

3 Non-financial Group Report

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Dear readers, dear shareholders,

The effects of numerous geopolitical crises on global trade relations posed particular challenges for Brenntag again last year. Rising energy costs for our suppliers in Europe amplify the already-strong pressure in a market environment that remains volatile. At the same time, companies face increasing requirements for transparency and comprehensive ESG reporting. Nevertheless, or perhaps especially in this environment, clear ESG targets provide direction, and their systematic implementation is a central focus for us at Brenntag going forward. We must play a role in shaping the ecological and social transformation of both our company and society through responsible governance, thereby contributing to a sustainable way of life.

As the global market leader in chemicals and ingredients distribution, we see ourselves in a key position to drive the transition to sustainability in the markets we serve. In 2023, we once again expanded our product portfolio so as to offer more sustainable alternatives to many established chemicals and ingredients. We are helped in this by CO₂Xplorer, our tool for calculating the greenhouse gases associated with individual products (product carbon footprint (PCF)). We are enhancing the transparency of our portfolio and making it easier for business partners to select sustainable product alternatives and thus improve their own carbon footprint. The independent testing service provider TÜV Rheinland has certified the CO₂Xplorer calculation method, thereby confirming that it meets the requirements of ISO 14067:2018 and the Together for Sustainability PCF Guideline.

We also see considerable potential for sustainable development in recycling and the circular economy. In 2023, Brenntag entered into an agreement with RubberJet Valley Group regarding the distribution of rubber powder and granules made from recycled end-of-life tires. The polymers produced through an environmentally friendly process are a suitable replacement for natural rubber. Together with our partners, we are thus helping to conserve resources, save on costs and diversify supply chains.

Our long-term ESG strategy also includes assessing our sites worldwide for specific risks. We investigate physical climate risks, such as those arising from flooding, heatwaves or storms, in different global warming scenarios. In 2023, we worked hard to prepare ourselves for the German Supply Chain Due Diligence Act. For example, we carried out a risk assessment on several thousand of our suppliers in order to identify and minimize risks of human rights violations.

Sustainability criteria also play an important role for our own financing. In the reporting period, we linked the interest rates on our new, EUR 1.5 billion credit facility to the achievement of specific ESG targets in a first for Brenntag.

CEO LETTER

All these measures contribute toward our sustainability vision Future Sustainable Brenntag. We are also delighted about the recognition we have received for our sustainability efforts in the form of awards and ratings. In the reporting period, for example, Brenntag was a finalist for the renowned German Sustainability Prize. In the Institutional Shareholder Services group of companies (ISS) ESG rating, we improved our score from C to C+, the highest level in our sector of industry.

Our intention in 2024 is to analyze the product portfolio of further lines of business from a sustainability perspective and thus increase the share of sustainable solutions in our range. We will also place a focus on innovation.

Implementing ESG measures is a shared task. In addition to the collaboration with our customers and suppliers, the commitment and creativity of our global workforce in particular help to make our company and our industry more sustainable. I would like to sincerely thank all colleagues for that.

Dear readers, as global market leader, we wish to continue to lead the way in the global distribution of sustainable chemicals and ingredients. I would be delighted if you would accompany and support us on our journey toward a Future Sustainable Brenntag.

Sincerely yours,



Dr. Christian Kohlpaintner

Chief Executive Officer of Brenntag SE

About this report

Reporting principles

This separate non-financial Group report (NfR) for financial year 2023 is a report published by Brenntag SE on its sustainability activities. The NfR has been integrated into the Annual Report, but is not part of the Group management report.

Under the German act transposing the EU CSR Directive into German law (Act to Strengthen Non-financial Disclosures by Companies in their Management and Group Management Reports), it is mandatory to use a framework for non-financial reporting. This NfR is based on the Global Reporting Initiative (GRI) requirements and indicators and therefore takes into account the interests of investors, customers, partners, suppliers, NGOs, employees and interested members of the public (GRI Index from [page 128](#)).

In addition, the following standards are used voluntarily as a supplement to the above:

- the principles of the United Nations Global Compact ([UNGC](#)),
- the standards issued by the Sustainability Accounting Standards Board ([SASB](#), [SASB “Chemicals” standard and SASB “Road transportation” standard](#), index on [page 135](#)) and
- the standard issued by the Task Force on Climate-related Financial Disclosures ([TCFD](#), index on [page 133](#)). The TCFD looks at the financial risks that climate change poses to companies’ business performance.

This NfR was prepared in accordance with Sections 289c to 289e in conjunction with Section 315c of the German Commercial Code (HGB) and fulfills both the legal requirements of the HGB and the statutory provisions set out in Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy Regulation).

To provide a structured presentation of this content, Brenntag has used the GRI standards as a framework. The description of the requirements under the HGB is based on the structure of the GRI management approaches. This structure is used in the description of the materiality analysis as well as for management approaches relating to “environmental matters”,

“employee matters”, “respect for human rights”, “anti-corruption and bribery matters” and “responsibility in the supply chain” (GRI 3: Material Topics 2021). In addition, a GRI Content Index contrasts the GRI indicators with the corresponding passages in the report. This GRI Content Index is published from [page 128](#). The following disclosures are additional information and not part of this separate NfR and therefore not subject to the audit: references to information not contained in the NfR or the combined Group management report and management report of Brenntag SE, the SASB and TCFD indices, and the principles of the UNGC.

The NfR has been audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft (Deloitte) pursuant to ISAE 3000 (Revised) to obtain limited assurance. Three metrics were subjected on a voluntary basis to an audit pursuant to ISAE 3000 (rev.) to obtain reasonable assurance. The Practitioner’s Report can be found on [page 138](#). The NfR was also preliminarily analyzed and audited by the Supervisory Board’s Audit Committee and subsequently by the entire Supervisory Board.

Information on the business model can be found in the combined Group management report and management report of Brenntag SE on [pages 142-143](#).

In this NfR, correlations have been identified with amounts reported in the consolidated financial statements. Information on environmental provisions amounting to EUR 107.5 million (2022: EUR 108.9 million) for the clean-up of soil and groundwater at current and former, owned or leased sites can be found under [note 25](#) to the consolidated financial statements for financial year 2023.

Data basis and calculation

This NfR covers Brenntag SE, which is included in the consolidated financial statements, as well as the consolidated subsidiaries, which are also included along with structured entities. For information on the group of consolidated companies and consolidation method, see [page 194](#) and [page 198](#), as well as the list of companies included in the consolidated financial statements, [page 265](#).

The reporting period for this NfR covers the Brenntag Group’s financial year 2023 (January 1, 2023 to December 31, 2023).

ABOUT THIS REPORT

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

Identification of material content

The topics presented in the materiality matrix on [page 90](#) form the basis for determining the NfR content. The matrix is the result of a materiality analysis that was updated in 2022 in that the stakeholders included assessed the relevance and the effects of the various topics. The materiality analysis was thus updated for the second time since it was first conducted in 2015. The results of the last update were judged to be still valid for 2023. In order to determine the material topics, Brenntag adhered to the requirements of Section 289c, para. 2 in conjunction with para. 3 of the HGB and the Global Reporting Initiative standards. These topics were assessed for the NfR using the following criteria:

- Topics that are necessary to form an understanding of the business performance, the financial results, the company's position and the effects of Brenntag's activities on non-financial aspects (environmental, employee and social matters, respect for human rights, anti-corruption and bribery matters, responsibility in the supply chain, and sustainable governance)
- Topics rated between "high and very high" in at least one of the dimensions
- Topics that form part of the Brenntag's Group strategy and/or its ESG strategy and the objectives contained in it.

