

**Connecting**Chemistry



**Sustainability Report 2016**

BRENTAG WORLDWIDE

# FACTS AND FIGURES

> 4,500

EMPLOYEES IN NORTH AMERICA

NORTH AMERICA

EUR 3.6 BN  
EXTERNAL SALES

HOUSTON  
USA

READING  
USA

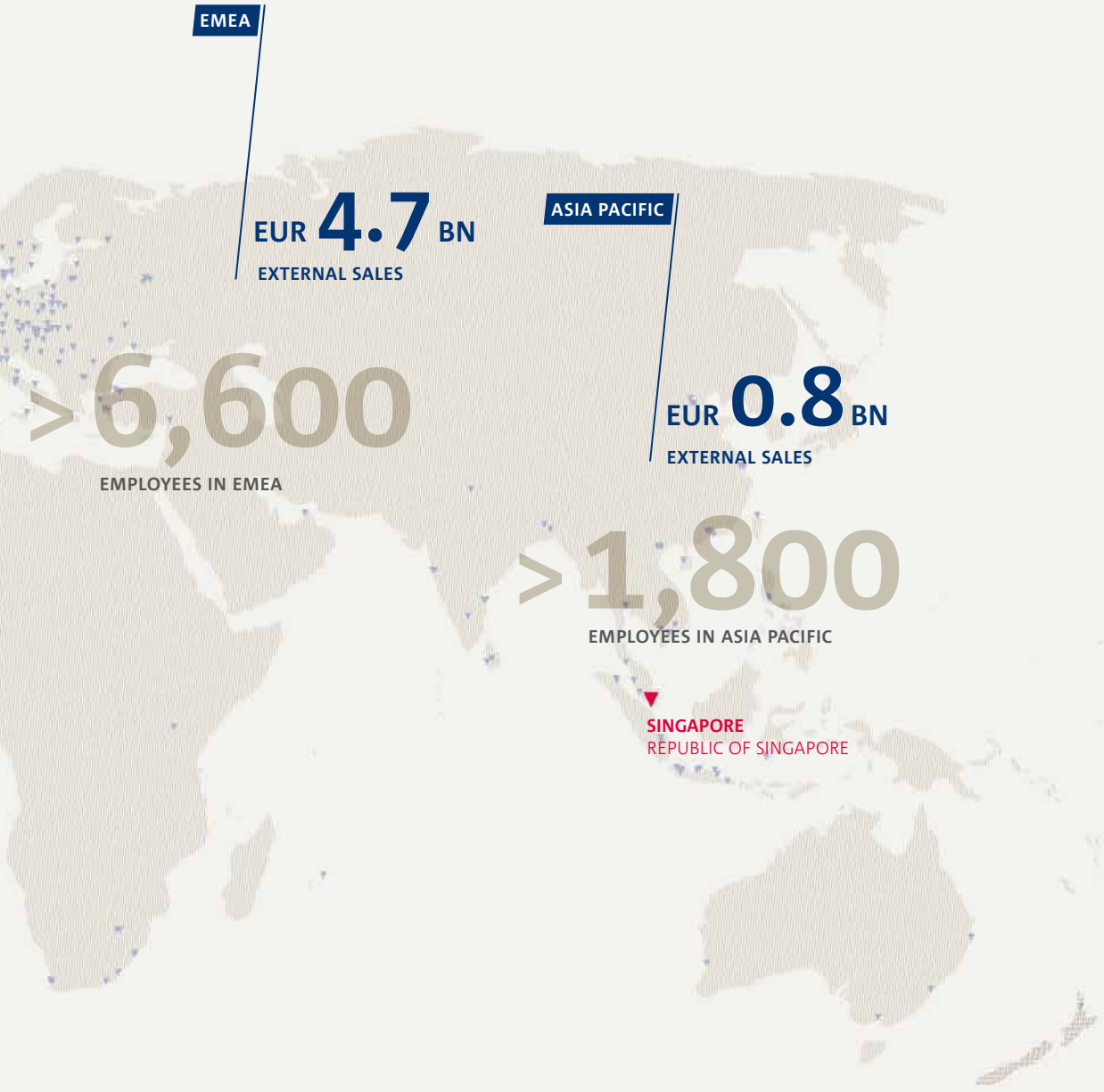
MÜLHEIM/RUHR  
GERMANY

LATIN AMERICA

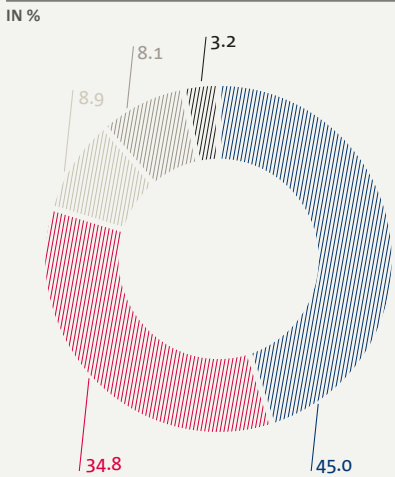
EUR 0.9 BN  
EXTERNAL SALES

> 1,500

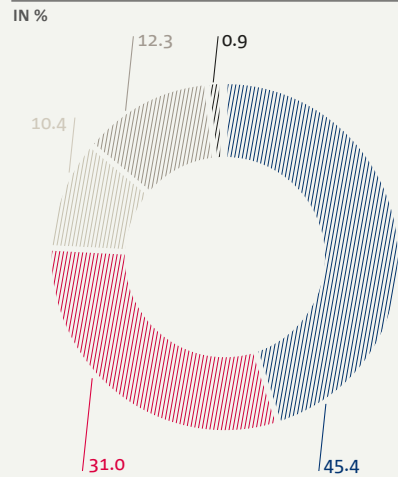
EMPLOYEES IN LATIN AMERICA



**SALES BY REGION**  
 (as at Dec. 31, 2015)



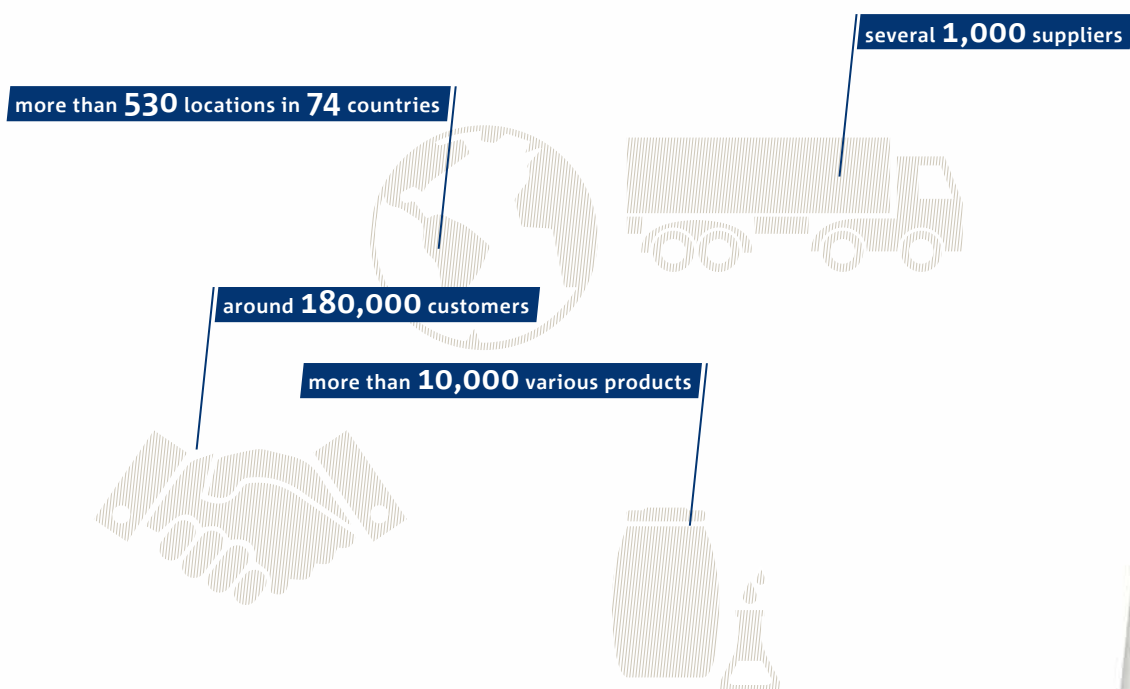
**EMPLOYEES BY REGION**  
 (as at Dec. 31, 2015)



WE ARE BRENNTAG

# ABOUT BRENNTAG

Brenntag is the global market leader in chemical distribution and is present on all of the key world markets with its wide portfolio of products and services. Headquartered in Mülheim an der Ruhr, Germany, the Group operates a global network of locations and provides its suppliers and customers with tailor-made distribution solutions for industrial and specialty chemicals. Brenntag manages complex supply chains and connects chemical manufacturers and chemical users.



## KEY FIGURES

IN EUR M	2015	2014	2013
Sales	10,346.1	10,015.6	9,769.5
Gross profit	2,266.0	2,027.5	1,945.5
Operating EBITDA	807.4	726.7	698.3
Profit after tax	368.1	339.7	338.9
Free cash flow	764.3	521.6	543.4
Employees at Dec. 31	14,707	13,870	13,297
Accident rate (LTIR) *	1.6	1.9	2.0
Employee fluctuation in %	5.8	6.5	5.8
ISO 9001 certifications % of operating sites	89	90	88

\* Number of accidents resulting in at least 1 day's absence/1 million working hours

# ConnectingChemistry

Our slogan “ConnectingChemistry” represents Brenntag’s self-image as well as its role in the chemical industry: as the global market leader in chemical distribution, Brenntag connects chemical manufacturers and users in a value-creating partnership. Brenntag’s key role in the value chain offers huge potential – but also entails an obligation to contribute towards greater sustainability in the industry.

**FOR BRENNTAG, RESPONSIBLE CORPORATE BEHAVIOUR** entails more than just commercial success. We also aim to achieve sustainable value creation. For this reason, we also consider the effects of our business activities on the environment and factor in social issues when making strategic decisions.

**THIS REPORT FOCUSES** on the issues of safety, environmental protection, responsibility in the supply chain as well as employees and social commitment. They are associated with our daily business and our service portfolio and are critical to Brenntag’s long-term business success. These key issues have been identified through a materiality assessment and on the basis of a stakeholder survey. We aim to continuously improve on our performance in these areas. For this purpose, we establish and optimize appropriate standards and processes within our international corporate structures, we sensitize our employees accordingly and we provide them with suitable training on a continuous basis. Our goal is the ongoing global development of our sustainability strategy, thus harmonizing economics with ecology and social issues within our company.

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	Imprint



More information  
online



More information  
within the report



## **WELCOME TO OUR SUSTAINABILITY REPORT.**

Brenntag is the global market leader in chemical distribution and aims to play a leading role also in the area of sustainability. We have a central position in the chemical industry's supply chain and connect manufacturers and users of chemical products in a value-creating partnership. This function is reflected in our slogan "ConnectingChemistry".

Our market leadership is based on our broad portfolio of products and services, our global footprint and business activities spanning multiple sectors. The outstanding market and technical expertise and the strong customer focus of our more than 14,000 employees

worldwide are further key factors in our success. In its long-term corporate strategy, Brenntag aims to expand its market leadership. In doing so, we rely on the organic growth of our product and service portfolio as well as on growth through acquisitions. Our "2020 vision" sets out how we intend to position ourselves in our target markets and industries in future. In the 2015 financial year, we once again successfully implemented our strategy in a challenging macroeconomic environment. We increased the results for our key figures and executed ten acquisitions amounting to more than EUR 550 million of enterprise value.

Effective July 1, 2015, the Management Board of Brenntag AG was expanded to five members. Karsten Beckmann, Markus Klähn and Henri Nejade, who have served as managers at Brenntag for many years, are providing the Management Board with additional industry knowledge, huge expertise and, above all, further international and regional experience and skills. Our company's growth is thereby also reflected in this body.



**„ALSO WITH REGARD TO SUSTAINABILITY, WE AIM TO SET STANDARDS IN OUR INDUSTRY AND WORK TO ENHANCE SUSTAINABILITY WITHIN OUR COMPANY AND ACROSS THE SUPPLY CHAIN.“**

STEVEN HOLLAND, CEO

Brenntag's market leadership and size entail a responsibility which is not limited to economic aspects alone. Our business activities affect the environment and the communities in which we operate. We are aware of this responsibility and we intend to live up to it in our daily work. We aim to achieve a continual improvement in our performance in the area of sustainability and to contribute towards greater sustainability in all the industries and applications we serve. We have made important progress here in the 2015 year under review.

In a materiality analysis, we consulted selected groups of internal and external stakeholders regarding their assessment of the significance of various sustainability issues for Brenntag. You will find the results of this analysis on page 7 of this report. On this basis, we will continue to further develop our sustainability strategy in a targeted manner. For this purpose, we have also drawn up initial sustainability targets for the period up to 2020 (see page 8) as benchmarks for us to evaluate our progress. The global energy programme introduced in the year under review will also promote greater transparency. Here, we intend to achieve savings in our energy consumption and our CO<sub>2</sub> emissions.

As a member of the chemical industry's "Together for Sustainability" initiative, in mid-2015 we requested a good 200 of our suppliers to undergo sustainability assessments for the first time. There will be further surveys on an annual basis. We will evaluate the results in order to achieve greater transparency of our suppliers' sustainability performance.

Safety is of paramount importance at Brenntag, and a strong safety awareness – safety first – is part of our corporate values. I am therefore particularly pleased that in 2015, we were able to achieve a further reduction in the Group's LTIR<sub>1 day</sub> (lost time injury rate) accident rate to 1.6. However, we are not content to rest on our laurels. We have launched the BEST initiative (Brenntag Enhanced Safety Thinking), which is intended to deliver continual improvements in our Group's safety culture. As part of this initiative, in 2015 we consulted our employees throughout our Group for the first time regarding their assessment and handling of health and safety issues in their workplaces. We can be very proud that the participation rate is at more than 80%. This shows that our employees have already developed a strong sense of respon-

sibility in relation to safety. Based on the extensive results of this survey, we have drawn up, among others, global, regional and local action plans.

Our 2016 sustainability report was prepared using the G4 Guidelines of the Global Reporting Initiative. It also serves as a progress report for the United Nations Global Compact (UNGC). As a member, Brenntag affirms its commitment to the UNGC's ten principles in the areas of human rights, labour standards, environmental protection and fighting corruption. These principles complement the standards which we apply in evaluating all of our business activities.

We are continuously working to improve and develop sustainability as a core value within our company. Thank you for taking the time and interest to learn where we are on our journey to embrace sustainability as part of our daily lives. Please feel free to send us any questions or suggestions by email to [sustainability@brenntag.de](mailto:sustainability@brenntag.de) or online at [www.brenntag.com/sustainability](http://www.brenntag.com/sustainability).

Best wishes,



**Steven Holland**

Chief Executive Officer Brenntag Group  
Mülheim an der Ruhr, June 2016

## SUSTAINABILITY AT BRENNTAG

# CONSIDER THE FUTURE

For Brenntag, sustainability means striking an appropriate balance between business, ecology and social issues in its corporate activities, and reconciling these different priorities. We do not identify success purely in terms of our pursuit and fulfilment of commercial objectives, but we also aim to achieve sustainable value creation and to live up to our responsibility towards the environment and to society at large.

Brenntag is the number one in global chemical distribution and also aims to assume a leading position when it comes to sustainability. Our portfolio of products and services as well as our key role in the chemical industry's supply chain entail numerous challenges in the area of sustainability which directly affect our business. Safety, health and environmental protection, efficient use of resources and compliance are values and goals which are deeply rooted in our company. These values are the cornerstones of our responsible practices in the interests of our employees, suppliers and customers, as well

as society as a whole – and only by living these values can we achieve success.

