

# Human Rights and decent working conditions

## **REPORT 2023**

This report accounts for Brenntag Nordic Norway`s due diligence assessments pursuant to the Norwegian Transparency Act.

## Contents

1. Company Profile
2. Culture and values
3. Human rights and decent working conditions
4. Human rights policy
5. Compliance, whistleblowing channel
6. Responsibilities (overall organization)
7. Due diligence assessment
8. Own operation
9. Remedial action
10. Overall summary and further actions
11. Communication and information

## 1. Company Profile

Brenntag is the global market leader in chemicals and ingredients distribution. The company holds a central role in connecting customers and suppliers of the chemical industry. With its two global divisions Brenntag Essentials and Brenntag Specialties the company provides a full-line portfolio of industrial and specialty chemicals and ingredients as well as tailor-made application, marketing and supply chain solutions, technical and formulation support, comprehensive regulatory know-how and digital solutions for a wide range of industries. Brenntag operates a global network of about 600 locations in 72 countries and a global workforce of more than 17,500 employees.



## 2. Culture and values

Our culture & values define what is important to us, what we stand for, what we value and how we interact with each other at Brenntag. But true culture cannot be imposed by management. In 2023, our Culture Development Initiative brought together inspiration and opinion from Brenntag employees from all regions, functions, and roles. These ideas were then opened to the whole company in a global survey. This was the solid basis for our afterwards defined five culture pillars & values.

An active, positive corporate culture isn't only a nice-to-have. It is a critical asset for companies like ours, enabling us to act as one united, global team. And like any asset, it needs to be carefully defined and cultivated to become real and guide us into our promising future.



### **Care**

We take responsibility for each other, our partners and the world.

### **Trust**

We build relationships through authenticity and commitment.

### **Clarity**

We work toward common goals with focus and determination.

### **Excellence**

We go beyond expectations through excellence, innovation and collaboration.

### **Safety**

We put safety first in everything we do.

### 3. Human rights and decent working conditions

As the global market leader in chemical and ingredients distribution, Brenntag takes its responsibility to uphold human rights very seriously. The company undertakes to respect and defend human rights worldwide within its supply chains and own operation. These are among Brenntag's top principles.

Brenntag is a member of the **UN Global Compact** and committed to its ten principles for human rights, labor standards, fair remuneration, environmental protection and fighting corruption. Worldwide, the company works to ensure fair working relationships and as described in the ESG strategy, acts as a responsible partner to suppliers.

Since 2016, Brenntag has been a member of the industry's **Together for Sustainability (TfS)** initiative. One core element of the joint work within TfS involves audits or online assessments of suppliers. The task here is always to create and leverage synergies.

Brenntag works together with **EcoVadis**, a leading provider of sustainability assessments that is well established in the industry. EcoVadis evaluates companies in terms of four categories: environment, labor and human rights, ethics, and sustainable procurement. In doing so, it scores the companies sustainability performance on a scale from 0 to 100. In addition, each company receives a detailed overview of strengths and weaknesses as well as specific suggestions for improvement.

In the reporting period for 2023, Brenntag continued to see its suppliers making considerable advances in improving their sustainability performance. By the end of 2023, it appeared that 60% (2022: 69%) of suppliers who underwent re-assessment had improved their score compared with the previous year.

Brenntag has already undergone several EcoVadis assessments. Our assessment can be found in the EcoVadis platform under **Brenntag SE**. All Brenntag legal entities are covered under this assessment.

Brenntag minimizes the risk of human rights violations in its complex supply chains by communicating its expectations to suppliers from the outset. In its **Supplier Code of Conduct**, Brenntag requests that they actively work to protect human rights within their organization.

Brenntag faces a daily challenge of compliance, checking the various **restricted parties'** lists imposed by countries or governmental institutions. A screening system, provided by Amber Road, is beneficial in such a way that it allows us to maintain an audit trail of any sanctioned business partner to reduce risks and to demonstrate reasonable care. The screening of business partners against hundreds of government-issued lists that are constantly updated with restricted parties, embargoed countries and debarred individuals aims to prevent Brenntag from

illegal transactions and potential fines and penalties. By using the restricted party screening solution Brenntag is able to show that it has actively implemented adequate procedures and processes to ensure compliance with international trade regulations (i.e. sanctions and embargoes).

## 4. Human rights policy

The human rights policy underscores Brenntag`s commitment to protecting and advocating for Human Rights in our own business area and our supply chain. Moreover, it outlines that our due diligence system fulfills this commitment to identify and mitigate relevant human rights risks that are connected to Brenntag.

Brenntag is a signatory of the United Nations Global Compact initiative and has committed to incorporating its principles into our corporate culture. Brenntag respects and supports the protection of internationally proclaimed human rights. We do not tolerate any behavior which violates human rights and will not be complicit in human rights abuses. This is also applicable to our supply chain.



## 5. Compliance, whistleblowing channel

Brenntag has set up procedures for receiving and handling internal and external complaints and reports of compliance issues throughout the Group. Our employees can either make such reports to their direct supervisor or the regional compliance manager, or alternatively submit them via central or regional whistleblowing channels and whistleblowing systems.

It is also possible to make an anonymous report using the whistleblowing system. Persons outside the company can submit complaints and report infringements by using the whistleblowing channel on the website of Brenntag SE. The information received is always



treated in strict confidence. Any reports received are reviewed internally and at the meetings of the Audit Committee. Appropriate action is taken if a compliance infringement has occurred.