Material topics pursuant to Section 289c, para. 2 in conjunction with para. 3 of the German Commercial Code

Aspects	Issue and page reference
Environmental matters	Combating climate change (page 109) Waste and packaging (page 115) More sustainable products (page 107) Circular business models (page 116) Responsible use of water (resources) (page 115) Climate resilience (page 97)
Employee matters	Occupational health and safety (page 99) People development and training (page 104) Respectful and caring work environment (page 101) Safe handling of chemicals (page 99)
Respect for human rights	Compliance and corporate governance (page 93) Responsible supplier management (page 105)
Anti-corruption and bribery matters	Compliance and corporate governance (page 94)
Social matters	Not material
Sustainable governance	Integration of sustainability in governance structures (page 96)

3.01 Material topics pursuant to Section 289c, para. 2 in conjunction with para. 3 of the German Commercial Code

Social matters were identified as being immaterial to Brenntag within the meaning of the law and were therefore not included in the NfR applying a global approach. However, Brenntag reports on local, social activities and employees' involvement outside the NfR. In accordance with the German Act to Strengthen Non-financial Disclosures by Companies in their Management and Group Management Reports, Brenntag has identified "Sustainable governance" as being material in addition to the topics covered by the law. This aspect is explained under the topic "Integration of sustainability in governance structures". Brenntag understands this topic to involve implementing management structures for business ethics and taking sustainability aspects into account in portfolio and investment steering. Under the German Act to Strengthen Non-financial Disclosures by Companies in their

ABOUT THIS REPORT

Management and Group Management Reports, Brenntag is required to report on management structures for business ethics in the NfR, whereas it reports on portfolio and investment steering voluntarily.

Moreover, non-financial risks to Brenntag SE's business activities are addressed as part of its risk management. This is explained in detail in the risk report contained in the combined management report. Pursuant to Section 289c, para. 3, no. 3 and 4 of the HGB, no material risks were identified in the reporting period which are associated with Brenntag SE's business relationships, products and services and which are very likely to have serious negative effects on the aspects named in the German Act to Strengthen Non-financial Disclosures by Companies in their Management and Group Management Reports now or in the future. Moreover, no non-financial performance indicators were classed as significant (Section 289b, para. 3, no. 5, Section 315, para. 3 HGB). References to amounts reported in the consolidated financial statements are not necessary to form an understanding.

The business model

Brenntag is the global market leader in chemicals and ingredients distribution. The company plays a central role in connecting the chemical industry's customers and suppliers. In the field of sustainability, Brenntag pursues specific goals and is committed to sustainable solutions in its own sector and the industries served. In this context, the company identifies the sustainability needs of its numerous customer indus-

tries and works together with its suppliers to develop appropriate products and services. In doing so, Brenntag also takes care to minimize the effects of its business activities on the environment by trying to prevent releases and reduce CO₂ emissions, for example. You can read more about the business model on [page 142](#) of the Group management report.

Sustainability at Brenntag

Strategy

Brenntag aims to fulfill its responsibility and play a significant role in shaping the future of the industry. The company supports its partners in its networks and promotes collaboration and shared success.

Sustainability has been an integral part of Brenntag's corporate strategy for many years now. Since as far back as 2014, the company has been a member of the [UN Global Compact](#) and committed to its principles for human rights, labor standards, environmental protection and fighting corruption. Since October 2014, Brenntag has been involved in [Together for Sustainability \(TfS\)](#), a chemical industry initiative that works to enhance sustainability in the supply chain. In October 2016, Brenntag became the first chemical distributor to obtain full membership in TfS.

In 2020, the CEO signed the Global Compact Statement from Business Leaders for Renewed Global Cooperation together with over 1,000 CEOs of companies from more than 100 countries. In 2021, Brenntag joined the global [RE100 initiative](#), thereby pledging its commitment to the goal of sourcing 100% renewable power by 2025.

In order to demonstrate its leading role on the journey to an eco-friendly and sustainable future and make an impactful contribution, Brenntag signed up to the [Science Based Targets initiative \(SBTi\)](#) in 2022, thereby committing to have its climate goals validated by the end of 2024 at the latest. These are science-based, 1.5°C-aligned goals. In 2022, the company developed its sustainability vision Future Sustainable Brenntag and formulated an ESG strategy. The vision refers to Brenntag's overarching set of long-term objectives and describes the basic direction. The strategy, in turn, describes the planned approach and the specific actions taken to achieve the sustainability vision. Brenntag's ESG strategy is based on two different and equally important components. Firstly, the focus is on shrinking the carbon footprint, for example by reducing emissions. At the same time, Brenntag strives to increase its positive contribution, such as by developing environmentally friendly products and solutions. These two points of focus are intended to drive meaningful and lasting changes for the company and society. From the ESG strategy, the company derives clearly defined and ambitious medium- and long-term goals along the value chain. Brenntag is thus shaping the sustainable future of global chemical distribution.

SUSTAINABILITY AT BRENNTAG

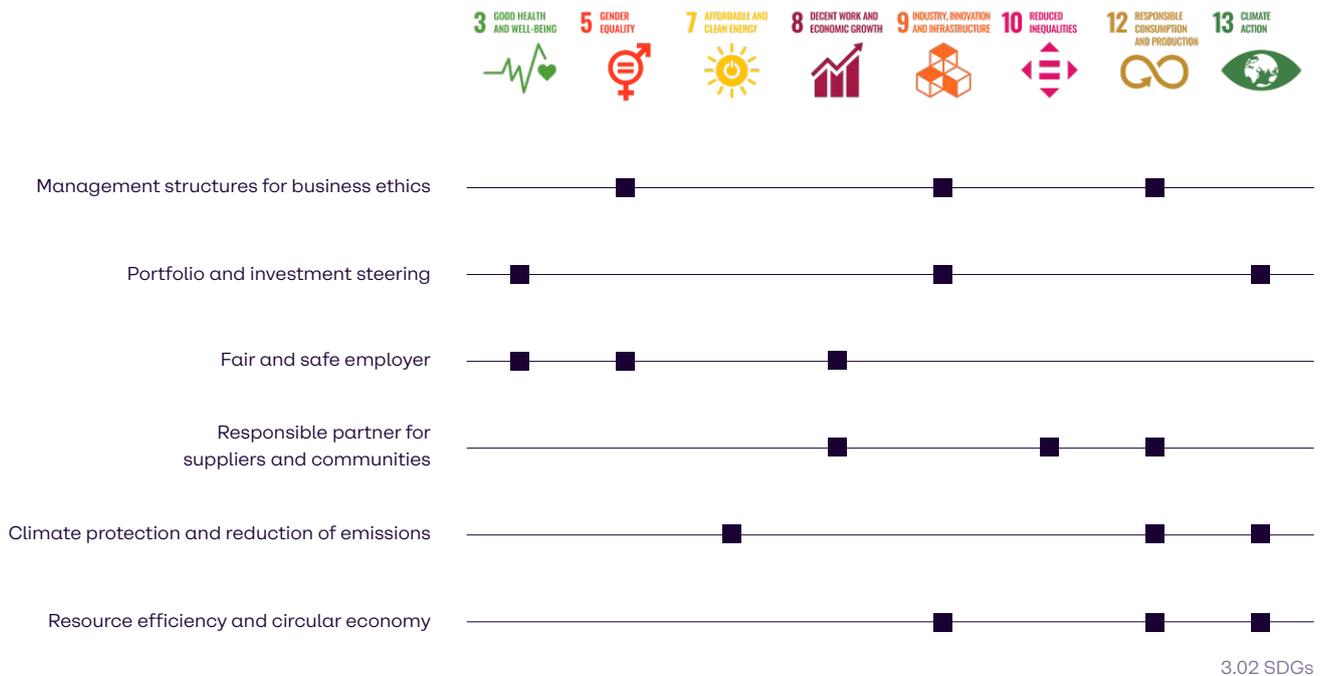
Focus areas

Through its ESG strategy, Brenntag is paving the way to achieve its long-term sustainability vision Future Sustainable Brenntag. The strategy comprises the following six focus areas:

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

Brenntag has identified eight United Nations [Sustainable Development Goals \(SDGs\)](#) that are of most relevance to the company and to which it can make the greatest contribution. These eight SDGs are: good health and well-being; gender equality; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; responsible consumption and production; climate action.

