transactions.

To comply with tax laws and regulations, Brenntag has implemented a tax compliance management system (TCMS), starting with the German subsidiaries. This system shall be implemented Group-wide. The TCMS is continuously enhanced and always adapted to the latest legislation or court rulings.



05 ENVIRONMENT



ENVIRONMENT

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ENVIRONMENTAL PROTECTION

The responsible use of natural resources has always been very important to Brenntag. As part of our business activities, we consume different types of fuel, water and electricity, while producing various emissions, waste and wastewater. Moreover, as a chemical distributor we deal with products that could damage the environment if not handled with the necessary care.

All around the world, we aim to protect resources and use them optimally, and to minimize the impact that our business activities have on the soil, water and air. At the same time, Brenntag supports its customers with sustainable solutions and helps to preserve the environment with ecologically efficient products, processes and services.



NSB QSHE STRATEGY AND MANAGEMENT

When it comes to protecting the environment and climate, Brenntag also acts in accordance with the “Safety First” principle and has incorporated the fundamental aspects of its activities into its global QSHE strategy. Brenntag’s sites around the world implement numerous environmental protection and efficiency measures in the context of local and regional outline conditions and legislative requirements, tailored to their individual activities. These internal measures focus on energy and water consumption, the protection of soil, water and air, waste reduction, and transport and fleet management.

The topic of climate protection plays a key role in our new ESG strategy. In terms of greenhouse gas emissions generated by our own activities, we are committed to reaching a net zero target by 2045 in accordance with the Paris Agreement. A key milestone on our path to achieving this goal is our aim to reduce our Scope 1 and 2 emissions by 40% in absolute terms from 2020 to 2030.¹ Our objective is to be climate neutral by 2025, which entails offsetting the remaining Scope 1 and 2 emissions. We are currently looking at suitable measures to reduce indirect emissions that arise along our value chain, i.e. Scope 3 emissions.

¹Relative reduction, only including those sites which were already included in the base year 2020. New sites will be tracked separately.

NSB We also want to procure 100% of our electricity from renewable sources by 2025. In summer 2021, we joined the *RE100 initiative* to underpin our commitment and help raise awareness for this topic within the Brenntag Group. RE100 is a global initiative that brings together businesses aiming to source 100% renewable energy for electricity in the medium term.

ENERGY AND SCOPE 1 AND 2 EMISSIONS

The better the data set, the more precisely we can control achievement of our targets. In 2016, we launched Group-wide energy reporting. Since then, we have collected information of each site’s energy consumption on a quarterly basis. The Brenntag sustainability team centrally consolidates the data, evaluates them and calculates the associated greenhouse gas emissions (see page 28 for a definition of Scopes 1 and 2). To increase transparency of Scope 2 emissions, since 2020 we have calculated them using the market-based method in addition to the location-based method. We have detailed both values in this report to create a basis for comparison (see table CO₂e emissions Brenntag Group). By using the market-based method, we are able to present the company-specific consumption of energy from renewable

NSB sources in a more transparent manner. The following information only relates to the values calculated using the market-based method.

Our target for 2021, derived from the linear reduction path towards “net zero” in 2045, was to reduce our total Scope 1 and 2 emissions by 4% compared to 2020. This means that for the first time we haven’t set a relative reduction target anymore (i.e. per warehouse ton sold), but rather an absolute reduction target.

We achieved this target with -6.1%. Without taking into account sites included from 2021, the reduction amounts to 6.2%. A large part of the savings have been achieved through a further switch to green electricity². In 2021, already a total of 28% of our overall electricity consumption came from renewable sources. As a result, we emitted 227,380 tonnes of CO₂e (Scopes 1 and 2) in the reporting year. The energy consumption in buildings (offices and warehouses) accounted for around 39% of total Scope 1 and 2 emissions, while the vehicle fleet (trucks, company cars and other vehicles) accounted for around 61%.

²Electricity from renewable sources, which we procure through direct supply contracts by purchasing guarantees of origin and by generating it on-site.

[More details at www.there100.org](http://www.there100.org)

[For Brenntag’s QSHE strategy and organization, please see the Safety chapter on page 12.](#)



NFB

Energy consumption Brenntag Group¹

	2021	Base year: 2020 ²
Electricity (in MWh)	142,272	139,928
Thereof electricity from renewable sources, which we procure through direct supply contracts by purchasing guarantees of origin	39,328	21,216
Thereof electricity from renewable sources we generate on-site	337	285
District heating (in MWh)	5,295	4,317
Natural gas (in MWh)	272,076	282,180
Diesel (in 1,000 litres)	46,777	48,638
Petrol (in 1,000 litres)	4,518	4,686
Other ³ (in 1,000 litres)	3,785	3,850

Note about calculation of CO₂e emissions:

The CO₂e emissions for electricity were calculated for both the *location-based* and the *market-based* method using the respective country-specific factors according to IEA (2020) for the base year 2020 and according to IEA (2021) for the reporting year 2021. If the specific emission factor of the purchased electricity (e.g. of the energy producer) was available, the factor has been applied in the market-based method instead of the country-specific factor. For district heating, the calculation was carried out in both years using the factor according to UBA (2018) and for all other energy types with the respective energy-specific factors according to UK Government GHG Conversion Factors for Company Reporting (2020) for the base year 2020 and according to UK Government GHG Conversion Factors for Company Reporting (2021) for the reporting year 2021. Since 2021, we no longer calculate only the CO₂ emissions caused by our energy consumption, but all related greenhouse gas emissions in CO₂e. To ensure comparability, we have adjusted the calculation for 2020 in this respect as well.

NFB

CO₂e emissions Brenntag Group¹

	2021	Base year: 2020 ²
Scope 1		
Natural gas (in tonnes)	49,833	51,884
Diesel (in tonnes)	125,924	130,016
Petrol (in tonnes)	10,571	10,847
Other ³ (in tonnes)	7,661	7,780
Scope 2		
Electricity (in tonnes)		
Location-based	47,122	49,655
Market-based	32,247	40,795
District heating (in tonnes)	1,144	933
Scope 1+2 (in tonnes)		
Location-based	242,255	251,116
Market-based	227,380	242,255
Location-based	-3.5 %	-
Market-based	-6.1 %	-

¹ The data for the reporting year do not include the following operating units: Brenntag Finished Lubricants (Thailand) Ltd. (included as of Q4/2021), Neuto Chemical Corp, the acquired caustic soda business of Suffolk Solutions BGM / MS, Brenntag Sourcing Uruguay S. A., Comelt S.p.a, Aquadepur S.r.l., Storm Chaser Intermediate Holding II Corporation, Lentz Milling Company LLC, JM Swank LL, Zhongbai Xingye Food Technology (Beijing) Co. Ltd (included as of Q4/2021), Zhongbai Food Technology (Shanghai) Co. Ltd (included as of Q4/2021).

² As part of our ongoing improvement process, the energy consumption reported for 2020 was again reviewed and adjusted.

³ Gas oil, burning oil, CNG, LPG.



NFB In addition to transitioning to green electricity, we have also introduced numerous other measures. For instance, at our Brenntag sites in Veile, Kalundborg (both in Denmark) and Kalmar (Sweden), we have replaced the oil heating of storage tanks with electric heat exchangers. As a result, CO₂ emissions from heating the tanks have been reduced by 266 tonnes each year and the electricity likewise comes from renewable sources. In the reporting year, we replaced all of the conventional lighting at additional locations with energy-saving LED lights. As a result, two sites in California (USA) were able to reduce total energy consumption by 137,778 kWh, saving an estimated 53 tonnes of CO₂ each year. Furthermore, existing technical solutions were substituted with alternatives that generate lower emissions. For this reason, we replaced additional forklifts and company cars that run on diesel or petrol with electrically powered vehicles in the reporting year.

NFB We aim to cover our energy demand using our own solar panels as much as possible. In 2021, we also made headway with our global project to promote the Group's own production of electricity. At three sites, namely in Padua (Italy), Singapore and Gurgaon (India), solar panels started to operate in 2021. Implementation has started at three more sites, a few more are in planning.

Before the commissioning, we always first need to conduct a full feasibility study for solar panels at the sites in question. After the first three feasibility studies in 2020, we intended to finish a further nine in 2021. We have succeeded in doing this. The structure and condition of our available warehouse rooftops need to be evaluated from various safety perspectives, e.g. with regard to the chemicals stored there and the risk posed by their flammability. Installation and production can begin once a comprehensive safety concept has been created.



The solar panels in Padua started to operate in 2021.



CARBON MANAGEMENT PROGRAMME

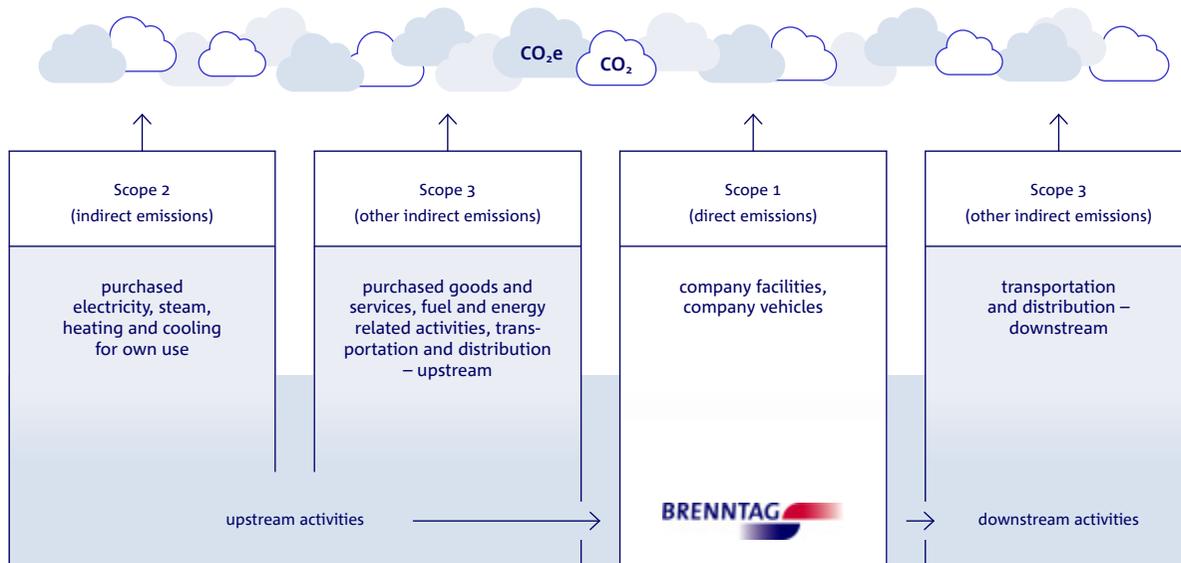
In order to achieve our net zero target as cost effectively as possible, we will be launching an innovative system with an internal CO₂e price in 2022: Each Brenntag company will pay a set price for the emissions it causes. This money will then be paid into an internal climate protection fund that each company can apply for with greenhouse-gas-saving projects. As a result, the money will flow back to the companies that implement the best CO₂-saving projects. We are relying on the inventiveness of our Brenntag colleagues to propose innovative projects that best fit the local conditions. At the end of the year, the emissions will be compared with the target for the Brenntag Group. If the target is not attained, the CO₂e price will be increased for the following year. This provides stronger incentive to reduce emissions while simultaneously increasing the budget to promote projects.

NFB Throughout the second year of the COVID-19 pandemic, we did not see any significant impact of the pandemic on global energy consumption. As a result, operational processes continued virtually unrestricted at the company's sites. Meetings largely took place online and business trips were significantly restricted globally at Brenntag. The associated positive impact from an ecological perspective is something that Brenntag would like to maintain in the future where possible. Within the Group, the Board of Management also formulated recommendations in 2020 for attending internal and external meetings, with the aim of limiting business travel, which remain in place.



SCOPE 3 EMISSIONS

To help create greater transparency with regard to environmental impact within our value chain, we have included Scope 3 emissions in our reporting since 2020. Scope 3 emissions refer to greenhouse gas emissions that are generated before or after our business activities and include greenhouse gas emissions generated in the supply chain, for example. Our calculations for Scope 3 emissions are based on an analysis of Scope 3 emissions conducted by Brenntag's international sustainability team in 2020. The sustainability team assessed the estimated emission volume and the ability of Brenntag to influence the Scope 3 categories. Scope 3.1, i.e. the emissions relating to the chemicals we purchase, was identified as the main Scope 3 emission source. They are around 104 times higher than our entire Scope 1 and 2 CO₂e emissions (market-based). The increase compared to the previous year is mainly due to an increased purchasing volume. Although the calculations are based on a limited data set, they provide us with another basis for greater transparency. In 2021, we have continued to work on establishing ways to improve the quality of our data. In particular, we rely on the calculation of the product carbon footprint (PCF) based on primary data for products. We have not received enough feedback from our suppliers to date, meaning our knowledge in this area remains limited. Nevertheless, we are optimistic that this will soon change due to a programme we are currently working on to improve the availability of this data in the future. Our partnership with *TFS* may be beneficial in this regard.



Scope 3 category according to Greenhouse Gas Protocol ³		
	2021 (tCO ₂ e)	2020 (tCO ₂ e) ¹
3.1 Purchased goods and services	23,573,360	22,021,336
3.3 Fuel and energy-related emissions ⁴	55,015	49,750
3.4 Transportation and distribution (upstream)	140,146 (outgoing transportation) 202,821 (incoming transportation and direct business) ²	140,359 (outgoing transportation) 162,579 (incoming transportation and direct business) ²
3.9 Transportation and distribution (downstream)	13,981 (outgoing transportation) 167,742 (incoming transportation and direct business) ²	14,364 (outgoing transportation) 115,502 (incoming transportation and direct business) ²

¹ As part of our ongoing improvement process, the greenhouse gas emissions of the categories 3.1 and 3.3 reported for 2020 were again reviewed and adjusted.
² The values given for incoming transport and direct business have not been audited by PwC.
³ Information on the calculation of Scope 3 emissions was audited by PwC and is included in the Report Profile (page 65 and 66).
⁴ Not included in Scope 1 or 2.

[See supply chain chapter, page 57.](#)



🔍 PRACTICAL EXAMPLE

Brenntag Poland maintains a long-term contract with a customer for the supply of a 25% sodium hydroxide solution. As dissolving solid sodium hydroxide or diluting the 50% solution at our Polish logistics centre in Kędzierzyn-Koźle produces heat, we use this excess heat to heat the warehouse located on the site and consequently save energy.

CDP CLIMATE SCORE

We set ourselves the target of maintaining our C-level (awareness) CDP climate score for 2021. In practice, we managed to raise our score to B-level (management). This improvement can be attributed to optimizing the quality of our data and increased transparency, e.g. with the calculation of Scope 3 emissions and the application of the market-based method, and to our ambitious climate protection targets taking into account scenario analyses with regard to the global target of keeping global warming below 1.5°C above pre-industrial levels. CDP compares thousands of companies worldwide every year (currently more than 10,000) in terms of their strategic approach to the challenges of climate change and assesses their climate management system based on a comprehensive catalogue of criteria.

OTHER EMISSIONS

Other emissions such as NO_x and SO_x are not relevant to us as a chemical distributor. VOCs are the only emissions we could produce. However, we have not recorded them to date. We have introduced a number of safety measures to prevent their production in the first place wherever possible. These include filtering VOCs out from the exhaust air with activated carbon filters, incinerators or gas displacement when filling containers, whereby a separate pipe is used to return the displaced gas.



🔍 PRACTICAL EXAMPLE

Premier: First electric van in the fleet The Quimilog site in Brazil currently has around 86 vans. In 2021, the team were able to look forward to two special newcomers: The first electric van in the vehicle fleet will be used in the future. It stands above the rest due to lower greenhouse gas emissions, higher energy efficiency and quieter handling. Andrea Souza now enjoys the increased driving comfort offered by the new van. She is the first female truck driver at the site and joined the Quimilog team in 2022.

 www.cdp.net



🔍 PRACTICAL EXAMPLE

Brenntag has established a new filling line for pharmaceutical isopropyl alcohol at its Polish logistics centre Kędzierzyn-Koźle. Filling takes place in a separate, closed process in a low-pressure nitrogen atmosphere. The vapours produced are extracted to keep the environmental impact to a minimum.

TRANSPORT/FLEET MANAGEMENT

As a distributor, Brenntag maintains its own fleet of vehicles. To keep fuel consumption and harmful emissions to a minimum, structured transport logistics are used at our sites to avoid unnecessary trips and to make the trips taken by our vehicles as efficient as possible. In regular training courses, Brenntag drivers receive instruction on matters such as fuel-conscious driving.

More and more Brenntag companies use telematics systems in order to optimize the use of their vehicle fleets. They record vehicle and trip-related data such as fuel consumption, speed and driving duration. These on-board units facilitate safe and eco-efficient driving, for example by providing visual and acoustic warning signals for the driver or by displaying vehicle speed, braking behaviour and engine idling.

WATER

Brenntag uses water in its business operations, for example to produce solutions, to clean pipe systems and to cool or heat chemicals and tank facilities. Water withdrawal varies widely at Brenntag's sites and is subject to fluctuations, as it is largely dependent on the nature and scope of the products handled and services provided. In



addition, water is withdrawn to operate the buildings and plants, for example in the sanitary facilities or to clean surfaces, road tankers and containers. Before the used water can be returned to the system, it passes through wastewater treatment facilities that purify the water in line with statutory regulations.

Brenntag obtains around 90% of its water from the public water supply network. Water withdrawal is currently not recorded and consolidated on a Group-wide basis.

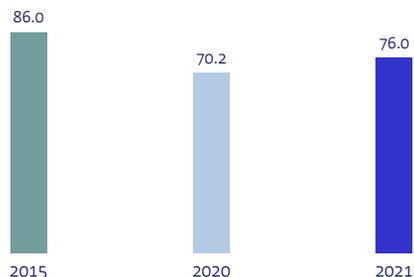
🌍 PRACTICAL EXAMPLE

Brenntag Latin America regularly measures the water withdrawal at all of its sites as part of its extensive CASA programme. There are several reasons for withdrawal fluctuating over time: Company acquisitions and changes in the number of employees increase or reduce water needs. Water-intensive processes, such as hydrostatic

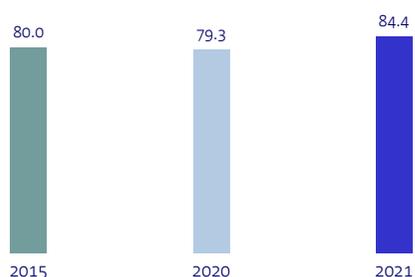
testing of new tanks or test operations on fire protection systems, also occur at irregular intervals. Absolute water withdrawal in the Brenntag Latin America region rose by 8% in 2021 compared to the previous year, and relative withdrawal by 6%. This was due to the inclusion of the acquisition of the Quimisa and Quimilog sites in Brazil, which operate their own cleaning facilities in some cases (for drums, IBCs, etc.), from 2020. A lot of water is needed at these sites as a result. Several sites around the globe use a system to collect rainwater for subsequent use for garden work and cleaning, among other purposes. We are currently working on introducing a similar system in Quimisa and Quimilog. In addition, as is the case at other sites in Latin America, we have introduced various measures to control water consumption, such as avoiding leaks, replacing pipes, training and conducting environmental and safety inspections.