Sustainability is therefore a basic principle in Brenntag's business model, and one which is practised in our company's day-to-day work. We seek to consider environmental as well as social issues in our activities and to factor in the effects of our business operations when making strategic decisions. To this end, we have established corresponding standards and processes in our international corporate structures. Brenntag continuously sensitizes its employees for this issue and provides them with suitable training.

## ConnectingChemistry CREATING VALUE – A CENTRAL FUNCTION IN THE SUPPLY CHAIN

Brenntag's slogan "ConnectingChemistry" stands for our self-image as well as our objective and the promise that we make to all of our partners in the supply chain. As a provider of a full-line product portfolio and as a "one-stop-shop", Brenntag plays a key role in the chemical industry's value chain and, as a strategic partner, contributes to greater efficiency.

### CHEMICAL MANUFACTURERS

Our suppliers

- / Several thousand suppliers worldwide
- / Full-line product portfolio with more than 10,000 industrial and specialty chemical products

### PURCHASING

- / Network with more than 530 locations in 74 countries
- / Local purchasing teams and global sourcing organization with more than 1,000 experts
- / Cost of materials in 2015: EUR 8.02 billion

### TRANSPORT

### STORAGE



## 2020 VISION

- / We are the safest chemical distributor, striving for zero accidents and incidents.
- / Throughout the world, we connect chemistry by providing the most effective industry channel for our customers and suppliers.
- / We are the global leader in all our chosen markets and industries, offering the most professional sales & marketing organization in the industry, ensuring consistently high standards every day, everywhere.
- / We strive to provide a working environment where the best people want to work.
- / We aim to generate sustainable and high returns for our shareholders and all other stakeholders.

### COMPANY PROFILE

Brenntag is the **global market leader** in chemical distribution. Connecting chemical manufacturers (our suppliers) and chemical users (our customers), we provide both complete distribution solutions as well as individual chemical products.

Brenntag distributes industrial and specialty chemicals for thousands of suppliers. We maintain a global network with more than 530 locations in 74 countries in the regions North America, Latin America, EMEA (Europe, Middle East & Africa) and Asia Pacific. We serve around 180,000 customers worldwide in various end-market industries.

With its corporate strategy Brenntag pursues the goal to be the preferred distributor for both specialty and industrial chemicals for its customers and suppliers and, at the same time, the industry leader in safety, growth and profitability. Our “2020 Vision” serves as a guideline as to how Brenntag

intends to position itself in the chemical distribution market in the future, in order to continue its successful development. Efficiency, safety and responsibility towards our employees are fundamental aspects of our corporate strategy and therefore also of Brenntag’s sustainability strategy.



See the inside front cover for the **COMPANY'S KEY FIGURES** for 2015.

#### FILLING PACKAGING LABELLING

- / Repackaging
- / Filling, labelling, barcoding and palletizing
- / Local distribution and marketing teams comprising more than 5,000 experts
- / Product mixing in line with specific customer requirements
- / Blending and technical service in our own application laboratories

#### MIXING AND BLENDING

#### EXTENSIVE TECHNICAL SUPPORT

#### WAREHOUSE MANAGEMENT

- / Just-in-time delivery and inventory management
- / Return of packaging drums
- / Efficient logistics and transport management

#### PACKAGING TRANSPORT

#### CHEMICAL USERS

Our customers

Around 180,000 customers worldwide in various end-market industries, e.g.:

- / Adhesives
- / Paints
- / Oil & gas
- / Food
- / Water treatment
- / Personal care
- / Pharmaceuticals

## SUSTAINABILITY STRATEGY AND MANAGEMENT

**SUSTAINABILITY ISSUES AND MATERIALITY ASSESSMENT:** In September/October 2015, Brenntag conducted a materiality assessment which is based on the principles defined by the Global Reporting Initiative (GRI): sustainability context, materiality, completeness and stakeholder inclusiveness. This assessment was intended to determine key sustainability issues for Brenntag and its relevant **stakeholder groups**, and therefore to further develop Brenntag's sustainability strategy.



For further information on Brenntag's **STAKEHOLDER GROUPS**, please see page 13.



On **SUSTAINABILITY MANAGEMENT** at Brenntag, see page 8.

An internal group of experts was tasked with determining the key issues for Brenntag. It comprised members of Brenntag's two **sustainability committees** as well as representatives of selected Corporate Departments. On the basis of a comprehensive list of potential sustainability issues resulting from Brenntag's current activities as well as an assessment of various benchmarks, these experts were asked to determine and weight key issues for Brenntag. These are issues which may directly affect our business development, relationships with our business partners as well as our reputation. In their assessment, the experts drew upon their experiences resulting from dialogue with the stakeholders as well as their insights in relation to the competitive environment and the industry as a whole.

The results show that the understanding of sustainability at Brenntag is closely linked with the company's own value chain and that the key sustainability issues derive from our business activities and our service portfolio. More than 40 issues were identified as material within the following six categories: safety, environment, supply chain, corporate governance/compliance, employees and social responsibility.

The subsequent stakeholder survey focused on customers, suppliers and employees. The issues identified in the expert survey were forwarded to selected customers and suppliers in the form of an online questionnaire with a request for their

participation, and also made accessible to all of Brenntag's employees via its global intranet. The stakeholders were invited to assess these issues in terms of their relevance for Brenntag's long-term commercial success. They were also able to comment on these issues and indicate further issues. In total, 1,031 stakeholders took part in the company's Materiality Assessment 2015.

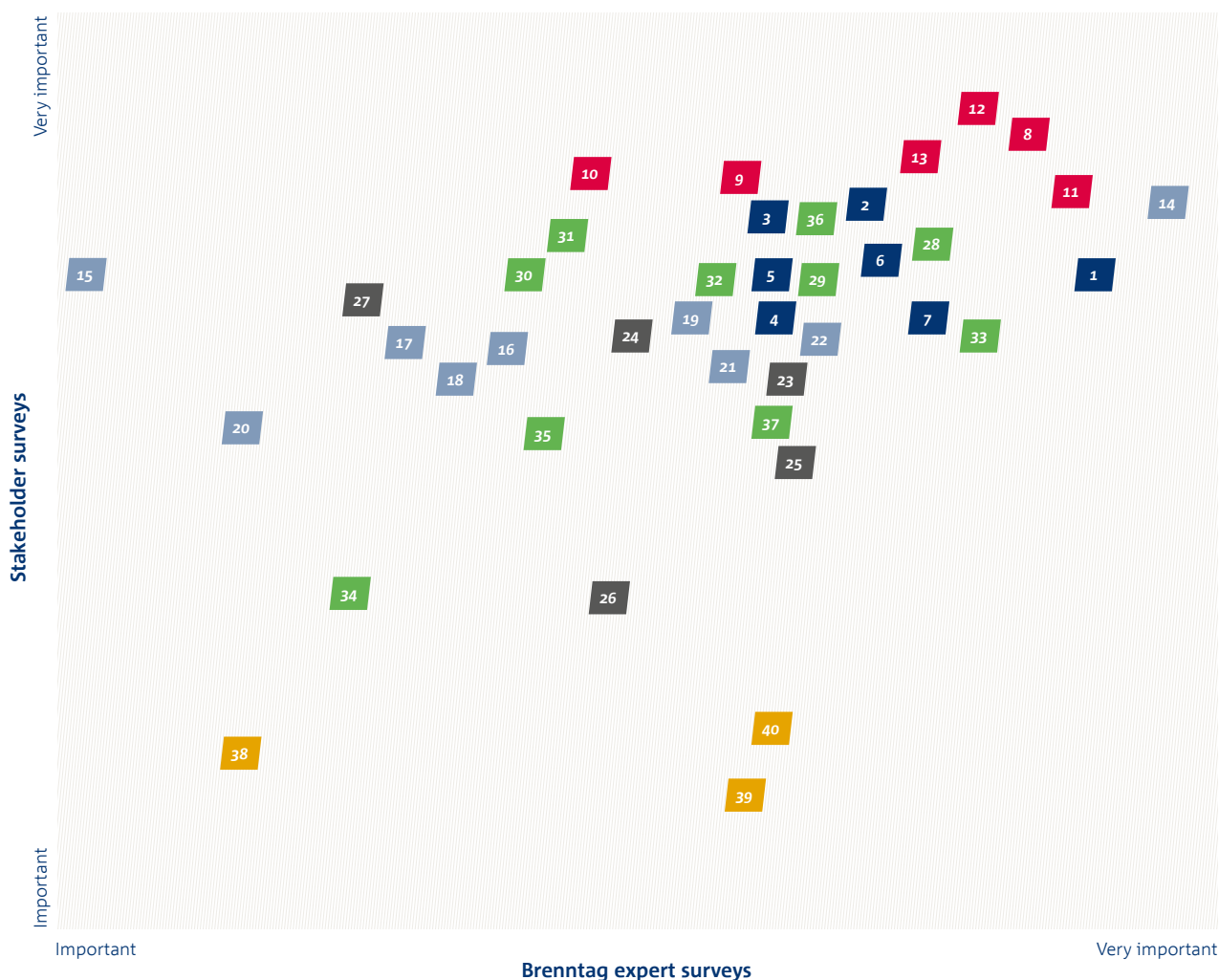
The stakeholder survey confirmed the materiality of almost all of the issues determined by Brenntag's experts, which were found to be either "important" or "very important". The results of the expert and stakeholder surveys are compared in the materiality matrix. The matrix therefore indicates the relevant sustainability issues from the point of view of Brenntag and the stakeholders consulted. The results were presented to the Management Board of Brenntag AG and discussed. As a guideline, they help to further develop the Group's sustainability approach in a targeted fashion, to initiate suitable projects to improve our sustainability performance, to prioritize measures and to provide greater focus for our reporting. The contents of this sustainability report are directly based upon the matrix. It comprises chapters on safety, environmental protection, supply chain responsibility, employees and community.

› **GRI**  
G4-18  
G4-27



MORE THAN  
**1,000**  
STAKEHOLDERS TOOK  
PART IN THE COMPANY'S  
2015 MATERIALITY  
ASSESSMENT

**BRENNTAG MATERIALITY MATRIX**



**Corporate Governance**

- 1 Compliance
- 2 Ethical/moral principles
- 3 Anti-corruption
- 4 Code of conduct
- 5 Risk management
- 6 Human rights
- 7 Anti-trust & competition laws

**Safety**

- 8 Occupational safety and health protection
- 9 Product safety
- 10 Product quality
- 11 Process safety
- 12 Safe handling of chemicals
- 13 Risk prevention

**Environment**

- 14 Protection of soil, air, water
- 15 Water management
- 16 Emissions reduction/climate protection
- 17 Resource efficiency
- 18 Energy efficiency
- 19 Environmental management
- 20 Recycling
- 21 Waste management
- 22 Transport

**Supply chain**

- 23 Sustainable procurement
- 24 Supplier management
- 25 Supplier qualification/training
- 26 Sub-contractor management
- 27 Sustainable customer solutions (products/services)

**Employees**

- 28 Personnel development
- 29 Training
- 30 Compensation and benefits
- 31 Working conditions
- 32 Work-life balance
- 33 Talent management
- 34 Diversity
- 35 Labour and social policy rights
- 36 Employee satisfaction and engagement
- 37 Recruiting

**Social responsibility**

- 38 Social/charitable commitments
- 39 Local community engagement
- 40 Participation in industry associations

› GRI G4-19

**SUSTAINABILITY MANAGEMENT:** At Group level, there are numerous strategic guidelines, policies and projects in the area of sustainability that have a global focus. Standards and processes are implemented, established and optimized. Moreover, in accordance with the Group's guidelines and objectives, Brenntag's individual companies and locations pursue a large number of activities of their own accord and in line with local and regional requirements and commitments. We raise our employees' awareness accordingly and provide them with further training. In this way, we intend to shape our sustainability strategy at a global level and to develop it further.

Brenntag has two committees working in the area of sustainability: an international project team, which consists of representatives of the areas HSE, Compliance, Human Resources, Operations, Purchasing and Communications, is responsible for the systematic development of sustainability at Group level. There is also a steering committee comprising representatives of the top management from Brenntag's various regions. This primarily serves as an interface to the operating units and is intended to reinforce integration relating to the issue of sustainability at an operational level. A sustainability coordinator who is based in Brenntag AG's Corporate Development department initiates and coordinates global projects and initiatives in cooperation with these two committees, promotes the ongoing

development of the company's global sustainability strategy and maintains a dialogue with those colleagues responsible for sustainability at Group level and in Brenntag's regions. This coordinator reports to the Management Board, which supports the work of the committees.

In 2015, the sustainability committees mainly focused on the following issues and projects:

- / "Sustainable purchasing": performance of sustainability assessments for suppliers
- / Development and implementation of a global energy reporting and CO<sub>2</sub> savings programme
- / Measures to improve Brenntag's EcoVadis scoring
- / Ongoing development of Brenntag's sustainability strategy:
  - Materiality assessment
  - Development of Brenntag's sustainability targets 2020

#### SUSTAINABILITY AT BRENNTAG: OUR GOALS

	GOALS	BY	STATUS
Safety	LTIR <sub>1 day/1 million</sub> < 1.0 for Brenntag Group	2020	LTIR <sub>1 day/1 million</sub> 2015: 1.6 (see p. 19)
Sustainable procurement	Analyze 50% of total chemical spend (in EUR) with sustainability assessments or audits as part of the Together for Sustainability initiative	2020	Achieved supplier assessments in 2015 represent approx. 3% of total chemical spend (in EUR) (see p. 30–31)
Environmental protection	Reduce Scope I and II CO <sub>2</sub> emissions (per warehouse tonne sold) by 6% (compared with 2016)	2020	Saving programme developed and implemented in 2015 (see p. 22)
Compliance	Achieve and maintain a coverage of 100% in compliance trainings for relevant employees	2017	Among others, global e-learning training for Brenntag's Code of Business Conduct and Ethics initiated in 2016 (see p. 33, 36)
Employees	Provide a working environment where the best people want to work	On-going	Various global HR projects and initiatives developed and launched in 2015 (see p. 34)
Sustainable solutions	Become preferred distributor for sustainable solutions by setting up pilot projects with 10 selected key suppliers	2020	First pilot project started in 2015
Rating	Achieve and maintain EcoVadis scoring of 62 points and gold recognition level	On-going	Scoring January 2016: 58 points, silver recognition level (see p. 31)

## ACQUISITIONS: THE DUE DILIGENCE PROCESS AT BRENNTAG

Alongside organic growth, acquisitions are the second pillar of Brenntag's long-term growth strategy. By acquiring suitable companies, we continuously expand our market presence and optimize our product and service portfolio. Brenntag has a long and successful track record of acquisitions. We have executed more than 30 transactions since 2010 alone. In the 2015 year under review, we completed ten acquisitions, amounting to more than EUR 550 million of enterprise value, in countries such as the USA, Singapore, Turkey, Spain, Germany and South Africa.

Every acquisition undergoes a thorough and comprehensive due diligence process. We hold a large number of face-to-face meetings and make many on-site visits in order to understand, analyze and assess the history, the current situation and the potential of the target business. Another element is an extensive analysis which covers, besides commercial issues such as the company's structure and financing, tax and insurance arrangements, legal affairs and its information technology system, also the fields of HSE, corporate governance/compliance and human resources.

Alongside established processes in the area of environmental protection, the target company is also required to regularly disclose any contamination that may have occurred on its sites and any remediation measures implemented in response. In the area of occupational safety, topics such as on-site safety measures and employees' personal safety equipment, among others, must be outlined. The company is likewise obliged to disclose its corporate governance structure and its compliance requirements. In the area of human resources, topics such as agreements on social benefits, retirement provision and company pension schemes as well as collective bargaining agreements must be covered.