The following graphic shows in which focus areas Brenntag addresses the SDGs.



SUSTAINABILITY AT BRENNTAG

Targets

Brenntag has set clear medium-term targets and some long-term targets for each focus area. In order to achieve these, it has also defined short-term targets, the progress toward

which must be measured on a yearly basis. The targets and the current status of the targets are explained in further detail in the individual sections.

Focus areas	Targets 2024–2030	Targets 2030–2045	Target achievement 2023
Management structures for business ethics	Refine the regular reporting to regional, divisional and global management on the development of the compliance management system (2024)		Further adjustment of Board remuneration based on ESG goals (2024). Target for 2024 fully achieved: ESG goals firmly integrated into long-term variable remuneration with effect from January 1, 2023
Portfolio and investment steering	100% portfolio steering toward sustainability (2025) Develop strategies to support technological advancement in important industry segments (e.g. automotive) (2025)		All new sites green building certified
Fair and safe employer	100% targeted expansion of unconscious bias training for leaders, managers and recruiters (2025) Annual global employee engagement survey, including action planning and monitoring (2024–2026)	Female representation of at least 30% across our entire management below the Board of Management (2030) TRIR ¹⁾ < 2.0 (2030) 25% reduction in process spillages vs. 2023 (2030) ³⁾	100% of employees earn at least a living wage Global organizational diversity, equity and inclusion structure set up Female representation across management levels in percent: L-1 ≥ 22.2%; L-2 ≥ 26.6%; L-3 ≥ 30.0%; L-4 ≥ 30.0%; L-5+ ≥ 26.9% Engagement survey developed and organized TRIR < 2.65 Total spillages < 0.8 events/MMH ⁵⁾
Responsible partner for suppliers and communities	All suppliers are covered by risk management (as of 2024) ²⁾		Responsibilities assigned for 100% of high-risk suppliers
Climate protection and reduction of emissions	100% energy consumption from renewable sources (2025) 100% offsetting of remaining Scope 1 and 2 emissions (2025)	40% absolute carbon reduction vs. 2020 (2030) ⁴⁾ Net zero carbon emissions (2045)	12.6% reduction in total Scope 1 and 2 Co ₂ e emissions vs. base year 2020
Resource efficiency and circular economy	Assess at least 60% of the product portfolio (sales in EUR) for sustainability (2024) Ten circular businesses, each generating > EUR 1 million a year (2025)		At least 30% of the product portfolio (sales in EUR) assessed for sustainability and quantitative target for 2025 set 24 circular business models analyzed

■ achieved
 ■ partially achieved
 ■ not achieved

3.03 Focus areas

¹⁾ Total Recordable Injury Rate.

²⁾ All active suppliers managed in the global ERP system.

³⁾ Irrespective of the target, uncontained spillages, PSE1 and releases of hazardous gases will be disclosed from the 2024 reporting period onwards.

⁴⁾ Excl. sites that were not included in the 2020 base year; those will be recorded separately.

⁵⁾ MMH = million man-hours.

SUSTAINABILITY AT BRENNTAG

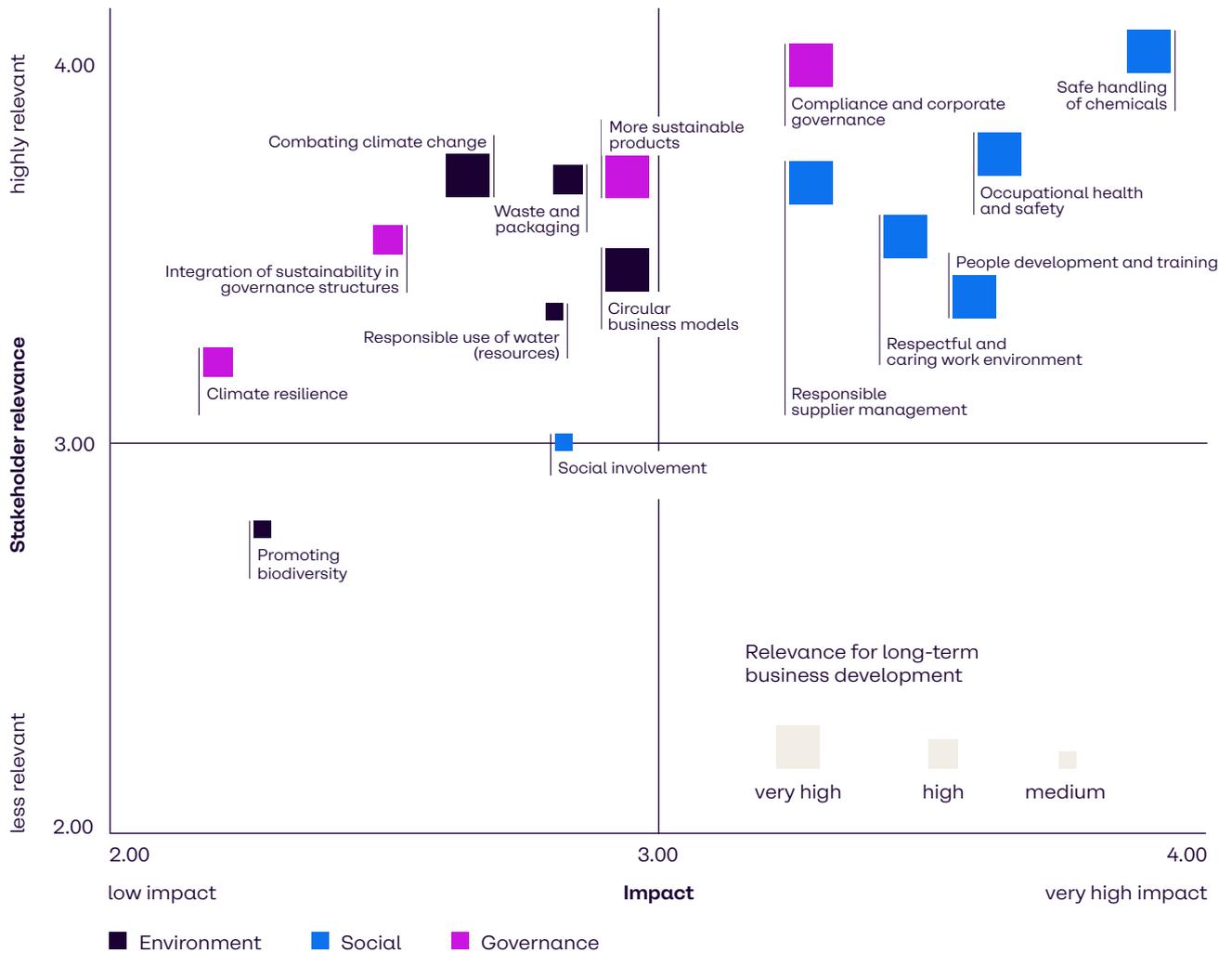
Materiality analysis

In 2022, Brenntag once again updated the materiality analysis with a view to sharpening the strategy published in 2022 and the long-term sustainability vision Future Sustainable Brenntag on the basis of various stakeholder perspectives and requirements. This analyzes the materiality of topics for the NfR in terms of three aspects: the significance for stakeholders, for understanding the business performance, the financial results or the position of the company, and the

effects of Brenntag’s activities on the environment, society and the economy. The materiality analysis updated in 2022 was judged to be still valid for 2023.

The analysis included stakeholders such as employees, managers, customers, suppliers, association representatives and investors. The findings of the stakeholder survey confirm the strategy and long-term Future Sustainable Brenntag vision: All topics identified as being material are also taken into account in the defined focus areas.