BRENTTAG LATIN AMERICA: WATER WITHDRAWAL

Total (in millions of litres)



Per warehouse tonne of goods sold (in litres)



NEB PROTECTION OF SOIL, WATER AND AIR

We work continuously on minimizing the environmental impacts of our business activities on the soil, water and air. Our QSHE strategy and various measures such as investments in infrastructure, optimized work procedures and employee qualifications are implemented with a view to identifying environmental risks early on and to avoiding environmentally related incidents. Brenntag’s sites in all regions comply with the applicable rules and regulations relating to the protection of the environment as well as our Group’s stringent internal environmental and safety standards.

Our new ESG strategy features one specific target for 2025:

- ▮ Total spillages <0.7 events / MMH (million man-hours)

With many of Brenntag’s sites having been used industrially for decades, including those purchased through acquisitions, there is historical soil and groundwater contamination at the sites, which we are combating with appropriate remediation measures. The soil and groundwater situation at all of the sites is reviewed and recorded annually in cooperation with external partners, and the necessary remediation measures will be derived and implemented. Whenever new buildings or plants are constructed or necessary modernization and renovation work is undertaken, environmental protection issues are considered and reflected both in terms of the construction approach and plant engineering.



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All of Brenntag's sites implement suitable environmental protection measures. Basic measures include multi-layer soil protection in warehousing areas, double-walled tanks and collection tanks, closed water cycles, multi-stage water purification and treatment processes, and modern air and exhaust air purification systems.

In the rare event that chemicals are released during processing, when being placed in or moved between containers or during transportation, Brenntag has strict and effective measures in place to quickly rectify the problem and clean up and dispose of the chemicals. At Brenntag, all spillages from tanks, pipes, containers, vehicles, etc. that exceed 200 litres of products categorized as hazardous materials are centrally reported to Global QSHE. This applies irrespective of whether these spillages (loss of primary containment) are ultimately collected in the local retention system or are released into the environment. The spillages are recorded, categorized and evaluated using a standardized system.

We set ourselves the goal of reducing the number of this kind of spillage by 15% for 2021. We exceeded this target by achieving a reduction of 43%.

However, during the reporting year, three incidents led to spillages into the environment. In France, damage to a rail tank car led to spillage of approximately 300 litres of diesel. An accident in Brazil caused the majority of the load (approximately 15 tonnes of solid and liquid products)

to be released. The spilled products and contaminated ground were removed and disposed of. In another case in the USA, a leaking seal led to the spillage of approximately 23,000 litres of hydrochloric acid, around half of which was recovered. However, the other half was absorbed into the soil, requiring soil decontamination.

WASTE/RECYCLING

The Brenntag sites have implemented processes for the handling of waste and also take-back and recycling systems for various types of packaging and containers, each in line with the site's type and volume of business. As part of this, we maintain a close dialogue with manufacturers and with the national umbrella associations of chemical dealers, with the common goal of reducing the volume of waste in the industry and increasing recycling rates.

Our focus on thinking in cycles is in line with principle of reduce, reuse, recycle, rethink – the 4Rs. It represents our goal of reducing packaging material by reusing it and by using better recycling methods. We have optimized our packaging cycle: At Brenntag EMEA, several hundred thousand IBCs (intermediate bulk container) circulate annually. They are in use for two years on average and are handled three times a year.

We also ensure that unnecessary waste is avoided right from the outset and that the volume of waste is reduced by giving our employees intensive and regular training in the handling, storage and transportation of chemical products.

PRACTICAL EXAMPLES

The production of industrial packaging produces large quantities of CO₂ emissions. Cleaned and recycled IBCs, steel drums, steel-lid drums and polyethylene drums can be used to minimize emissions. This approach enabled Brenntag Holding GmbH to save 2,761 tonnes in CO₂ emissions in 2021 through the use of reconditioned¹ industrial packaging. In 2021, Brenntag Nederland B.V. reduced its CO₂ emissions by 685 tonnes in a similar vein.

At the Brenntag UK & Ireland site in Scunthorpe, UK, investing in an in-house wash facility for IBCs at the site resulted in a positive increase in efficiency. In Scunthorpe, solvents are stored, loaded and unloaded, and prepared for further transportation. With IBCs acting as the standard plastic vessel for transportation or storage, cleaning recyclable containers has become an essential process in recent years. Each container can be used for up to 2.5 years. In the past, they were often cleaned by external companies. However, this resulted in high expenditure for transportation to and from the companies, and increased time and resource expenditure. Following the installation of on-site wash facilities in 2016, wash processes have been diligently optimized: Wash cycles are shorter in length or cold washes have replaced hot washes; environmental compatibility is a key aspect for detergent and savings have been achieved by using a diluted variant. The situation after six years: Annual savings in excess of £250,000, reduced CO₂ emissions due to the lack of transportation and increased flexibility when it comes to the management of contaminated containers.

¹ prepared for reuse by a special process.



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EU TAXONOMY

ART. 8 EU TAXONOMY REGULATION

The EU Taxonomy Regulation (EU Taxonomy) is a component of the “Action Plan on Financing Sustainable Growth” presented in March 2018 – a key element of the EU Green Deal. It is a uniform and legally binding classification system that aims to steer financial flows towards green investments by defining economic activities as environmentally sustainable. In this way, investors should be able to decide whether their investments contribute to the EU’s goals. All companies that fall under the reporting requirements of the CSR Directive Implementation Act (CSR-RUG) are required to provide information on the implementation of the EU Taxonomy as of the 2021 financial year. Therefore, in the following section, as a non-financial parent company, we present the share of our consolidated turnover, capital expenditure (Capex) and operating expenses (Opex) for the 2021 reporting period for the Brenntag Group that is associated with Taxonomy-eligible economic activities in relation to the first two environmental objectives (climate change mitigation and adaptation) pursuant to Art. 8 EU Taxonomy Regulation and Art. 10 (2) of Art. 8 Delegated Act.

OUR ACTIVITIES

The Sustainability Brenntag Group department was responsible for the implementation of the EU Taxonomy requirements at Brenntag and was supported by Corporate Accounting. The project team analyzed all Taxonomy-eligible economic activities listed in the delegated climate act. The act focuses on those activities that can potentially

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make the greatest contribution to climate protection. Brenntag generates external sales as a distributor only in the context of one activity: the sale of chemicals and ingredients. The review revealed that this activity is not covered by the Climate Delegated Act and is therefore not Taxonomy-eligible, since trade-related activities have not been identified as a major source of greenhouse gas emissions by the EU. In addition, the transport of our chemicals and ingredients to our customers is not reported as a Taxonomy-eligible activity and is not included in our turnover key performance indicator (KPI), as we do not generate external sales from this activity on a stand-alone basis.

However, Brenntag discloses Capex and Opex related to the acquisition of output from Taxonomy-eligible economic activities and individual measures to improve energy efficiency, which are listed in the Delegated Climate Act (see table 2). These mainly include investment-oriented activities such as spending on our vehicle fleet and on modernizing our buildings.

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OUR KPIS

The KPIs include the Turnover KPI, the Capex KPI and the Opex KPI. For the 2021 reporting period, the KPIs have to be disclosed in relation to Taxonomy-eligible economic activities and Taxonomy-non-eligible economic activities (Art. 10 (2) of Art. 8 Delegated Act). Our economic activities as a distributor are not covered by the Climate Delegated Act. Therefore, we are unable to report any Taxonomy-eligible economic activities in terms of turnover. The same applies to the associated investment and operating expenses (cf. table 1 for our total KPIs).

The capital and operating expenditures that are related to the purchase of output from Taxonomy-eligible economic activities and individual measures to improve energy efficiency, which are listed in the Delegated Climate Act, nevertheless are to be reported as Taxonomy-eligible. Therefore, our overall KPIs are as follows:

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Table 1 – Proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in total volume

	Proportion of Taxonomy-eligible economic activities	Proportion of Taxonomy-non-eligible economic activities
Turnover	0.00%	100.00%
Capital expenditure (Capex)	1.46%	98.54%
Operating expenditure (Opex)	0.16%	99.83%

**ACCOUNTING POLICIES**

The specification of the KPIs is determined in accordance with Annex I to the Art. 8 Delegated Act and describes our accounting principles in this regard as follows:

Turnover KPI

The proportion of Taxonomy-eligible economic activities in our total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator). The denominator of the turnover KPI is based on our consolidated net turnover in accordance with IAS¹ 1.82(a), which can be reconciled to our consolidated financial statements, cf. income statement on page 144 of our Annual Report 2021 (“Sales”). For further details on our accounting policies regarding our consolidated net turnover, cf. page 164 of our Annual Report 2021.

With regard to the numerator, we have not identified any Taxonomy-eligible activities, as explained above.

Capex KPI

The Capex KPI is defined as Taxonomy-eligible Capex (numerator) divided by our total Capex (denominator).

Total Capex consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortization and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. The investments include additions to fixed assets (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS² 16). Additions

¹International Accounting Standards

²International Financial Reporting Standards

resulting from business combinations are also included. Goodwill is not included in Capex, because it is not defined as an intangible asset in accordance with IAS 38. For further details on our accounting policies regarding our Capex, cf. pages 165–166 of our Annual Report 2021.

Our total Capex can be derived from our consolidated financial statements from the presentation of changes in property, plant and equipment, intangible assets (excluding goodwill) and rights of use (see table D.47 “Property, Plant and Equipment” on page 180, table D.48 “Intangible Assets” on page 181 and D.53 “Right-of-use assets” on page 184). They are the sum of the following transaction types

- / Business combinations
- / Other additions

for property, plant and equipment, intangible assets (excluding goodwill) and rights of use.

With regard to the numerator, we refer to our explanations below.

Opex KPI

The Opex KPI is defined as Taxonomy-eligible Opex (numerator) divided by our total Opex (denominator).

Total Opex consists of direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, remediation and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and

equipment. For the Brenntag Group, the following aspects must be taken into account in this regard:

- / The Brenntag Group does not incur any research and development expenses.
- / The volume of non-capitalized leases was determined in accordance with IFRS 16 and includes expenses for short-term leases, variable leases and low-value leases (cf. table D.54 “Lease Expenses” on page 185 of our Annual Report 2021). Even though variable leases and low-value leases are not explicitly mentioned in the Art. 8 Delegated Act, we have interpreted the legislation as to include these leases.
- / Maintenance and repair and other direct expenditures relating to the servicing of assets of property, plant and equipment were recorded in separate accounts. The related cost items can be found in the other operating expenses of our consolidated statement of income and are part of maintenance and energy costs (see table D.27 “Other Operating Expenses” on page 172 of our Annual Report 2021). This also includes building renovation measures. As a rule, these are costs for services and material costs.
- / Expenses for the remediation of environmental damage, mainly for soil and groundwater for current and former, owned or leased sites. The related costs are included in the other operating expenses of our consolidated statement of income and are part of the miscellaneous operating expenses (see table D.27 “Other operating expenses” on page 172 of our Annual Report 2021).



NFB With regard to the numerator, we refer to our explanations below.

EXPLANATIONS ON THE NUMERATOR OF THE CAPEX KPI AND THE OPEX KPI

Since Brenntag has not identified Taxonomy-eligible economic activities, we do not record Capex/Opex related to assets or processes that are associated with Taxonomy-eligible economic activities (“category a” acc. to Sect. 1.1.2.2 of Annex I to the Art. 8 Delegated Act) in the numerator of the Capex KPI and the Opex KPI. Furthermore, there are no Capex plans to upgrade a Taxonomy-eligible economic activity to become Taxonomy-aligned or to expand a Taxonomy-eligible economic activity (“category b” acc. to Sect. 1.1.2.2 of Annex I to the Art. 8 Delegated Act).

Only “category c” Capex and Opex can therefore qualify as Taxonomy-eligible, i.e. Capex/Opex related to the purchase of output from Taxonomy-eligible economic activities and individual measures to improve energy efficiency that are listed in the Delegated Climate Act (Sect. 1.1.2.2. (c) of Annex I to the Art. 8 Delegated Act). For this purpose, Capex and Opex for the above-mentioned output and the individual measures that also meet the criteria for a significant contribution were queried in each case. For example, only vehicles with low CO₂ emissions were taken into account. For the allocation of Capex and Opex we identified the relevant purchases and measures, and afterwards we identified the primary related economic activity in the Climate Delegated Act. In this way, we ensure that no Capex or Opex is considered more than once. The draft commission notice of the European Com-

NFB mission from the 2nd of February could not be fully taken into account, as it was published during the request process and the complex process for determining the necessary information regarding Capex and Opex could not be completed due to the tight timeframe. Thus, it was no longer possible to capture all output from Taxonomy-eligible activities, which would have increased the proportion of Taxonomy-eligible Capex and Opex.

As a result, Brenntag has identified the following purchased outputs and individual measures that correspond to eligible economic activities and thus result in Taxonomy-eligible Capex/Opex:

Table 2 – Individually Taxonomy-eligible Capex/Opex and the corresponding economic activities

Description of the individually Taxonomy-eligible purchased output/measure	Corresponding economic activity (Annex I to the Art. 8 Delegated Climate Act)
Purchase and leasing of e-vehicles as company cars	3.3. Manufacture of low carbon technologies for transport
Purchase and leasing of forklifts powered by electricity	3.6. Manufacture of other low carbon technologies
Purchase and leasing of electricity by means of solar panels at our sites	4.1. Electricity generation using solar photovoltaic technology
Purchase and leasing of electricity by means of heat pumps at our sites	4.16. Installation and operation of electric heat pumps
Purchase and leasing of trucks (max. 3 tonnes)	6.5. Transport by motorbikes, passenger cars and light commercial vehicles
Renovation of existing buildings	7.2. Renovation of existing buildings
Maintenance and repair of energy efficiency equipment in our existing buildings	7.3. Installation, maintenance and repair of energy efficiency equipment
Installation of charging stations for electric vehicles	7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
Purchase of new buildings	7.7. Acquisition and ownership of buildings

NFB Brenntag is continuously working to reduce its own carbon footprint. In particular, through the Carbon Management Programme which will be implemented in 2022, we will increasingly purchase Taxonomy-eligible services or implement measures so that we can report higher values in the future. In addition, the influence that Brenntag has as a distributor should not be underestimated. For example, by recommending low-carbon products, we can act as an enabler and support the transformation of the chemical industry.



SOCIAL

- 35 Employees
- 47 Safety
- 57 Supply chain
- 61 Community

EMPLOYEES

More than 17,200 people work at Brenntag worldwide. With their expertise and their dedication, they play a key role in the company's success and our long-term competitiveness. Embedded in Brenntag's corporate strategy and *vision*, the primary goal of our human resources strategy is for us to be regarded globally as the preferred employer in the field of chemical distribution – both for current and future employees. We see it as our responsibility to offer fair working conditions and an attractive, safe and inspirational working environment while encouraging our employees' personal and professional development in a targeted manner.

NFR HUMAN RESOURCES STRATEGY AND MANAGEMENT

We have further developed our globally uniform HR strategy and determined the priorities for the coming years on the basis of our corporate strategy and our corporate values. A key aspect of our HR strategy is to promote employee retention and HR development at every level. This includes embedding globally standardized measures in relation to the recruitment and retention of talent, HR development and talent management, as well as diversity, equity and inclusion. Flexible working structures and digitalization are only a few of the other topics we aim to consistently focus on with increased intensity in the future. We aim to achieve this

 Information on our corporate vision on page 97 of Brenntag's 2021 Annual Report.



NFB by working together as a globally harmonized team and correspondingly further developing our processes and systems.

The Chief Human Resources Officer is responsible for Brenntag's Global Human Resources area. The Chief Human Resources Officer reports directly to the CEO and also pursues discussions and dialogues regularly with the entire Board of Management of Brenntag SE through Board of Management meetings and executive committees such as the Executive Staffing & Development Committee.

Together with the Global HR Leadership Team, which includes the HR officers for Global Development & Talent Management, Global Compensation & Benefits and Brenntag's regions, the Chief Human Resources Officer is responsible for implementing our global HR strategy and for putting in place corresponding measures in the Group's various regions and managing them on a globally harmonized basis. As part of our 'Project Brenntag' *transformation programme*, we commenced with the transformation of our global HR structure into a more effective system during the reporting year.

The COVID-19 pandemic continued to play a defining role on the working world in the reporting year. The existing focus of our HR strategy proved to be particularly effective in this regard. As a result, the measures implemented put us in a very good position to deal with the challenges ahead, including those that arise after the crisis. During the reporting year, along with the ongoing development of our digital HR processes and HR development measures, we placed a particular

NFB emphasis on flexible working methods, diversity, equity and inclusion. This involved launching corresponding initiatives, which we will explain in greater detail under the individual areas of focus below.

HR PORTAL: In order to implement and manage our globally standardized HR processes, we use a global HR management system. Following the global launch of the learning management system in the previous year, language training and training on functional safety provided additional key topics for new learning modules. Employees are able to access over 9,500 learning modules. In addition to regularly addressing issues, we also use our HR portal for separate campaigns such as raising awareness on the topic of IT security among all employees during the year under review.

In the reporting year, we also launched and implemented a global analysis tool for the recruitment and retention of talent, HR development and talent management. Targeted key performance indicators are now visualized using dashboards and provide the process controllers with a quick and clear overview of the efficiency of various processes and the need for control or action. In addition, numerous customized reports give all HR controllers the opportunity to conduct detailed analyses, which can be used to control and optimize their responsibilities in a targeted and flexible manner. The integration of dashboards for the issues of diversity and inclusion, and the establishment of a comprehensive, targeted people analytics system will be gradually implemented. This will assist HR management and managers in their roles and facilitate the ongoing development of our HR work.

NFB **JOB ARCHITECTURE:** Our global job architecture is a framework that comprises and organizes all positions worldwide at Brenntag. It offers us the transparency to identify career opportunities within a job family and across several job families, for example, and to devise and offer needs-based training and development measures. At the same time, the global job architecture serves as a basis and resource for implementing and enhancing measures in relation to the recruitment and retention of talent, HR development and talent management.

RECRUITMENT AND RETENTION OF TALENT

We strive to provide a working environment where the most talented people want to work. It is the people who make up Brenntag, our market-leading position, safety culture and diversity. These are the foundations of our *Explore Variety* employer brand. This brand is another important aspect of our aim to be regarded as the global employer of choice for current and future employees.

EMPLOYER BRAND: A modern, attractive employer brand with a uniform presence on all job markets is not just about the company's external image, but also strengthens the common identity of the people within the company. 'Explore Variety' is a promise to future employees as well as to those who work at Brenntag and are familiar with the company. Attention is focused on the people who energize our employer brand with their diversity, knowledge and passion and contribute to our company's success. Team spirit, a personal atmosphere, a good work culture and career opportunities are what set Brenntag apart as an employer, today

 [More about Explore Variety here.](#)

 [Information on our transformation programme on page 98 of Brenntag's 2021 Annual Report.](#)



NFB and in the future. We continuously expand our employer branding activities, and 'Explore Variety' helps us to proactively make contact with talented people through various channels such as social media, colleges and universities and recruit them at an early stage. During the reporting year, we optimized our website for applications and first external contact. We also increased our utilization of our social media presence to directly target talent and advertise global vacancies during the reporting year. As a result, it has become easier for us to reach out to our target audience, and for them to contact us in return. For instance, truck drivers or warehouse workers in the Americas region can use platforms such as 'Indeed' to apply for jobs with a one-click application.