Brenntag takes the due diligence process very seriously. Through this comprehensive analysis, we acquire an overview of the status quo of the target business and of the quality of its processes. It is only in this way that we can identify possible risks early on and consider them in further negotiations and in the company's subsequent integration into the Brenntag Group. Subsequent integration processes are planned on the basis of the information thus obtained.

In the event of the due diligence process revealing any shortcomings or if key issues remain unresolved, Brenntag will generally ask the target to permit a more in-depth review. We will then decide on a case-by-case basis how to proceed in case of insufficient clarification or even whether to terminate the negotiations outright.

Acquisitions are integrated into the Brenntag Group by way of a structured process which may unfold over a period of several years, depending on Brenntag's strategy for the company, its size and the complexity of the business. If any discrepancies are identified in relation to Brenntag standards – e. g. in terms of the issues of safety, environmental protection, human resources and compliance – a key integration objective is their rapid elimination.



For information on the company's mergers & **ACQUISITIONS** in 2015, please see pages 79 ff. of Brenntag's 2015 Annual Report.

## 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.

Using **management systems**, certificates and audits, we constantly verify and ensure compliance with the quality standards required of us and which we ourselves define. Procedures are in place at our company which are designed to ensure that products are procured from reliable sources and are of appropriate quality. 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.

Year	Locations with ISO 9001 certification (in %)
2011	81
2012	86
2013	88
2014	90
2015	89*

\* The decline is due to the acquisition of companies that are not yet ISO 9001 certified.



For the **MANAGEMENT SYSTEMS** and certifications in the fields of environmental protection and occupational safety, please see the "Environmental Protection" chapter on page 16.





## MEMBERSHIPS

- / Since November 2002: Participation in the “Responsible Care” and “Responsible Distribution” association initiatives
- / Since October 2014: Membership of the UN Global Compact
- / Since July 2015: Member of the chemical industry’s “Together for Sustainability” initiative

## CORPORATE GOVERNANCE AND COMPLIANCE

Brenntag has always attached great importance to responsible, prudent and sustainable corporate governance. With these objectives in mind, its management uses various internal **control and risk management systems** and has established a **compliance organization** within the company.

In all its business activities, Brenntag is committed to acting honestly, fairly and in good faith in its dealings with customers, suppliers and competitors as well as with its employees and the public. Every Brenntag employee is personally responsible for complying with all applicable laws, directives, policies and regulations.

**CODE OF CONDUCT:** Brenntag is a global company and is therefore subject to a large number of laws, directives, regulations and ordinances. Furthermore, Brenntag’s highest priorities are honesty and integrity. 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**.

As a central part of our compliance system, the Code of Business Conduct and Ethics encompasses the fundamental requirements for Brenntag’s overall business activities in fields such as:

- / Health, safety and the environment
- / Human rights and working conditions
- / Relationships with business partners and public institutions
- / Bribery and corruption
- / Competition and anti-trust law
- / Avoidance of conflicts of interest
- / Data privacy and information security

The Code of Business Conduct and Ethics applies to all of the Group’s employees and is intended to give them guidance in the legal and ethical challenges of their daily work and to encourage proper conduct. This Code of Business Conduct and Ethics has been translated into various languages and has been distributed throughout the entire Brenntag Group and made available to all of our employees. Its observance is monitored by the respective management teams of Brenntag’s companies. Every infringement of this code of conduct may lead to disciplinary action and is punished in line with the common company policies.

As well as the Code of Business Conduct and Ethics, there are further Group guidelines which stipulate compliance requirements, including an anti-corruption guideline which was implemented throughout the Group in May 2016.

Brenntag attaches great importance to respect for human rights within its sphere of influence. We aim to safeguard



Brenntag’s **CONTROL AND RISK MANAGEMENT SYSTEM** is described in detail on pages 122 ff. of Brenntag’s 2015 Annual Report.



Brenntag’s **CORPORATE GOVERNANCE REPORT** may be found on pages 48 ff. of its 2015 Annual Report.



The Brenntag **CODE OF BUSINESS CONDUCT AND ETHICS** is freely available in German and English on the company’s website at [www.brenntag.com/compliance](http://www.brenntag.com/compliance).





these rights through our commitment to uphold the principles of the United Nations Global Compact. In the reporting year, Brenntag did not learn of any violation of human rights within its corporate group.

**UN GLOBAL COMPACT:** In October 2014, Brenntag was the first-ever chemicals distributor to sign up to the United Nations Global Compact (UNGC). This prestigious, international, voluntary initiative aims to encourage sustainable development and social commitment. To this end, ten principles in the fields of human rights, labour standards, environmental protection and fighting corruption have been endorsed. In signing up to the UNGC, Brenntag has undertaken to enshrine these principles as an integral part of its corporate strategy. They supplement the corporate values and principles which guide our activities. This Sustainability Report is also a progress report which must be published annually within the scope of our membership ("Communication on Progress").



## UN GLOBAL COMPACT: THE 10 PRINCIPLES

**1**  
**HUMAN RIGHTS** Businesses should support and respect the protection of internationally proclaimed human rights.

**2**  
**HUMAN RIGHTS** Businesses should ensure that they are not complicit in human rights abuses.

**3**  
**LABOUR STANDARDS** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**4**  
**LABOUR STANDARDS** Businesses should commit themselves to eliminating all forms of forced labour.

**5**  
**LABOUR STANDARDS** Businesses should commit themselves to abolishing child labour.

**6**  
**LABOUR STANDARDS** Businesses should commit themselves to eliminating discrimination in respect of employment and occupation.

**7**  
**ENVIRONMENTAL PROTECTION** Businesses should take a precautionary approach to dealing with environmental challenges.

**8**  
**ENVIRONMENTAL PROTECTION** Businesses should undertake initiatives to promote greater environmental awareness.

**9**  
**ENVIRONMENTAL PROTECTION** Businesses should encourage the development and distribution of environmentally friendly technologies.

**10**  
**FIGHTING CORRUPTION** Businesses should work against all forms of corruption, including extortion and bribery.



**SHOWING PRESENCE:** Brenntag companies pursue dialogue with their customers and suppliers worldwide at the many trade fairs and events where Brenntag presents itself.

**COMPLIANCE ORGANIZATION:** At the head of Brenntag's compliance organization is the Board of Management and, within this body, its chairman. Brenntag AG's Governance, Risk & Compliance (GRC) manager regularly reports to the Board of Management on compliance issues and in urgent cases will do so immediately. Furthermore, the regular meetings of the Supervisory Board's Audit Committee include reporting on compliance and whistle-blowing as well as on the ongoing development of the Group-wide compliance management system. The Compliance Committee supports the GRC manager as an internal advisory body. This includes representatives from the areas of Legal, Audit, Accounting, Information Security, HSE as well as Human Resources.

At a regional level, the Regional Executive Management is responsible for the issue of compliance. Regional compliance managers have been appointed in Brenntag's regions who ensure close integration with our business activities 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 pass on information and experience through dialogue with Brenntag AG's GRC manager.

**TRAINING:** Our compliance programme focuses particularly on observing anti-trust law requirements as well as environmental and health protection, since it is here that Brenntag sees the greatest risks. We therefore hold regular employee training sessions covering these issues – through regional 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 and employees.

Furthermore, a global training programme for Brenntag's Code of Business Conduct and Ethics was initiated in 2016. This training programme is being gradually rolled out through

our global e-learning system. The goal is for all of our employees to have received training on the Code of Business Conduct and Ethics by the end of 2016. "Anti-corruption Activities" and "European Anti-trust Law" will be further key areas for training in 2016. This training will likewise be provided on a target-group-oriented basis through the newly implemented global e-learning tool.

**WHISTLE-BLOWER SYSTEM:** Tried-and-tested processes are in place at Brenntag for the orderly acceptance and processing of Group-wide complaints and reports. Our employees can report relevant information either to their direct line manager, to the regional compliance manager or alternatively via a central email address. Third parties can also submit complaints and report violations by getting in touch with the compliance contact indicated on Brenntag AG's global 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. These processes are managed by Brenntag AG's GRC manager. Email addresses have also been set up at a regional level. The regional compliance managers receive and assess any incoming reports and initiate appropriate measures, where necessary.



On the issue of **E-LEARNING** at Brenntag, see pages 33 and 36.

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

Year	Number of confirmed compliance incidents*
2013	8
2014	12
2015	12

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

## STAKEHOLDERS

Brenntag engages in regular, transparent and target-group-specific dialogue with its stakeholders. Brenntag aims to notify its various target groups promptly and appropriately regarding developments at Brenntag and its objectives, thus enabling its 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 well as specific business-related issues, sustainability issues such as safety, the environment, the supply chain and compliance also regularly feature in these discussions. A good flow of information in every direction therefore contributes to Brenntag's commercial success and enables the company to fulfil its social responsibility.

Our stakeholders include those interest groups that are significantly affected by the economic, ecological or social impact of our business or who may be so

in future. They also include groups that may influence the economic, ecological or social impact of Brenntag now and in the future.

### The following persons and entities are Brenntag's key stakeholders:

- / Suppliers
- / Customers
- / Employees
- / Investors and analysts
- / Journalists
- / Governments and authorities
- / Associations and organizations
- / Neighbours and local residents, local communities

The Brenntag Group pursues dialogue with its stakeholders in various ways. Due to the nature of the business model, our employees maintain close contact with suppliers and customers on a day-to-day basis. Systematic customer and supplier surveys are also regularly carried out. We pursue dialogue with business partners worldwide at the many trade fairs where Brenntag presents itself and its portfolio. Brenntag maintains an active dialogue concerning industry-specific issues as a [member of relevant technical and industry associations](#) at a local, regional and international level. Brenntag's Corporate Investor Relations and Communications departments regularly and promptly notify investors, analysts, journalists, etc. of developments within the company, e.g. by presenting the company at road shows, in analyst conference calls, press conferences and events as well as via the company's website.

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 personnel managers responsible. Many Brenntag companies also offer employees the opportunity to contribute ideas, e.g. by means of a company suggestion scheme. At its various locations, Brenntag pursues lively dialogue with local residents and local authorities. Open days or events such as the "Long Night of Industry", which took place at its German location in Duisburg in October 2015, provide the opportunity to inform the general public about Brenntag and to get to know one another.



You will find a **LIST OF BRENNTAG'S KEY MEMBERSHIPS** in the Sustainability Management section of our website at [www.brenntag.com/sustainability](http://www.brenntag.com/sustainability).

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## SAFETY

# SHARPENING AWARENESS



For details of Brenntag's "2020 VISION", see page 5.



For details of ENVIRONMENTAL PROTECTION at Brenntag, see the chapter starting on page 22.

Safety is part of the Brenntag corporate strategy and is the highest priority in our "2020 Vision". We want to be the safest chemical distributor worldwide, which is why we operate in line 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 the statutory requirements. We are working continuously to further enhance safety within our company. We invest in our infrastructure and train our employees with this goal in mind.

## HSE STRATEGY AND MANAGEMENT

Brenntag has implemented a global health, safety and environment (HSE) strategy. This encapsulates our principles in the areas of safety, product stewardship, the environment, adherence to laws (compliance) and quality. The global strategy is implemented in the regions as part of their own HSE programmes. Our HSE manuals define processes, procedures and measures that are implemented at the regional sites.

Regional HSE officers and location teams are responsible for coordinating the programmes and measures. Together with the central Corporate Health, Safety & Environment department, they form Brenntag's global HSE network. They regularly share their experiences, develop measures to remedy identified deficits and work together on further improving the company's safety culture. Compliance with the HSE programme is reviewed through regular internal and external audits.







#### HSE AT BRENTAG: OUR APPROACH

##### Commitment to the principles of our Responsible Care/Responsible Distribution programme

- / Product stewardship and product safety
- / Occupational health and safety, including transportation
- / Comprehensive protection of the environment (air, water, soil, raw materials and waste)

##### The Brenntag approach

SAFETY AND A SAFETY  
CULTURE AROUND THE  
WORLD

HSE PROGRAMMES  
AND REGULAR  
TRAINING

CLEAR GUIDELINES  
AND PROCEDURES

APPROPRIATE  
TECHNOLOGY

REGULAR  
INTERNAL AND  
EXTERNAL REPORTING

Brenntag manages HSE data in various databases at regional level and also forwards them to the company's central HSE department. The environmental risks and historical data are recorded and evaluated at each individual location together with external experts. This allows conclusions to be drawn about potential contamination, among other things. This information is collated in an environmental database which also serves as a basis for determining environmental provisions and is an instrument for organizing necessary environmental remediation work.

Brenntag has implemented various management systems in the field of HSE in order to ensure its compliance with applicable standards. Our performance is also regularly documented by independent third parties on the basis of assessments and certifications. In the year under review, SQAS-ESAD assessments were successfully completed by 14 Brenntag UK & Ireland locations and 13 Brenntag GmbH locations in Germany, among others.



The **ICCTA** was renamed the International Chemical Trade Association (ICTA) in February 2016. For more information, go to [www.icta-chem.org](http://www.icta-chem.org).

Certified and assessed operating locations (in %)*	ISO 14001	OHSAS 18001	SQAS-ESAD** (Europe)
2011	27	18	63
2012	26	18	68
2013	28	17	69
2014	26	17	69***
2015	26	17	73

\*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.

\*\*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 HSE and quality management system of chemical distributors and is associated with the Responsible Care/Responsible Distribution industry initiative.

\*\*\*In the 2015 Sustainability Report, accidentally the incorrect figure of 79 was reported for 2014 due to a counting error.

## PRODUCT STEWARDSHIP AND SAFETY

Brenntag takes appropriate measures to ensure the proper handling of our products while they are under the Group's stewardship. These measures include procurement, packaging, classification and labelling, handling, storage and transportation. We produce product dossiers and safety instructions and see to disposal. We act in accordance with the applicable standards and regulations and also cooperate closely with the industry's national and regional umbrella associations which our national organizations belong to.

## RESPONSIBLE CARE/RESPONSIBLE DISTRIBUTION:

For many years now, Brenntag has taken part in the Responsible Care/Responsible Distribution (RC/RD) programme of the International Council of Chemical Trade Associations (ICCTA). As such, we implement the eight guidelines 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

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**PETER WIRTH,**  
assessor at  
green duck GmbH

"In the course of the SQAS-ESAD assessments conducted at 13 Brenntag locations in Germany in 2015, I was able to determine that a global HSE strategy is in place and that the principles stipulated within the strategy regarding safety, product stewardship, compliance, responsible care, the environment and quality are actively practised. I encountered highly motivated Brenntag employees at all of the locations and their dealings with each other were frank and honest. Particularly noteworthy is the employees' highly specific expertise in the areas of storage, dangerous goods and cargo securing. There was an overall pleasant and open atmosphere during the audits. The recommendations and comments that I made were taken on board immediately and were implemented positively."





Brenntag's implementation of the contents of the RC/RD programme is reviewed by external experts. Brenntag's environmental performance and safe handling of chemicals are thus documented by independent third parties. Our national organizations are regularly recognized for their achievements following such audits: among others, the Indonesian subsidiary PT. Brenntag received a gold Responsible Care Award in the year under review for the processes implemented and measures taken in the areas of employee and distribution safety and involvement of the community in its emergency plans and exercises. In July 2015, Brenntag Ecuador received a second Responsible Care Award from Ecuador's Association of Chemical Producers, APROQUE. The company achieved the highest performance level of all the businesses evaluated.

Year	Proportion of Brenntag legal entities participating in the RC/RD programme (in %)
2011	67
2012	67
2013	70
2014	76
2015	76

Due to the fact that there is no RC/RD programme offered by national organizations in every country in which Brenntag operates, we are currently working on developing an internal solution for Brenntag to ensure that we adhere to and can evaluate the guidelines in force in these countries.

To ensure effective and systematic chemicals management, data that are necessary for the safe handling of our products during storage, transport and within the supply chain are stored in central databases at Brenntag. This data is therefore available to most of the Group, and in this way it is possible, for example, to implement all amendments to European laws simultaneously in all countries and make them accessible to the staff. Further Brenntag organizations are continuously signing up to these databases.