Materiality matrix



3.04 Materiality matrix

Dialog with stakeholders

Brenntag maintains open and target group-specific dialog with various stakeholders. These include customers, employees, suppliers and business partners along with investors and analysts, the media and other representatives of society. The aim is to keep stakeholders appropriately up to date on company developments and objectives and to create transparency. In return, this interaction enables the company to identify stakeholder expectations and give them appropriate consideration in its business decisions.

As a member of relevant technical and industry associations at a local, regional and international level, Brenntag devotes time and attention to industry-specific issues. It is also essential to the success of the sustainability strategy that employees are kept fully informed about sustainability issues and given opportunities to actively participate. To this end, the company offers various communication channels, such as the sustainability magazine Sustainability Insights, the sustainability newsletter and virtual information events. The global Brenntag intranet is also a source of information on news and developments.

Governance

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Governance

Management structures for business ethics



Values

Brenntag’s business partners and other stakeholders quite rightly expect the highest level of quality, reliability and efficient, innovative solutions. In order to meet these standards, Brenntag uses five core values to systematically guide its actions. All business activities and business relationships are shaped by these values.

	<p>Care We take responsibility for each other, our partners and the world.</p>
	<p>Trust We build relationships through authenticity and commitment.</p>
	<p>Clarity We work toward common goals with focus and determination.</p>
	<p>Excellence We go beyond expectations through excellence, innovation and collaboration.</p>
	<p>Safety We put safety first in everything we do.</p>

3.05 Values of Brenntag SE

Brenntag wishes to embed these values introduced at the end of 2022 in day-to-day business and ensure that employees live them. In 2023, a series of digital and analog options was delivered with the aim of encouraging employees to consciously engage with the values, discuss them within the team and use them to guide their own actions. This begins during

the new employee recruitment process, which is shaped by the Brenntag values, continues during human resources development and involves interaction both among employees and with external partners. This is to be continued in 2024.

ESG management and organization

Sustainability only becomes effective once it is firmly embedded in organizational and management systems. The Supervisory Board of Brenntag SE has established a separate Transformation and ESG Committee to enable the implementation and tracking of the corporate and sustainability strategy, including sustainability objectives, to be monitored at the highest level of the company. The Committee is composed of Supervisory Board members Wijnand Donkers, Richard Ridinger and Ulrich Harnacke.

In 2022, Brenntag established a Sustainability Council made up of managers from different regions and functions and headed by the CEO. The Sustainability Council met three times in the reporting period to discuss the implementation of the sustainability strategy and cross-function initiatives.

In order to strengthen its commitment to sustainable governance, Brenntag’s objective for 2024 was to adapt the Board of Management remuneration system and explicitly implement ESG goals. The Supervisory Board achieved this objective as early as 2023 in that a revised Board of Management remuneration system became effective with retrospective effect from January 1, 2023 following its approval at the 2023 Annual General Meeting and the Supervisory Board firmly integrated ESG goals into long-term variable remuneration. These ESG goals are generally based on measurable, quantitative performance criteria derived from Brenntag’s sustainability strategy. The specific ESG goals for the 2023-2026 tranche of long-term variable Board remuneration are as follows:

- Reduction in greenhouse gas emissions (Scope 1 and Scope 2)
- Further increase in occupational safety (reduction in the TRIR)
- Increase in the percentage of women at different levels of management

At Group level, Brenntag has numerous guidelines that apply worldwide. Sustainability Brenntag Group works to advance sustainability topics in a targeted manner throughout the company. It is headed by the Vice President (VP) Sustainability

Brenntag Group. He reports directly to the CEO and is part of the global leadership team. This promotes the integration of sustainability topics in other areas of the Group and in the regions. In the Brenntag Essentials and Brenntag Specialties divisions, there are now dedicated roles that drive and assume responsibility for sustainability in business operations. In addition, the individual companies and sites pursue a large number of sustainability activities on their own, both regionally and locally.

In order to implement the German Supply Chain Due Diligence Act, a human rights officer was appointed for Brenntag back in 2022 before the Act entered into effect. This role is assumed by the VP Sustainability Brenntag Group. He sets out and oversees the management of human rights and environmental risks and also keeps an eye on changes in the legal framework strictly adhered to by the company. The human rights officer reports directly to the CEO.

Compliance and integrity

Brenntag has traditionally attached great importance to responsible, future-oriented and sustainable corporate governance. In 2023, it continuously further developed its compliance processes in order to continue to ensure that the company and its employees comply consistently with the laws, rules and guidelines of relevance to Brenntag. Among other things, this further development includes the organizational expansion of the compliance department, the extension of the internal compliance reporting system and the implementation of new, additional whistleblowing channels.

The Senior Vice President (SVP) Compliance & Privacy Brenntag Group reports once a quarter to the Board of Management and the Audit and Compliance Committee, on a monthly basis to the Supervisory Board and to the CEO of the Brenntag Group. The Regional Compliance Managers based in the regions, who are assisted in their work by local compliance contacts, regularly exchange information and experience with the SVP Compliance & Privacy Brenntag Group and the regional management. Based on the organizational developments at the company, reporting on the compliance management system will be refined accordingly in 2024.

Brenntag has set up particularly safe and confidential points of contact for whistleblowers. In the reporting period, the compliance department provided employees and third parties with new, additional whistleblowing channels for this purpose. A case handling system was also implemented. This is used primarily by the compliance and internal audit departments in the context of investigating reports. Fourteen

confirmed cases were reported in 2023. One report of possible corrupt action was submitted and an investigation launched. In this case, the suspicion was not confirmed at the end of the investigation. In addition, two reports received in 2023 are still the subject of ongoing investigations. Employees and third parties can access the relevant whistleblowing channels through the Brenntag website. Seventeen confirmed cases were reported in the 2022 reporting period. In addition, two reports of possible corrupt action were submitted. In neither of the two cases was the suspicion confirmed at the end of the investigation.

As a global company, Brenntag is subject to a large number of local, national and international laws and regulations. It is the responsibility of all employees to comply with these rules without exception. Examples of such internal regulations developed by Brenntag include the [Code of Business Conduct and Ethics](#), the [Anti-corruption Guideline](#) and other Group guidelines based on the corporate values. In addition, regulations such as those on trade compliance, whistleblowing and the Supplier Code of Conduct were refined in the reporting period.

Among other means, the new Brenntag Compliance intranet site, internal newsletters and other communication measures are 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 in order 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%).

Data protection

Group-wide data protection places particular requirements on Brenntag. Different statutory provisions must be observed at each of the Group's international sites. At the same time, it is necessary to appropriately protect the interests of all data subjects and ensure that data protection standards are adhered to throughout the company. For this, the provisions of the General Data Protection Regulation and the requirements of numerous other international data protection laws (e.g. in Brazil, California (USA), China, South Africa, etc.) must be implemented and harmonized. In particular, this requires

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comprehensive and in particular local expertise, well-coordinated communication and integrated data protection management.

As head of the Global Data Protection department, the Group Data Protection Officer reports independently and directly to the CEO at regular meetings. In 2023, the department underwent expansion and further development of its organizational structure. Notably, the addition of a privacy engineer was made to enhance coverage of technological aspects within the area of data protection. Data protection coordinators in the various regions support the Global Data Protection department and report to the central unit. Data protection recommendations and developments are discussed with other departments at least once a quarter.

The global data privacy management system introduced in 2020 supports and automates the documentation of all processing procedures worldwide, including the service providers involved and the corresponding risk analyses. Since the system was introduced, data and processes have been managed locally and controlled centrally. In 2023, the quality of documentation was further improved and the data protection coordinators in the regions received training in this regard. In 2023, additional measures were implemented to advance the digitalization of data protection processes. Another point of focus was providing support to the Digital.Data.Excellence initiatives, including with regard to the auditing of service providers and projects. In addition, the project teams involved received comprehensive guidance.

