

ConnectingChemistry



MODERN SLAVERY STATEMENT

2022

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Modern Slavery Statement

INTRODUCTION FROM THE PRESIDENT, BRENNTAG UK HOLDING LIMITED

Slavery and human trafficking remain a hidden blight on our global society. We all have a collective and individual responsibility to be alert to the risks in our business and in the wider supply chain, however small. Brenntag UK Holding Limited and its associated companies ("Brenntag") are committed to improving our practices to prevent all forms of modern slavery (including servitude, forced or compulsory labour, human trafficking, and child labour), taking place in any part of our business or supply chain.

This statement sets out the steps we have taken up to this point, as well as during our past financial year, to implement this commitment and our expectations from suppliers, contractors, and business partners.

ORGANISATION STRUCTURE AND REACH

Brenntag UK is a subsidiary of Brenntag SE, the global market leader in chemical distribution. We manage complex supply chains for both chemical manufacturers and consumers by simplifying market access to thousands of products and services. Our teams are a cornerstone of our success: 26 strategic locations, three sea-fed facilities, a dedicated fleet of over 100 vehicles, with teams serving over 20,000 customer accounts nationwide. In 2021, Brenntag globally made fundamental changes to its operating business structure and implemented two global divisions. Brenntag Essentials and Brenntag Specialties each pursue a different management approach but operate under the joint Brenntag umbrella. Brenntag Essentials markets a comprehensive portfolio of process chemicals for a broad spectrum of sectors and applications. Brenntag Specialties focuses on ingredients and value-added services for globally relevant sectors with great potential for an extensive range of solutions and high regulatory environments.

STRATEGY AND MANAGEMENT

Although Brenntag has been committed to sustainability for many years, Brenntag Group plans to undergo ground-breaking changes in terms of sustainability performance. In order to achieve its long-term 'Future Sustainable Brenntag' vision, Brenntag Group has established a framework with medium-term goals in six focus areas, one of which is 'Responsible partner for suppliers and communities'. We want to be considered a responsible partner among our suppliers and the communities where we operate. We have established concrete measures for 2022 to set us in motion for achieving our medium-term targets.

A new project team led by Brenntag's Global Compliance Team was established in 2021, consisting of employees from departments such as Legal and Sustainability. Employees from Brenntag's Global Purchasing Teams will join this team from 2022. As part of our 'Future Sustainable Brenntag' vision, we want to ensure that human rights are seamlessly upheld in our supply chain and living wages are paid.

OUR SUPPLY CHAIN

Brenntag is a full-line chemical distributor of both industrial and specialty chemicals. We use logistics and transportation services and benefit from specialist support from subcontractors and manufacturers all over the globe. We acquire goods and services from our worldwide network to support delivery of products to customers within the life science, environmental and material science sectors.

Brenntag's purchasing units have over 1,000 employees globally, including local and regional procurement teams, specialists in sourcing chemical products from Asia, and product managers for specific chemicals and customer industries. At various levels throughout the Brenntag Group, there are standardised processes in place for relationship management with suppliers. In selecting new suppliers and evaluating existing supplier relationships, labour and social standards play a decisive and increasingly key role for Brenntag. We actively encourage our suppliers to improve their sustainability performance in order to meet our high requirements.

GLOBAL SOURCING ORGANISATION ("GSO")

Brenntag GSO is the centre of excellence for sourcing industrial and specialty chemicals and ingredients from emerging markets to Brenntag's customers all over the world. GSO provides access to selected suppliers with quality products and value-added services who share in Brenntag's commitment to quality, reliability, innovation, sustainability and customer satisfaction. The Brenntag GSO team holds offices in Beijing, Shanghai, Taipei, Mumbai, Singapore and Seoul and is formed of 50 experienced and highly skilled specialists for the different industries who closely cooperate with Brenntag regions worldwide. Brenntag GSO audits all producers according to a strict procedure, and provides transparency of Asian supply chain cost, value and risk.