APPLICATION PROCESS: Our global application platform provides transparency in relation to the diversity of skills that are put into practice at Brenntag and fosters individual career opportunities for both internal and external talent. Applicants can use our digital job portal to search for all vacant positions worldwide at Brenntag and apply directly online. Employees at Brenntag who are looking for a new challenge can access our worldwide job advertisements via our 'Career Centre' on the internal HR portal. Health and safety are a top priority for Brenntag. In order to ensure the safety of everyone involved during the COVID-19 pandemic, our entire application process took place virtually in 2021 as needed. This new approach was quickly accepted by applicants and managers, and the digital application

NFB process has become popular due to the benefits it offers. Following this clear trend, we expect to see virtual formats such as conducting the initial interview by video to become a fixed element of the overall process.

ONBOARDING: We place great importance on integrating new employees successfully and training them on their new duties as part of a structured approach. With our onboarding programme, we have defined a globally uniform minimum standard to ensure that newly hired employees and employees changing jobs within Brenntag quickly find their way within our company and successfully integrate into their new environment. The tools and measures provided here offer the Brenntag companies the opportunity to take into consideration regional and country-specific features and practices within the scope of the process and have met with a very positive response from those involved. Even before they begin their job at Brenntag, we offer new employees the opportunity to register on our HR portal and we actively support them during their first months of employment. Our digital learning range assists with the onboarding process. Our onboarding day allows new employees to gain an insight into our business activities, application laboratories and logistics centres and is regularly held as an in-person event. Due to the pandemic, we developed a concept that enabled us to hold the onboarding day as a virtual event in 2020 and 2021. We are currently working on other digital options, such as a virtual tour of our Group headquarters, the 'House of Elements'.

NFB HUMAN RESOURCES DEVELOPMENT AND TALENT MANAGEMENT

Our global HR development strategy includes measures for all employees to ensure that they receive appropriate training and that crucial positions are filled at Brenntag in good time and in line with requirements. The level of *employee turnover* on the basis of voluntary employee termination provides one of the indicators which can be used to identify a specific need for action. This key figure is centrally determined every quarter for each Brenntag company and reported to the Group's HR management. Due to regional and country-specific variations, the figures are analyzed at local level. In the event of atypical deviations, the causes are identified, and suitable measures are considered as needed.

Brenntag's new operational set-up in place since 2021 has also opened the door to new possibilities in HR. In order to take advantage of these opportunities, we have created various new learning modules for Brenntag employees:

- ▮ The 'Leaders – Leaping to New Heights' programme was created for our global leadership team and addresses strategic issues. The virtual format was developed in partnership with the London Business School and takes six months to complete. It first took place in 2021 with 90 participants.
- ▮ The 'New Leader Transition Program' helps prospective managers develop the skills they will need for their future role. The six-month programme first took place on a global scale in 2021 with 50 participants.

 *Employee turnover indicators can be found on page 46.*



NFB / A number of positions and processes have changed in the sales division as a result of restructuring within the Group. This is where global talent management sales training comes in. The learning modules have been created in close partnership between HR and the business, and are available for sales and accounting managers in the form of training. The associated training consists of webinars with internal subject matter experts from the respective region in addition to virtual learning modules on self-study with flexible access.

/ We introduced two new programmes aimed specifically at women, namely the 'Inspire and Grow Mentoring Program' and the 'Women at Brenntag Program'. The goal behind the first programme is to provide women with personal support and promote their professional development at Brenntag. Selected mentors from each country with varying levels of expertise and qualifications are on hand to assist with this. In 2021, 53 mentoring pairs joined the programme. The second programme consists of personal and virtual coaching for a total of 100 women from all functions and levels of the organisation.

FEEDBACK DIALOGUES: Annual feedback dialogues, which take place for all employees, are an instrument which is used to ensure long-term employee retention. In all Brenntag companies, the dialogue between employees and their line managers reflects our feedback culture while also encouraging a change and performance culture. These meetings consider employees' performance and discuss their goals and personal expect-

NFB tations as well as individual development measures. By integrating our global People Performance Management Dialogue into the HR portal, we are able to conduct and track the process efficiently.

IDENTIFICATION AND DEVELOPMENT OF POTENTIAL: In order to foster internal careers and to ensure the emergence of a new generation of Brenntag managers and experts, we use a global concept for identifying high-potential employees. This approach allows us to identify at an early stage employees who meet our global criteria and stand out due to their strong performance. It then enables us to enhance their skills and focus on preparing them for the next potential step in their career.

Our global development programme 'Connecting Potential' for junior staff who are at the start of their career takes place annually with a total of around 50 participants in all regions. The 'New Leader Transition' programme (see page 37) and our global 'Leading with impact' programme are geared towards experienced high-potential employees. The programme brings together around 24 participants each year at global level and helps them to further develop their personal skills and leadership qualities so they can drive innovation and change and secure Brenntag's global success. The 'Leaders – Leaping to New Heights' programme is aimed at our top-level management (see page 37). In 2021, we successfully put the virtual approaches for our programme developed in 2020 due to the pandemic into practice. All things considered, our current range of virtual formats leaves us well prepared for future periods when in-person events are not possible.

NFB **SUCCESSION PLANNING:** Succession planning and structured HR development are closely associated with the identification of potential, and these issues are on the list of priorities for our HR strategy. As part of our global People Review process, management and HR officers proactively develop strategic succession scenarios, identify employees for vertical and horizontal career moves and devise corresponding development options. Due to its importance, the Chief Human Resources Officer regularly discusses succession planning for global executive management with the Board of Management. The global standard process is continuously expanded.

DEVELOPMENT MEASURES: At Brenntag, we want to create a working environment where all employees can recognize and take advantage of the development opportunities that exist at our company. To that end, we offer target group-specific and individual measures and training at a global, regional and local level.

Our global learning platform provides our employees with a flexible and digital-based opportunity to enhance their knowledge and skills independently and efficiently. By offering a comprehensive range of specific and interdisciplinary training with presentations, videos and additional reference materials for self-learning, we foster a culture of autonomous learning. This also enables us to reach all of our employees with access to a PC so that they can take part in mandatory global and regional **compliance training**. This includes training on the Brenntag Code of Business Conduct and Ethics, anti-corruption, antitrust law, fraud prevention and the EU's General Data Protection Regulation. The online learning

 [More information on compliance training in the Governance chapter on page 22.](#)



NFB range provides our employees with access to more than 9,500 courses in numerous languages. We regularly update our global range of courses. One significant addition in 2021 came in the form of virtual language training in ten languages (English, German, Spanish, French, Italian, Portuguese, Dutch, Russian, Chinese and Korean). Particularly the English language training is of major practical importance for all employees when it comes to international collaboration and has been met with a correspondingly positive response. In 2021, we again provided materials and training measures in relation to the COVID-19 pandemic throughout the Group. In addition to general information material on COVID-19 and hygiene regulations, this material included information on working from home, managing virtual teams and maintaining work-life balance. We will promote virtual learning to an even greater extent in the future.

In many countries, trainee programmes enable career entrants with university qualifications to combine their theoretical knowledge with practical experience while gaining an insight into our company's various areas. The specific trainee programmes for management or specialist careers which are offered in Brenntag SE and Germany, Austria and Switzerland also provide an incentive to gain international experience. Since the programme was launched, more than 40 career entrants have completed these trainee programmes.

Due to the various regional and local requirements of the working environment as well as cultural differences, Brenntag largely takes charge of and manages individual development measures on a decentralized basis. We provide our employees with training in accordance

NFB with their duties in the company and their personal development needs. The training measures cover technical areas – including sales, logistics, chemistry, environmental protection and quality management – as well as measures to increase individual competencies such as intercultural training, negotiating skills, presentation techniques and conflict management. In every Brenntag region, occupational safety is a core topic for training, since protecting our employees' health and safety is a top priority for us.

PRACTICAL EXAMPLES

In 2021, Brenntag's new go-to-market approach was proven to work in practice: An international team consisting of employees from both Group divisions worked on pivotal strategic plans for the commercial excellence and service excellence areas despite the tough conditions brought on by the ongoing pandemic and uncertainties in the supply chain. Notably: They contained clear targets and transparent recommendations for the Group and are based on long periods of time. Brenntag introduced a new three-part sales enablement programme in the Asia Pacific region based on the strategic plans. The programme accounts for the strengths of the individual divisions and helps overcome any apparent shortcomings. We view this as a viable way to generate growth for Brenntag.

NFB **VOCATIONAL TRAINING AND INSTRUCTION:** As a recognized training company, Brenntag offers an extensive range of training positions in a forward-looking industry in Germany, Austria and Switzerland. Via the dual education and training system, we are currently training almost 80 apprentices to become management assistants in wholesale and foreign trade, office managers,

NFB IT experts, management assistants in operations logistics, warehouse staff, laboratory technicians and process mechanics. Alongside comprehensive apprenticeship opportunities and the acquirement of specific skills and expertise, priority is given to the transfer of our corporate culture and company-specific working processes as well as the personal development of the apprentices.

The COVID-19 pandemic has not impacted Brenntag's ability to maintain and offer new apprenticeships. In order to continue operating as a training company in our usual form, we implemented numerous measures and support offers for apprentices and trainers. Our guideline 'By far the best apprenticeship' covers all aspects that line managers and trainers need to be aware of due to the pandemic with regard to providing suitable digital infrastructure, teaching the learning material and structuring the working day for apprentices when working from home. We provide active support and assistance with regard to implementing the training plan, teaching the learning material and preparing the apprentices for their examinations. We supplement the online programmes of vocational colleges with additional learning material that we provide through the learning module in our HR portal. Other measures such as the onboarding day for apprentices and in-company classes have also been converted to digital formats. The regular communication sessions between trainers and apprentices were likewise conducted virtually in 2021. In addition, line managers, trainers and the HR department are available for individual meetings outside the regular communication sessions if needed.



NFB

The advertisement programme for apprenticeships in 2022 began in September 2021 once again with around 40 places on offer. As of 2022, apprenticeships will be offered for the first time at ACU PHARMA & CHEMIE GmbH in Apolda to enable the Brenntag Group to further expand its range of training. By providing apprenticeships in various employment areas, Brenntag is able to target the next generation of qualified experts and offer attractive prospects and challenges to talented apprentices after they complete their training. In the Germany's best trainers' survey by the business magazine Capital (issue 11/2021), Brenntag received four out of a possible five stars in the reporting year for the fourth year in a row, making it one of Germany's top training companies once again.

EMPLOYEE COMMUNICATION AND INVOLVEMENT

In addition to development prospects, open communication and an opportunity to play a part in shaping the company are important aspects which help to promote employee motivation and loyalty. Brenntag's employees are regularly kept informed of current issues and company matters through their line managers and also through our internal print and online media. Conversely, our employees are able to discuss issues directly with their line managers or with the HR officers responsible at any time.

Depending on the country-specific legislation, employees can also talk to the persons representing their interests on elected co-determination bodies. Brenntag respects its employees' right to freedom of association and collective bargaining and will not pursue or tolerate any measures which could restrict these rights.

Regular and comprehensive communication with Brenntag employees is a key element of our culture. In 2021, communication proved to be particularly vital due to our 'Project Brenntag' transformation programme. We introduced a wide range of measures to provide our employees with transparent information on the content and progress of the transformation programme in addition to updates and changes, i.e. with letters and videos from the Board of Management, newsletters and virtual information and discussion sessions, and comprehensive Intranet pages that describe our transformation journey in detail, in order to extensively reach all employees. In addition, we established a Change Management team at the very outset of the project. In a number of different ways, the global team will ensure that the transformation processes and measures are seamlessly integrated into day-to-day operations and that our managers and employees are supported in the change process. We conduct regular employee surveys and have set up a point of contact for our employees to direct their questions, comments and feedback on 'Project Brenntag'.

An internal online portal 'ShareON' supports and promotes the additional flow of information, communication and cooperation between Brenntag employees across different locations. This platform brings people together and facilitates the transfer of knowledge while offering an opportunity to share information, experiences and best-practice methods from different areas. In 2021, it was also a helpful and supportive instrument for those working from home.

Brenntag also has idea management systems and platforms at many levels, which employees can use to become actively involved and submit their suggestions and ideas for improving organizational aspects, processes and operations.

The programme 'Brenntag Outstanding Performance Award' acknowledges and rewards those who have delivered outstanding performance on an annual basis. After the programme was cancelled once in 2020 due to the pandemic, we presented the *Global Safety Awards* as part of the programme in 2021. Brenntag Dhaka in Bangladesh and Brenntag Kalmar in Sweden received awards.

For the fourth time in a row, Great Place to Work recommended Brenntag India as an employer. The institute consults and helps companies around the globe develop their business and work culture. It evaluates work culture on the basis of anonymous employee surveys and reviews HR management principles and practices. In India, Brenntag achieved notable improvements in the results for criteria such as the credibility of management, employee awareness, workplace equity, pride and teamwork among employees.



[More information in the Safety chapter, see page 55.](#)



HEALTH AND WORK–LIFE BALANCE

Brenntag's identity as an attractive and responsible employer includes promoting the health of our employees and their work-life balance. In the year under review, some of the established measures to promote health had to be cancelled or discontinued again due to the pandemic. The following information therefore relates to the regular, fundamental range of initiatives in place at Brenntag.

In all regions, we offer measures which are in line with local social systems, while frequently going beyond national practices and statutory requirements. In countries with inadequate social security arrangements, for example, supplementary private health insurance and life assurance policies are offered. In many countries, Brenntag also covers part of the cost of preventive measures or medical examinations and pays for vaccinations for its employees and their families. Brenntag also promotes its employees' physical fitness. For instance, individual companies contribute towards gym memberships or initiate campaigns and events which provide tips on healthy eating and lifestyles. Company runs and other sporting competitions are very popular. Many Brenntag companies help their employees to reconcile work and family life by offering flexible working time models and holiday arrangements as well as other supportive services such as childcare or

care for relatives. Regular initiatives take place at many Brenntag locations, when Brenntag employees can show their relatives where they work or when families are invited on group excursions.

The health, well-being and safety of our employees, business partners and society at large is a top priority for us. In the reporting year, the pandemic situation continued to require a rapid and flexible response to the changing COVID-19 infection rates. Our regional and local crisis management teams located in every region communicated corresponding measures when necessary to reduce the risk of infection within the company and simultaneously ensure business continuity. The measures adhered to all WHO and country-specific guidelines and relevant procedures of local authorities while also going above and beyond these. All employees are required to adhere to our internal safety measures. As a result of the changes in many of our employees' work situation, we focused in particular on health measures and maintaining an optimal balance between professional and private life. For example, our learning module provided comprehensive information and useful tips on movement and ergonomics when working at home and on maintaining an optimum work-life balance.

During the pandemic and looking ahead, we plan for work at Brenntag to remain agile and flexible. As part of the Group-wide transformation, in 2021, we began work on a framework to define the principles of flexibility, i.e. the 'New Work Global Framework' under the motto 'Towards Greater Flex'. Once again, all Brenntag employees demonstrated an impressive ability to adapt and be flexible during the reporting year. Despite challenging circumstances posed by the pandemic, the comprehensive Group transformation and unpredictable fluctuations on the global markets, they continued to perform strongly. The Board of Management decided to reward this commitment by granting each employee two additional personal days in 2022 as a token of their gratitude.



DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION

People are our top priority at Brenntag. We plan to continue expanding our diverse and inclusive team. In order to achieve this, we promote an open and inclusive work culture that respects and acknowledges the benefits of a diverse range of perspectives. We foster our employees' talents and encourage them to come up with independent and innovative ideas and solutions, both in house and for our business partners. Our motto: United in diversity!

Our culture of fairness, of mutual appreciation and support is the foundation of our day-to-day activities and is embedded in our core values. For us, diversity means recognizing, valuing and respecting differences. It fosters a dynamic work environment where employees can all learn from each other. Diversity is a fundamental feature of Brenntag and involves several aspects, such as the differences between the cultural influences, qualifications and needs of our employees. Brenntag employs people from over 100 nations in 78 countries. We work around the globe in multinational, interdisciplinary teams. The diverse range of knowledge, experience and ideas coupled with a continuous exchange between employees helps them to constantly develop and make a strong contribution to the success of our company.

At Brenntag, we believe: Diversity must go hand in hand with equity. Embracing equality at a company entails recognizing the different needs, experiences and opportunities of each employee and responding to them individually. At Brenntag, we aim to help all employees achieve their best.

We do this by promoting an inclusive work atmosphere that enables people to feel like part of the team and to interact without prejudice. Employee appreciation is a key pillar of our corporate culture.

When it comes to inclusion, Brenntag places a special emphasis on promoting the strengths and potential of employees with disabilities. Building on the work of our committee for diversity and inclusion, we want to make sure people with disabilities are optimally integrated in the team and create an atmosphere that puts people with and without disabilities on a level playing field.

In 2021, we also launched global programmes to address the various aspects of diversity, equity and inclusion.

NEB

1. Women in leadership

Brenntag SE's Board of Management has set itself the target of increasing the percentage of women at all levels of management to at least 30% by 2030. The target for the Group Board of Management has been raised to 20% by 2026. In this context, during the reporting year we implemented our first *internal mentoring programme for the targeted promotion and ongoing development of women* in the Group. A total of 53 female employees from 23 countries participate in the programme. We also launched a new virtual coaching programme for women in order to identify and promote further talent. As a result, we support an additional 100 women.

 Please also see page 38.

2. Flexible working

The COVID-19 pandemic is not the only factor to demonstrate the new work opportunities available to companies. We aim to boost our company's success with our new approach to work. Improved flexibility and the ability to achieve work-life balance has made Brenntag even more attractive to our employees and qualified applicants. It also goes hand in hand with our operational business structure, which strongly relies on agile, open and future-oriented teamwork in multinational teams.

3. Breaking down unconscious biases

An inclusive work environment entails breaking down unconscious biases. Virtual training and learning modules have given employees and managers the opportunity to improve their awareness.



In addition, we are currently working on a modified diversity management structure to ensure better promotion of diversity and inclusion in the future. To this end, the “Committee for diversity and inclusion” will be further expanded in order to increase the focus on raising awareness of diversity and inclusion in the company’s everyday activities and at all levels of our organization.