Internal audit

Brenntag's governance model is based on the Three Lines Model. In addition to operational management (first line) and standard-setting functions such as compliance and risk management (second line), this provides for an internal audit function independent of day-to-day business (third line) within the corporate structure.

Brenntag's Group internal audit function is divided into regional audit teams based in Singapore, Houston (USA) and Essen (Germany) and functional teams for IT audits, forensic audits, audit policies and audit analytics. All teams and team leaders report to the Senior Vice President Internal Audit Brenntag Group, who reports to the CEO.

The aim of Internal Audit is to protect the Group's corporate values and gain insights into internal processes that are relevant to the Group. For this purpose, it conducts independent audits of the effectiveness of processes and controls as well as compliance with internal guidelines, with these audits based on a risk-based audit plan. Audit findings are assessed

with regard to the resulting risk for the Group. The results of the audits are reported to the Group Board of Management, the Supervisory Board's Audit Committee and other stakeholders, such as subsidiaries' management teams. Internal Audit also provides advisory services in accordance with the relevant professional standards.

Internal Audit agrees measures to remedy the weaknesses with the units audited and monitors their implementation through suitable follow-up processes. Thirty-two audits were conducted in the Brenntag Group in the reporting period (2022: 28 audits). In this context, a total of 205 (2022: 186) measures were agreed with the units audited.

Tax policy

Adherence to applicable tax laws and regulations is an essential element of compliance (tax compliance). In 2023, the Brenntag Group paid EUR 249.1 million (2022: EUR 344.9 million) in income taxes.

Brenntag's tax policy is based on the following principles:

- All relevant tax laws, rules, regulations and reporting obligations in countries where Brenntag operates must be fully adhered to.
- All tax matters are dealt with in accordance with Brenntag's business strategy and the fundamental values specified in the Code of Business Conduct and Ethics.
- All tax matters are handled with professional diligence.
- Brenntag maintains constructive and transparent relationships with tax authorities that are based on integrity, cooperation and mutual trust.
- Brenntag attaches importance to sustainable tax planning in accordance with legal regulations. The Group does not engage in tax planning that is not related to business transactions.

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

To comply with tax laws and regulations, Brenntag has begun to build a tax compliance management system (Tax CMS) within the meaning of IDW AuS 980, starting with the German subsidiaries. This system is to be rolled out across the Group on schedule at the end of 2024. The Tax CMS is continuously enhanced and always adapted to the latest legislation or court rulings.

For information on the handling of tax risks, please refer to the practitioner's report.

Portfolio and investment steering



Brenntag aims to further embed sustainability in governance structures by implementing guidelines and processes so as to ensure that sustainability is integrated into important activities and the portfolio and investments can therefore be steered toward sustainability.

Portfolio steering

Brenntag aims to be the chemical industry leader in sustainability. This includes the company focusing its product portfolio more on innovative and sustainable products that result in greater efficiency, lower consumption and fewer impacts on people and the environment across the entire value chain. Close working relationships with customers and suppliers play an important role here. By offering sustainable products and solutions, the company provides its customers with ever better support in meeting their own sustainability targets. This also opens up further business opportunities for Brenntag.

To this end, Brenntag aims to use sustainability criteria to steer 100% of the relevant product portfolio from the end of 2025 onwards and to market more products that make a particular contribution to sustainability while reducing products that are negative contributors to sustainability. On its journey to a more sustainable product portfolio, Brenntag analyzed around 70% of its product portfolio from a sustainability perspective in an initial examination carried out in 2022. In the reporting period, Brenntag segmented in more detail around 31% (sales in EUR) of its product portfolio using established methods such as the Portfolio [Sustainability Assessment of the World Business Council for Sustainable Development \(WBCSD\)](#) as its guide. Industry- and region-specific sustainability trends and sustainability criteria for the products marketed by Brenntag are identified at workshops with the respective business segments. In contrast to last year, the number of workshops is no longer a relevant metric, as segmentation was carried out as a project this year and workshops were just one part of the implementation process. Sustainability criteria can include RSPO certifications¹⁾ for the HI&I (Household, Industrial & Institutional Care) segment or biobased solvents, for example. This method is used to gen-

erate an overview of how much sales revenue the business segment concerned makes from particularly sustainable products and how many products have a sustainability flow. This enables the portfolio to be steered toward greater sustainability. The aim is to extend the product portfolio with regard to sustainability criteria in light of regional market requirements and trends in the customer industries.

Brenntag benefits from the fact that its global presence and comprehensive application and product expertise mean that the company has knowledge of heavily regulated markets and an extensive supplier network. Brenntag can also leverage this knowledge in less regulated markets so as to proactively offer appropriate products to customers wishing to comply with safety standards that go beyond regional regulations. In the reporting period, Brenntag therefore developed a guideline with a view to reducing the use of substances of very high concern (SVHCs) in sold products at a concentration above 0.1 % not just in the EU, but worldwide. The company is concentrating on SVHCs on the EU-REACH authorization list (Annex XIV) and the EU-REACH candidate list.

Initial steps toward a more sustainable product portfolio were taken through Brenntag's own [Step4Change](#) initiative in the EMEA region back in 2020. Step4Change helps customers to reach their sustainability targets by identifying more sustainable product solutions from our partners that meet their needs and making them available quickly and flexibly. The business initiative by Brenntag Essentials EMEA made considerable progress in 2023. For example, Step4Change entered into initial distribution agreements with customers and also signed agreements on the joint market development of sustainable products.

In its quest to promote technological advancement in important industry segments such as e-mobility and chemical recycling, Brenntag aims to develop strategies by the end of 2025. For the rapidly developing e-mobility market, Brenntag Essentials Battery Materials and Solutions has already positioned itself along the value chain in lithium-ion batteries and similar technologies. Contact has been established with potential customers with a view to developing joint solutions for the supply of materials and value-added services.

¹⁾ RSPO certification is obtained by companies that have themselves been audited by an independent certifier against the criteria of the [Roundtable on Sustainable Palm Oil \(RSPO\)](#).

Investment steering

Sustainability also plays a central role for Brenntag when it comes to assessing investments. Since 2022, ESG factors have been an integral part of due diligence on mergers and acquisitions. Brenntag prepares a sustainability appraisal on each acquisition candidate, in which it determines whether the company in question is a good fit with its own ESG strategy. Among other things, the appraisals assess energy consumption, energy sources and the products offered by the acquisition candidate that are classified as sustainable. Portfolio risks relating to the acquisition candidate's sustainability are also examined and incorporated into the investment assessment. Brenntag has developed a guideline specifically for this purpose. Eleven assessments were prepared for mergers and acquisitions in the reporting period (2022: five assessments).

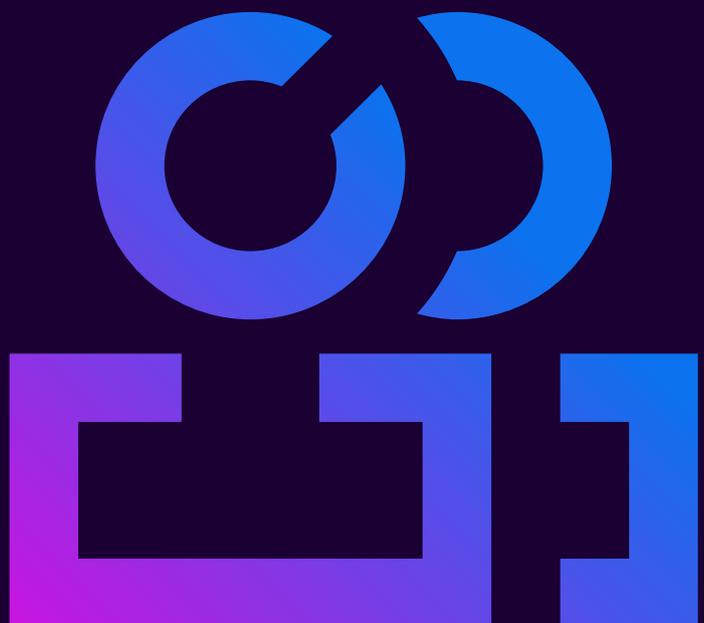
Moreover, since 2022 the Sustainability department has been involved as a reviewer in investments related to sustainability and thus plays an important role in the decision-making process. For example, the Sustainability department reviews investments in buildings or means of transport such as heavy goods vehicles, forklift trucks, etc. Whenever a decision on investments affects Brenntag's carbon footprint, and where steering from a sustainability perspective is therefore appropriate, the review examines aspects such as whether the CO₂ targets are met.