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

**REACH:** Since June 1, 2007, regulation (EU) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) has formed the European legal framework for the safe handling of chemicals in order to protect the environment and human health. The regulation prescribes mandatory provisions for the production, import, handling and use of chemical substances as they are and when mixed. One of the cornerstones of REACH is the mandatory registration on the part of manufacturers and importers. The final deadline for registering substances will expire at the end of May 2018.

As part of its business operations as a distributor, importer, formulator and, in certain cases, as a producer of chemicals, Brenntag is affected by REACH in many ways. With our transnational REACH team, consisting of a European network of experienced HSE and REACH experts, Brenntag is well equipped to meet the numerous requirements of the REACH regulation in full.

Our REACH-trained product and sales managers are able to proficiently address the wishes of our suppliers and customers:

- / Ensuring a REACH-compliant supply and usage system
- / Safeguarding optimal communication within the supply chain
- / Support in relation to many REACH-related issues
- / Assistance with imported substances
- / Identifying alternative substances

### **OCCUPATIONAL SAFETY**

The health and safety of our employees are our top priority. Brenntag continually works towards improving the company's safety culture and takes necessary and appropriate measures to prevent accidents and incidents.

An important element here is regular training for our employees, 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. Training is given by internal HSE managers and also by external experts, both in the form of face-to-face events as well as digitally. Brenntag is also continuously investing in its equipment and infrastructure so as to optimize plant safety and work processes at its locations and thus further minimize safety risks and sources of accidents. These range from simple construction measures to better separate forklift trucks from pedestrian traffic, for example, to acquiring safer, automated filling systems.

Accidents at work, near misses and similar occurrences are recorded and evaluated centrally according to a standardized system. Any important conclusions are communicated throughout our organization. The assessment findings and the measures derived from these are incorporated into the global HSE guidelines, regional HSE manuals, and prevention and training measures. In this way, the guidelines regarding the selection of and dealing with external companies, which, for example, carry out construction and maintenance work at Brenntag locations, have been extensively expanded. They now apply to the Brenntag Group as a whole.

This ongoing process of improvement has enabled us to steadily reduce the number of reportable industrial accidents within the Group. There were no fatal accidents in the year under review.



Year	Group accident rate LTIR <sub>1 day</sub> *
2011	3.0
2012	2.5
2013	2.0
2014	1.9
2015	1.6

\* LTIR<sub>1 day</sub> (Lost Time Injury Rate): number of industrial accidents resulting in at least one day's absence from work per one million working hours. We switched from a Group accident rate of LTIR<sub>3 days</sub> (3 days/1 million working hours) as our performance indicator to LTIR<sub>1 day</sub> in the year under review.

Brenntag's primary objective is to prevent all accidents and incidents. That is why rather than resting on our laurels, we continually endeavour to further improve our safety culture. For this purpose, we initiated the **Brenntag Enhanced Safety Thinking (BEST)** programme in the year under review. This focuses on human behaviour, which is the primary cause of accidents in more

than 80% of cases. The aim of the programme is to increase our employees' awareness of their own safety-related behaviour. Brenntag's first Group-wide employee survey on safety-related behaviour was conducted in 2015 as part of the BEST programme. Plans of action and measures were and are being developed and implemented on the basis of the survey results, with a view to promoting safe behaviour in all areas of work and at all levels.

Below are a number of practical examples from our regions, giving an insight into the safety culture at Brenntag:

At Brenntag Northeast in the USA, representatives from almost every company division founded a committee in 2014 to work together to achieve maximum safety in the working environment. In an exemplary manner, this group of employees has repeatedly succeeded in raising their colleagues' awareness of safety issues by means of a newsletter and clever ideas and campaigns, bringing room for improvement to their attention and improving the safety processes and infrastructure at the Brenntag Northeast sites. For example, the evacuation procedures were revised, new evacuation zones were created and windsocks were put in place to help to facilitate a quick

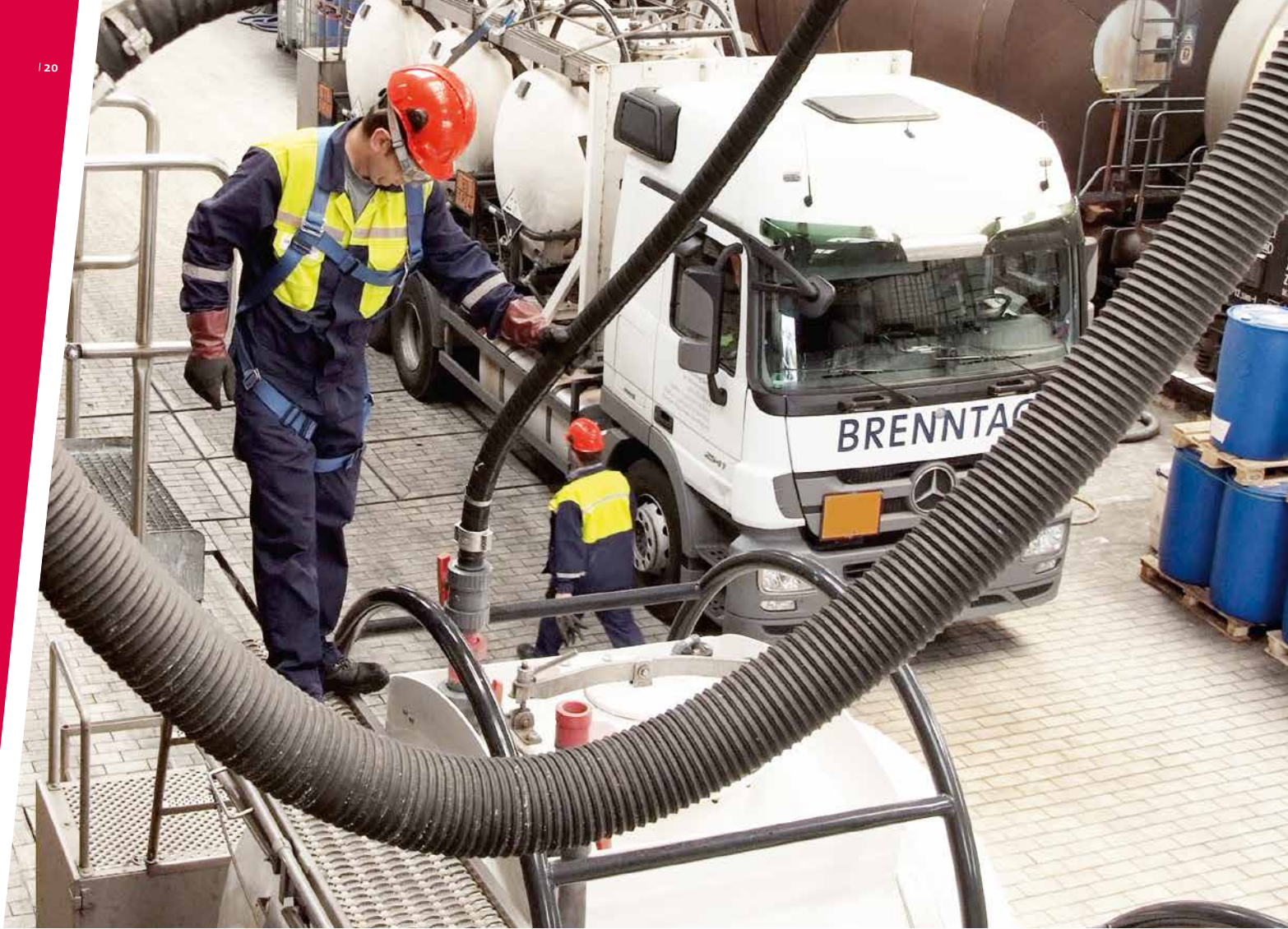
For more details on the Brenntag Enhanced Safety Thinking (BEST) programme, see the case study on page 21.

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**A SAFE WORKING ENVIRONMENT:** Brenntag's employees receive training covering the correct use of machinery and equipment and wear suitable personal protective gear.





**CASA** stands for quality (CALIDAD), health and safety (SEGURIDAD & SALUD) and the environment (MEDIO AMBIENTE).



and safe evacuation in the event of an emergency. The existing fire alarms and extinguishers, spill kits, eyewashes and showers were marked on the site maps. There are now also regular warehouse inspections conducted by a multi-departmental group of employees ("Management by Walking Around"): thanks to their impartiality, these employees can spot hazard sources that are otherwise easily overlooked in day-to-day work. Safety awareness at the warehouses has improved again considerably and communication has become much more open since these walkabouts were introduced.

Occupational safety is an integral part of Brenntag Latin America's comprehensive **CASA programme**. A health and safety week involving workshops and informative events is held every year at all of the region's locations as part of this programme. There are demonstrations and exercises, e. g. covering the correct use of protective clothing, emergency procedures, responsible driving and healthy lifestyles. The employees are offered free health check-ups, as are their family members in many cases. A high degree of safety awareness has developed among the employees as a result. Together with regular training sessions and the established safety measures and processes, Brenntag Latin America has succeeded in considerably reducing its accident rate over the past five years thanks to the CASA programme. Not a single accident-related day of absence was recorded in the 2015 reporting year.



## CASE STUDY

### BRENNTAG ENHANCED SAFETY THINKING (BEST): OUR PATH TO EVEN GREATER SAFETY

The global Brenntag Enhanced Safety Thinking (BEST) programme launched in 2015 is a so-far unique project at Brenntag in terms of its comprehensive, worldwide approach and scope. It demonstrates once again how important the issue of occupational safety is to our company and that we are not going to simply settle for the positive development in the incidence of accidents which has been achieved over the past few years.

BEST focuses on the safety-related behaviour of Brenntag employees at all levels of the company. The programme is based on the Safety Behaviour Standard, a framework encompassing the key behaviours expected at Brenntag that contribute to creating a safe environment and safe work. These are compared to behaviours that jeopardize safety and which we want to avoid (“dos and don’ts”). The standard was developed with the assistance of the behavioural psychologists at the Keil Centre. It is based on the findings of 19 workshops held in all of the Brenntag regions at which examples of good and bad company practice, observations and requirements were collated.

This standard then served as the basis for a global employee survey conducted in the fourth quarter of 2015. All Brenntag employees and managers in the areas of sales, operations and administration as well as the top management, were called upon to take part. Before the survey was conducted, the Keil Centre trained 38 HSE experts from all the regions as “BEST facilitators”. The survey was issued in paper form and online and also included 364 workshops at which more than 3,600 employees were taken through the survey personally by the trained facilitators. A total of 11,321 employees took part in the survey, which represents an excellent participation rate of 81.3%.

The survey provided Brenntag with a comprehensive and detailed picture of the safety culture practised within the company and gave it an insight into the employees’ needs in this area. The results were evaluated in the first quarter of 2016, after which initial global, regional and local plans of action were developed in order to promote safe and remedy hazardous behaviours. Additionally, three global themes were identified which Brenntag will focus on as it continues to develop the company’s safety culture:

1. More regular and more in-depth communication of all safety-related aspects, to further raise risk awareness within the company (e.g. by means of reports on real cases and training in the safety standard)
2. Empowering employees to get more involved in safety projects and initiatives and to take ownership for safety
3. Greater visibility of safety leaders within the company that get their employees on board with this topic

#### SAFETY BEHAVIOUR STANDARD

THEME	EVERYONE	SUPERVISORS	MANAGERS
Standards	Follow rules	Ensure compliance	Set high standards
Communication	Speak up	Encourage the team	Communicate openly
Risk Management	Be mindful	Promote risk awareness	Confront risk
Involvement	Get involved	Involve the team	Involve the workforce

The Brenntag “Safety Behaviour Standard” defines sets of expected and undesired behaviours for the three main groups of employees – “Everyone”, “Supervisor” and “Manager” – in the four common themes “Standards”, “Communication”, “Risk Management” and “Involvement”. In the field of “Communication”, for example, we expect all employees to immediately intervene when noticing hazardous behaviour, regardless the position of the people involved.

## ENVIRONMENTAL PROTECTION

# USING RESOURCES IN A TARGETED MANNER

Protecting the environment has always been of importance to Brenntag. We endeavour to save resources or use them optimally around the world, and to minimize the impact that our business activities have on the soil, water and air. At our locations we implement diverse measures in order to use electricity, fuel, water and other resources as efficiently as possible and to reduce our emissions. At the same time, Brenntag supports its customers with sustainable solutions and helps to preserve the environment with ecologically efficient products, processes and services.

**ENERGY REPORTING AND CO<sub>2</sub> SAVINGS PROGRAMME:** In 2015, Brenntag developed a Group-wide energy and CO<sub>2</sub> savings programme in order to make its own energy consumption more transparent. The locations' energy consumption figures are being recorded per quarter and compiled centrally. This data is then used to identify future energy saving potential. To complement this reporting, the employees in the Brenntag regions share their best-practice experiences and their successful energy saving measures. As this reporting was first introduced at the end of 2015, there is no consolidated Group-wide data available for the year under review. We are therefore showing the figures for the first quarter of 2016 as an example only. We will report full-year figures for the Brenntag Group starting with the 2016 financial year.

#### ENERGY CONSUMPTION BRENNTAG GROUP JANUARY – MARCH 2016

	Electricity (in mwh)	Gas (in mwh)	Diesel (in 1,000 litres)	Petrol (in 1,000 litres)	Others* (in 1,000 litres)
Total	37,343	62,456	7,804	1,327	1,169
Per 1,000 tonnes product sold	11.31	18.92	2.36	0.40	0.35

\* Gas oil, Kerosene, Propane

#### CO<sub>2</sub> EMISSIONS\* BRENNTAG GROUP JANUARY – MARCH 2016

	Scope I	Scope II	Scope I+II
Total (in tonnes)	15,787	37,789	53,576
Per 1,000 tonnes product sold (in tonnes)	4.78	11.45	16.23

\* CO<sub>2</sub> emissions are calculated for electricity on the basis of the respective country-specific factors, in accordance with the Green House Gas Protocol Factors (2012), and for all other energy types on the basis of the energy-specific factors defined in the UK Government GHG Conversion Factors for Company Reporting (2016). These data do not include the following operating units: Brenntag International Chemicals and all units in Africa and the Middle East.





# 40,000

CUBIC METRES OF  
DEMINERALIZED WATER  
PER ANNUM ARE PRO-  
DUCED AT BRENTAG  
ITALY BY USING INDUS-  
TRIAL WATER.

FOR THIS PURPOSE,  
RAINWATER AND  
PRODUCTION WASTE  
WATER ARE CLEANED IN  
MODERN WASTE WATER  
TREATMENT PLANTS.

## INTERNAL EFFICIENCY MEASURES

Brenntag's locations around the world implement a wide range of measures based on the local and regional parameters and legal requirements and depending on their specific areas of activity, all with the common aim of making the business as resource-efficient as possible. The data collected in the course of the HSE programmes implemented and in the energy reporting introduced at the end of 2015 give an insight into the type and volume of resource consumption. The measures focus on water and energy consumption, waste reduction, and transport and fleet management. The following practical examples from Brenntag's regions provide an insight into the numerous measures which our company has implemented to manage the issue of resource efficiency.

**WATER:** In the production of ammonia water, the Brenntag location in Høsten, Denmark, uses demineralized water made locally in an own plant installation. Those plants need to be regenerated with tap water regularly. Due to a newly installed system, fifty cubic metres of demineralized water can now be made, compared to the previous output figure of just six cubic metres, before the regeneration process with two cubic metres of tap water is necessary. Thanks to this investment, the location's water consumption was reduced from more than 10,000 cubic metres in 2013 to less than 3,000 cubic metres in 2015.