Integrity and accountability are two of our core values that require action on a daily basis, just like our ethical and moral principles. Brenntag is committed to equity for all employees and applicants. All decisions must be made according to objective standards. The recruitment, remuneration and development of employees solely reflects their qualifications and abilities. Under no circumstances will Brenntag discriminate against employees, business partners or third parties. Equally, Brenntag expects all of

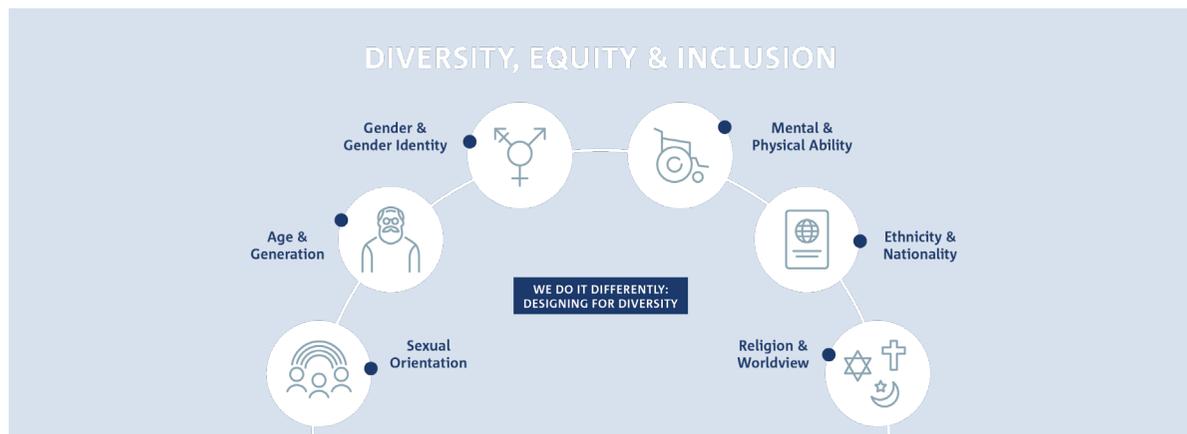
its employees to fully subscribe to this principle, not to discriminate against their colleagues and to treat one another with respect. Brenntag does not tolerate any form of discrimination, harassment or bullying in the workplace. This is stipulated in our Code of Business Conduct and Ethics.

REMUNERATION AND PENSION SCHEMES

Our remuneration policy is defined by attractiveness, fairness and competitiveness. Employees’ qualifications, experience and level of responsibility are the main criteria. We offer a competitive remuneration and benefits package. Remuneration may vary in line with local market conditions, regulations and legislation. The value-based remuneration system for management level consists of three components: a fixed annual base salary, a short-term variable annual bonus and long-term variable remuneration.

The ratio of fixed to variable remuneration depends on a specific manager’s influence on the company’s success. Variable remuneration is closely linked to personal performance and the company’s results, and is also dependent on whether targets for specified performance indicators are met. In addition to the aforementioned remuneration components, managers receive contractually agreed non-cash remuneration and other benefits.

There are both defined benefit and defined contribution pension plans for the employees of the Brenntag Group. The pension commitments vary depending on the legal, tax and economic circumstances in the individual countries and the employee’s years of service with the company and pay grade. In addition to employer-financed company pension schemes, Brenntag also supports private pension schemes through various options and pension plans. For instance, through a deferred compensation scheme employees are able to forgo payment of specific pay components in favour of an employee-funded company pension commitment.





EMPLOYEE STRUCTURE

The number of employees indicated is shown on the basis of the Group's headcount as at the end of the year (Dec. 31).

Employees by region and gender

	2021		2020		2019	
	abs.	in %	abs.	in %	abs.	in %
EMEA	7,328	42.5	7,499	43.5	7,524	43.0
Women	2,806	38.3	2,848	38.0	2,831	37.6
Men	4,522	61.7	4,651	62.0	4,693	62.4
North America	5,127	29.8	4,952	28.7	5,257	30.0
Women	1,243	24.2	1,137	23.0	1,183	22.5
Men	3,884	75.8	3,815	77.0	4,074	77.5
Latin America	1,776	10.3	1,832	10.7	1,934	11.1
Women	669	37.7	703	38.4	742	38.4
Men	1,107	62.3	1,129	61.6	1,192	61.6
Asia Pacific	2,643	15.3	2,708	15.7	2,572	14.7
Women	1,082	40.9	1,089	40.2	1,034	40.2
Men	1,561	59.1	1,619	59.8	1,538	59.8
Other segments	362	2.1	246	1.4	205	1.2
Women	144	39.8	114	46.3	91	44.4
Men	218	60.2	132	53.7	114	55.6
Brenntag Group	17,236	100.0	17,237	100.0	17,492	100.0
Women	5,944	34.5	5,891	34.2	5,881	33.6
Men	11,292	65.5	11,346	65.8	11,611	66.4

Employees by area of work and gender

	2021		2020		2019	
	abs.	in %	abs.	in %	abs.	in %
Sales	5,990	34.8	6,301	36.6	6,446	36.9
Women	3,173	53.0	3,222	51.1	3,242	50.3
Men	2,817	47.0	3,079	48.9	3,204	49.7
Distribution	522	3.0	661	3.8	650	3.7
Women	173	33.1	274	41.5	255	39.2
Men	349	66.9	387	58.5	395	60.8
Truck drivers ¹	1,786	10.4	1,846	10.7	1,878	10.7
Women	20	1.1	13	0.7	15	0.8
Men	1,766	98.9	1,833	99.3	1,863	99.2
Warehouses	5,588	32.4	5,214	30.2	5,318	30.4
Women	661	11.8	553	10.6	561	10.5
Men	4,927	88.2	4,661	89.4	4,757	89.5
Administration	3,350	19.4	3,215	18.7	3,200	18.3
Women	1,917	57.2	1,829	56.9	1,808	56.5
Men	1,433	42.8	1,386	43.1	1,392	43.5
Brenntag Group	17,236	100.0	17,237	100.0	17,492	100.0

¹Truck drivers were reported separately for the first time in the 2021 financial year. In previous years, they were included in the Distribution area of activity.



Employees by type of employment and gender

	2021		2020		2019	
	abs.	in %	abs.	in %	abs.	in %
Full-time	16,554	96.0	16,542	96.0	16,838	96.3
Women	5,457	33.0	5,396	32.6	5,398	32.1
Men	11,097	67.0	11,146	67.4	11,440	67.9
Part-time	518	3.0	544	3.1	541	3.1
Women	433	83.6	446	82.0	438	81.0
Men	85	16.4	98	18.0	103	19.0
Apprentices	164	1.0	151	0.9	113	0.6
Women	54	32.9	49	32.5	45	39.8
Men	110	67.1	102	67.5	68	60.2
Brenntag Group	17,236	100.0	17,237	100.0	17,492	100.0

Employees by type of contract and gender

	2021		2020		2019	
	abs.	in %	abs.	in %	abs.	in %
Permanent contracts ¹	16,861	97.8	16,708	96.9	16,995	97.2
Women	5,812	34.5	5,664	33.9	5,658	33.3
Men	11,049	65.5	11,044	66.1	11,337	66.7
Fixed-term contracts ¹	211	1.2	378	2.2	384	2.2
Women	78	37.0	178	47.1	178	46.4
Men	133	63.0	200	52.9	206	53.6
Apprentices	164	1.0	151	0.9	113	0.6
Women	54	32.9	49	32.5	45	39.8
Men	110	67.1	102	67.5	68	60.2
Brenntag Group	17,236	100.0	17,237	100.0	17,492	100.0

¹Last updated on Sep. 9, 2020: Due to an incorrect data transfer for 2019, the original version published on Apr. 30, 2020, has been updated.

Employees in leadership positions according to management level¹ and gender

	2021		2020		2019	
	abs.	in %	abs.	in %	abs.	in %
Level L-1	35	1.2				
Women	7	20.0				
Men	28	80.0				
Level L-2	180	6.3				
Women	46	25.6				
Men	134	74.4				
Level L-3	466	16.4				
Women	178	38.2				
Men	288	61.8				
Level L-4	883	31.0				
Women	318	36.0				
Men	565	64.0				
Level L-5+	1,284	45.1				
Women	334	26.0				
Men	950	74.0				
Brenntag Group	2,848	100.0	362	100.0	376	100.0
Women	883	31.0	76	21.0	72	19.1
Men	1,965	69.0	286	79.0	304	80.9

¹Due to the increased target female quota of 30% across all management levels by 2030 (see page 14), employees in management positions are shown according to management level as of 2021. Management level L-1 refers to the first level below the Brenntag SE Board of Management, L-2 refers to the second level, etc. L-5+ refers to the fifth and all other levels. The figures from the previous year solely account for global executive management and local management groups.

New employees by type of entry

	2021		2020		2019	
	abs.	in %	abs.	in %	abs.	in %
New hires	2,285	82.9	2,052	92.3	2,701	74.3
Company acquisitions	470	17.1	172	7.7	934	25.7
Brenntag Group	2,755	100.0	2,224	100.0	3,635	100.0



NFB

Voluntary turnover rate¹ according to region

	2021		2020		2019	
	abs.	in %	abs.	in %	abs.	in %
EMEA	591	7.2	353	4.2	529	6.2
North America	628	10.3	418	7.1	538	8.2
Latin America	205	9.6	124	5.6	135	6.1
Asia Pacific	385	12.2	296	9.8	353	11.4
Other segments	45	10.7	21	7.4	21	8.8
Brenntag Group	1,854	9.3	1,212	6.1	1,576	7.6

¹Voluntary employee resignations on the basis of the Schlüter formula. Voluntary employee turnover was 9.3% on average across the Group (2020: 6.1%). Due to the skills shortage, employee turnover is on an upward trend worldwide. However, willingness to change employer declined in 2020 due to the COVID-19 pandemic and increased sharply again in the reporting period.

Involuntary turnover rate² according to region

	2021		2020		2019	
	abs.	in %	abs.	in %	abs.	in %
EMEA	136	1.7	260	3.1	316	3.7
North America	202	3.3	403	6.8	325	5.0
Latin America	147	6.9	217	9.8	115	5.2
Asia Pacific	112	3.5	120	4.0	138	4.4
Other segments	9	2.1	12	4.2	8	3.3
Brenntag Group	606	3.0	1,012	5.1	902	4.4

²Involuntary employee resignations on the basis of the Schlüter formula.

Employees by age³

	2021		2020		2019	
	abs.	in %	abs.	in %	abs.	in %
<20	46	0.3	50	0.3	48	0.4
20–29	1,738	10.1	1,966	11.4	1,598	13.1
30–39	4,824	28.0	4,898	28.4	3,792	31.0
40–49	4,878	28.3	4,804	27.9	3,499	28.6
50–59	4,296	24.9	4,172	24.2	2,706	22.1
>59	1,454	8.4	1,347	7.8	592	4.8
Brenntag Group	17,236	100.0	17,237	100.0	12,235	100.0

³Employees in the North America region were included for the first time in the 2020 financial year.

New employees by region

	2021		2020		2019	
	abs.	in %	abs.	in %	abs.	in %
EMEA	730	26.5	695	31.3	1,296	35.6
North America	1,229	44.6	631	28.4	1,107	30.5
Latin America	304	11.0	247	11.1	579	15.9
Asia Pacific	457	16.6	570	25.6	589	16.2
Other segments	35	1.3	81	3.6	64	1.8
Brenntag Group	2,755	100.0	2,224	100.0	3,635	100.0

Average age and length of service by region⁴

	2021	2020	2019	2021	2020	2019
	Average age in years			Average length of service in years		
EMEA	45	44	44	11	11	11
North America	46	46		9	9	
Latin America	40	40	40	7	7	7
Asia Pacific	39	39	39	7	6	7
Other segments	43	42	43	8	8	9
Brenntag Group	44	43	42	9	9	9

⁴Employees in the North America region were included for the first time in the 2020 financial year.



SAFETY

Safety is of paramount importance at Brenntag and is part of our corporate strategy. Worldwide, we operate in accordance with the “Safety First” principle. This applies both to the safety and health of our employees, as well as to product safety and environmental protection. We are bound by the highest standards in the industry and adopt policies which often exceed statutory requirements. We are working continuously to further improve safety within our company. We are also committed to the concept of ongoing improvement when formulating new targets in relation to safety. In terms of the Group’s new strategy, we have defined short-, medium- and long-term safety targets. These form an integral part of the new Brenntag *ESG strategy*. The targets build on those from the 2021 reporting year with a gradual increase and expansion up to 2030. This method allows Brenntag to progressively make headway with a long-term agenda and gives us the option to make adjustments, where necessary.

Prior to 2020, we used the Lost-Time Injury Rate (LTIR) to determine the target Group accident rate. In the 2021 reporting year, we formulated a target for the Total Recordable Injury Rate (TRIR) for the first time. The TRIR measures the number of injured people that require medical treatment beyond first aid, per million working hours. This indicator is independent from loss of working days. Accordingly, in comparison to the LTIR¹, the TRIR is continuative. In 2021, we set ourselves three Group-wide targets related to occupational safety and process

¹LTIR_{1 Day}: number of industrial accidents resulting in at least one day’s absence from work per one million working hours.

safety: We wanted to reduce our TRIR, first recorded in 2020, from 3.2 to 2.9. We aimed to reduce spillages of volumes exceeding 200 litres by 15% in comparison to 2020. And by the end of 2021, all operational Brenntag sites worldwide should have *management systems* covering process safety standards implemented without exception.² By 2025, we aim to have reduced the number of incidents with releases to less than 0.7/MMH³. With regard to the Group accident rate, we aim to reduce the TRIR to below 2.0 by 2030. Severe accidents with an Actual Hurt Level of 4–5 are to be avoided completely.

In light of the ongoing COVID-19 pandemic, “Safety First” and occupational health remained the number one priority for Brenntag in 2021, as in the previous year. Concepts for preventive measures and restrictions at the sites developed for the Group in 2020 remained in force and have proven to be crisis-proof. Various measures were adapted on a regional scale in response to local infection rates. At our Essen headquarters, even during periods of low infection rates, a maximum of 40% to 60% of the 650 employees were permitted to return to work at the House of Elements – strictly in compliance with the applicable occupancy plan with strong limitations to the capacity of the large office. When the infection rate was particularly high, employees were only allowed to work from the headquarters in authorized exceptional cases. Brenntag encouraged all employees to get vaccinated and also gave them the opportunity to do so during work-

²Details on the target achievement 2021 and the following years see page 49.

³Million man-hours

ing hours. The company medical team provided voluntary vaccinations for employees at 11 sites throughout Germany.

STRATEGY AND QHSE MANAGEMENT

Brenntag’s global business operations and our highly diversified customer and supplier structure imply a diverse range of operating conditions (legislation, cultures, industry standards and other demands). In order to fulfil the resulting requirements as effectively as possible, Brenntag had previously adopted a predominantly decentralized approach to its QSHE (Quality, Safety, Health, Environment) management. The measures to control QSHE management and inspect its quality were previously conducted at local level.

The Group’s new operational strategy, with its overarching objective of the global harmonization of all processes, has also opened the door to restructuring QSHE management. Since 2020, we have worked to implement a centralized structure to increase QSHE performance in compliance with the Group’s new ESG strategy without disregarding the need for regional differences. To this end, as a first step, we modified the reporting lines within the QSHE organization, introduced Group-wide QSHE management and prepared the first global QSHE guidelines. Global harmonization has already had a positive impact in terms of quality assurance. As a result, the first globally applicable quality assurance agreements (QAA) were concluded with key suppliers for pharmaceutical products in 2021.

See also page 49.

More information in the *Strategy and Management* chapter from page 14.



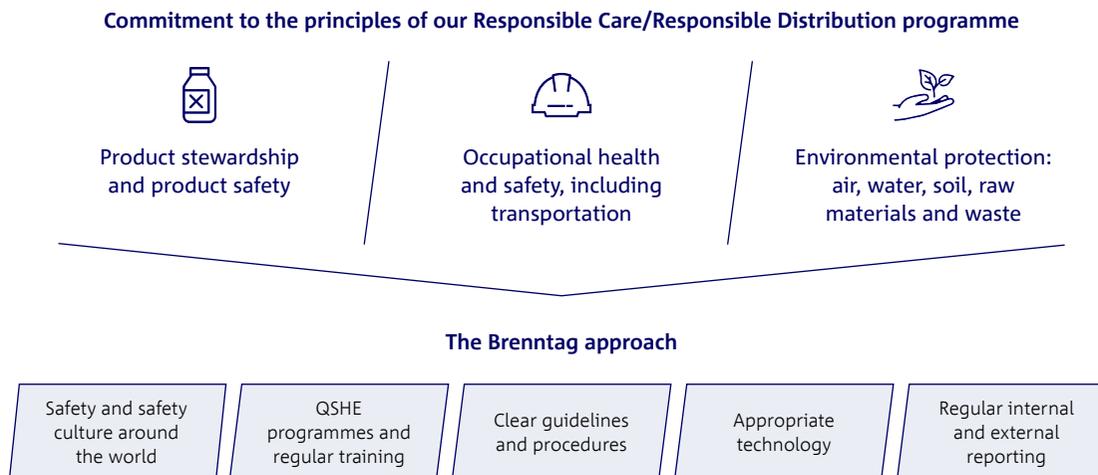
NFB The QSHE organizations were continually modified in line with the new global organizational structure within the regions, countries and sites. They form a global network of QSHE officers and QSHE teams with substantial expertise. These experts regularly share their experiences in their teams, develop measures to remedy identified deficits and work together on further improving the company's safety culture. Decisions made in the teams are subsequently integrated into the guidelines and programmes.

The local management in the respective company unit or country is responsible for defining processes, procedures and measures in accordance with local regulations and taking account of local requirements.

In order to meet the requirements of Brenntag's increasingly centralized strategy, we have created a number of new positions to accompany the restructuring: As previously reported, we established the position of Vice President Global QSHE at the start of 2021. Since then, the five regional QSHE directors have reported directly to the Vice President along with the expanded centralized Global QSHE division. The roles of Global QSHE Project Manager and *Global AIPSM Expert* are new additions to this division. These positions are tasked with coordinating all activities in relation to *asset integrity process safety management (AIPSM)* moving ahead.

NFB Compliance with the programmes is reviewed through regular internal and external audits. The decision on the frequency of these audits depends on various factors, such as the risk potential identified, legal regulations and customer requirements. In 2021, a number of management audits (ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Occupational health and safety), Responsible Care/Responsible Distribution)

QSHE at Brenntag: Our approach



NFB were conducted around the globe by third parties. Internal audits were also performed, however only to a limited extent as a result of the pandemic. By contrast, there were virtually no limitations for the recently introduced audits as part of the global AIPSM programme, which we intend to use to elevate *process safety* to the next level throughout the Brenntag Group.

Brenntag SE most recently successfully completed the Responsible Care audit in November 2020. Through Responsible Care, Brenntag commits itself to the safe and responsible handling of chemical substances and solutions. The audit takes place once every three years.

Brenntag manages QSHE data in various databases at regional level that are forwarded to the company's central QSHE department. Working together with external experts, the environmental risks including historical

NFB data are continuously examined and evaluated at each site. This allows conclusions to be drawn about potential contamination, among other things. This information is collated in a centralized environmental database and serves as a basis for the *environmental provisions*, which are determined annually. From 2022, the central environmental database will also be used to record information about certificates and *management systems*.

Brenntag has implemented various management systems in order to ensure its compliance with applicable standards. Our performance is also regularly assessed and certified by independent third parties.

To ensure effective chemical management, data that are necessary for the safe handling of our products during storage, transport and within the supply chain

[More information in the section on *process safety*, page 49.](#)

[For information on the *environmental provisions*, see Brenntag's 2021 Annual Report, page 189.](#)

[See also page 49.](#)



NFB are stored in central databases at Brenntag. In Europe, for example, a central SAP-based system is used for this purpose, making it possible to implement relevant changes to European legislation in all countries at the same time and provide employees with access to them. All European companies are connected to this database.

Certified and assessed operating locations ¹	ISO 14001 ²		OHSAS 18001/ISO 45001		SQAS-ESAD ³ (Europe)	
	abs.	in % ¹	abs.	in % ¹	abs.	in %
2017	109	26	65	17	72	71
2018	108	28	64	19	72	73
2019	115	29	72	21	61	64
2020	120	31	91	27	68	71
2021	107	27	90	25	66	74

¹ The percentage figures for ISO 14001 include purely sales-based locations as well as warehouse locations. The OHSAS 18001 figures exclusively refer to warehouse locations.