Brenntag pursues a sustainability strategy for its own buildings, too. In 2022, the Corporate Sustainable Building Guideline was introduced to this end. This requires each new Brenntag-owned building to be certified to defined sustainable building standards. Recognized standards include LEED, BREEAM and Green Star. Existing buildings also have to be certified to one of the aforementioned standards if there are any relatively large-scale modernization or renovation projects scheduled. No building projects were part of the Guideline in the reporting period.

In 2022, the company launched a pilot project together with an external service provider with a view to identifying future physical climate risks for the Brenntag sites worldwide, for example as a result of rising sea levels or exceptional heatwaves. The initial focus was on a qualitative assessment of each site's exposure to such risks in different global warming scenarios. In the reporting period, the project was developed in greater detail by holding workshops with different departments. The focus here was on methodology, data quality and risk presentation. The results are to be used to increase the Brenntag sites' resilience to changes in climatic conditions.

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Social

Fair and safe employer



Occupational health and safety

Safety is one of Brenntag's five core values. As a global business with a highly diversified supplier and customer structure, the company faces particular challenges, as it is confronted with different regional laws and requirements, industry standards and work cultures.

Safe handling of chemicals

At Brenntag, there is a combination of various aspects of health and safety. Chemical process safety provides the basis for the safe handling of chemicals. However, it is also important that all parties have the necessary risk awareness and conduct themselves accordingly and that appropriate protective measures are introduced and adhered to. Added to this are the occupational safety issues arising from activities in transportation, storage, packaging and distribution. Responsibility for occupational safety also includes external transport companies, customers and contractors if they are working at Brenntag sites or if they are supplied by Brenntag.

In order to fulfill this responsibility, Brenntag pursues a global, standards-based QSHE (quality, safety, health, environment) strategy. In this context, Brenntag standards are defined based on industry standards such as ISO 9001, Responsible Care/Responsible Distribution and the CCPS (Center for Chemical Process Safety) model. The QSHE strategy is built on four pillars: Culture, Team, Management System and Monitoring & Controlling.

Culture

Throughout the Group, Brenntag operates in accordance with the "Safety First" principle, relying strongly on personal commitment and responsibility. Brenntag uses various methods to continuously raise employee awareness of occupational health and safety. Documented QSHE training tailored to the requirements of each activity provides the basis. This is supplemented by communication formats such as five-minute talks, lessons learned and best practices, which

enable insights gained from incidents or examples of good working practices to be shared within the organization in a structured manner.

Running for a certain period, there are also global and regional safety projects on a variety of topics. Individual critical problems are addressed in dedicated global campaigns so as to specifically raise awareness among employees in this area and ensure harmonized corrective and preventive measures.

The Brenntag Global QSHE Policy

The Brenntag Global QSHE Policy outlines the company's goals and standards in relation to QSHE. Under this policy, it upholds quality, health, safety and environmental management standards in its activities. At all times, Brenntag strives for process safety, occupational health and safety, customer satisfaction, respect for the environment and continuous improvement. The company undertakes to provide the resources required for this. Employees share the company's ethics and values, maintain exemplary behavior and take part in relevant safety training. The Brenntag Global QSHE Policy applies to all employees at all levels of the hierarchy and to all activities within the company.

Since the end of 2021, when an increase in accidents was registered in this area, the worldwide "Zero Tolerance to Chemical Exposures" campaign had been using detailed information materials and an animated video "5 Golden Rules" to convey the safe handling of hazardous chemicals and how to avoid direct contact with those substances. During the campaign and after it concluded, the number of such accidents fell significantly. At assessments and site visits carried out in 2023, it was then examined how the content of the campaign had been implemented and adopted into the daily routine locally. In the reporting period, Brenntag initiated the Contractor Management campaign. This covers the criteria according to which contractors are selected, how preventive measures for safe working are developed in collaboration with contractors and how compliance with those measures is appropriately monitored. The first campaign in 2024 will address fire safety.

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The global Brenntag Enhanced Safety Thinking (BEST) program also helps to raise awareness of safety. It consists of the Brenntag Safety Behavior Standard and an employee survey that builds on the behaviors described in the Standard. The aim is to evaluate safety behavior and safety awareness within the company and, if necessary, improve it by way of action plans. In all global regions, the most recent survey in 2022 showed employees giving safety awareness and safety behavior a much better rating compared with the two previous editions in 2015 and 2018. The next survey is scheduled for 2025.

Once a year, Brenntag presents the Global Safety Awards in two categories: the Safety Excellence Award for the best safety record and the Safety Phoenix Award for the strongest improvement in terms of safety. In 2023, the Mosquera site in Colombia (Safety Excellence Award) and the Montville site in France (Safety Phoenix Award) were honored for the achievements shown.

Team

In order to centralize its QSHE structure, Brenntag has established a multinational team made up of QSHE experts working centrally and the QSHE directors of the global regions. They work closely together with the regional and local QSHE teams.

Management system

Brenntag operates an integrated QSHE management system focused on people, sites and their equipment and processes. The aim is to harmonize the different regional and local approaches, requirements and features within one global QSHE system.

Internally, the company issued a global QSHE manual that combines its guidelines setting out company-wide minimum standards in QSHE. The content has since been regularly revised and updated in order to adapt relevant aspects and control measures accordingly.

One important element of the QSHE management system at Brenntag is its participation in the international [Responsible Care/Responsible Distribution \(RC/RD\)](#) initiative of the International Chemical Trade Association (ICTA). Regardless of legal requirements, the initiative wishes to ensure that member companies continuously improve their environmental and health performance and report openly on this progress on a regular basis. Brenntag companies with operating sites or with direct sales are expected to participate if national associations offer a corresponding program¹⁾. At the end of 2023, 92 out of a total of 98 relevant companies were taking part in an RC/RD program (2022: 85 out of 87 relevant companies).

Ensuring safe handling of loose, unpackaged chemicals, termed bulk goods, requires safe facilities and processes. Brenntag has therefore established process safety management (PSM) programs at all sites worldwide that work with such bulk chemicals. For this, the sites conduct a self-assessment using a questionnaire based on the internationally recognized CCPS model, currently at intervals of one to two years. Within the QSHE organization, Brenntag has also built up an international team of PSM experts that supports the sites and carries out PSM assessments. Using a risk-based approach, a structured system was developed under which all sites concerned undergo a PSM assessment at least once every three years. The number of assessments carried out was increased from 20 in 2022 to 77 in the reporting period.

To ensure quality, Brenntag aims for all operating sites to be certified to ISO 9001. Where useful and necessary, the company has supplemented or replaced this with further product- or industry-related quality management systems²⁾. At the end of 2023, 363 of Brenntag's 364 relevant sites worldwide were certified accordingly (2022: 356 out of 364 relevant sites).

¹⁾ RC/RD self-assessments can be used if an RC/RD program does not exist in the country.