Brenntag Italy produces approximately 40,000 cubic metres of demineralized water per annum in a very resource efficient way by using industrial water.

See "Safety" chapter  
from page 14.



**CASA** stands for quality (CALIDAD), health and safety (SEGURIDAD & SALUD) and the environment (MEDIO AMBIENTE).

For this purpose, rainwater collected and processed at the locations and production waste water are cleaned by means of reverse osmosis in modern waste water treatment plants. The demineralized water produced in this way is then used in other processes and procedures such as in chemical dilution.

Brenntag Latin America regularly records the water consumption at all of its locations as part of its extensive **CASA programme**. This enables the region to document, analyze and manage the volume and type of consumption over time and to implement various efficiency measures. For example, rainwater is collected at a number of locations for use in the sanitary facilities, for emergency showers and fire extinguishing systems, to irrigate green spaces and in the production process. The higher water consumption in the year under review is attributable to the increase in the number of company locations in Latin America and changes in the product portfolio – e.g. in the course of integrating the specialty chemical distributors Gafor Distribuidora und SurtiQuímicos acquired in 2014.

#### BRENNTAG LATIN AMERICA

	2015	2014**	2013
Water consumption per tonne of goods sold* (in litres)	80.0	69.3	94.1
Total water consumption (in millions of litres)	86.0	73.2	77.0

\* Warehouse sales

\*\* In the 2015 Sustainability Report, accidentally incorrect figures were reported for 2014 due to a counting error.

Brenntag Caribe in the Dominican Republic was the winner of the National Cleaner Production Award at the end of 2015, thanks to its holistic approach to environmental protection. The company made impressive progress in the reduction of its water and energy consumption, and developed very positively in the area of waste management. For example, from

2013 to 2015 water consumption at the location in Santo Domingo was reduced by 46%. Brenntag Caribe submitted full documentation of the relevant projects and the results achieved to the country's Ministry of Environment and Natural Resources as proof of the steady improvement in its environmental management processes. An evaluation committee visited the premises to validate the practical implementation on site.

**ENERGY:** A photovoltaic system that generates approximately 150 megawatt-hours of electricity per annum was installed on the roof of the Brenntag location in Mouscron, Belgium, in April 2014. More than 70% of this electricity is used for the local production processes, accounting for a good 20% of the location's entire energy requirements on average. The surplus solar electricity, which is primarily generated at the weekend and in the summer, is fed into the public grid. Brenntag only has to cover the costs of maintaining the solar system, which was installed by an external service provider and is financed by means of third-party green energy certificates. An additional energy audit resulted in further efficiency measures being implemented in Mouscron, such as tube lighting being replaced by LED lamps in various production areas and energy-efficient compressors being purchased.

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#### OUTSTANDING ACHIEVEMENT:

In late 2015, Carlos Rodríguez, CASA Manager at Brenntag Caribe, received a "Cleaner Production Award" for the environmental protection improvements introduced.





## TYPICAL TYPES OF BRENNTAG PACKAGING: A HIGH PROPORTION OF REUSABLE PACKAGING



For liquids/solids



TRUCKS

TANKERS

For solids



SACKS

Brenntag markets solid and liquid chemicals. The packaging used depends on the product type and the quantity supplied. The typical means of transport and packaging types are tankers and trucks, sacks, and various metal and plastic containers.

The majority of these are reusable forms of packaging which are used safely by Brenntag and its customers for many years. Agreements have been made with the manufacturers and third-party service providers for the used units to be returned and professionally cleaned and, if necessary, for damage to be remedied. There is therefore a great amount of reconditioned units in circulation at Brenntag, and as such we take a leading role in the industry. The large proportion of reusable packaging and reconditioned units within our company contributes to reducing the resources used to manufacture new packaging and reducing waste overall.

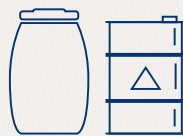
In addition, Brenntag frequently uses product-dedicated containers, i.e. they are only ever refilled with the same product. This is the case with, for example, the IBC (intermediate bulk container) units made of steel, which are usually used to hold flammable solvents. Product-dedicated refilling dispenses with the need to clean the units, thereby saving water and other cleaning agents, and thus reducing the impact on the environment.

For liquids



IBC

Steel/plastic



DRUMS

Steel/plastic



SMALL CONTAINERS

Steel/plastic



**Around 10 million** of these chemical packaging units are in circulation worldwide (at Brenntag and its customers), with a capacity in excess of **1 million tonnes**.

particularly sustainable



### High-grade steel IBC

- / No cleaning necessary, as product-dedicated refilling
- / Long useful life of 15–20 years
- / Rate of turnover: approx. 6 times per year (in Germany)
- / 100% recyclable

**EXPERTS:** Brenntag's employees have in-depth expertise in the fields of chemicals, components, procedures, processes and application technologies. They assist our customers in developing tailored formulations.



After an energy audit at the Brenntag Italy site in Trezzano at the end of 2015, a pilot project was initiated to test various efficiency measures and assess their impact on energy consumption in order to improve energy management. The potential measures include replacement of the forklift battery chargers, the use of highly efficient lighting systems and installing inverters for electric and compressor motors. Based on a thorough cost-benefit analysis, a decision will then be made as to which measures are to be implemented and the timing.

Thanks to modern lighting systems newly installed at six Brenntag North America locations in 2015, the consumption was reduced by more than 755,000 kilowatt-hours or 55% year on year.

**WASTE/RECYCLING:** The Brenntag locations 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 type and volume of the

business. In this context, we maintain a close dialogue with manufacturers and with the national umbrella associations of chemicals dealers, with the common goal of reducing the volume of waste in the industry and increasing recycling rates. By giving its employees intensive and regular training in the handling, storage and transportation of chemical products, Brenntag also ensures that unnecessary waste is avoided right from the outset and that the volume of waste is reduced.

#### **TRANSPORT/FLEET MANAGEMENT**

As a distributor, Brenntag maintains its own fleet of vehicles. To keep fuel consumption and harmful emissions to a minimum, our locations implement structured transport logistics to avoid unnecessary trips and to make the routes and trips taken by our trucks as efficient as possible. Additionally, fuel-efficient driving is part of the regular training undergone by the Brenntag drivers.

Many Brenntag companies use telematics systems in order to optimize the use of their vehicle fleets. On-board computers log data including driving times and durations, the number of stops, the maximum speed, the kilometres driven and fuel consumption. This information is transmitted back to the depot and is usually also linked to upstream and downstream business management software systems, allowing details of the goods transported and information about the individual drivers, their trips and the vehicles to be compiled, tracked and analyzed.



Another advantage of these on-board units is that they directly foster safe and environmentally efficient driving. Visual and acoustic signals warn the driver when the permitted driving time has been reached. Vehicle handling in terms of driving speed, engine speed, acceleration, braking and engine idling is also visualized.

### PROTECTION OF SOIL, WATER AND AIR

As well as the efficient use of resources, environmental protection plays a key role at all the Brenntag locations. We work continuously on minimizing the environmental impacts of our business activities on the soil, water and air. Various measures and arrangements such as investments in the infrastructure, optimized work procedures and employee qualifications are implemented with a view to identifying and controlling environmental risks early on and to avoid environmental incidents. Brenntag's locations in all of its regions fully comply with the applicable rules

and regulations relating to the protection of the environment and also fulfil our Group's stringent environmental and safety standards.

Due to their many years of industrial use, there is historical soil and groundwater contamination at many Brenntag and acquired locations, which we are combatting with appropriate rehabilitation measures. A comprehensive assessment of the environmental impact of all our locations was conducted for the first time in 2003/2004 by means of an extensive "Environmental Evaluation Questionnaire" and site visits by independent experts. The soil and groundwater situation at all the locations has since been reviewed and recorded annually in cooperation with external partners, and the necessary rehabilitation measures have been 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.

All of Brenntag's locations implement suitable environmental protection measures that vary in their form and extent, depending on the work performed, the legal requirements in the country and the location's construction history. Basic measures include multilayer soil protection in warehousing areas, double-walled tanks for acids and alkalis, 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 takes the appropriate steps to rectify the problem, clean up and dispose the chemicals as quickly as possible. Such spillages are recorded, categorized and evaluated using a standardized system.

### SUSTAINABLE SOLUTIONS FOR OUR CUSTOMERS

Brenntag employees have in-depth expertise in the fields of chemicals, components, procedures, processes and application technologies. They are experts in the respective customer industry, cooperate closely with the manufacturers and are familiar with applicable safety and quality regulations. Our technicians who work in numerous application industries assist our customers in developing tailored formulations and advise them on ways to optimize the use and handling of the products.

Brenntag thus helps to improve the level of efficiency within the supply chain and its customers' productivity and their optimized use of resources. The following examples illustrate the added value associated with our services.



See case study on page 28.

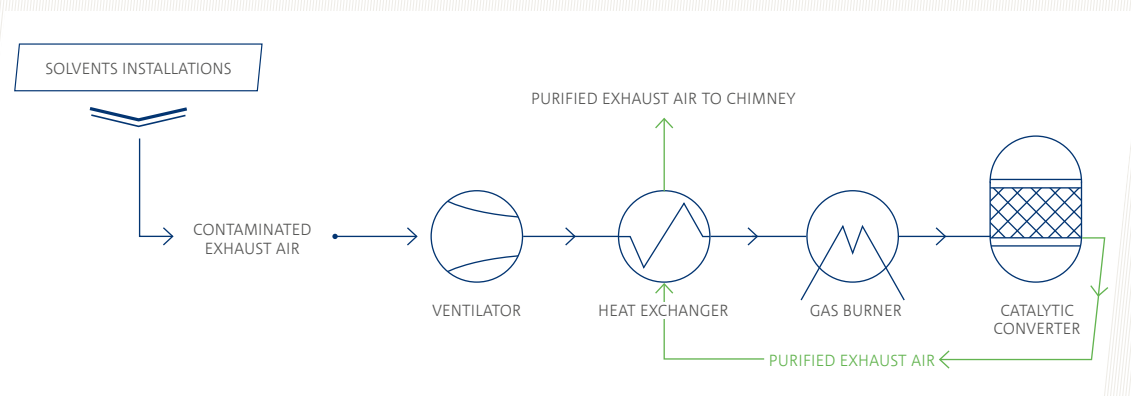


## CASE STUDY

### CATALYTIC OXIDATION: EXHAUST AIR PURIFICATION AT THE BRENNTAG SITE IN WIENER NEUSTADT, AUSTRIA

The Brenntag location in Wiener Neustadt, Austria, runs a highly efficient exhaust air purification system which ensures that the vapours produced when solvents are processed are not released into the environment and that only purified exhaust air is released. The air is purified by means of catalytic oxidation. The exhaust air containing solvents is sucked away directly from various installations and workplaces at the plant and is fed into the purification system. Here it is preheated by a heat exchanger, before being brought up to operating temperature by a gas burner. A combustion process then occurs in the catalytic converter in which the solvents are

oxidized to become harmless carbon dioxide. The purified exhaust air can be released directly via a chimney, as it falls within the relevant statutory clean gas values. The advantage of catalytic oxidation is its comparatively low energy requirements, as the chemical reaction can occur at relatively low temperatures of approximately 300 degrees Celsius. In addition, this system involves the purified, hot exhaust air then being used to preheat the as yet unpurified air in the heat exchanger.



**WATER TREATMENT:** Two examples taken from Brenntag Northeast in the USA demonstrate how holistically our experts provide advice to their customers and how tailored solutions come about. The task presented to Brenntag Northeast by a new customer in the paper and pulp industry who produces printed corrugated board was to optimize its plant's waste water treatment chemistry by reducing the biochemical oxygen demand and the concentration of inorganic and organic substances dissolved in the waste water (TDS value). The appropriate products were identified and offered to the customer and as a result the company now produces significantly cleaner waste water and has succeeded in lowering its disposal costs. However, the Brenntag employees had identified even greater efficiency potential thanks to their site visits and analysis of the processes. They recommended that the customer use the physics process of reverse osmosis for its water treatment, as this leads to a very clean result. Brenntag Northeast uses this method itself at its own facilities. In addition, the purified water was no longer to be disposed of and was instead to be put to use within the company, for example

for general cleaning work or as boiler feedwater. It was estimated that more than 80% of the treated waste water could be reused in this way.

A manufacturer of latex foam for mattresses likewise benefited from the in-depth expertise and vast experience of Brenntag Northeast's water experts. The company's plant was generating approximately 130,000 litres of waste water an hour which was heavily contaminated with natural and synthetic latex, primarily due to the cleaning of its production line. This waste water had to be collected separately and trucked off for disposal. After multiple tests and samples both in the lab and at the plant, a suitable combination of various polymers was eventually identified which





turned the milky waste water into a clear liquid. As a result, the latex waste water can now be treated and disposed of together with the other waste water by means of the normal process. The waste water contamination as a whole was thus reduced, the daily truck trips needed for disposal became superfluous and the company now saves approximately USD 30,000 per annum in disposal costs. In its tests, the Brenntag experts determined that the effectiveness of the clarification substances used depended on the volume of solids suspended in the waste water and that a certain level should not be exceeded. The company now monitors the volume of solids in its latex waste water, thereby identifying sources of error in the production process and boosting its production efficiency.

**COATINGS/CONSTRUCTION CHEMICALS:** Energy and resource efficiency is especially important in the construction industry. Measures and products are developed with a view to, for example, reducing the energy consumption of buildings. Brenntag assists its customers in developing sustainable solutions with a wide array of adhesives, coatings and construction chemicals. An example of this is the range of silicone resins produced by Bluestar Silicones and marketed in Europe by Brenntag which are used as coatings for insulation materials and feature in plasters and paints, to name but a few. They improve a material's outer water-repellent properties

and boost the water vapour permeability and therefore the insulating properties. Buildings that feature materials coated in this way have significantly more balanced temperatures and heating, as they do not cool down as quickly and the room moisture is better regulated. The building structure is also better protected, thereby extending the building's lifespan. In addition, silicone resins do not contain any substances which are harmful to health or the environment such as alkylphenol ethoxylates (APE) and only have low levels of volatile organic compounds (VOC). Brenntag sells these silicone resins to customers in the processing industry throughout Europe and supports them with technical and application-specific advice, for example by working on the perfect formulation for a specific construction material at our application laboratories in France, Hungary and Poland.

With the SAFE-TAINER™ system and the chemical service model, Brenntag in Germany offers asphalt laboratories a safe and future-proof solution for the use of trichlorethylene (tri). This chemical has been used in laboratories as a solvent for years, to separate the construction material asphalt into its two components, rock and bitumen, for quality testing. However, tri represents a health hazard and, since April 2016, has been only allowed to be used in approved exceptional cases in accordance with the EU's chemicals regulation REACH. In such cases, there must be a guarantee and evidence that the substance can be used safely and without posing a risk. Until an alternative is introduced at the laboratories, Brenntag GmbH is offering needs-based supplies of tri while observing uniform, strict safety requirements. The established SAFE-TAINER™ system developed by SAFECHEM Europe GmbH allows the solvent to be handled, stored, transported and disposed of safely. It is also part of an extensive chemical service model devised by Brenntag in cooperation with SAFECHEM in 2013 for such applications. The use and disposal of the chemical are now controlled and comply with a uniform safety standard throughout the entire industry; the risks involved have been minimized and everyone involved is interested in reducing the amount of tri used.

## SUPPLY CHAIN RESPONSIBILITY

# ACHIEVING TRANSPARENCY

Safety and a high level of quality are key factors for success in the chemical industry. They can only be ensured through the close cooperation and participation of all parties along the supply and value chain. Sustainability issues such as occupational safety, environmental protection, working practices, supplier management and compliance are therefore key topics for the industry. When choosing business partners and making purchasing decisions, they are important criteria alongside aspects such as product quality, reliability of supply and price.