² The decrease in the number of sites with ISO 14001 certification in 2021 is the result of certification expiring in North America. However, many of the requirements relevant to Brenntag are already covered under the Responsible Distribution programme of the National Association of Chemical Distributors (NACD).

³ SQAS-ESAD (Safety and Quality Assessment System, European Single Assessment Document) is a catalogue featuring more than 500 detailed questions on the handling of chemicals. It is intended to provide a uniform assessment of the QSHE and quality management system of chemical distributors and is associated with the Responsible Care/Responsible Distribution industry initiative. As of September 2020, we regard this requirement as also being fulfilled internally with triple certification in line with ISO 9001, ISO 14001 and OHSAS 18001/ISO 45001.

PROCESS SAFETY

The issue of process safety has particularly high importance at Brenntag. A dedicated task force has been working on the Group-wide harmonization of processes since 2020. A period of three years has been specified to revise the processes. In the pilot project on flammable liquids, the team

has now prepared a new Group guideline. This guideline governs topics such as the type and extent of safety-critical equipment (SCE) required for safe operation of the process facilities. Typical examples in this case include earthing devices, immersed filling and overflow protections. In line with the Group guideline, the next step entails conducting a gap analysis to identify any gaps and determine how they can be filled. A similar procedure will be pursued for the other processes. In addition, a Group guideline on the topic of corrosive products is currently in the works. The work performed in this regard goes hand in hand with other findings from the AIPSM audit.

We have focused on AIPSM since the end of 2020 and made significant headway in 2021 as a result. With the involvement of external experts, we developed an AIPSM approach with several components based on the internationally recognised model from the Center for Chemical Process Safety (CCPS). Relevant topics include the management of safety-critical processes and the lifespan of systems, controls and training modules. We also developed a new global audit for our locations based on risk analyses. The results have been integrated into resource planning and govern the assessment of plant equipment, personnel capacity scheduling, technical support and training. In addition to training modules, we have also promoted employee activities for mutual exchanges of experience and knowledge in this field in a targeted manner.

We have currently achieved 97% of our goal to implement management systems that also include process safety standards at all operational Brenntag sites in the regions by the end of 2021. Planning is under way for some of the sites that still require management systems and remains to be started for others.

The importance of process safety at Brenntag is demonstrated by the fact that we set ourselves a strategic target with a medium-term outlook for spillages for the first time in 2021. Several years ago, we began to develop a data set to record spillages. In 2021, we set ourselves the target of reducing the number of spillages with volumes exceeding 200 litres by 15% in comparison to 2020. We will continue to systematically increase this target from 2021 in 2022 and onwards to 2025. With a 43% reduction in 2021, we have greatly exceeded our requirements and expect this trend to continue into subsequent years.

By introducing a new indicator to measure and report spillages per million man-hours (MMH) from 2022 onwards, we aim to make it easier to compare targets in the future. The new indicator is separate from the extent of business activities. By 2025, we hope to reduce the number of events involving spillages to less than 0.7/MMH. At the same time, we also record the number of process incidents. A serious PSI (process safety incident) is deemed to have occurred when the spillage of product or energy from a process facility leads to an injury with loss of work, causes an evacuation in the surrounding area or exceeds the quantitative limits set depending on the product and location. According to CCPS criteria, only spillages at company-owned sites are recorded. These criteria are also used to determine key indicators according to *SASB standards*.

[More information on SASB here and on page 76.](#)



The following figures were recorded for Brenntag for the 2021 reporting year:

2021	Figure ¹	Explanation
PSIC	12	Process Safety Incidents Count
PSTIR	0.33	Process Safety Total Incident Rate recorded as PSIC/MMH
PSISR	0.59	Process Safety Incident Severity Rate as the cumulative severity rate of PSIC/MMH

¹per one million hours

For internal purposes, Brenntag determines comparable key indicators that also take into account spillages during loading/unloading at customer/supplier sites and during transport. With this, we also record these aspects of our operational activities.

In the medium-term, we plan on adding a leading indicator to supplement this lagging indicator. To this end, we will use process status reports for the relevant sites in order to outline the scope and maintenance status of the safety-critical equipment defined as a key indicator above.

“Process safety does not refer to the absence of incidents, but rather the presence of safety measures.”

The auditing of asset integrity process safety management with external support marked a key milestone in the review of Brenntag Group safety systems in 2021. Risk profiles were created for all sites, taking account of the complexity index, which provides information on the number of high-risk processes at the individual sites. Sites deemed relevant according to the AIPS criteria conducted a self-assessment with

the aid of a survey. The 21 sites with the highest complexity values were also audited by an external expert, our new internal Global Expert AIPSM and/or the regional audit team. In the long term, we plan on auditing all sites with increased risks as part of a three-year cycle in order to map out strengths and weaknesses and develop harmonized, global guidelines to pave the way towards process safety excellence.

5

GOLDEN RULES

1. Stop, think, act
2. Keep the products in the process
3. Do not compromise the last line of defense
4. Be prepared for emergencies
5. Never turn a blind eye



Luca Pelissero

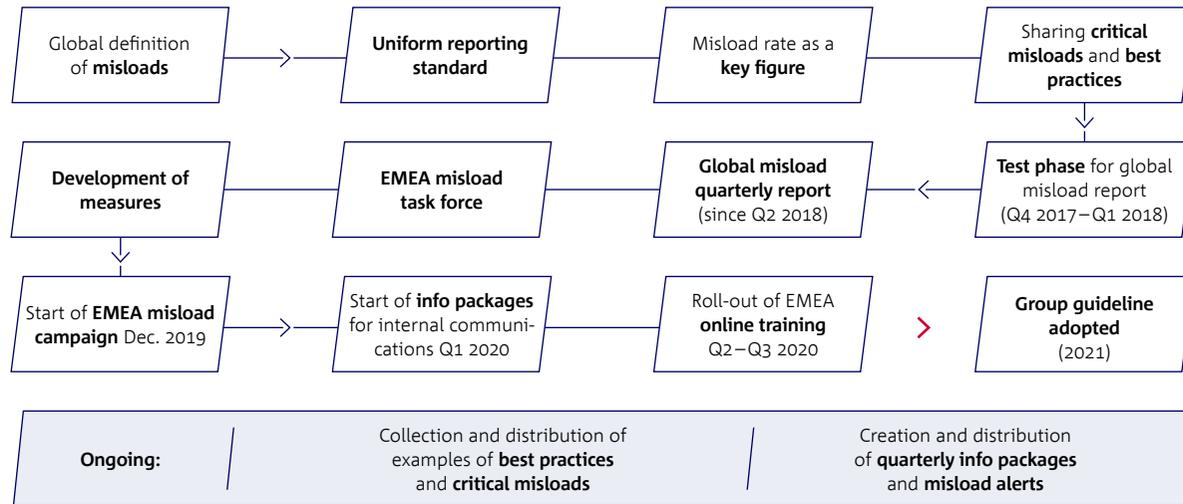
Expert for plant and process safety Luca Pelissero joined the QSHE team as a Global Expert AIPSM in 2021. The process engineer has specialized in asset integrity and process safety (AIPS) for 15 years. Using experience gained from his time working with leading companies in the oil and gas industry, he is highly knowledgeable in setting up robust systems to prevent accidents and manage emergencies.



Chemical accidents can result in severe injuries and even death. We want to avoid these kinds of accidents at all costs: Our goal is to achieve zero chemical accidents. With this in mind, we initiated the “Zero tolerance to chemical exposure” campaign with numerous measures in 2021. This campaign aims to raise employee awareness of this kind of accident. Around 25% of all recorded injuries can be linked to chemical spillages. A key element for prevention is the strict avoidance of direct contact between people and product. On the one hand, accidental substance spillages need to be avoided. On the other, suitable measures need to be introduced to protect employees. Substance spillages can typically be attributed to human error or technical failures. Both aspects are comprehensively addressed by the programme. Adherence to the five golden rules for handling chemicals is of crucial importance for occupational safety.

In 2018, the global “Misload Control and Prevention” programme was launched. A misload occurs when Brenntag or a service provider operating on behalf of Brenntag delivers an incorrect product or a product in the incorrect packaging or a product to the incorrect location. In 2019, Brenntag increased its efforts to prevent these misloads and reduce their number in EMEA. It is a complex issue, as there are many points between ordering and delivery where an error can occur. In 2020, the dedicated task force, along with representatives from the QSHE, Quality, Operations, Customer Service, Human Resources divisions, various EMEA countries and the Group headquarters, es-

Brenntag’s “Misload Control and Prevention” programme



tablished that by far the most errors occur during order entry, followed by the assembly of delivery. Measures to control errors include misload alerts, quarterly information and training packs as well as online training, which is available to employees in this area in 21 languages. Since the company began recording the data on a globally standardized basis, Brenntag recorded its best ever results in the fourth quarter of 2020. We continued to work on improving the misload error rate and eliminate issues

during order entry in 2021. Remote work that took place under difficult conditions may have had a negative impact in this regard. In 2021, we adopted a Group guideline on this programme, which includes specific measures aimed at enhancing processes and other aspects. The quarterly report, including the information pack, provides detailed information on which causes require specific action in the individual regions.



PRODUCT STEWARDSHIP AND SAFETY

Brenntag takes appropriate measures to ensure the proper handling of our products. This mainly relates to procurement, packaging, classification and labelling, handling, storage and transportation. We create product dossiers and safety instructions and ensure disposal. We act in accordance with the applicable standards and regulations and also cooperate closely with the industry's national and regional umbrella associations of which our national organizations are members.

Responsible Care/Responsible Distribution: For many years now, Brenntag has taken part in the Responsible Care/Responsible Distribution (RC/RD) programme of the International Chemical Trade Association (ICTA). As such, we implement the eight guiding principles laid down in this global programme covering the following areas:

- / Legal requirements
- / Management of risk
- / Policies and documentation
- / Provision of information
- / Training
- / Emergency response
- / Ongoing improvements
- / Community interaction

The policies of the RC/RD programme have been incorporated into our QSHE strategy and programmes and therefore play a key part in the safe handling of chemical products and, as a result, in the protection of soil, air and water as well as occupational safety within our company. Adherence to these policies is verified and documented by external assessors.

Brenntag has also specified that all operating companies join the RC/RD programme. Due to the fact that an RC/RD programme is not offered by national organizations in every country in which Brenntag operates, programmes have been developed and existing processes optimized in the individual regions to verify internally that the guidelines in force in the relevant countries are adhered to. In this way, Brenntag companies play their part in the global obligation towards Responsible Care.

Brenntag's high standards in process safety and product responsibility continuously earn the company external recognition. In 2021, a total of 14 sites, where chlorine is filled and chlorine bleach solution is produced, were rewarded for their exemplary safety performance – with six of them obtaining “Diamond Level”. The Chlorine Institute, a national industry association, grants its Diamond Level award to sites which have recorded zero workplace accidents or incidents and zero environmental releases over a period of at least five years.

Year	Proportion of Brenntag legal entities participating in the RC/RD programme ¹		
	Relevant companies	Participating companies	Participation in %
2017	114	87	76
2018	106	86	81
2019	108	83	77
2020	111	82	74
2021	123	81	66

¹ These data do not include pure sales and service entities with revenue of under EUR 100,000 or acquired entities which, as at December 31, 2021, have been part of the Brenntag Group for less than a year.

As a distributor of chemicals, Brenntag operates in a complex regulatory environment. Examples of this in Europe would be the **REACH Regulation** or the Biocidal Products Regulation of the European Union. Our transnational teams – consisting of a network of experienced QSHE and regulatory specialists – ensure that our operational processes and workflows comply with the relevant regulations. They work closely with management to ensure that Brenntag complies professionally, fully and efficiently with the numerous regulatory requirements.

Our product and sales managers are trained and experienced in supporting our suppliers and customers in fulfilling regulatory requirements according to their wishes by:

- / Ensuring a REACH-compliant supply and usage system
- / Advising on a range of other regulatory questions
- / Safeguarding optimal communication within the supply chain
- / Identifying alternative substances

OCCUPATIONAL SAFETY

Our top priority is to ensure the safety of our employees and to protect their health. Brenntag strives to be a fair and safe employer. This means that we continually work towards improving the company's safety culture and take necessary and appropriate measures to prevent accidents and incidents.

 [More information on REACH here](#)

 [or on the website of the German Environment Agency here.](#)



Since 2002 Brenntag has been participating in the chemical industry's "Responsible Care" programme.



Training and equipment: Regular training for our employees is important in order to raise their awareness of potential hazards and to enable them to work safely. This training goes above and beyond the statutory requirements and ranges from safety instruction for new employees to comprehensive training measures that are specially tailored for the work situation and the risk potential of specific occupational groups or individual employees. In 2021, training was given by QSHE officers and also by external experts, less as face-to-face events and increasingly in the form of digital events. Since 2021, we have expanded our *e-learning database* in our global HR portal to include a section with extensive training material on QSHE. Additional material will be reviewed in 2022, continuing with the objective of integrating training videos in as many languages as possible. In general, we plan to create a systematic training plan with global requirements for each job profile, which can be supplemented with local training modules.

The training programme for managers and line managers in North America was cancelled due to the pandemic as in the previous year. At Brenntag in EMEA, an internal assessment of team and group leader qualifications was introduced in 2020 and supervisor training took place. In certain cases, e.g. in France, supervisor training courses were held, which were well received. In 2021, expansion of this training was planned in EMEA, however the pandemic caused things to be largely postponed. Other countries conducted training courses partly online, adapted to the situation.

Brenntag continuously invests in its equipment and infrastructure in order to optimize plant safety and work processes at its sites and thus further minimize *safety risks and hazards*. For example, Brenntag audited safety harnesses used for work operations on road tankers and rail tank cars in 2019 by launching a long-term project to improve this safety equipment. To begin with, this involved carrying out detailed site-based reviews of the various systems in place. Using action plans, the companies in North America achieved all of the agreed improvements by the end of 2020 and invested several million dollars in the process. In the EMEA region, the plans included over 180 stations with an investment volume of several million euros. Much of the installation work was completed in 2020. The remaining work was completed in 2021.

In addition, Brenntag increased its investment in new filling plants in North America in 2021. These primarily semi-automated plants will replace manual filling processes and consequently reduce the risk of employees coming into direct contact with chemicals.

Accident reporting: Accidents at work, near misses and similar occurrences are recorded and evaluated centrally according to a standardized system. Any important conclusions are communicated throughout the entire Group. Furthermore, the findings and the measures derived from these are incorporated into the global QSHE guidelines, regional QSHE manuals and prevention and training measures. As an enhancement to the existing accident reporting system, Brenntag introduced the so-called “potential hurt level” model (PHL model) at the end of 2019. With this model, accidents are as-

essed not just according to the actual severity of the injuries suffered but also according to the potential severity. This enhanced assessment enables us to focus our countermeasures better on the most important aspects of accidents. The PHL model was very well received and expended in 2021 so that other accidents and incidents are now globally assessed according to this system. If the PHL value is high, this automatically requires a report to be submitted to the Global QSHE department. A comparable procedure is yet to be established for close calls, but is planned for 2022.

The “Board Review” was initiated in 2020: Under this measure, the accident analysis, remedial measures and the well-being of those involved in the accident are examined by a member of the Board of Management and the QSHE officer for the region, along with a representative from the site concerned. The reviews were initially conducted for all accidents that led to work absences (lost-time injuries). They were subsequently extended to include accidents with a high potential hurt level and other significant incidents. However, in certain cases, board reviews have since been abandoned where the cause behind the accident is clear no additional findings or actions are expected. Global QSHE is responsible for making the decision on board reviews. In 2021, board reviews were conducted for around 40 accidents.

At the end of the 2021 reporting year, the group accident rate LTIR 1 day/1 million (Lost Time Injury Rate) was at 1.2 and the TRIR (Total Recordable Injury Rate) was at 3.1. On a positive note, the figures achieved in 2021 marked a reduction of 0.2 in LTIR compared to the

 Please also see page 22.



previous year, despite the previous year's figure being the best achieved by Brenntag to date. In comparison to the previous year, TRIR also reduced by 0.1 to reach another record low.

On the other hand, we did not manage to attain the TRIR target of 2.9 we set ourselves for 2021. In terms of the Group's strategic objectives, the broader **TRIR** will take over as the relevant indicator from 2021 onwards. In 2022, we hope to further reduce TRIR to 2.7, and reduce the rate to below 2.0 by 2030. Our target for 2022 is ambitious, but we nevertheless believe it is suitable and view it as an incentive to set ourselves ambitious goals. The sinking values continue to demonstrate success in our eyes; they are moving in the right direction. Our ongoing process of improvement enabled us to steadily reduce the number of reportable industrial accidents within the Group over many years. Unfortunately, this trend did not progress as continuously in recent years, and we had to report a year-on-year increase for 2017 and 2019. At the end of 2020, our efforts and corrective actions began to render results and Brenntag achieved the lowest figure to date for the Group accident rate, which stood at 1.4. We attribute this to a combination of the impact of our improvement initiatives and the positive effects of the COVID-19 pandemic. The further reduction to 1.2 in 2021 further confirmed the effectiveness of our action. We are committed to continuing with the positive trend for both indicators.

The accident rate (TRIR)¹ developed with vast differences between the individual regions in 2021. As in previous years, Asia Pacific continued to record a low accident rate. In Latin America, the rate improved significantly,

¹Rate reported in the previous year for LTIIR

following two years of slightly higher figures. EMEA successfully reduced the rate to a record low, which nevertheless continues to lie in the midrange in comparison to other regions. Similar to the previous years, North America reports a tending higher ratio than the other regions. After two years of major improvements, a slight increase has once again been reported for this region.

Group accident rate (TRIR/LTIIR_{1 Day})



¹The values given for 2016 have not been audited by PwC.

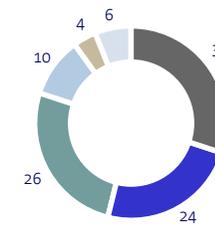
²LTIIR_{1 day} (Lost Time Injury Rate): number of industrial accidents resulting in at least one day's absence from work per one million working hours.

A closer analysis of the accidents shows that contact with chemicals, slips/trips/falls, accidents involving vehicles and accidents involving equipment/tools are the most common causes of injuries and absences from work at Brenntag. Our measures are therefore focused on continuing to make improvements in these areas. With regard to injuries resulting from contact with chemicals in particular, a wide range of measures enabled us to reduce the number of incidents Group-wide by 75% between 2010 and 2018. Since 2019, the figures have once again increased. The type of injuries varies year to year, but primarily the neck and head are affected by burns and irritations. This was also the case in 2021, with a noticeable increase in the number of eye

injuries. We must continue working on preventing direct contact with chemicals. Our Group-wide **"Zero Tolerance to Chemical Exposures"** programme, launched at the end of 2021, is one example of how we can tackle this issue. However, we also need to check protective measures, such as the correct use of personal protective equipment (e.g. full protection goggles and visors), and make improvements by conducting training sessions and regular checks.

[Please also see page 51.](#)

Causes of accidents in 2021 for injuries that required medical treatment (in %)



- Slips, trips, falls
- Contact with chemicals
- Facilities, equipment, tools
- Manual handling
- Vehicles, forklifts
- Other

The number of injuries due to slips/trips/fall increased by 10% in the reporting year. In almost all cases, these accidents were caused by a lack of attention and incorrect behaviour. Brenntag will continue conducting campaigns at various levels to reduce these accidents.