²⁾ Management systems that Brenntag recognizes as substitutes for ISO 9001 include: ISO 13485; ISO 22000; AS 9100; ISO/TS 16949; ISO 45001; GFSI systems; GMP/GDP/GMP+; FEMAS/FAMIQS; NACD Responsible Distribution.

Monitoring & controlling

Brenntag has established an extensive monitoring and controlling system in order to continuously improve its safety measures. Since 2023, a new central QSHE reporting platform has been collating information from the regional systems. The Brenntag companies report on accidents and incidents in accordance with the Brenntag Global Standard Reporting Criteria. Brenntag also relies strongly on monitoring and controlling as a preventive tool, such as in the case of near misses and in the form of safety inspections and certifications.

Brenntag made further progress on occupational safety in the reporting period. The TRIR¹⁾ (Total Recordable Injury Rate) decreased from 2.7 in the previous year to 2.5 in the reporting period. Nevertheless, an employee of an external company engaged by Brenntag was unfortunately seriously injured by sulfuric acid in an accident at a tank farm in Germany. The insights gained and resulting actions fed directly into the Contractor Management campaign. In Germany, Austria and Switzerland, for example, Brenntag fully revised its contractor management and extended it accordingly.

All spillages in excess of 200 liters of liquid and solid products that are classified as dangerous goods in accordance with the international UN transport regulations are included in Brenntag's total spillage rate. This rose from 0.83 in 2022 to 1.11 spillages per million man-hours in 2023 and was therefore well above the target of no more than 0.80. At 83%, the rise in spillages of packaged goods, from intermediate bulk containers for example, was significantly higher than the 16% increase in spillages from process and bulk facilities. Such process spillages are a subset of the process safety events described below and often entail greater risks than those from packaging. Brenntag therefore places greater focus on this type of spillage at a global level and has also modified its target accordingly. By 2030, Brenntag intends to reduce the rate of process spillages by at least 25%, starting from 1.88 cases per one million tonnes of outgoing products from warehouse locations in 2023. Brenntag sites are equipped with internal retention systems so that all spillages are collected insofar as is possible. In an incident in which a storage tank in Poland failed, however, around 60 t of hydrochloric acid were not contained and some entered the soil. The necessary clean-up measures were then agreed with the local authorities.

During the night of August 11, 2023, a fire broke out at our site in Rexdale (Canada) for as-yet-unknown reasons, completely destroying the site, at which oils and lubricants were stored. While local forces were fighting the fire, large quantities of fire-fighting water were used, causing retention capacity to be exceeded. As a result, products released from the warehouse made their way into two streams and from there into Lake Ontario along with the fire-fighting water. Extensive clean-up and remediation measures were then immediately decided upon and carried out in consultation with the environmental authorities.

Accidental releases of products, energy and such like from process facilities are termed process safety events (PSEs). In 2023, as in the previous year, there were eleven PSE1²⁾ (higher-category events with consequences such as injuries that lead to absence, exceeded threshold quantities or evacuation in the surrounding area). Brenntag is therefore in line with the upper limit of twelve PSE1 set for the year as a whole. The aforementioned fire in Canada is not classed as a PSE because, based on the facts as they currently stand, it was not caused by a process. Despite the large quantity released, the release in Poland is classed as a PSE2 (lower-category event), as there were no injured parties and the product's potential for further damage is rated by the CCPS as being relatively low.

Working conditions and employee benefits

Remuneration and employee benefits

Through their expertise and dedication, Brenntag's employees make a decisive contribution to the company's success. For this reason, the company wishes to attract the best staff available for selection in an appointment process, in terms of education and experience for example, and offer them an attractive, safe and inspiring environment.

For the management level, Brenntag has introduced a performance-related remuneration system. This consists of three components: a fixed annual base salary, a short-term variable annual bonus and long-term variable remuneration. The variable remuneration is closely linked to personal performance, the achievement of targets for predefined performance indicators and the company's results. In addition to the above-mentioned remuneration components, managers

¹⁾ Number of injured people who receive medical treatment beyond first aid per one million work hours.

²⁾ PSE classification is made based on the definitions of the CCPS (Center for Chemical Process Safety). The revised CCPS guide in use since 2023, containing new criteria for classifying releases, leads to a lower number of PSE1.

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receive contractually agreed benefits in kind and other benefits. Depending on the country, benefits in kind may include payment of relocation costs, a company car or insurance, such as health insurance in the USA. Other benefits include rent or travel allowances, for example.

One important part of Brenntag's remuneration structure is pension provision, which Brenntag supports in a number of countries. The pension benefits differ according to the legal, tax and economic environment in the country in question and depend on the number of years of service and the pay grade of the respective employee.

In 2023, Brenntag also implemented a living wage policy that specifies that the salaries of all Brenntag employees should meet living wage standards. Brenntag works together with an organization that provides living wage data for all the countries in which Brenntag operates. In accordance with the guideline, Brenntag completes an annual process to identify any living wage gaps (gap analysis), where remuneration at Brenntag is compared against the living wage data. Any gaps are to be permanently closed. In some countries in which the company operates, the statutory minimum wages are less than an adequate income. In the reporting period, a gap analysis was again carried out together with external service providers with a view to determining where at Brenntag there are employees whose salaries do not meet living wage standards. Any gaps brought to light by the analysis were then closed by making appropriate salary adjustments, as a result of which no members of staff were employed below living wage standards at the end of the reporting period.

Global framework 'New Work'

Throughout the Group, Brenntag places emphasis on agile and flexible working. The company is open to opportunities to make working at Brenntag more flexible around the globe, and has implemented appropriate measures.

The framework under the title 'New Work – Towards Greater Flex', which was developed by Global HR in close cooperation with the regional and local human resources departments at the international sites, provides the basis for this. It includes the guiding principles for creating a more flexible work environment in all Brenntag regions, business units and functions, bearing in mind local differences.

Various countries have already entered into works agreements on flexible working. In Germany, for example, the provisions stipulate that Brenntag employees are entitled to three days' mobile working a week, provided this is compatible with their job profile.

The measures to enhance flexibility are intended to help make working conditions at Brenntag as safe and fair as possible and counteract employee turnover. The key indicator employee turnover is determined centrally for each Brenntag company on a quarterly basis and reported to Global HR. Due to regional and country-specific differences, the figures are analyzed at local level. In the event of atypical deviations, the causes are identified, and suitable measures are taken as needed. In the reporting period, voluntary employee turnover across the Brenntag Group was 7.8% (2022: 9.4%).

Voluntary turnover rate¹⁾ according to region

	2023		2022		2021	
	abs.	in %	abs.	in %	abs.	in %
EMEA	502	6.2	678	8.1	591	7.2
North America	474	7.8	624	9.8	628	10.3
Latin America	181	8.7	196	9.2	205	9.6
Asia Pacific	363	11.9	401	12.8	385	12.2
Other segments	33	6.1	25	6.1	45	10.7
Brenntag Group	1,553	7.8	1,924	9.4	1,854	9.3

3.06 Voluntary turnover rate according to region

¹⁾ Voluntary employee resignations on the basis of the Schlüter formula.

Diversity and inclusion

As a company with operations worldwide, Brenntag employs staff from over 100 nations. Diversity at Brenntag encompasses several aspects, such as employees' different cultural backgrounds, qualifications and needs. Through the exchange of knowledge, ideas and experience, diversity makes a decisive contribution to Brenntag's success. The company wishes to foster this exchange and further increase the diversity of the workforce so as to create a cosmopolitan work culture and a dynamic work environment where all employees can learn from one another.

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The new diversity management structure is being driven forward with a view to better promoting diversity and inclusion across the workforce going forward. The associated goal of setting up a global organizational diversity, equity and inclusion structure in 2023 has already been partially achieved. The developments in the North America region, where a new DE&I¹⁾ structure was introduced with sponsors at the most senior management level, are particularly worthy of note. The plan for 2024 is to drive the further development of global DE&I.