OUR POLICIES

For many years, Brenntag has been committed to the highest forms of business conduct and ethics in our operations and supply chain. That commitment forms a cornerstone for many of our policies, procedures and our approach to business. At Brenntag, safety, responsibility and sustainability are fundamental aspects of the corporate strategy. In October 2014, Brenntag Group joined the UN Global Compact (UNGC), the first ever chemical distributor to join. This was a conscious and logical step for us, through which we officially signed up to the initiative's ten principles. UNGC is a strategic initiative for companies committing to align their business activities and strategies with ten universally recognised principles in the areas of human rights, labour standards, environmental protection and fighting of corruption. With more than 12,000 participants from over 145 countries, it is the world's largest joint initiative of socially committed companies and other stakeholders. These principles complement the standards

which we apply in evaluating all of our business activities. Brenntag recognises that only through the joint commitment of all stakeholders within the chemical industry can we be sure that any form of slavery is eradicated. Sustainability issues such as health, safety and environmental protection, working practices, supplier management and governance are becoming increasingly important criteria when choosing business partners and making purchasing decisions. Therefore, Brenntag maintains a close and ongoing dialogue with its suppliers and customers.

Brenntag Group is also a member of the chemical industry's initiative "Together for Sustainability" ("TfS") and undergoes external assessment by EcoVadis, a leading independent provider of Corporate Social Responsibility ("CSR") assessments. CSR Assessments evaluate policies and actions implemented by suppliers to comply with internationally recognised human rights standards and frameworks for slavery and human trafficking. This includes the Guiding Principles on Business and Human Rights, the United Nations Global Compact and ISO 26001.

COMMUNICATION

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide regular detailed training to relevant members of staff. Brenntag's Directors are committed to the subject and ongoing reviews of the training criteria. All new employees receive training on the topic upon joining.

EFFECTIVE RISK ASSESSMENT AND DUE DILIGENCE

Brenntag believes that the biggest risk of potential violations of human rights is in our supply chain. Brenntag has processes in place to support periodic assessment and management of risks associated with our partner engagements, direct business operations and business relationships. We will not work with customers, suppliers or sub-contractors who do not share our commitment to high ethical standards, particularly in relation to modern slavery. Brenntag Group has drawn up a Supplier Code of Conduct specifying what we expect of our suppliers in the areas mentioned. The Code is based on the principles of the UNGC, the chemical industry's global Responsible Care programme and Brenntag's Code of Business Conduct and Ethics. Brenntag's Supplier Code of Conduct explicitly requests that our suppliers support the observance of international human rights and that they avoid violations of human rights.

Brenntag requires its suppliers to provide information and supporting evidence on their policies and actions through sector specific questionnaires before they can become approved partners. These questionnaires cover human rights, due diligence and certification schemes used by suppliers to verify that fair labour practices are used. Suppliers are also expected to disclose information on their sustainable procurement selection criteria, third party audits and supplier capacity building. This provides buyers with visibility of suppliers' efforts to prevent slavery and human trafficking. If Brenntag have any concerns about information provided by suppliers, a desktop audit is carried out to ensure that Brenntag's high standards are being met. Our Anti-Slavery and Human Trafficking Policy prohibits the use of child or forced labour anywhere within our business. It also forbids Brenntag having any involvement with entities that support prohibited labour practices or human trafficking, including slavery, bonded labour or debt-bondage, or securing labour or services by force, threat, or deception. Our standard form agreements further strengthen this commitment by requiring that suppliers and subcontractors continue to observe Brenntag's policies on an on-going basis.

In addition, all trading partners are automatically and continually vetted against hundreds of restricted and sanctioned party lists sources from government institutions worldwide via Brenntag's Global Sanctions Screen. Suspected matches are thoroughly investigated and escalated as appropriate before trading is allowed to commence.