The number of accidents involving vehicles (forklifts, trucks, cars) was once again reduced by around 45% in the reporting year. One area of focus for accidents in the past was internal transport in EMEA. The programmes initiated in recent years have continued to have a positive effect, as only one accident of this type was reported at Brenntag sites. However, two of our drivers were hit at customer

[Please also see page 47.](#)



sites. In addition, the number of traffic accidents involving Brenntag vehicles has again fallen sharply. Measures ranging from driving safety training, to the use of devices to analyze driving in trucks, to improved road signage for internal transport and for pedestrians at locations are also continuing to be introduced. The issue of traffic accidents remains firmly on the agenda, despite the improvements made, particularly in light of the fact that our external partners were involved in a noticeably increased number of accidents in the reporting year. There was also an increase in the number of injured Brenntag truck drivers, however, the majority did not sustain injuries from vehicles, but rather when performing other tasks.

The optimized use of technical aids and suitable protective equipment proved effective for accidents involving equipment and tools. The number of accidents leading to a loss of work days decreased by 33% in 2021.

Brenntag’s primary objective is to prevent all types of accidents and incidents. With a view to the development of the number of accidents, we are continuously working on further improving our safety culture.

All employees are asked to report work situations that they believe could pose a risk of injury. Reports of this kind are handled discreetly and help us to increase occupational safety and remain true to our “Safety First” principle.

BEST programme: A key element of our efforts to increase safety is the global Brenntag Enhanced Safety Thinking (BEST) programme. It focuses on the safety behaviour of Brenntag employees at all levels within the company, which is a key cause of accidents in more than 75% of cases. Two

BEST employee surveys were conducted between 2015 and 2018. According to the findings of the last survey, the participants believe that the safety culture at Brenntag is at a high level overall. Internal communication was regarded as having room for improvement, with major differences existing between the regions. The results were incorporated into various action plans for the coming years that take account of the varying circumstances locally. The next survey was scheduled to take place in the second half of 2021, but was postponed due to the pandemic. An optimized concept for conducting the survey under pandemic conditions is currently being planned for 2022.

In order to expand the BEST ideas beyond occupational safety and into the personal sphere of Brenntag employees, Brenntag developed the Personal Safety Action Plan (PSAP). Since 2018, all Brenntag employees worldwide have been asked to create a PSAP and list the risks that they encounter daily while at work as well as in their personal lives. Together with their respective line managers – who have been given special training in this area – they develop individual plans consisting of measures to prevent accidents and incidents. New PSAPs are developed every year. The extent to which coronavirus preventive measures were incorporated into the plan was left to the employee to decide.

GLOBAL SAFETY AWARDS 2021

Congratulations to Brenntag Dhaka in Bangladesh and Brenntag Kalmar in Sweden! Play it safe – something every Brenntag employee needs to do. Working with chemicals can very quickly turn dangerous. A significant amount is done throughout the Group on a global scale to improve safety, be it through education, precautionary measures, safety equipment or safety precautions. This has resulted in a strong safety culture, with “Safety First” as a global principle. It should therefore come as no surprise that special performance in terms of safety is rewarded with the Global Safety Awards. The Brenntag Board of Management grants the awards in two categories each year: If one site particularly stands out by having the best safety record of all by the end of the year, it will receive the Safety Excellence award. The site that has improved the most in terms of safety will receive the Safety Phoenix award.

Brenntag Dhaka in Bangladesh reported the best safety record, with no reportable incidents in four years. How did they achieve this? By understanding and internalizing the risks and consistently adhering to the rules according to Executive Director Azmal Hossain. The winning site in the second category is located in Sweden. Since joining the Brenntag Group in 2015, the Kalmar site has made significant improvements in terms of safety and organization. Success can also be attributed to the work of employees in this case, whose conduct led to great improvements: Meetings and talks between employees take place on a daily basis, and safety risks and potential hazards are virtually always on the agenda. Safety checks are also conducted each day according to the site manager Marcus Larsson. Congratulations!





🔗 PRACTICAL EXAMPLE

The high standards Brenntag pursues in relation to process safety throughout the entire Group also need to be observed and implemented at companies newly acquired and integrated into the Group by Brenntag. With this in mind, Brenntag invests in infrastructure and equipment while promoting education to prevent potential accident risks.

In the period between 2017 and 2021, Brenntag acquired around 30 companies. Before each transaction was concluded, an extensive due diligence check was carried out; this also covered the topic of safety. The local Brenntag specialists in the respective regions are responsible for this audit in consultation with Global QSHE. Each successful integration into the Group first requires the implementation of an individual integration plan. This plan includes measures such as providing suitable protective equipment for the entire on-site workforce, like helmets and safety gear, checking the functionality of forklifts and ensuring the loading and unloading points for trucks are in excellent condition.

Significant events, such as occupational accidents and near misses also need to be regularly and centrally documented for all newly incorporated sites. Near misses refer to incidents that did not result in an injury or spillage, yet nevertheless may have a high probability of resulting in injuries or spillages in other

circumstances. As a result, near misses provide crucial information on specific and existing risks, which can be used to develop effective countermeasures. Furthermore, they also provide practical experience and increase employee awareness with regard to existing sources of danger with accompanying requirements to provide information and report incidents. In turn, this knowledge is used to create tailored safety training courses that are offered locally on a regular basis. If the number of registered near misses increases and the number of accidents simultaneously goes down, this can be viewed as a positive development.

A multi-year comparison of the relevant key figures with the example of a 2016 acquisition in North America highlights the positive development of successfully implemented integration measures:

Year	Number of registered near misses	Managed with inspections	LTIR	TRIR
2015 (before acquisition)	0	0	7	24
2016 (year acquired)	142	0	4	6
2017 (after acquisition)	575	32	3	10
2018	631	170	1	13
2019	1,401	1,045	3	12
2020	1,262	1,037	0	5
2021	1,200	757	0	4



Before acquisition: The loading dock was not flush and did not feature signs.



After acquisition: The loading dock is flush and features signs to prevent an oversight.



SUPPLY CHAIN

As the global market leader in the distribution of chemicals and ingredients, Brenntag serves as an important link between the manufacturers of chemical products and the companies that process these products. We maintain a close and ongoing dialogue with our suppliers and customers through our regional and global procurement and distribution organizations as well as our QSHE structures. The majority of these business relationships and partnerships go back many years.

Brenntag continued to maintain its ability to supply customers throughout the second year of the pandemic, even under the persistently challenging conditions for logistics and global supply chains. We introduced flexible countermeasures in response to impending bottlenecks. This enabled us to request new products from an existing supplier and create new regional storage capacity at short notice, for example. Measures like these and our reliable global partnership network have helped maintain our persistent ability to supply customers.

SUPPLIER MANAGEMENT

Brenntag's purchasing units have over 1,000 employees globally, including local and regional procurement teams, specialists in sourcing chemical products from Asia, and product managers for specific chemicals and customer industries. Employees are in contact with thousands of suppliers worldwide. For trading companies, business relationships with suppliers have a direct influence on the product portfolio and are therefore a key differentiation point for distributors. These relationships are often more

accurately described as sales partnerships rather than conventional purchasing relationships. For this reason, Brenntag maintains regular, close communication with its suppliers. At various levels throughout the Group, there are standardized processes in place for relationship management with suppliers. At Brenntag, these supplier relationships are a management issue and a key element of strategic decision-making.

In selecting new suppliers and evaluating existing supplier relationships, both economic and quality criteria and issues of environmental protection and safety, labour and social standards as well as compliance and governance play a decisive and increasingly key role for Brenntag. Brenntag actively encourages its suppliers to improve their sustainability performance in order to meet our high requirements.

Already in 2016, Brenntag set itself the goal of monitoring its own supply chain more closely with regard to the various sustainability aspects and gradually making it more sustainable. Among our sustainability targets until 2021, we aimed to analyze a specific percentage of our total chemical spend (in EUR) through *sustainability assessments or audits* as part of our membership of the "Together for Sustainability" initiative (TfS). In 2016, we set a target of 50% for our coverage rate, which we actually exceeded by the end of 2017 with a rate of around 64%. We then aimed for an ambitious coverage rate of 80% in 2021. We almost reached this target: By the end of 2021 (similarly to the previ-

NEB

ous year), we had analyzed around 75% of our total chemical spend (in EUR) at least once using sustainability assessments or audits.

In addition to increased transparency with regard to sustainability performance through a higher coverage rate, persistent improvement of the sustainability performance of suppliers is important to Brenntag. As a result, we have set another objective, which we have adjusted to match past experience in the previous year: By the end of 2021, we want 55% (70% in previous year) of our suppliers undergoing reassessment to have improved their score by at least one point compared to their previous assessment. Practical experience, including from our work with the TfS initiative, has shown that it is difficult in particular for suppliers that already have shown good assessment results to improve even further. On the other hand, it is all the more important that suppliers with results that do not yet (fully) meet the aspiration to improve. To this end, we primarily focused on suppliers that achieved less than 45 points in the rating and/or with a scorecard older than three years for the reassessments. As a result, as much as 65% of our suppliers who underwent a reassessment in 2021 have improved their score by at least one point compared to their previous assessment. In total, around 1,400 of our suppliers have undergone an assessment or reassessment from the launch of the programme in 2016 to the end of 2021.

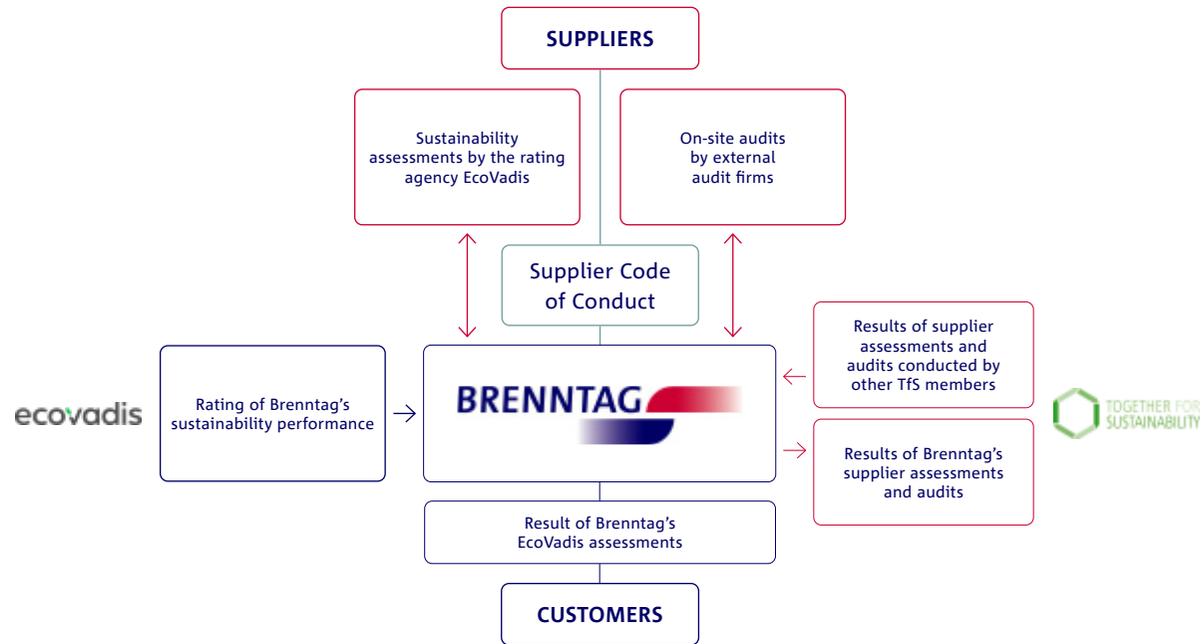
 For information on the sustainability assessments, please refer to the information in this chapter on page 57ff.



NFB The topic of sustainable procurement is managed within Brenntag's international corporate structures by a dedicated project team. The team consists of representatives from the purchasing units of the four regions in which Brenntag operates, the Brenntag Global Sourcing Organization and Brenntag's sustainability team. The Vice President Sustainability Brenntag Group regularly reports on the issue of sustainable procurement to Brenntag SE's Board of Management. As part of the joint work done by the project team, regular detailed discussions take place between the sustainability team and the Purchasing units. In addition, we regularly train our purchasing department on the assessment procedure (see below) and therefore also on sustainability issues, enabling them to assist and to advise their suppliers during the review process.

After the introduction of new internal processes to control sustainability criteria for the Purchasing department in 2020, we will increase our focus on the sustainability performance of our suppliers in the future, including strategically. A risk assessment will be added to the existing procedure in order to better manage human rights and environmental risks in the supply chain in the future and to be compliant with the supply chain due diligence act. We aim to include and review all suppliers in an internal risk management system by 2025 at the latest. A new project team lead by Compliance was established at Brenntag in 2021, consisting of employees from other departments such as Legal and Sustainability. Employees from Purchasing will join this team starting in 2022. As part of our *"Future Sustainable Brenntag"* vision, we want to ensure that human rights are seamlessly upheld in our supply chain and living wages are paid.

RESPONSIBILITY IN THE SUPPLY CHAIN



- Activities within the scope of TFS membership
- Definition of Brenntag's expectations towards its suppliers
- Voluntary assessment by EcoVadis

NFB **Supplier Code of Conduct:** Brenntag has drawn up a code of conduct specifying what we expect of our suppliers in the areas mentioned. The Code is based on the principles of the United Nations Global Compact, the chemical industry's global Responsible Care programme and

NFB Brenntag's *Code of Business Conduct and Ethics*. It can be found on the company's website and is therefore also available to all suppliers. To encourage greater compliance with the Code of Conduct, we want to directly call on our suppliers to actively recognize the

[More information in the Strategy and Management chapter on page 12.](#)

[The Supplier Code of Conduct is available on our website.](#)



NFB Code in the coming years. In order to verify compliance with the Code of Conduct, we invite selected suppliers to undergo a sustainability assessment or audit. They are requested to undergo a reassessment or re-audit after three years – sooner if the results are insufficient. This process, in particular the conducting of reassessments, is a requirement for ensuring that a company can be added to the group of “key suppliers” with which Brenntag cooperates on a regular and long-term basis.

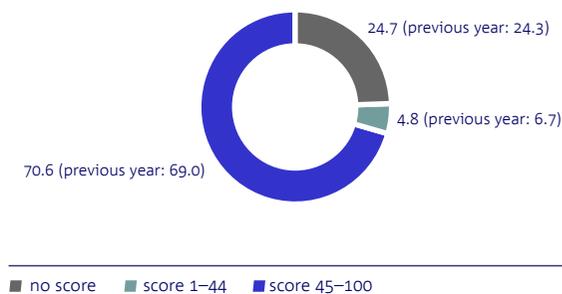
Sustainability assessments for suppliers: Within the scope of its membership of the “Together for Sustainability” industry initiative, Brenntag requires a number of its suppliers to undergo sustainability assessments every year. We thereby achieve greater transparency in relation to our suppliers’ sustainability performance and are able to better consider sustainability issues in our purchasing decisions.

We work together with EcoVadis, as TfS does, which is a leading provider of sustainability assessments and is well established in the chemical industry. EcoVadis evaluates companies in terms of four categories: environmental protection, labour & human rights, fair business practices and sustainable procurement. Based on the responses provided by the companies in a comprehensive online questionnaire and on their accompanying documentation, EcoVadis awards scoring points and creates a detailed profile of strengths and weaknesses. It found that suppliers which represent some 71% of

NFB our total chemical spend scored at least 45 points out of a possible 100. According to the EcoVadis assessment system, these companies have, as a minimum, a structured and proactive sustainability approach, policies and tangible actions in relation to the areas evaluated and a basic reporting system or set of performance indicators. Depending on their performance, Brenntag requests that its suppliers take corrective measures (corrective action plan) or it arranges a supplementary audit.

Suppliers that achieved less than 45 points for their EcoVadis rating have been automatically receiving specific indications from Brenntag of where there is room for improvement since 2020. This process had a positive impact in 2021: The amount of suppliers with less than 45 points for their EcoVadis ranking reduced from 6.7% in the previous year to 4.8%.

Share of total chemical spend in EUR (in %)



NFB **Sustainability audits of suppliers:** We are able to obtain a more accurate insight into regional sustainability performance by performing on-site supplier sustainability audits. In this case, the audits are based on a catalogue of requirements developed by TfS and cover the areas of sustainability management, the environment, health and safety, employee and human rights, and corporate governance. The results of all audits are shared within TfS. Alternatively, we also accept sustainability audits conducted in accordance with SQAS (Safety and Quality Assessment System) as well as SMETA (Sedex/Supplier Ethical Data Exchange Members Ethical Trade Audit) and PSCI (Pharmaceutical Supply Chain Initiative). Brenntag reviews its suppliers’ audit results. If necessary, it agrees on corrective measures with the company and the auditor and follows up on their implementation.

BRENTTAG AS A SUPPLIER

Brenntag has registered an increasing demand for information on how we deal with sustainability issues – particularly on the part of its customers. We are regularly asked to document our sustainability performance. We are pleased to respond to these needs by making our principles and activities transparent and measurable in various ways. As well as our sustainability report published on an annual basis, this also includes our own regular EcoVadis assessment, issue-specific audits at Brenntag locations and our participation in the climate rating initiative of the international organization CDP. In



some cases, customers also request information beyond the scope of the aforementioned reports. This additional information usually relates to the CO₂ emissions, water and waste as well as various topics in the area of human resources, such as diversity. Our membership of Tfs also enables us to provide our customers with information about our suppliers' sustainability score and thus make our supply chain even more transparent.

EcoVadis score: Brenntag has previously undergone several *EcoVadis assessments*. In its most recent assessment, the results of which were published in January 2022, the Group achieved a score of 71 points, thereby confirming the gold status (Gold Recognition Level) that it achieved in 2016. As a result, we achieved our objective. This result puts us among the top 3% of companies assessed in our industry category. We plan on using our new ESG strategy to further improve our own sustainability performance. We hope to achieve platinum status for the next assessment carried out in 2022, which requires at least 75 points.

Safety data sheets: As a distributor, Brenntag plays a major role in safeguarding the seamless flow of information along the supply chain and must ensure complete product documentation. The flow of information on physical-chemical basic data and detailed instructions on safe use are crucial for the handling of chemical products. Safety data sheets containing this information are issued by Brenntag in certain cases and by our suppliers in other cases. The latter are checked for accuracy by teams of experts from Brenntag, which are also responsible for

ensuring the data sheets are translated into the correct language, depending on the destination of the product. We have consequently contributed to greater transparency and safety in the supply chain. In 2021, Brenntag sent around one million safety data sheets to customers in the EMEA and USA regions alone.

NFB TOGETHER FOR SUSTAINABILITY

Brenntag has been involved in the chemical industry's "Together for Sustainability" initiative (Tfs) since October 2014. In October 2016, it became the first chemical distributor to obtain full membership of the initiative when it achieved an EcoVadis score of over 60 points for the first time.