As the global market leader in chemical distribution, Brenntag serves as an important link between the manufacturers of chemical products and the companies that process these products. We therefore play a key role in the chemical industry's **supply and value chain**. Brenntag is aware of the responsibility which comes with this position. 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 HSE structures.



See Company Profile and **VALUE CHAIN** graph on pages 4–5.

## SUPPLIER MANAGEMENT

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 are relevant for Brenntag.

**SUPPLIER CODE OF CONDUCT:** In October 2015, we drew up a code of conduct for our suppliers. It outlines what we expect of our suppliers in the above-mentioned areas. The code is based on the principles of the United Nations Global

Compact, the chemical industry's global Responsible Care programme and Brenntag's Code of Business Conduct and Ethics.

It is important for Brenntag that its suppliers are familiar with the code of conduct and that they act accordingly. It can be found on the company's website and is therefore available to all suppliers. In order to verify compliance with the code of conduct, we reserve the right to invite suppliers to undergo a suitability assessment or audit.

## SUSTAINABILITY ASSESSMENTS FOR SUPPLIERS:

Within the scope of its membership of the "Together for Sustainability" industry initiative, Brenntag has required a defined number of its suppliers to undergo sustainability assessments every year since mid-2015. 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, a leading provider of sustainability assessments and well established in the chemical industry. EcoVadis evaluates companies in terms of four categories:

› GRI  
G4-26

**A JOINT EFFORT:** At the suppliers conference which took place in Brazil in June 2015, together with other members of the Together for Sustainability initiative, Brenntag promoted the cause of increased sustainability along the supply chain.



environmental protection, labour practices, fair business practices and sustainable procurement. On the basis of the responses provided in a comprehensive online questionnaire and on the accompanying documentation, EcoVadis awards scoring points and produces a detailed profile of strengths and weaknesses. Brenntag reviews the findings and, based on its suppliers' performance, may require them to make improvements or to undergo a supplementary audit.

Participation in the EcoVadis assessments is voluntary. In the reporting year, Brenntag requested around 200 suppliers to participate, of which 50 completed the process. In connection with this, in the year under review around 100 Brenntag purchasing staff underwent internal training covering the assessment procedure and thereby also sustainability issues, enabling them to assist and to advise their suppliers during the review process.

**BRENTTAG AS A SUPPLIER**

For a number of years now, Brenntag has registered an increasing demand for information on sustainability issues – particularly on the part of its customers – and is regularly asked to document its sustainability performance. We are pleased to respond to these needs by making our principles and activities in this field transparent and measurable in various ways. As well as our annual sustainability report, this also includes our own regular EcoVadis assessment as well as issue-specific audits at our locations.

**ECOVADIS SCORING:** In its most recent EcoVadis assessment in January 2016, the Brenntag Group achieved a score of 58 points, thereby confirming the silver status that it achieved in 2015. This means that we clearly exceed (as at January 2016) the industry average of 41.7 points. With this result, Brenntag is among the top 6% of companies in its industry category and among the top 12% of all of the companies assessed by EcoVadis in all categories. We are keen to achieve further scoring improvements by continuously refining our sustainability strategy and further improving our sustainability performance as well as its documentation.

**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. Together with every product sold, Brenntag therefore sends its customers safety data sheets that contain specific and detailed information on the appropriate and safe handling of the chemical in question. We thereby make a very concrete contribution to greater transparency and safety in the supply chain. In 2015, Brenntag EMEA alone sent a good 450,000 safety data sheets to customers.

**TOGETHER FOR SUSTAINABILITY**

Since July 2015, Brenntag has been a member of the chemical industry's "Together for Sustainability" initiative (TfS) – as the first and, so far, only chemical distributor. TfS was



**ZIQING WANG**, President of Henan Qingshuiyuan Technology Co., Chinese supplier of Brenntag and participant in EcoVadis' 2015 sustainability assessment

"We believe that participation in the TfS/ EcoVadis assessment process will enhance our company's brand awareness, since the findings are shared among all TfS members. It will also help us to identify weaknesses in our management approach and thereby achieve further improvements. In the long term, it will therefore bring us more good customers and business."

founded by six leading multinational chemical companies in 2011. Its goal is to establish a uniform global programme for the responsible procurement of goods and services in the chemical industry, to achieve 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. This information is shared confidentially and used jointly within the network, which provides efficiency benefits for every participant. As part of this sustainability network, Brenntag is able to adopt established standards and instruments, and thereby further professionalize its own sustainability approach.

Since October 2014, Brenntag has been involved in various working groups within the initiative and currently has "onboarding" status, while working to meet all of TfS' admissibility criteria. We intend to complete this phase in 2016 with a further improvement in our EcoVadis scoring.



EcoVadis-Scoring 2016: **SILVER STATUS FOR BRENTTAG**



[www.tfs-initiative.com](http://www.tfs-initiative.com)

› **GRI**  
G4-26



**IN CONTACT:** Our HR officers provide information on training and career opportunities at Brenntag at events worldwide and pursue a dialogue with young specialists.



## EMPLOYEES

# IDENTIFY AND FOSTER POTENTIAL

Brenntag employs almost 15,000 people worldwide. With their expertise and their dedication, they play a key role in Brenntag's success and long-term competitiveness. Embedded in the corporate strategy and in the "2020 Vision", the primary goal of our human resources strategy is for us to be regarded globally as an attractive employer both for current and potential employees. We offer good working conditions and a modern working environment and we encourage our employees' personal and professional development in a targeted manner.

### HUMAN RESOURCES MANAGEMENT

Brenntag's Global Human Resources Director reports directly to the CEO and is responsible for developing a global HR strategy, for implementing corresponding measures together with the HR officers in the regions and for centrally managing these measures. The [global HR strategy](#) focuses on the areas of people performance management, people development, identification of potential, succession planning and job structures. The overarching objective is to position Brenntag as the preferred employer globally in the field of chemical distribution.

Brenntag's operational human resources management activities are handled on-site in its regions and at its locations. True to our company's global HR strategy, as well as the goals

and values, programmes and measures are implemented here in the areas of employee recruitment, support and development. Employees can turn to our experienced HR managers with regard to any HR issues.

### EMPLOYEE DEVELOPMENT

For junior employees and managers, there are special programmes at Group level and in the Brenntag regions which address the needs of these employees groups, prepare them for their management responsibilities and support them in their role. By means of these development programmes that are largely modular in design, Brenntag aims to provide and enhance management skills as well as to encourage the systematic sharing and transfer of knowledge at management level. One example is the global "Brenntag Organic Sustainable Strategies" (BOSS) executive management programme, which is aimed at our company's experienced key players.



See also the statement by Marion Mestrom, Global HR Director, on page 34.

Employee development at Brenntag is also supported by the use of a global e-learning management system, which is being introduced by the end of 2016. The system makes it possible to manage, track and evaluate training modules better and helps to ensure that mandatory and important material reaches employees even more effectively. A global [e-learning training module](#) on the “Code of Business Conduct and Ethics” has been developed, for example.

Due to the various regional and local requirements of the working environment as well as to cultural differences, Brenntag largely takes charge of and manages development measures on a decentralized basis. Our employees receive training in accordance with their duties in the company and their individual development needs. The training measures, which take the form of internal and external face-to-face events, courses and workshops as well as online seminars, cover technical topics – including sales, logistics, chemistry, environmental protection and quality management – as well as personal development measures such as intercultural training, negotiating skills, presentation techniques and conflict management.

Safeguarding our employees’ safety and health is our top priority. This is why the training courses in all Brenntag regions address the topic of [occupational safety](#).

In addition, there are numerous specific training and development programmes for our sales and marketing employees in the various regions and national organizations, such as “Brenntag Way” seminars in North America and the “Sales Excellence Development Program”, which was newly launched in the Brenntag EMEA region in 2015.

The internal online portal “LINK” helps and encourages Brenntag employees to work together across locations. The platform facilitates the transfer of knowledge and enables our employees from different areas to share information, experiences and best-practice methods.

Annual feedback discussions take place between employees and their direct managers in almost every Brenntag company. During these discussions, the employee’s performance is usually considered, and upcoming challenges and expectations as well as personal motivation are discussed. Their individual development needs are also identified and used as a basis to derive corresponding measures that may be necessary. The goal is to establish a global, transparent system from 2017 onwards.

Thanks to the wide array of apprenticeships on offer in various commercial and industrial occupational areas, Brenntag

trains junior employees in a manner that is both targeted and forward-looking. Brenntag offers young people comprehensive, theoretical and practice-orientated occupational training via the dual education and training system in Germany, Austria and Switzerland (DACH region). Alongside the acquisition of technical skills and expertise, apprentices’ personal development and the transfer of our corporate culture and company-specific working processes are at the forefront of the scheme. Brenntag is currently training almost 80 young people across the DACH region to become management assistants in wholesale and foreign trade, logistics management assistants, laboratory technicians and warehouse staff. With its job-specific training programme, Brenntag provides graduates in Germany with a way in to the world of work.



See also the “E-learning at Brenntag” case study on page 36.



See also “Safety” chapter from page 18.

**GETTING CONNECTED:** Team-building measures such as this one during Brenntag Indonesia’s annual managers conference reinforce a sense of community and encourage communication.







## EMPLOYEE INVOLVEMENT

In addition to development opportunities, encouraging employees to play a part in shaping the company is an important aspect that helps to promote employee motivation and loyalty.

Ideas management systems are in place at all levels of Brenntag, allowing employees to make proposals to the company. Since 2015, for example, Brenntag Iberia has presented the “Innova Awards” for the best ideas, while in Germany, every employee has the opportunity to actively participate in the development of ideas via the “In4Put” system.

Brenntag also presents the global and regional “Emineo Awards” every year to employees who have achieved outstanding successes in the areas of sales, safety or professional performance. In addition, employees receive regional or local recognition for their performance and input. In Sweden, for example, exemplary staff members can be nominated for “Employee of the Year”, while Brenntag Southwest in the USA awards the best driver.

Brenntag carried out an employee survey on [safety culture at the company](#) for the first time in the reporting year in order to provide itself with an overview of its employees’ needs in this area. At the same time, this further raised awareness among employees of the importance of safety in the workplace. Based on the findings, suitable measures are being developed in order to further increase occupational safety.

## HEALTH AND WORK-LIFE BALANCE

In each of its regions, Brenntag takes measures to promote the health of its employees and their work-life balance. These measures are based on the respective local social systems and conventions. In countries with inadequate social security arrangements, for example, supplementary private health insurance is offered. In many countries,

**MARION MESTROM,**  
Global Human Resources Director, Brenntag AG

“My core responsibilities as Global Human Resources Director include developing and implementing a global HR strategy for Brenntag. When I took up my position, I obtained an overview of the HR activities in the various countries and met local employees and managers across the globe. This confirmed that there are many issues which need to be addressed at a global level in order to increase transparency and to provide added value for employees, managers and Brenntag. The discussions I had also showed that we can harmonize some existing regional concepts and implement them globally in order to adopt proven practices. Based on this, and in line with the Brenntag strategy, priorities have been set for HR activities at Brenntag and an HR strategy has been developed which is now being implemented in cooperation with the regional HR officers. One focus here is on the issues of people performance management, people development, identification of potential, succession planning and job structures.

When introducing new issues and processes, it is important that Brenntag managers and employees at all levels are on board. The decisions and changes have to be comprehensible and transparent. I have met many highly motivated and extremely well-qualified people in our company who give 100% to Brenntag. I was impressed by this, and I believe that we have to use these strengths to our benefit. We have embarked on a journey together and we know where it should take us.”



**RECOGNITION:** Every year, Brenntag's Management Board recognizes outstanding employees through its Emineo Awards. The 2015 prize winners in the Safety category included Carlos Oliveira of Brenntag Química Brasil.



Brenntag also covers part of the cost of preventative measures and pays for vaccinations for its employees and their families, for example. Throughout the entire Latin America region, an information week takes place every year on the topics of safety, health, environment and sustainability and includes numerous initiatives and events. Many Brenntag companies help their employees to reconcile work and family life by offering flexible working time models and other supportive services such as childcare or care for relatives.

### DIVERSITY AND EQUAL OPPORTUNITIES

Brenntag employs people from almost 90 different nations. Our employee structure is characterized by a good balance between women and men and a wide age range. The result of this is a cultural and social diversity which we use constructively. The multifaceted nature of our employees' heterogeneous skills and experience is a cornerstone of our success.

Guaranteeing equal opportunities is a matter of course for Brenntag, as is counteracting and eliminating any form of discrimination and harassment. The recruitment, remuneration and development of employees solely reflect their qualifications and abilities in relation to their respective duties. For Brenntag, it is a matter of course and of utmost importance that discrimination does not occur against employees, business partners or third parties on grounds of their ethnic origin, gender, marital status, age, religion or belief, skin colour, disability or sexual orientation. This is stipulated in our code of business conduct and ethics. Violations of this code are investigated by our [compliance](#) organization with the necessary rigour and, if a violation is identified, the situation is rectified and corresponding action is taken.

### REMUNERATION AND PENSION SCHEMES

Brenntag's remuneration policy is defined by factors such as attractiveness, fairness and competitiveness. Employees' qualifications, experience and level of responsibility are paramount criteria. Various pension plans are in place for employees of the Brenntag Group. The pension commitments vary depending on the legal, tax and economic circumstances in the respective countries. In addition to employer-financed company pension schemes, Brenntag also supports private pension schemes through various offers including deferred compensation or the use of state contributions.

See also the case study on page 21 in the "Safety" chapter.

See [COMPLIANCE](#) incidents on page 13.

## CASE STUDY

### E-LEARNING AT BRENNTAG: GLOBAL COMPLIANCE TRAINING

How compliance issues are addressed is crucial to Brenntag's future viability and reputation. It is therefore essential that every employee is familiar with our values and ethical principles and puts them into practice when dealing with customers, suppliers, competitors, colleagues and the general public. In order to provide our employees with more detailed knowledge of the area of compliance on a standardized basis across the Group and to help them to adhere to our code of conduct, a global e-learning training module on the "Brenntag Code of Business Conduct and Ethics" has been rolled out.

The training module was developed by central and regional HR and compliance officers and is offered in 16 languages. It is available to employees on the internet via the e-learning

platform at any time and from any location. The training module lasts approximately one hour and addresses a total of twelve topics using examples and exercise questions. The employees then take a test to ensure that the knowledge has been transferred. The aim is for all Brenntag employees to have completed this compliance training by the end of 2016.

To ensure that the e-learning platform is optimally administered at a regional and local level, more than 30 administrators have been trained worldwide. They are on hand to assist employees with any questions about the tool.

Further compliance training modules at a global and regional level, such as on the topics of anti-corruption and anti-trust law, are in preparation and are expected to go live on the e-learning platform during 2016.

### EMPLOYEE STRUCTURE

The number of employees given is calculated on the basis of the Group's workforce at the reporting date.