BRENTNAG AS A SUPPLIER

Brenntag makes its own principles and activities transparent and measurable in various ways. As well as our global sustainability report published on an annual basis, this also includes our own regular EcoVadis assessment and issue-specific audits at Brenntag locations. Brenntag has previously undergone several EcoVadis assessments. In its most recent assessment, the results of which were published in January 2022, the Brenntag Group achieved a score of 71 points, thereby confirming the gold status (Gold Recognition Level) that it achieved as early as 2016. This result puts

us among the top 3% of companies assessed in our industry category.

ECOVADIS SUSTAINABILITY ASSESSMENTS

Within the scope of its TfS membership, Brenntag requires a minimum number of its suppliers to undergo sustainability assessments every year. We thereby achieve greater transparency in relation to our suppliers' performance and are able to better consider sustainability issues in our purchasing decisions.

We work together with EcoVadis, as TfS does, which is a leading provider of sustainability assessments and is well established in the chemical industry. EcoVadis evaluates companies in the category of 'labour and human rights' (among others). Based on the responses provided by the companies in a comprehensive online questionnaire and on their accompanying documentation, EcoVadis awards scoring points and creates a detailed profile of strengths and weaknesses. It found that suppliers which represent some 71% of our total chemical spend scored at least 45 points out of a possible 100. According to the EcoVadis assessment system, these companies have, as a minimum, a structured and proactive sustainability approach, policies and tangible actions in relation to the areas evaluated.

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

SUPPLIER MANAGEMENT

In 2016, Brenntag globally set itself the goal of monitoring its supply chain more closely with regard to various sustainability aspects and gradually making it more sustainable. Among our sustainability targets in subsequent years, we aimed to analyse a specific percentage of our total global chemical spend (in EUR) through sustainability assessments or audits as part of our TfS membership. In 2016, we set a target of 50% for our coverage rate, which we exceeded by the end of 2017 with a rate of around 64%. We then aimed for an ambitious global coverage rate of 80% in 2021. We almost reached this target: By the end of 2021 some 75% of total chemical spend (in EUR) had undergone assessment at least once using sustainable assessments or audits. Due to the pandemic and global supply chain challenges, it was not possible to convince enough suppliers to carry out as many assessments as we would have wished.

In addition to increased transparency with regard to sustainability performance through a higher coverage rate, persistent improvement of the sustainability performance of suppliers is important to Brenntag. As a result, we set another objective, which we have adjusted to match past experience in the previous year: By the end of 2021, we wanted 55% (70% in previous year) of our suppliers undergoing assessment to have improved their score by at least one point compared to their previous assessment. Practical experience had shown that it is particularly difficult for suppliers that have already shown good assessment results to improve even further. On the other hand, it is all the more important that suppliers with results that do not yet meet the required rating, have the aspiration to improve.

To this end, Brenntag primarily focused on suppliers that achieved less than 45 points in the rating and/or with a scorecard older than three months, as candidates for reassessments. As a result, as much as 65% of our suppliers who underwent a reassessment in 2021 improved their score by at least one point compared to their previous assessment.

OUR COMMITMENT

Aside from total chemical spend, we intend to particularly focus on low scores in risk countries. We regard it as a great achievement that a total of around 1,400 of our suppliers worldwide underwent assessments between the launch of the programme in 2016 and the end of 2021, despite the unique challenges posed by the SARS-Cov-2 pandemic and strained supply chains.

This statement is made pursuant to section 54(i) of the Modern Slavery Act 2015 and constitutes a group Modern Slavery statement for Brenntag UK Holding Limited (Company Number 05777067) and its Subsidiaries Brenntag UK Limited (Company Number: 05262170) and Kluman and Balter Limited (Company Number: 02995518).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE:



RUSSEL ARGO
BES PRESIDENT REGION NORTH

SIGNED 23 JUNE 2022 FOR THE FINANCIAL YEAR 2021 (1 JANUARY 2021 TO 31 DECEMBER 2021)
FOR BRENN TAG UK HOLDING LIMITED

BRENN TAG UK & IRELAND

Alpha House, Lawnswood Business Park,
Redvers Close, Leeds, LS16 6QY
+44 (0)113 3879 200

www.brenntag.co.uk