Tfs was established in 2011 and currently has 34 members. Together the member companies achieved revenues amounting to a total of EUR 411 billion in 2021. The initiative is gradually establishing a uniform global programme for the responsible procurement of goods and services in the chemical industry in order to achieve greater transparency in relation to sustainability performance throughout the supply chain and to make further improvements to its suppliers' ecological and social standards. For this purpose, all Tfs members regularly evaluate and review their suppliers by means of a standardized process using assessments and audits. This information is shared confidentially and used jointly within the network, which provides efficiency benefits for every member and creates more transparency. Between 2011 and 2021, over 18,000 supplier assessments and audits (around

16,083 assessments and 2,518 audits) were conducted via Tfs and shared within the initiative. In 2021, 2,512 suppliers reported an improvement in their sustainability performance to Tfs. Accordingly, in total, 64% of the Tfs suppliers, which underwent a reassessment or re-audit in 2021, were able to improve with a reassessment, with a 66% improvement rate for the follow-up audits.

Since 2016, we have been working continuously at Brenntag to use the findings we have obtained to improve our suppliers' sustainability performance. Our involvement with Tfs provides us with an opportunity to advance the issue of "sustainability within the chemical industry's supply chain" and to learn from the best-practice experiences of the other members. This enables us to further professionalize our sustainability approach in the area of supplier management. As a member, Brenntag has a seat and voting rights at the general assembly, the top decision-making body of Tfs. In addition, Brenntag employees in Europe, Asia, Latin America and the USA are involved in Tfs working groups. Together with employees of the other Tfs members, they are working, for example, to further develop the audit programme, to increase awareness of the initiative and its objectives in the industry and to convince other suppliers of the added value created by the voluntary sustainability assessments and audits. Other employees got involved in the "*Greenhouse Gas Scope 3 Emissions*" task force established in 2020. Brenntag increased its reporting to include these emissions for the first time in 2020.



 [The results of the EcoVadis rating are available here.](#)

 [Please also see page 28 and page 66.](#)



COMMUNITY

Brenntag maintains an active presence at around 700 sites in 78 countries around the globe – as an employer, business partner and active neighbour. We see ourselves as part of the community, as a ‘corporate citizen’; we maintain a lively dialogue and aim to contribute to a positive social environment. We work closely with local communities, as demonstrated by our commitment to educating and training local emergency services on how to respond to chemical accidents. This has helped to foster a strong communal spirit among the emergency forces and a close relationship with the local authorities, as it gives them the opportunity to experience first-hand the vital importance of safety in the work we do at Brenntag.

Brenntag’s social commitment is underpinned primarily by our employees. They personally get involved by donating money and items with company backing. We particularly value the repeated commitment of Brenntag employees in contributing their time, skills and expertise to a variety of programmes and initiatives. They visit schools and universities to impart their knowledge and experience, and support charitable causes such as campaigns for homeless people, or distributing food to those in need. They actively participate in major projects to collect donations around the globe, such as for the development of infrastructure for extensive water supply in regions suffering droughts or under threat of war.

PROMOTION OF EDUCATION

The promotion of education is one of Brenntag’s key global commitments. Learning needs to be fun and captivating for young adolescents. Above all, we want to promote future talent in the chemical industry and work to ensure that the important contribution the chemical industry can offer the general public is visible and acknowledged. In this context, we are working on guaranteeing a highly qualified future workforce for the industry. Employees at a large number of our sites have been cooperating with schools, universities and institutions for many years now with the common aim of encouraging young people’s interest in chemistry and our industry, sensitizing them regarding the handling of chemicals and supporting their education.

PRACTICAL EXAMPLES

In North America, Brenntag has supported the work of the Chemical Educational Foundation (CEF) for many years. The work done by the CEF has also resulted in the *You Be the Chemist*, programme that provides inspiration to both students and teachers by combining science with a fun, practical approach. The pandemic may have continued to hamper practical work in the reporting year, but that doesn’t mean it stopped entirely. Along with the increasing spread and use of digital formats came the unexpected positive side effect that more participants had the opportunity to get involved in digital programmes. As a result, in 2021, significantly more people participated compared to the years prior. In-person events were held occasionally

in 2021, however, with the support of Brenntag and other industry sponsors, CEF was able to combine in-person events and virtual formats so they could take place at the same time.

Teams of four were once again able to compete against each other and demonstrate their knowledge as a team. As usual, the teams were required to solve a series of chemistry-related tasks; the participants also directed short videos like in the previous year. All chemistry tasks involved a reference to sustainability by touching on environmental topics, for example. In the reporting year, Brenntag sponsored similar competitions in the USA, Canada and China.

We also continued our cooperation started in 2019 with the Ostfalia University of Applied Sciences in 2021 despite the pandemic. In December 2021, we presented our company in a virtual presentation as part of the Trade and Logistics degree programme. The students gained an insight into logistics at Brenntag, among other things, and were shown how things work with a virtual warehouse tour of our Duisburg site. The partnership with the university enables Brenntag to enhance the practical focus of the applied study course. To achieve this, Brenntag employees give specialist presentations in lectures, for example, or we make case studies available or facilitate excursions for the students to Brenntag’s logistics sites. In exchange, the faculty increases Brenntag’s profile as an employer, like with job offers or apprenticeship places.





Erin Sedlak, Sustainability Manager, received the Kenneth J. Miller Founders' Award. This award for voluntary work has been awarded by WFP every year since 2001. "In recent years we have worked closely with WFP to find sustainable ways to ensure clean water reaches people in need," explains Erin Sedlak.

"It's a true honour to receive the Miller Award."

COMMITMENT TO WATER RIGHTS

Brenntag firmly believes that every person on the planet has a right to clean drinking water and comprehensive sanitation. In order to help achieve this, at Brenntag, we apply our expert knowledge and experience in products that are crucial for purifying and treating water. From a global perspective, the need for water is extraordinarily high, which is why Brenntag has joined the charitable organization *Water For People (WFP)* to address this important issue. WFP aims to give people around the entire world and future generations access to drinking water and comprehensive sanitation. In fact, WFP has achieved far more than this through its work. It has helped to reduce the child mortality rate and given girls and women access to a wide range of education opportunities, for example. WFP is primarily active in countries such as Guatemala, Honduras, Nicaragua, Bolivia, Peru, Malawi, Rwanda and India. Brenntag supports WFP financially, with donations and, above all, voluntary work from Brenntag employees. In 2021, Brenntag sponsored several WFP events in North America and Latin America, the majority of which were held virtually. In addition, Lars Schneider, President Specialties Americas, was appointed to the leadership council of WFP. He will help to shape the future of the organization.

LOCAL COMMITMENT

Brenntag aims to provide assistance exactly where it is needed. As local requirements typically vary in different countries due to differing governments, cultures and structures, Brenntag sites are responsible for deciding where and how they can best apply their social commitments. Because the company pursues many different activities, only a small number are listed here.

PRACTICAL EXAMPLES

At Brenntag, we demonstrate our commitment to diversity, equal treatment and inclusion in many different ways. For example, Brenntag is a member of the *Valuable 500*, a global business collective recognised by the UN consisting of around 500 CEOs and their companies, who work together to stand up for the inclusion of people with disabilities. In addition, Brenntag EMEA once again supported the work of the *Adecco foundation* in Spain in 2021. The foundation's 'Vulnerables' campaign focused public attention on the importance of protecting and providing support to people with disabilities, particularly in the workplace. We support the call for greater commitment to and awareness of this issue.

In 2021, we have continued to introduce new measures at Brenntag to help fight the COVID-19 pandemic. For instance, thanks to the work of the local Brenntag team in India, oxygen equipment was donated to remote communities to ensure COVID-19 patients could be ventilated locally. The money used to purchase this equipment was raised from a major donation as part of a cooperative effort between Brenntag and its employees.

The Brenntag team in Kentucky, USA, collected donations of money and items for the victims of the tornadoes that battered the region in December. In Germany, Brenntag employees collected donations for those affected by the catastrophic flooding in Rhineland-Palatinate and North Rhine-Westphalia. In the above cases, Brenntag also donated funds as a company. These are just two examples of our local commitment in 2021.

-  www.thevaluable500.com
-  www.adecgroup.com/worldwide-locations/spain/
-  www.waterforpeople.org



07

Ratings and memberships

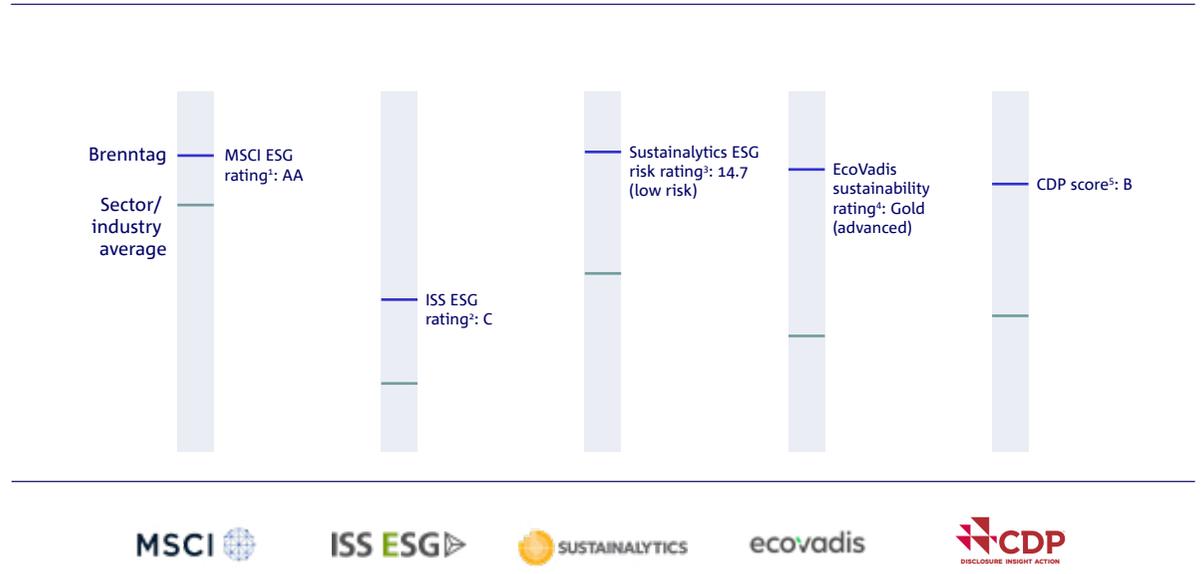
RATINGS

We regularly monitor our sustainability performance and the achievement of our targets. We also have these matters evaluated by external rating agencies, some of which focus on topics such as climate protection while others make comprehensive assessments. We are pleased with the results: all sustainability ratings that are relevant to us are above the industry average.

MEMBERSHIPS

Brenntag is a member of a wide variety of initiatives and thus promotes organizations and associations that work on behalf of our planet and society.

As global market leader, our support of this selected *network* of interest groups represents an additional step in our assumption of responsibility for the environment and society on many levels.



WE SUPPORT



[Click here for a detailed description of our memberships.](#)

¹Rating scale: AAA to CCC | ²Rating scale: A+ to D- | ³Rating scale: negligible to severe
⁴Rating scale: insufficient to outstanding | ⁵Rating scale: A to D-



ABOUT THIS REPORT

REPORT PROFILE

Reporting principles

With the Sustainability Report for the financial year 2021 Brenntag publishes its ninth Sustainability Report. Brenntag reports on its sustainability activities every year. This report is based on international standards for sustainability reporting – the Global Reporting Initiative (GRI) and the principles of the United Nations Global Compact (UNGC). This year, we are reporting in accordance with the Sustainability Accounting Standards Board (SASB) for the first time. SASB is a non-profit organisation that publishes 77 industry-specific sustainability standards, which contain key material financial sustainability topics and figures for the respective industry and are growing in importance to investors.

- / This report has been prepared in accordance with the GRI Standards: Core Option. The GRI Content Index can be found on page 70.
- / This sustainability report for the 2021 financial year is also an annual progress report (Communication on Progress “COP”) for the [UNGC](#), which Brenntag joined in October 2014. This report has therefore also been published on the organization’s website.
- / As there is no specific standard for chemical distributors, we have based our report both on the SASB “Chemicals” standard and the SASB “Road transportation” standard, and report selected key figures. The SASB Index with the corresponding key figures can be found on page 76.

NFB Separate non-financial Group report

The content in this report marked with a blue line and the acronym NFB forms the separate non-financial Group report (NFB) pursuant to Sections 315c in conjunction with 289c to 289e of the German Commercial Code (HGB) to ensure compliance with the legal requirements of the HGB; the report also contains the mandatory disclosures in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. To provide a structured presentation of this content, Brenntag has used the standards of the Global Reporting Initiative (GRI) as a framework. The description of the concepts required under the HGB is based on the structure of the GRI management approaches. This structure is used in the description of the materiality analysis (GRI 101 management approach) as well as for management approaches relating to “environmental matters”, “employee matters”, “respect for human rights”, “anti-corruption and bribery matters” and “responsibility in the supply chain” (GRI 103 management approach). In addition, a GRI Content Index contrasts the GRI indicators with the corresponding passages in the report. This GRI Content Index is published on page 70 of the 2021 Sustainability Report. The following disclosures are not part of this separate non-financial Group report: The GRI Content

NFB Index and the fulfilment of the requirements of the GRI Core Option, references to information not contained in the sustainability report or in the combined Group management report and management report of Brenntag SE as well as SASB disclosures.

The NFB has been audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) pursuant to ISAE 3000 (Revised) to obtain limited assurance. The Practitioner’s Report can be found on pages 68–69. The NFB was also preliminarily analysed and audited by the Supervisory Board’s Audit Committee and subsequently by the entire Supervisory Board.

Information on the business model can be found in the combined Group management report and the management report of Brenntag SE of Brenntag’s 2021 Annual Report on page 96. In the present NFB, correlations with values reported in the consolidated financial statement have been identified. Information on environmental protection provisions amounting to EUR 97.1 million for the clean-up of soil and groundwater at current and former own or leased locations can be found under note 25 to the consolidated financial statements for the 2021 financial year.

 www.unglobalcompact.org



NFB Identification of material content

The issues presented in the materiality matrix on page 11 form the basis for determining the NFB content. The matrix is the result of a materiality assessment which is based on the principles defined by the GRI: sustainability context, materiality, completeness and stakeholder inclusiveness. In order to determine the material topics for the NFB, Brenntag has adhered to the definition of Section 289c, para. 3, sentence 1 of the German Commercial Code (HGB). These topics were assessed for the NFB using the following criteria:

- / Topics that are necessary to understand the business performance, the business results, the company’s position and the effects of Brenntag’s activities on non-financial aspects (environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, and responsibility in the supply chain)
- / Topics rated as “very important” in at least one of the dimensions
- / Issues which form part of Brenntag’s Group strategy and/or sustainability objectives

As part of our ESG strategy development process, we have closely looked at the material topics and confirmed that they remain material in cooperation with the Board of Management. This materiality process identified the following topics as being material to Brenntag within the meaning of the law:

NFB Material topics pursuant to 289c, para. 3, sentence 1 of the German Commercial Code

Aspects	Issue and page reference
Environmental matters	/ Safe handling of chemicals (page 52) / Climate protection (pages 25–28)
Employee matters	/ Occupational health and safety (pages 47–49, 53–54) / HR development and training/ Respectful and supportive work environment (pages 35–40)
Respect for human rights	/ Compliance and governance (pages 20–23)
Anti-corruption and bribery matters	/ Compliance and governance (pages 20–22)
Social matters	/ Identified as being immaterial to the separate non-financial Group report within the meaning of the law
Responsibility in the supply chain	/ Sustainable selection of suppliers (pages 57–60)

Social matters were identified as being immaterial to Brenntag within the meaning of the law and were therefore not included in the NFB. We have reported on the social activities and wide-ranging involvement of our employees in the Community chapter on page 61. In addition to the aspects covered by the law, Brenntag has identified “Responsibility in the supply chain” as being material for it within the meaning of the law. As the market leader in chemical distribution, we believe we have a responsibility to reduce negative effects with regard to the non-financial aspects within the supply chain and to strengthen positive effects.

NFB Data basis and calculation

This sustainability report covers Brenntag SE, which is included in the consolidated financial statements, as well as the fully consolidated subsidiaries which are also included, along with structured companies. For information on the group of consolidated companies and consolidation method, see page 158 and page 162 as well as the list of companies included in the consolidated financial statements on page 224 of Brenntag’s 2021 Annual Report. Any deviations from these parameters are indicated in the relevant section of this sustainability report.

The reporting period for this sustainability report covers the 2021 financial year (January 1, 2021, to December 31, 2021) of the Brenntag Group and follows on from the Sustainability Report for the financial year 2020, which was published in April 2021. Any deviations regarding the reporting periods for individual data and contents are noted separately.

The contents and data provided in this report have been determined on the basis of internal processes. They derive from Brenntag’s existing management and data-recording systems and from company documents and have been obtained from the operational units of Brenntag’s regions as well as the responsible corporate departments. The content of this report has been reviewed by employees with the relevant specialist expertise.



NFB Selected Scope 3 emissions have been published in this report. Calculation of these emissions varies by category:

Scope 3.1 Purchased goods and services: The greenhouse gas emissions were calculated for Brenntag's main product categories, which account for 76% of its total chemical spend in tonnes. They were calculated using a combined approach of volume and consumption-based emission factors from LCA databases¹, which were considered to be representative of Brenntag's respective product categories. By multiplying them by the volume-related purchasing data for the product categories taken from our GBW² and extrapolating them to the total spend it was possible to determine a value that reflects the total emissions in category 3.1.

Scope 3.3 Fuel- and energy-related emissions (not included in Scope 1 or 2): These were calculated using upstream emission factors from DBEIS³ (previously DEFRA) for the relevant energy sources whose consumption volumes were already recorded as part of the reporting for Scope 1 and Scope 2 emissions.

¹Life cycle assessment

²Global Business Warehouse

³Department for Business, Energy & Industrial Strategy
(Department for Environment, Food & Rural Affairs)

NFB **Scope 3.4 Transportation and distribution (upstream and downstream):** All emissions caused by incoming and outgoing transportation as well as direct business involving external trucks were calculated. They were calculated using a combined approach of volume and consumption-based emission factors from DBEIS, which were correlated with the number of tonne-kilometres. In addition, the average distance per consignment was initially calculated with the material transport volumes for individual EMEA countries. For the North America region, it was possible to use the distances per consignment, on the basis of ZIP-based geodata distance calculation, for a portion of the total goods transported. These distances were multiplied by the respective tonnes of transported goods and by the corresponding emission factor. The emissions calculated served in turn as a basis for extrapolating the total emissions in categories 3.4 and 3.9 using volume-related transport data taken from our HFM system⁴ and the GBW for the respective global regions. At the end, the total emissions calculated were allocated to categories 3.4 and 3.9 based on the Incoterms⁵.

⁴Hyperion Financial Management

⁵International Commercial Terms

Boundaries between material issues pursuant to GRI

The diagram on page 67 shows the boundaries of the material topics pursuant to the GRI. The relevant GRI standards covered by each topic are also indicated. For topics that are not covered by the GRI standards, we have referred directly to the corresponding management approaches in the report and, if necessary, to our website as an additional source of information.

As a result of the materiality analysis performed in 2019, the following overview shows an updated presentation of the material topics and boundaries.