#### EMPLOYEES BY REGION AND GENDER

	Dec. 31, 2015		Dec. 31, 2014	
	abs.	in %	abs.	in %
<b>EMEA</b>	<b>6,681</b>	<b>45.4</b>	<b>6,529</b>	<b>47.1</b>
Women	2,454	36.7	2,393	36.7
Men	4,227	63.3	4,136	63.3
<b>North America</b>	<b>4,554</b>	<b>31.0</b>	<b>4,116</b>	<b>29.7</b>
Women	998	21.9	909	22.1
Men	3,556	78.1	3,207	77.9
<b>Latin America</b>	<b>1,523</b>	<b>10.4</b>	<b>1,452</b>	<b>10.4</b>
Women	570	37.4	527	36.3
Men	953	62.6	925	63.7
<b>Asia Pacific</b>	<b>1,817</b>	<b>12.3</b>	<b>1,652</b>	<b>11.9</b>
Women	851	46.8	775	46.9
Men	966	53.2	877	53.1
<b>Other segments</b>	<b>132</b>	<b>0.9</b>	<b>121</b>	<b>0.9</b>
Women	71	53.8	66	54.5
Men	61	46.2	55	45.5
<b>Brenntag Group</b>	<b>14,707</b>	<b>100.0</b>	<b>13,870</b>	<b>100.0</b>
Women	4,944	33.6	4,670	33.7
Men	9,763	66.4	9,200	66.3

#### EMPLOYEES BY AREA OF WORK AND GENDER

	Dec. 31, 2015		Dec. 31, 2014	
	abs.	in %	abs.	in %
<b>Sales</b>	<b>5,531</b>	<b>37.6</b>	<b>5,225</b>	<b>37.7</b>
Women	2,707	48.9	2,579	49.4
Men	2,824	51.1	2,646	50.6
<b>Distribution</b>	<b>2,111</b>	<b>14.4</b>	<b>1,905</b>	<b>13.7</b>
Women	228	10.8	199	10.4
Men	1,883	89.2	1,706	89.6
<b>Warehouses</b>	<b>4,515</b>	<b>30.7</b>	<b>4,282</b>	<b>30.9</b>
Women	504	11.2	465	10.9
Men	4,011	88.8	3,817	89.1
<b>Administration</b>	<b>2,550</b>	<b>17.3</b>	<b>2,458</b>	<b>17.7</b>
Women	1,505	59.0	1,427	58.1
Men	1,045	41.0	1,031	41.9
<b>Brenntag Group</b>	<b>14,707</b>	<b>100.0</b>	<b>13,870</b>	<b>100.0</b>
Women	4,944	33.6	4,670	33.7
Men	9,763	66.4	9,200	66.3





#### EMPLOYEES IN MANAGEMENT POSITIONS\* BY GENDER

	Dec. 31, 2015		Dec. 31, 2014	
	abs.	in %	abs.	in %
Women	69	19.1	64	18.8
Men	292	80.9	277	81.2
<b>Brenntag Group</b>	<b>361</b>	<b>100.0</b>	<b>341</b>	<b>100.0</b>

\* Comprises the global executive management and local management groups.

#### EMPLOYEES BY TYPE OF EMPLOYMENT (FULL/PART-TIME\*)

	Dec. 31, 2015		Dec. 31, 2014	
	abs.	in %	abs.	in %
Full-time	14,120	96.0	13,322	96.0
Part-time*	587	4.0	548	4.0
<b>Brenntag Group</b>	<b>14,707</b>	<b>100.0</b>	<b>13,870</b>	<b>100.0</b>

\* Including apprentices and trainees.

#### NEW EMPLOYEES BY TYPE OF ENTRY

	Dec. 31, 2015		Dec. 31, 2014	
	abs.	in %	abs.	in %
New hires	1,693	64.3	2,211	95.9
Company acquisitions	939	35.7	94	4.1
<b>Brenntag Group</b>	<b>2,632</b>	<b>100.0</b>	<b>2,305</b>	<b>100.0</b>

#### NEW EMPLOYEES BY REGION

	Dec. 31, 2015		Dec. 31, 2014	
	abs.	in %	abs.	in %
EMEA	740	28.1	779	33.8
North America	1,041	39.6	756	32.8
Latin America	363	13.8	337	14.6
Asia Pacific	471	17.9	412	17.9
Other segments	17	0.6	21	0.9
<b>Brenntag Group</b>	<b>2,632</b>	<b>100.0</b>	<b>2,305</b>	<b>100.0</b>

#### FLUCTUATION\* BY REGION

	Dec. 31, 2015		Dec. 31, 2014	
	abs.	in %	abs.	in %
EMEA	279	3.9	207	2.9
North America	309	6.6	429	9.0
Latin America	124	7.1	154	9.1
Asia Pacific	199	10.1	226	11.5
Other segments	8	5.6	9	6.2
<b>Brenntag Group</b>	<b>919</b>	<b>5.8</b>	<b>1,025</b>	<b>6.5</b>

\* Termination by employees on the basis of Schlüter formula.

#### EMPLOYEES BY AGE\*

	Dec. 31, 2015		March 31, 2014	
	abs.	in %	abs.	in %
< 20	47	0.5	42	0.5
20–29	1,490	14.6	1,389	14.5
30–39	3,085	30.4	2,948	30.9
40–49	2,974	29.3	2,871	30.1
50–59	2,071	20.4	1,866	19.5
> 59	486	4.8	432	4.5
<b>Brenntag Group*</b>	<b>10,153</b>	<b>100.0</b>	<b>9,548</b>	<b>100.0</b>

\* Excluding employees in the North America region; due to the legal situation in North America, the data in the region are not recorded in full for all employees and therefore cannot be evaluated on a valid basis. In 2014, the evaluation took place at the end of the first quarter.

#### AVERAGE AGE AND AVERAGE LENGTH OF SERVICE BY REGION\*

	Dec. 31, 2015	March 31, 2014	Dec. 31, 2015	March 31, 2014
	Ø Age in years		Ø Length of service in years	
EMEA	43	43	11	11
Latin America	39	39	7	7
Asia Pacific	38	38	6	6
Other segments	45	44	11	11
<b>Brenntag Group*</b>	<b>42</b>	<b>41</b>	<b>9</b>	<b>10</b>

\* Excluding employees in the North America region; due to the legal situation in North America, the data in the region are not recorded in full for all employees and therefore cannot be evaluated on a valid basis. In 2014, the evaluation took place at the end of the first quarter.

## COMMUNITY

# SEE THE BIGGER PICTURE

At its more than 530 sites in 74 countries worldwide, Brenntag is present as an employer, a business partner and a neighbour in local communities in many different countries and cities. We see ourselves as part of these communities, as a “corporate citizen”, and we maintain a lively dialogue with them and aim to contribute to a positive environment.

Brenntag’s social commitment is driven primarily by our employees, who collect money and donations in kind and invest their expertise, time and manpower in support of charitable causes. In many cases, Brenntag supports their contribution either financially and organizationally or else by releasing them from their work duties.

## PROMOTING EDUCATION

The promotion of education is a focus of Brenntag’s activities in all of its regions. A large number of our sites have been cooperating with schools and universities for many years with the aim of encouraging **young people’s** interest in chemistry and our industry, sensitizing them regarding the handling of chemicals and supporting their education. Through open days and internships, we give pupils and students in countries such as Malaysia, Romania, Belgium and Finland the opportunity to develop an understanding of the work of a chemical distributor and to acquire practical experience. Through trainee programmes and scholarships, Brenntag supports young talents in our industry in countries such as Poland, Spain and Germany. We provide information on training and career opportunities at events worldwide. In November 2015, for example, Brenntag GmbH sponsored the 5th German Industrial Chemistry Forum in Münster, where 200 students of this subject from all over Germany met to network and share their experiences.

## PERSONAL AND LOCAL

Local needs vary in line with governmental, cultural and structural differences in the many countries in which Brenntag operates. Since we aim to provide assistance exactly where it is needed, Brenntag’s sites make their own decisions on the extent of their commitment. The company therefore pursues so many different activities that only a few examples can be provided.

In 2015, Brenntag UK & Ireland launched “Brenntag Giving”, a distinguished programme developed and managed entirely by its employees. As a reward for the charitable commitment of its already extremely active employees and a further

incentive to engage in more community projects, every month under this pioneering initiative Brenntag provides a fixed amount as a further support for a site whose employees demonstrate a particularly strong level of commitment. This site is then free to decide which good cause or registered charity will benefit from this additional financial contribution. In May 2016, Brenntag’s efforts in this arena were recognized by the chemical distribution industry peers, as the British Chemical Business Association honoured the programme with its “Community Interaction Award”.

Within the scope of a long-standing partnership, the employees of Brenntag North America support projects run by “Habitat for Humanity”, a non-profit organization providing active assistance in building safe and affordable houses for those in need. In September 2015, employees at the company’s headquarters in Mülheim collected clothing and donations in kind for a local aid organization’s refugee project, and Brenntag provided additional financial resources. In the Dominican Republic, Brenntag employees at the company’s Haina site have once again worked actively together with neighbours on a tree planting and reforestation project in the surrounding area.

A close dialogue with local emergency forces and mutual aid agreements are typical of many Brenntag sites around the world. In North America and Latin America, for instance, we provide local fire brigades as well as police and emergency services with financial support and equipment and make available to them our expertise and our sites for seminars and joint rescue exercises.



See also case study on page 39.

› GRI  
G4-26





## CASE STUDY

### “YOU BE THE CHEMIST CHALLENGE”®

The “You Be The Chemist Challenge”® (YBTC) is an interactive science competition in the USA which encourages 5<sup>th</sup>–8<sup>th</sup>-grade pupils to take an interest in chemistry and its applications in everyday life. For nearly ten years, Brenntag North America and its employees have sponsored and supported this programme, which was initiated by the Chemical Education Foundation in 2004. This question-and-answer competition begins at a local level in almost 40 federal states in the USA. The top pupils from each state then face one another in a national final. By participating, children not only improve their knowledge of chemistry, but also develop their learning, communication and time management skills and boost their self-confidence in a playful competitive environment.

Brenntag’s commitment to YBTC goes way beyond financial support. Every year, our employees recruit new schools to participate in the programme. We help the children to prepare for the competition through special study guides and chemistry sets for experiments and by visiting schools. At the events at local and state level, Brenntag employees take care of the organizational and catering arrangements, act as hosts and jurors and support the children as they progress through the competition. They therefore develop a strong bond with the young participants on their path together and share in the thrill of every decision.



**JOHN RICE**, Executive Director  
of the Chemical Educational Foundation

“Private-sector companies like Brenntag North America are supporting science education by engaging their communities in science education programmes. Their financial and employee volunteer support of the ‘You Be The Chemist’ programme helps cultivate a future workforce properly educated in the STEM\* subjects. Brenntag is leading the way among its industry peers as their outreach efforts encourage students and educators to do better, try harder, reach higher when it comes to STEM education.”

\*STEM: science, technology, engineering and mathematics

## REPORT PROFILE

# ABOUT THIS REPORT

Brenntag's 2016 Sustainability Report is its third sustainability report. Brenntag reports on its sustainability activities every year. Its next report will therefore be published in 2017.

This report complies with international standards for sustainability reporting – the Global Reporting Initiative (GRI) and the principles of the UN Global Compact (UNGC):

- / Brenntag's 2016 Sustainability Report is "In Accordance" with the GRI G4 Guidelines – Core option. This report was submitted for the GRI Materiality Disclosure Service, and GRI confirmed the correctness of the location of the G4 materiality disclosures (G4-17 to G4-27). You will find the GRI Content Index on pages 42 to 47.
- / This 2016 Sustainability Report is also an annual progress report (Communication on Progress – COP) for the United Nations Global Compact, which Brenntag joined in October 2014. This report has therefore also been published on this organization's website [www.unglobalcompact.org](http://www.unglobalcompact.org).

In order to satisfy the information needs of rating agencies and further stakeholders, our reporting exceeds the scope of these requirements.

As a rule, this sustainability report covers all Group companies and business units in which Brenntag has a shareholding of more than 50%. You will find a list of Brenntag's key shareholdings on pages 228 ff. of Brenntag's 2015 Annual Report. Any deviations from these coverage parameters are identified in the relevant section of the report.

The reporting period for this sustainability report covers the 2015 financial year (Jan. 1, 2015 to Dec. 31, 2015) of the Brenntag Group and follows on from the 2015 Sustainability Report which was published in August 2015. Any deviations in the reporting periods for individual data and contents are noted separately.

Our reporting focuses on key sustainability issues and activities at Brenntag. The key issues in this report are based on a materiality assessment, which included a survey of external stakeholders. We have prepared this report in accordance with the principles of balance, clarity, accuracy, timeliness, comparability and reliability.

The diagram on page 41 shows the boundaries between key issues. The relevant GRI aspects covered by the issue in question are also indicated.

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

The data published in this report have been compiled and processed with meticulous care. However, we are unable to completely rule out the possibility of transmission errors.

- › GRI
- G4-18
- G4-22
- G4-23

RELEVANT TOPIC	*	**	RELATED GRI ASPECT
<b>CORPORATE GOVERNANCE</b>			
Compliance	X		/ Compliance in the Areas of Environment, Society and Product Responsibility / Grievance Mechanisms regarding Labour Practices, Human Rights, Impacts on Society and Environmental / Marketing / Customer Privacy
Ethical/Moral Principles	X		
Anti-corruption	X	X	/ Anti-corruption
Code of Conduct	X		
Risk Management		X	
Human Rights			/ Investment / Non-discrimination / Freedom of Association and Collective Bargaining / Child Labour / Forced Labour / Security Practices / Indigenous Rights / Assessment / Supplier Human Rights Assessment / Human Rights Grievance Mechanisms
Anti-trust and Competition Laws		X	/ Anti-competitive Behaviour
<b>SAFETY</b>			
Occupational Safety and Health Protection	X		/ Occupational Health and Safety
Product Safety		X	/ Customer Health and Safety
Product Quality		X	/ Product and Service Labeling
Process Safety	X		
Safe Handling of Chemicals	X	X	/ Customer Health and Safety / Effluents and Waste / Products and Services
Risk Prevention	X		
<b>ENVIRONMENT</b>			
Protection (Soil, Air, Water)		X	/ Water / Effluents and Waste / Products and Services
Water Management	X		/ Water
Emissions Reduction/Climate Protection		X	/ Emissions
Resource Efficiency	X		
Energy Efficiency	X		/ Energy
Environmental Management	X		
Recycling	X		/ Products and Services
Waste Management	X		/ Effluents and Waste
Transportation	X	X	/ Transport
<b>SUPPLY CHAIN</b>			
Sustainable Procurement, Supplier Management, Supplier Qualification/Training, Sub-contractor Management	X	X	/ Procurement Practices / Supplier Assessments regarding Environment, Labour Practices, Human Rights and Impacts on Society
Sustainable Customer Solutions (Products/Services)	X	X	/ Products and Services / Product and Services Labeling
<b>EMPLOYEES</b>			
Personnel Development/Training/Talent Management	X		/ Training and Education
Compensation and Benefits	X		/ Equal Remuneration for Women and Men
Working Conditions	X		/ Labour/Management Relations
Work-Life Balance	X		
Diversity	X		/ Diversity and Equal Opportunity / Non-discrimination
Labour and Social Policy Rights	X		/ Labour/Management Relations / Freedom of Association and Collective Bargaining
Employee Satisfaction/Engagement	X		/ Employment
Recruiting	X	X	/ Employment
<b>PUBLIC RESPONSIBILITY</b>			
Social/Charitable Commitments		X	/ Local Communities
Local Community Engagement		X	/ Local Communities
Participation in Industry Associations		X	

\* RELEVANT WITHIN THE ORGANIZATION

\*\* RELEVANT OUTSIDE THE ORGANIZATION

› GRI  
G4-19  
G4-20  
G4-21

## GRI CONTENT INDEX

The report was submitted for the GRI Materiality Disclosures Service, and GRI confirmed the correctness of the locations of the G4 materiality disclosures (G4-17 – G4-27).