In the reporting period a new Brenntag Compliance intranet site, internal newsletters and other communication measures has been used to familiarize employees with relevant topics and provide extensive materials, guidelines, and manuals. Brenntag also offers regular training through resources such as the Group-wide e-learning platform to keep employees' knowledge of compliance topics up to date. As an example, the online training module on the Code of Business Conduct and Ethics is mandatory for employees once a year. This was completed by 96% of the relevant employees in the reporting period (2022: 94%). In addition, based on their activity, employees took part in antitrust law training (completed by 96% of the relevant employees; 2022: 92%) and anti-corruption training (completed by 97% of the relevant employees; 2022: 91%).

## **6. Responsibilities (overall organization)**

Brenntag has Global and Nordic interdisciplinary project teams of experts from the fields of QSHE, sustainability, compliance, legal, human resources, and procurement, which deals explicitly with implementing the requirements.

The Nordic group reports to Managing director Brenntag Nordic Norway and Board of Norway, in relation to the Norwegian Transparency Act.

## **7. Due diligence assessment**

In the reporting period, the innovative IT solution of the third-party provider Prewave was implemented.

Prewave ([www.prewave.com](http://www.prewave.com)) works by generating real-time and predictive/remedial risk approach based on several aspects of the suppliers. Such aspects include the nature of the suppliers' business, such as the relevant industry and country. The media screening that includes the last two years, or more, alert information and aims to identify the severity and probability of any negative impact focused on human rights and decent working conditions as well as the self-assessments, and internal data.

Based on such factors each supplier is provided with a real-time score from 0 to 100, where 100 represents no detected or projected risks and 0 shows critical associated risks. The scores are also implemented in a risk analysis graph where the impact on the relevant suppliers is considered based on the yearly spend compared to the relevant supplier's yearly revenue.

The human rights risk assessment was initiated by a broad scoping exercise to identify areas of the business, across countries and operations, where risk of adverse effect on human rights and decent work conditions are most likely to be present and most significant.

**The human rights risk assessment** has focused mainly of the following 14 categories: Child exploitation, child labour, discrimination, human rights violation, labour demonstration, labour dispute, labour rights violation, labour strike, modern slavery, sexual wrongdoing, protest/ demonstration, unethical labour, wage theft and worker suicide.

While the **assessment of working condition** has focused mainly on the following 12 categories: accident, bomb threat, building collapse, disease, employee infection, explosion, fatality, fire, health & safety issues, injury, quarantine, and shooting.

For suppliers which this results in an increased risk profile, detailed supported screening is also carried out for potential incidents on the supplier's side.

## **8. Own operation**

The regular risk analysis carried out in our own business unit forms the basis for efficient and constantly improving protection of the human rights of our employees. To this end, Brenntag has created various measures and processes in its own corporate values as well as in its code of conduct and procedural instructions to establish and strengthen human rights and environmental principles. These processes include a self-assessment based on specially developed questionnaires and on-site audits.

Through a comprehensive training concept as well as appropriate and targeted communication, we sensitize employees to human rights and environmental obligations and supplement this concept with additional training in specific relevant departments such as purchasing.

## **9. Remedial action**

If a violation or imminent threat of a violation of a human rights or environmental obligation is identified within the risk analysis or through other sources in our own business appropriate remedial action will be taken immediately to prevent or stop these violations or to minimize the extent of the violation.

Brenntag will offer to train its suppliers, using the TfS Academy or e-learning.

## **10. Overall summary and further actions**

In the reporting period 2023 Brenntag Norway`s supply chain was registered in the third – party IT system by Prewave. Suppliers were monitored, 360° screened and risk analysis were performed.

**The result from our risk assessment:** 1% high risk, 9% medium risk, 90% low risk

**Working conditions:** 12 potential adverse impacts



## **Human rights: 14 potential adverse impacts**

Risk analysis were carried out in the system to create actions and measures for actual and/or potential risk identified.

For the suppliers categorized as high-risk, Brenntag has also assigned internal responsibilities to ensure that potential human rights risks at the supplier's end are addressed and thus reduced. Additional preventive measures are based on the existing risk management system and include EcoVadis supplier audits, TfS audits and the Supplier Code of Conduct.

In the reporting period for 2023, we have identified no breaches of human rights and decent working conditions within our supply chain, own operations, or our business partners.

Brenntag did not received any reports of human rights violations within the company through Brenntag Whistleblowing system in the reporting period for 2023.

Brenntag tries to minimize the risk of human rights violations in its complex supply chains by communicating its expectations to suppliers at the beginning of the business relationship. In its Supplier Code of Conduct, Brenntag requests that they actively work to protect human rights within the organization and their supply chains. In the reporting period, this Supplier Code of Conduct was updated to meet the extended requirements of the German Supply Chain Due Diligence Act (LkSG) and the Norwegian Transparency Act (NTA).

During continuously developing measures to further reduce potential risks, Brenntag will continuously expand its efforts to respect human rights across global procurement and supply chains.

## **Approval and signature by the board of directors of Brenntag Nordic AS**

**Russel Argo**

Chairman of the board

**Helge Lundh**

Managing Director &

Board member

**Jan Hoffman**

Board member

**Rene Fleischer**

Board member

**Pia Lise Straumen**

Board member

## **11. Communication and information**

The report presents the status as of 31 December 2023 and is in line with the requirements in the Norwegian Transparency Act.

The report is published at Brenntag Nordic`s website and will be updated prior to the act.

The public can request information related to the Norwegian Transparency Act through email address [norway.transparencyact@brenntag.com](mailto:norway.transparencyact@brenntag.com)

### **11.1 Further information**

[Sustainability | Brenntag](#)

[Compliance | Brenntag](#)

### **11.2 Contact**

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