	Material topic	Relevant within the organisation	Relevant outside the organisation	Related GRI Standard 2016 or management approach for additional material topics
SUSTAINABLE GOVERNANCE	Compliance and governance	x		/ GRI 205: Anti-corruption 2016 / GRI 206: Anti-competitive behaviour 2016 / GRI 207: Taxes 2019 / GRI 307: Environmental compliance 2016 / GRI 406: Non-discrimination 2016 / GRI 407: Freedom of association and collective bargaining 2016 / GRI 408: Child labour 2016 / GRI 409: Forced or compulsory labour 2016 / GRI 410: Security practices 2016 / GRI 411: Rights of indigenous peoples 2016 / GRI 412: Human rights assessment 2016 / GRI 417: Marketing and labelling 2016 / GRI 418: Customer privacy 2016 / GRI 419: Socioeconomic compliance 2016
	Sustainable growth	x		/ GRI 201: Economic performance 2016 / Brenntag 2021 Annual Report, p. 96–98 / https://www.brenntag.com/corporate/en/about/strategy-organisation/vision-values/
	Climate adaptation	x	x	/ Sustainability Report p. 24–34
	Sustainable selection of suppliers	x	x	/ GRI 204: Procurement practices 2016 / GRI 308: Supplier environmental assessment 2016 / GRI 414: Supplier social assessment 2016
SAFETY AND ENVIRONMENTAL PROTECTION	Safe handling of chemicals	x	x	/ GRI 416: Customer health and safety 2016 / GRI 303: Water and effluents 2018 / GRI 306: Waste 2020
	Climate protection	x	x	/ GRI 302: Energy 2016 / GRI 305: Emissions 2016
	Waste and packaging	x		/ GRI 306: Waste 2020
	Water and effluents	x		/ GRI 303: Water and effluents 2018
	Sustainable products and solutions	x	x	/ GRI 416: Customer health and safety 2016 / GRI 417: Marketing and labelling 2016
EMPLOYEES AND COMMUNITY	Occupational health and safety	x		/ GRI 403: Occupational health and safety 2018
	HR development and training	x		/ GRI 404: Training and education 2016
	Respectful and supportive work environment	x		/ GRI 401: Employment 2016 / GRI 402: Labour/management relations 2016 / GRI 405: Diversity and equal opportunity 2016 / GRI 406: Anti-discrimination 2016 / GRI 407: Freedom of association and collective bargaining 2016
	Social commitment	x	x	/ GRI 413: Local communities 2016



PRACTITIONER'S REPORT

INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON NON-FINANCIAL REPORTING¹

To Brenntag SE, Essen

We have performed a limited assurance engagement on the separate non-financial group report of Brenntag SE, Essen, (hereinafter the "Company") for the period from 1 January to 31 December 2021 (hereinafter the "Separate Non-financial Group Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report.

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Separate Non-financial Group Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "EU Taxonomy" of the Separate Non-financial Group.

¹PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the separate non-financial group report and issued an independent assurance report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Company that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a Separate Non-financial Group that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU Taxonomy" of the Separate Non-financial Group Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis – IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Separate Non-financial Group Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Separate Non-financial Group Report, other than the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "EU Taxonomy" of the Separate Non-financial Group Report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- / Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- / Inquiries of personnel involved in the preparation of the Separate Non-financial Group Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Separate Non-financial Group Report
- / Identification of the likely risks of material misstatement of the Separate Non-financial Group Report
- / Evaluation of the implementation of central management requirements, processes, and specifications regarding data collection through targeted sample testing at selected sites
- / Analytical evaluation of selected disclosures in the Separate Non-financial Group Report
- / Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the group management report
- / Evaluation of the presentation of the information in the Separate Non-financial Group Report
- / Evaluation of the process to identify taxonomy-eligible economic activities and the corresponding disclosures in the Separate Non-financial Group Report
- / Inquiries on the relevance of climate-risks

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Separate Non-financial Group Report of the Company for the period from 1 January to 31 December 2021 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "EU Taxonomy" of the Separate Non-financial Group Report. We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Frankfurt am Main, 22 April 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke
Wirtschaftsprüfer
[German public auditor]

ppa. Mirjam Kolmar



GRI CONTENT INDEX

GRI standard and description		References	Comments and online resources	UNGC
GRI 101:	Foundation 2016			
GRI 102:	General Disclosures 2016			
	Organizational profile			
102-1	Name of the organization		Brenntag SE	
102-2	Activities, brands, products, and services	SR: p. 2, 6–7 AR: p. 3	www.brenntag.com	
102-3	Location of headquarters		Messeallee 11, 45131 Essen	
102-4	Location of operations	SR: p. 2 AR: p. 224–233		
102-5	Ownership and legal form	AR: p. 96		
102-6	Markets served	AR: p. 107–111		
102-7	Scale of the organization	SR: p. 2, 7–8 AR: p. 146–147		
102-8	Information on employees and other workers	SR: p. 44–46		6
102-9	Supply chain	SR: p. 2, 8, 57–60		
102-10	Significant changes to the organization and its supply chain	SR: p. 57–60 AR: p. 2, 103–104		
102-11	Precautionary Principle or approach	AR: p. 125–136		
102-12	External initiatives	SR: p. 12, 14, 21, 48, 52, 57, 60, 63, 64		
102-13	Membership in associations		Brenntag_List_of_memberships.pdf (e-spirit.cloud)	
	Strategy			
102-14	Statement from senior decision-maker	SR: p. 4–5		
	Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	SR: p. 8–14, 16, 19–23	https://corporate.brenntag.com/en/about/vision-and-values/	10
	Governance			
102-18	Governance structure	AR: p. 18–29, 30–33, 34–47		
	Stakeholder engagement			
102-40	List of stakeholder groups	SR: p. 16		
102-41	Collective bargaining agreements		Due to its large number of international locations and the broad range of labour regulations applicable to these locations, Brenntag does not record this data in a consolidated Group-wide format.	3
102-42	Identifying and selecting stakeholders	SR: p. 16		
102-43	Approach to stakeholder engagement	SR: p. 16, 57–60, 61–62		
102-44	Key topics and concerns raised	SR: p. 9–14, 16		
	Reporting practice			
102-45	Entities included in the consolidated financial statements	AR: p. 158, 224–233		
102-46	Defining report content and topic boundaries	SR: p. 9–14, 64–67		
102-47	List of material topics	SR: p. 11, 67		



GRI standard and description		References	Comments and online resources	UNGC
102-48	Restatements of information	SR: p. 7, 10, 12–14, 17–18, 27, 32–34, 36, 44–45, AR: p. 155–158		
102-49	Changes in reporting	SR: p. 64–66 AR: p. 155–162		
102-50	Reporting period	SR: p. 65		
102-51	Date of most recent report		2020	
102-52	Reporting cycle		Annually	
102-53	Contact point for questions regarding the report	SR: p. 79		
102-54	Claims of reporting in accordance with the GRI Standards	SR: p. 64		
102-55	GRI content index	SR: p. 70–75		
102-56	External assurance	SR: p. 68–69		
ECONOMIC				
GRI 201:	Economic Performance 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	AR: p. 103–110		
201-1	Direct economic value generated and distributed	AR: p. 2, 144, 176		
201-3	Defined benefit plan obligations and other retirement plans	AR: p. 176, 192–200		
GRI 204:	Procurement Practices 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 57–60		
204-1	Proportion of spending on local suppliers	SR: p. 57–60	Local and regional purchasing is of only minor significance for the business model of a chemical distributor, in particular in the area of commodities.	
GRI 205:	Anti-corruption 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 19–22		
205-1	Operations assessed for risks related to corruption	SR: p. 20	Within the scope of internal audits, a total of 25 Brenntag companies were reviewed in relation to corruption risks, etc. in the reporting year.	10
205-2	Communication and training about anti-corruption policies and procedures	SR: p. 20–22		10
205-3	Confirmed incidents of corruption and actions taken	SR: p. 21		10
GRI 206:	Anti-competitive Behavior 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	AR: p. 136		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	AR: p. 136		
GRI 207:	Tax 2019			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 23		
207-1	Approach to tax	SR: p. 23		
207-2	Tax governance, control, and risk management	SR: p. 16, 23		
207-3	Stakeholder engagement and management of concerns related to tax	SR: p. 16, 23		
207-4	Country-by-country reporting	SR: p. 17 AR: p. 104–106, 144		



GRI standard and description		References	Comments and online resources	UNGC
ENVIRONMENTAL				
GRI 302:	Energy 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 24–25, 27–28		
302-1	Energy consumption within the organization	SR: p. 26		7, 8
302-3	Energy intensity	SR: p. 26		8
302-4	Reduction of energy consumption	SR: p. 25–29		8, 9
302-5	Reductions in energy requirements of products and services	SR: p. 25, 27–29		
GRI 303:	Water and Effluents 2018			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 25, 29–31		
303-1	Interactions with water as a shared resource	SR: p. 29–30		7, 8
303-2	Management of water discharge-related impacts	SR: p. 29–30		7, 8
303-3	Water withdrawal	SR: p. 30		7, 8
GRI 305:	Emissions 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 10, 26, 28		
305-1	Direct (Scope 1) GHG emissions	SR: p. 26		7, 8
305-2	Energy indirect (Scope 2) GHG emissions	SR: p. 26		7, 8
305-3	Other indirect (Scope 3) GHG emissions	SR: p. 28		7, 8
305-4	GHG emissions intensity	SR: p. 26, 28		8
305-5	Reduction of GHG emissions	SR: p. 10, 26, 28–29		8
GRI 306:	Waste 2020			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 31		7, 8
306-1	Waste generation and significant waste-related impacts	SR: p. 31		7, 8
306-2	Management of significant waste-related impacts	SR: p. 31		
306-3	Waste generated		Due to the decentralized structure of the company and different legal requirements (e.g. Circular Economy Act in Germany), waste management is handled by each site itself.	
GRI 307:	Environmental Compliance 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 8, 14, 22–23 AR: p. 136		
307-1	Non-compliance with environmental laws and regulations	AR: p. 136	The Brenntag Group paid fines of approx. 45,000 USD in the reporting period due to non-compliance with environmental regulations.	8
GRI 308:	Supplier Environmental Assessment 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 10, 57–60		
308-1	New suppliers that were screened using environmental criteria	SR: p. 57–60		8
SOCIAL				
GRI 401:	Employment 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 35–36		
401-1	New employee hires and employee turnover	SR: p. 45–46	Brenntag reports the total number and ratio of new employees as well as the total number and ratio of employee turnover by region.	6
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR: p. 41–43	Due to our company's decentralized and international structure, it is not possible to provide a complete list of the benefits which our employees receive. For this reason, only a few examples are provided in this report.	6



GRI standard and description		References	Comments and online resources	UNGC
GRI 402:	Labor/Management Relations 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 40		
402-1	Minimum notice periods regarding operational changes		Brenntag informs its employees of impending operational changes at an early stage and comprehensively, while complying with applicable national and international notification periods.	3
GRI 403:	Occupational Health and Safety 2018			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 47–49, 52–55		
403-1	Occupational health and safety management system	SR: p. 47–49, 52–55		
403-2	Hazard identification, risk assessment, and incident investigation	SR: p. 52–55		
403-3	Occupational health services	SR: p. 41	Brenntag pursues a decentralized approach. Large production sites partly have local occupational health services, otherwise each site has a direct contact person for occupational health concerns.	
403-4	Worker participation, consultation, and communication on occupational health and safety	SR: p. 41, 55	Temporary workers who have been with the company for more than three months also participate in the BEST employee surveys.	
403-5	Worker training on occupational health and safety	SR: p. 52, 55		
403-6	Promotion of worker health	SR: p. 41		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR: p. 52–54		
403-8	Workers covered by an occupational health and safety management system		All employees are covered by the global QSHE management system.	
403-9	Work-related injuries	SR: p. 10, 54	Temporary workers are included in the accident reporting. There were no fatalities in the reporting year 2021.	
GRI 404:	Training and Education 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 37–38		
404-2	Programs for upgrading employee skills and transition assistance programs	SR: p. 37–40	Brenntag offers its employees target group-specific and individual measures and training at a global, regional and local level and provides them either in conventional events attended in person or through online training events. The global e-learning management system provides employees with an opportunity to enhance their knowledge and skills independently and efficiently.	
404-3	Percentage of employees receiving regular performance and career development reviews		Annual feedback meetings take place for all Brenntag employees in which the employees' performance is considered and their goals and personal expectations as well as individual development measures are discussed.	
GRI 405:	Diversity and Equal Opportunity 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 14, 42–43		
405-1	Diversity of governance bodies and employees	SR: p. 42–46 AR: p. 43–46		6
405-2	Ratio of basic salary and remuneration of women to men	SR: p. 43	The recruitment, remuneration and development of employees solely reflect their qualifications and abilities in relation to their respective duties.	6



GRI standard and description		References	Comments and online resources	UNGC
GRI 406:	Non-discrimination 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 20–21		
406-1	Incidents of discrimination and corrective actions taken	SR: p. 20–21	Brenntag reports on the total number of confirmed compliance incidents. For confidentiality reasons, we do not disclose the exact number of complaints by type. Accordingly, we do not explicitly report the number of complaints relating to discrimination.	6
GRI 407:	Freedom of Association and Collective Bargaining 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 21–22, 40, 57–60		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR: p. 21–22, 40, 57–60	As part of our Tfs membership, we request that our suppliers undergo sustainability assessments, which also include a review of protection of the right of association and the right to collective bargaining. Brenntag's Code of Business Conduct and Ethics as well as our Supplier Code of Conduct also require the protection of human rights, equal treatment and fair working conditions.	3
GRI 408:	Child Labor 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 12, 19–22, 40, 57–60		
408-1	Operations and suppliers at significant risk for incidents of child labor	SR: p. 12, 19–22, 40, 57–60		5
GRI 409:	Forced or Compulsory Labor 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 12, 19–22, 40, 57–60		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR: p. 12, 19–22, 40, 57–60		4
GRI 410:	Security Practices 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)			
410-1	Security personnel trained in human rights policies or procedures		Brenntag will review the relevance of this aspect.	1
GRI 411:	Rights of Indigenous Peoples 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 20–22		
411-1	Incidents of violations involving rights of indigenous peoples		We have not received any reports on incidents for the reporting period.	1
GRI 412:	Human Rights Assessment 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 20–22		
412-1	Operations that have been subject to human rights reviews or impact assessments	SR: p. 20–22		2
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		For every company acquisition, aspects such as compliance and employment agreements are examined in addition to commercial factors as part of due diligence. On the subject of due diligence in acquisitions, see also our corporate website at https://corporate.brenntag.com/en/about/compliance/ .	2
GRI 413:	Local Communities 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 61–62		
413-1	Operations with local community engagement, impact assessments, and development programs	SR: p. 61–62	Brenntag does not systematically assess the impact of its community and social activities.	1



GRI standard and description		References	Comments and online resources	UNGC
GRI 414:	Supplier Social Assessment 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 57–60		
414-1	New suppliers that were screened using social criteria	SR: p. 57–60	Within the framework of its QSHE Group guidelines, the Brenntag Group has also specified processes and criteria for dealing with subcontractors that carry out construction, repair and maintenance work at Brenntag locations. Their purpose is to prevent accidents and incidents, enable work activities to be performed safely and protect the health of subcontractors.	
GRI 416:	Customer Health and Safety 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 41, 52–53		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		There were no incidents during the reporting period.	
GRI 417:	Marketing and Labeling 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 52–53		
417-1	Requirements for product and service information and labeling	SR: p. 52–53		
417-2	Incidents of non-compliance concerning product and service information and labeling		There were no incidents during the reporting period.	
417-3	Incidents of non-compliance concerning marketing communications		There were no incidents during the reporting period.	
GRI 418:	Customer Privacy 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 21, 23		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR: p. 21, 23	Brenntag reports on the total number of confirmed compliance incidents. For confidentiality reasons, we do not disclose the exact number of complaints by type. Accordingly, we do not explicitly report the number of complaints relating to data protection measures.	
GRI 419:	Socioeconomic Compliance 2016			
GRI 103:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	SR: p. 8, 22–23 AR: p. 136		
419-1	Non-compliance with laws and regulations in the social and economic area	AR: p. 136		



SASB INDEX

Topic	Accounting metric	Code	References/comments ¹
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1 TR-RO-110a.1	P. 24–31 The calculation of Scope 1 emissions includes all greenhouse gases that result from the consumption of the corresponding energy sources, i.e. CO ₂ , CH ₄ , N ₂ O. The share of CH ₄ and N ₂ O in the total emissions is approximately 1%. At Brenntag, none of the emissions are covered by emission limitation regulations.
	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	RT-CH-110a.2 TR-RO-110a.2	P. 9–16; P. 24–31
	(1) Total fuel consumed, (2) percentage natural gas, (3) percentage renewable	TR-RO-110a.3	P. 24–31
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), (4) hazardous air pollutants (HAPs) and (5) particulate matter (PM ₁₀)	RT-CH-120a.1 TR-RO-120a.1	Not relevant for Brenntag as a distributor.
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CH-130a.1	P. 24–31
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	Water withdrawal is currently not recorded and consolidated on a Group-wide basis.
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	No central information available.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	No central information available.
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	Due to the decentralized structure of the company and different legal requirements (e.g. Circular Economy Act in Germany), waste management is handled by each site itself.

¹All page numbers in this index (unless otherwise stated) refer to the Brenntag Sustainability Report 2021.



Topic	Accounting metric	Code	References/comments ¹
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	P. 16; P. 48; P. 52; P. 47–55
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	P. 47–55 At Brenntag, TRIR is defined as Total Recordable Injury Rate, the number of workplace accidents involving injuries that require medical treatment (beyond first aid), per one million work hours.
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	P. 47–55
Product Design for Use-phase Efficiency	Revenue from products designed for use- phase resource efficiency	RT-CH-410a.1	P. 17–18
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	RT-CH-410b.1	(1) EMEA ² : 64% North America: 43% (2) EMEA ² : 93% North America: 100%
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	Not relevant
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	Not relevant
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	RT-CH-530a.1	Brenntag 2021 Annual Report, P. 128–136
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	P. 47–55
	Number of transport incidents	RT-CH-540a.2	P. 24–31
Activity Metric	Production by reportable segment	RT-CH-000,A	Not reported

¹All page numbers in this index (unless otherwise stated) refer to the Brenntag Sustainability Report 2021.

²Poland, Lithuania, Estonia and Latvia as well as Italy are only partially represented. For Brenntag Benelux and Multisol, data from countries in Africa are included, in which the two national companies operate.



Topic	Accounting metric	Code	References/comments ¹
Driver Working Conditions	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	TR-RO-320a.1	P. 24–31; P. 50, 54 At Brenntag, TRIR is defined as Total Recordable Injury Rate, the number of work- place accidents involving injuries that require medical treatment (beyond first aid), per one million work hours.
	(1) Voluntary and (2) involuntary turnover rate for all employees	TR-RO-320a.2	P. 44–46
	Description of approach to managing short- term and long-term driver health risks	TR-RO-320a.3	P. 47–55
	Number of road accidents and incidents	TR-RO-540a.1	P. 24–31
Accident & Safety Management	Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance	TR-RO-540a.2	Not reported
	(1) Number and (2) aggregate volume of spills and releases to the environment	TR-RO-540a.3	P. 24–31
	Revenue ton miles (RTM)	TR-RO-000,A	Not reported
Activity Metric	Load factor	TR-RO-000,B	Not reported
	Number of employees, number of truck drivers	TR-RO-000,C	P. 44–46

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