G4 ASPECT/G4 INDICATOR AND DESCRIPTION	REFERENCES AND ONLINE COMPLEMENT	COMMENTS	UNGC
<b>Strategy and Analysis</b>			
G4-1	Foreword from the CEO	p. 2–3	
G4-2	Key impacts, risks, and opportunities	Annual Report p. 125–131	
<b>Organizational Profile</b>			
G4-3	Name of the organization		Brenntag AG
G4-4	Primary brands, products, and services	Annual Report p. 70, www.brenntag.com	
G4-5	Location of organization's headquarters		Mülheim an der Ruhr
G4-6	Countries with major operations	Map introductory page/ p. 1, Annual Report p. 228–236	
G4-7	Nature of ownership and legal form	Annual Report p. 37, 70–71	
G4-8	Markets served	Annual Report p. 70–71	
G4-9	Scale of the organization	Inner fold out page, Annual Report fold out pages, p. 142–143	
G4-10	Staff structure	p. 36–37	6
G4-11	Employees covered by collective bargaining agreements		3
Due to its large number of international locations and the broad range of labour regulations applicable for these locations, Brenntag does not record these data in a consolidated format.			
G4-12	Description of supply chain	p. 4–5, 30	
G4-13	Significant changes regarding size, structure, ownership	p. 9, Annual Report p. 4–5, 37, 70–71	
G4-14	Consideration of the precautionary approach	Annual Report p. 74, 122–124	
G4-15	Participation in and support of external agreements, principals and initiatives	p. 10–11, 15, 16–17	
G4-16	Memberships	p. 31, www.brenntag.com/corporate/en/sustainability/sustainability-management/index.jsp	
<b>Material Aspects and Boundaries</b>			
G4-17	List of consolidated entities	Annual Report p. 154, 228–236	
G4-18	Process for defining report content	p. 6, 40	
G4-19	Material aspects	p. 7, 41	
G4-20	Material aspects within the organization	p. 41	
G4-21	Material aspects outside the organization	p. 41	
G4-22	Effects and explanation of any re-statement of information provided in earlier reports	p. 16, 19, 24, 40, Annual Report p. 150–153	
G4-23	Significant changes in the scope, boundary, or measurement methods	p. 40, Annual Report p. 150, 154–155	
<b>Stakeholder Engagement</b>			
G4-24	List of stakeholder groups engaged by the organization	p. 13	
G4-25	Identification and selection of stakeholders	p. 13	
G4-26	Stakeholder engagement	p. 13, 30–31, 38–39	
G4-27	Consideration of stakeholders' interests	p. 6, 13	
<b>Report Profile</b>			
G4-28	Reporting period	p. 40	
G4-29	Date of most recent previous report		2015
G4-30	Reporting cycle		Annually
G4-31	Contact point for questions regarding the report	Imprint	
G4-32	GRI Content Index	p. 42–47	
G4-33	External assurance for the report		This report has not been subject to any external confirmation (audit).

Page references without any other details relate to this sustainability report. References to the annual report relate to the 2015 Annual Report.



G4 ASPECT/G4 INDICATOR AND DESCRIPTION	REFERENCES AND ONLINE COMPLEMENT	COMMENTS	UNGC
<b>Governance</b>			
G4-34	Governance structure	Annual Report p. 42–47, 48–49	
<b>Ethics and Integrity</b>			
G4-56	Values, principles, standards and norms of behavior	p. 4–5, 10–11, <a href="http://www.brenntag.com/corporate/en/about-brenntag/strategy-and-organisation/vision-and-values/index.jsp">www.brenntag.com/corporate/en/about-brenntag/strategy-and-organisation/vision-and-values/index.jsp</a>	10
<b>ECONOMIC</b>			
	Management Approach	Annual Report p. 72–74	
<b>Economic Performance</b>			
G4-EC1	Direct economic value generated and distributed	Annual Report fold out pages, p. 140, 178	
G4-EC3	Coverage of defined benefit plan obligations	Annual Report p. 178, 194–204	
<b>Procurement</b>			
G4-EC9	Proportion of spending on local suppliers		Local and regional purchasing is only of minor significance for the business model of a chemical distributor.
<b>ENVIRONMENTAL</b>			
	Management Approach	p. 22–23	
<b>Energy</b>			
G4-EN3	Energy consumption within the organization	p. 22, 24	7, 8
G4-EN5	Energy intensity	p. 22	8
G4-EN6	Reduction of energy consumption	p. 24, 26	8, 9
<b>Water</b>			
G4-EN8	Total water withdrawal	p. 24	Water consumption is not recorded and consolidated on a Group-wide basis at Brenntag. Consumption in the Latin America region is reported here as an example only. 7, 8
G4-EN9	Water sources significantly affected by withdrawal of water		Brenntag obtains around 90% of its water from the public water supply network. 8
G4-EN10	Water recycled and reused	p. 23–24	8
<b>Emissions</b>			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	p. 22	Brenntag developed a Group-wide energy and CO <sub>2</sub> savings programme in 2015 which was implemented at the end of 2015. Accordingly, no Group-wide consolidated data are available for the reporting year. The figures for the first quarter of 2016 are shown as an example only. We will report figures for the Brenntag Group for the year as a whole from the 2016 financial year onwards. 7, 8
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	p. 22	Brenntag developed a Group-wide energy and CO <sub>2</sub> savings programme in 2015 which was implemented at the end of 2015. Accordingly, no Group-wide consolidated data are available for the reporting year. The figures for the first quarter of 2016 are shown as an example only. We will report figures for the Brenntag Group for the year as a whole from the 2016 financial year onwards. 7, 8
G4-EN18	Greenhouse gas (GHG) emissions intensity	p. 22	8
<b>Effluents and Waste</b>			
G4-EN23	Weight of waste	p. 25	Waste volumes are not recorded and consolidated on a Group-wide basis at Brenntag. 8
G4-EN24	Significant spills	p. 27	In the reporting period, one significant spill occurred through which fluid chemicals were discharged into the environment. This was immediately rectified. 8
<b>Products and Services</b>			
G4-EN27	Initiatives to mitigate environmental impacts of products and services	p. 27–29	7, 8, 9
G4-EN28	Percentage of products with reused packaging	p. 25	8

Page references without any other details relate to this sustainability report.  
References to the annual report relate to the 2015 Annual Report.

G4 ASPECT/G4 INDICATOR AND DESCRIPTION	REFERENCES AND ONLINE COMPLEMENT	COMMENTS	UNGC
<b>Compliance</b>			
G4-EN29	Significant fines/sanctions for non-compliance with environmental laws and regulations		8
<b>Transport</b>			
G4-EN30	Significant environmental impacts of transporting products, goods, and employees	p. 26	8
<b>Supplier Environmental Assessment</b>			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria		8
<b>Environmental Grievance Mechanisms</b>			
G4-EN34	Number of grievances about environmental impacts	p. 13	8
<b>LABOUR PRACTICES AND DECENT WORK</b>			
Management Approach			
		p. 14–16, 32	
<b>Employment</b>			
G4-LA1	Employee turnover	p. 37	6
G4-LA2	Benefits provided to full-time employees	p. 35	6
<b>Labour/Management Relations</b>			
G4-LA4	Notice periods regarding operational changes		3
<b>Occupational Health and Safety</b>			
G4-LA6	Injuries, occupational diseases, and work-related fatalities	p. 19	
<b>Training and Education</b>			
G4-LA10	Skills management and lifelong learning	p. 32–33, 36	
<b>Diversity and Equal Opportunity</b>			
G4-LA12	Composition of governance bodies and staff structure	p. 36–37, Annual Report p. 56–67	6
<b>Equal Remuneration for Women and Men</b>			
G4-LA13	Ratio of basic salary and remuneration of women to men	p. 35	6
<b>Supplier Assessment for Labour Practices</b>			
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria		

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References to the annual report relate to the 2015 Annual Report.

G4 ASPECT/G4 INDICATOR AND DESCRIPTION	REFERENCES AND ONLINE COMPLEMENT	COMMENTS	UNGC	
<b>Labour Practices Grievance Mechanisms</b>				
G4-LA16	Number of grievances about labour practices	p. 13	Tried-and-tested processes are in place at Brenntag for the orderly acceptance and processing of Group-wide internal and external complaints and reports. We record the precise reason for the complaint, verify reports and, in case of a violation of compliance rules and regulations, initiate appropriate measures. We report on the total number of confirmed compliance incidents. More detailed information is covered by business secrecy. Accordingly, we do not explicitly report the number of complaints relating to labour practices.	
<b>HUMAN RIGHTS</b>				
Management Approach				
		p. 10–11		
<b>Investment</b>				
G4-HR1	Investment agreements that include human rights clauses	p. 9	For every company acquisition, aspects such as compliance and employment agreements are examined in addition to commercial factors as part of due diligence. We disclose information about these transactions in the annual report (p. 79–81).	2
<b>Non-discrimination</b>				
G4-HR3	Incidents of discrimination and actions taken	p. 13	Tried-and-tested processes are in place at Brenntag for the orderly acceptance and processing of Group-wide internal and external complaints and reports. We record the precise reason for the complaint, verify reports and, in case of a violation of compliance rules and regulations, initiate appropriate measures. We report on the total number of confirmed compliance incidents. More detailed information is covered by business secrecy. Accordingly, we do not explicitly report the number of complaints relating to discrimination.	6
<b>Freedom of Association and Collective Bargaining</b>				
G4-HR4	Operations and suppliers at risk to exercise and actions to support freedom of association and collective bargaining		Upon signing up to the UNGC, we carried out a global investigation within the Group in 2014. We did not identify any business units where freedom of association is restricted. In 2015, within the framework of our TFS membership, we began to 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. Our code of conduct also requires the protection of human rights, equal treatment and fair working conditions.	3
<b>Child Labour</b>				
G4-HR5	Operations and suppliers at risk for incidents of child labour, and measures to eliminate child labour		Upon signing up to the UNGC, we carried out a global investigation within the Group in 2014. We did not identify any business units where there was a risk of child labour. In 2015, within the framework of our TFS membership, we began to request that our suppliers undergo sustainability assessments which also include a review of principles and measures implemented to prevent child labour. Our code of conduct also requires the protection of human rights, equal treatment and fair working conditions.	5
<b>Forced and Compulsory Labour</b>				
G4-HR6	Operations and suppliers at risk for incidents of forced or compulsory labour and measures to eliminate forced and compulsory labour		Upon signing up to the UNGC, we carried out a global investigation within the Group in 2014. We did not identify any business units where there was a risk of forced labour. In 2015, within the framework of our TFS membership, we began to request that our suppliers undergo sustainability assessments which also include a review of measures implemented to prevent forced labour. Our code of conduct also requires the protection of human rights, equal treatment and fair working conditions.	4
<b>Security Practices</b>				
G4-HR7	Security personnel trained in aspects of human rights		Brenntag will review the relevance of this indicator.	1
<b>Indigenous Rights</b>				
G4-HR8	Incidents of violations involving rights of indigenous peoples		We have not received any reports of incidents for the reporting period.	1

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References to the annual report relate to the 2015 Annual Report.

G4 ASPECT/G4 INDICATOR AND DESCRIPTION	REFERENCES AND ONLINE COMPLEMENT	COMMENTS	UNGC
<b>Assessment</b>			
G4-HR9	Operations subject to human rights reviews or impact assessments	In signing up to the UNGC, Brenntag has undertaken to protect human rights. Our code of conduct requires the protection of human rights.	1
<b>Supplier Human Rights Assessment</b>			
G4-HR10	New suppliers that were screened using human rights criteria	Brenntag aims to analyze 50% of its total chemical spend (in EUR) with sustainability assessments or audits by 2020. This entails a comprehensive review of human rights criteria. We do not distinguish between new and existing suppliers in these assessments.	2
<b>Human Rights Grievance Mechanisms</b>			
G4-HR12	Grievances about human rights impacts	p. 13 Tried-and-tested processes are in place at Brenntag for the orderly acceptance and processing of Group-wide internal and external complaints and reports. We record the precise reason for the complaint, verify reports and, in case of a violation of compliance rules and regulations, initiate appropriate measures. We report on the total number of confirmed compliance incidents. More detailed information is covered by business secrecy. Accordingly, we do not explicitly report the number of complaints relating to human rights violations.	1
<b>SOCIETY</b>			
Management Approach		p. 10–13, 38	
<b>Local Communities</b>			
G4-SO1	Implemented local community engagement, impact assessments, and development programs	p. 38–39	1
<b>Anti-corruption</b>			
G4-SO3	Operations assessed for risks related to corruption	Within the scope of internal audits, a total of 31 Brenntag companies were reviewed in relation to corruption risks, etc. in the reporting year.	10
G4-SO4	Employees trained in anti-corruption policies and procedures	Brenntag aims to achieve a compliance training coverage rate of 100% for its relevant employees by 2017. The rate was approx. 60% in the reporting year.	10
G4-SO5	Confirmed incidents of corruption and actions taken	There were no incidents during the reporting period.	10
<b>Anti-competitive Behavior</b>			
G4-SO7	Legal actions for anti-competitive behavior	Annual Report p. 130–131	
<b>Compliance</b>			
G4-SO8	Fines/sanctions for non-compliance with laws and regulations	No significant fines were incurred due to non-compliance with laws and regulations in the reporting period.	
<b>Supplier Assessment for Impacts on Society</b>			
G4-SO9	New suppliers that were screened using criteria for impacts on society	Brenntag aims to analyze 50% of its total chemical spend (in EUR) with sustainability assessments or audits by 2020. This entails a comprehensive review of the impacts on society. We do not distinguish between new and existing suppliers in these assessments.	
<b>Grievance Mechanisms for Impacts on Society</b>			
G4-SO11	Grievances about impacts on society	p. 13 Tried-and-tested processes are in place at Brenntag for the orderly acceptance and processing of Group-wide internal and external complaints and reports. We record the precise reason for the complaint, verify reports and, in case of a violation of compliance rules and regulations, initiate appropriate measures. We report on the total number of confirmed compliance incidents. More detailed information is covered by business secrecy. Accordingly, we do not explicitly report the number of complaints relating to the impacts on society.	



G4 ASPECT/G4 INDICATOR AND DESCRIPTION	REFERENCES AND ONLINE COMPLEMENT	COMMENTS	UNGC
<b>PRODUCT RESPONSIBILITY</b>			
	Management Approach	p. 16–18	
<b>Customer Health and Safety</b>			
G4-PR2	Incidents of non-compliance with health and safety regulations		There were no incidents during the reporting period.
<b>Product and Service Labeling</b>			
G4-PR3	Product labeling/product information requirements	p. 16–18	
G4-PR4	Incidents of non-compliance with product labeling regulations		There were no incidents during the reporting period.
<b>Marketing</b>			
G4-PR6	Sale of banned or disputed products	p. 18, 29	
G4-PR7	Incidents of non-compliance with marketing communications regulations		There were no incidents during the reporting period.
<b>Customer Privacy</b>			
G4-PR8	Substantiated complaints regarding breaches of customer privacy	p. 13	Tried-and-tested processes are in place at Brenntag for the orderly acceptance and processing of Group-wide internal and external complaints and reports. We record the precise reason for the complaint, verify reports and, in case of a violation of compliance rules and regulations, initiate appropriate measures. We report on the total number of confirmed compliance incidents. More detailed information is covered by business secrecy. Accordingly, we do not explicitly report the number of complaints in relation to customer privacy.
<b>Compliance</b>			
G4-PR9	Fines for non-compliance with laws concerning the use of products and services	Annual Report p. 130–131	

Page references without any other details relate to this sustainability report.  
References to the annual report relate to the 2015 Annual Report.





## IMPRINT

### Issuer

Brenntag AG  
Stinnes-Platz 1  
45472 Mülheim an der Ruhr, Germany  
Phone: +49 (0) 208 7828 0  
Fax: +49 (0) 208 7828 698  
info@brenntag.de  
www.brenntag.com

### Contact

Brenntag AG  
Corporate Development  
Dirk Eckert  
Phone: +49 (0) 208 7828 7710  
Fax: +49 (0) 208 7828 7734  
sustainability@brenntag.de

### Project management/ editor-in-chief

Dirk Eckert, Corporate Development,  
Brenntag AG  
Verena Blaschke, Corporate Communications,  
Brenntag AG

### Concept and text

Verena Blaschke,  
Corporate Communications, Brenntag AG, and  
Kirchhoff Consult AG, Hamburg, Germany

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**BRENNTAG AG**

Stinnes-Platz 1  
45472 Mülheim an der Ruhr  
Germany  
[www.brenntag.com](http://www.brenntag.com)