Employee Resource Groups (ERGs) are also an important element of diversity management. Led by employees, these groups aim to promote a diverse and integrative workplace. In addition to the ERG for women already established in the EMEA region, a steering group and a sponsor at the most senior management level were put in place for an ERG for women in North America.

Brenntag strives for diversity at all levels of the company. The aim by 2030 is to increase the percentage of women at all levels of management below the Group Board of Management to at least 30%. On its [Career pages](#) too, the company makes it clear that Brenntag sees diversity as a strength: In every job advertisement, the company points out that Brenntag offers a fair, respectful and supportive work culture where all employees are able to develop and grow in line with their individual needs and skills.

Employees in leadership positions according to management level¹⁾ and gender

	2023		2022		2021	
	abs.	in %	abs.	in %	abs.	in %
Level L-1	38	1.2	44	1.4	35	1.2
Women	9	23.7	10	22.7	7	20.0
Men	29	76.3	34	77.3	28	80.0
Level L-2	228	7.3	207	6.9	180	6.3
Women	75	32.9	63	30.4	46	25.6
Men	153	67.1	144	69.6	134	74.4
Level L-3	622	19.9	503	16.7	466	16.4
Women	218	35.0	181	36.0	178	38.2
Men	404	65.0	322	64.0	288	61.8
Level L-4	1,040	33.3	942	31.2	883	31.0
Women	379	36.4	351	37.3	318	36.0
Men	661	63.6	591	62.7	565	64.0
Level L-5+	1,194	38.3	1,320	43.8	1,284	45.1
Women	296	24.8	329	24.9	334	26.0
Men	898	75.2	991	75.1	950	74.0
Brenntag Group	3,122	100.0	3,016	100.0	2,848	100.0
Women	977	31.3	934	31.0	883	31.0
Men	2,145	68.7	2,082	69.0	1,965	69.0

3.07 Employees in leadership positions according to management level and gender

¹⁾ Management level L-1 refers to the first level below the Brenntag SE Board of Management, L-2 refers to the second level, etc. L-5+ refers to the fifth and all other levels.

Through the diversity policy for the Board of Management, the company wishes to continuously increase diversity on the Board of Management of Brenntag SE so as to ensure targeted management development in the area of diversity and successful long-term succession planning, bearing in mind age, gender, education, professional background and international experience. The policy stipulates an age limit of 65 years for Board of Management members. By January 31, 2026, female representation should be at least 20%. Brenntag already fulfills this requirement. Members should have as diverse a range of career paths and experience as possible (please also see the Corporate Governance Statement).

¹⁾ DE&I stands for diversity, equity and inclusion.

Brenntag also wishes to strengthen diversity on the Supervisory Board. The diversity policy for Brenntag's Supervisory Board likewise stipulates a line-up that is as diverse as possible in terms of the age, gender, education, career path and international experience of the members. Among other things, the policy stipulates that at least a third of the seats should be filled by women by January 31, 2026. Brenntag already fulfills this requirement. No member should remain in post beyond the close of the annual general meeting following the member's 70th birthday.

Advancement of women at Brenntag

The company has initiated various mentoring and coaching programs with a view to providing women at Brenntag with targeted support to promote their professional development. 'Women at Brenntag' is a six-month coaching program with external coaches that is open to all women at Brenntag who have been working for the company for at least two years. In group and individual coaching sessions, they learn strategies that help them in their professional development. The program takes place once a year. Women at all career levels can apply, provided their line managers approve their application to the program. In 2023, there were 64 participants (2022: 174 participants).

'Inspire and Grow' is an internal mentoring program with mentors from the Global Leadership Team or senior management level at Brenntag. The aim of the program is to actively nurture outstanding female talent. Managers can suggest suitable employees for the program.

In order to better meet the changing conditions and requirements in day-to-day professional and private life and support people with different family backgrounds, Brenntag is promoting a flexible way of working (see 'New Work' in the section on working conditions and employee benefits).

Brenntag nurtures the strengths and potential of disabled people and optimally integrates their skills so as to create an atmosphere that puts people with and without disabilities on a level playing field. Since 2020, Brenntag has been a member of the [Valuable 500](#) initiative. This brings together the leaders of 500 international companies who have undertaken to put disability inclusion on their management agenda.

People development and training

Brenntag wishes to develop its employees according to their talents and qualifications. Across all levels of the company and at all sites, it establishes a culture of learning and gives employees numerous opportunities to develop professionally and personally. The individual and continuous support given to our employees accords with Brenntag's corporate values (see [Values, page 93](#)). In this context, the company places emphasis on development measures and a feedback culture at all levels that is also part of the training programs. Brenntag offers several learning programs aimed at different target groups.

Connecting Potential

This six-month program is aimed at employees at the start of their career who could take on leadership roles at Brenntag in the future. In 2023, 48 employees took part in the program (2022: 44 employees).

Leading with Impact

This program is tailored to employees with an intermediate level of leadership experience who are rising through the Group ranks. In 2023, 24 employees took part in the program (2022: 21 employees).

New Leader Transition

In 2023, 55 employees worldwide took part in this six-month coaching program for prospective and new managers (2022: 50 employees).

Women at Brenntag

This six-month coaching program for women recorded 64 participants in the reporting period (2022: 174 participants).

Inspire and Grow

Thirty-three employees took part in this mentoring program specifically for women in the reporting period (2022: 52 employees).

Leading to New Horizons

This newly introduced development program is aimed at experienced managers. Thirty-seven managers took part in this eight-month program in the reporting period.

Other options such as language courses, online learning, coaching based on individual needs and mandatory training such as compliance training are aimed at employees at all levels of the hierarchy. Brenntag has also established a regular Global Learning Time newsletter to flag up specific content on the company's own learning platform and foster the culture of learning within the company. Through all these training and development options, Brenntag wishes to train and upskill its employees in a targeted manner so that they can successfully master current challenges and future roles.

Even after the restrictions imposed as a result of the COVID-19 pandemic came to an end, Brenntag continued to make its training and continuing education options flexible and initiated more digital learning options. Due to the positive response from employees, the company continued and expanded virtual learning formats in the reporting period. In doing so, Brenntag was able to build on its already-extensive online learning range and thus further enhance it. One key success factor here is its internal preparation of digital learning content with a focus on Brenntag-specific topics – “by us for us” as it were. Due to increased demand for individual coaching for the purposes of personal and professional development, coaching has become a significant element of the culture of learning at Brenntag.

Responsible partner



Supply chain and human rights

As the global market leader in chemicals and ingredients distribution, Brenntag takes its responsibility to uphold human rights very seriously. The company undertakes to respect human rights worldwide within its supply chains. 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 sustainability strategy, acts as a responsible partner to suppliers. In order to meet this aspiration, Brenntag has implemented numerous measures developed centrally by various departments such as Sustainability, Legal and Compliance Brenntag Group. In addition, the human rights officer has been responsible for human rights risk management since 2022 and regularly reports on this to the CEO.

Employees can report human rights violations via the whistle-blowing system. External third parties can also use this system. The system was further developed in the reporting period (see Compliance and integrity, [page 94](#)). As was also the case in the previous year, Brenntag did not receive any reports of human rights violations within the company in the reporting period.

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).

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 companies in the chemical industry, for example. The aim is to always to create and leverage synergies. The central idea behind the audits and assessments is that a supplier assessment can be used by all member companies, thereby reducing the cost and effort for suppliers. Here, Brenntag works together with [EcoVadis](#), a leading provider of

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sustainability assessments that is well established in the chemical 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, Brenntag continued to see its suppliers making considerable advances in improving their sustainability performance. By the end of 2023, for example, it appeared that 60% (2022: 69%) of suppliers who underwent re-assessment had improved their score compared with the previous year.¹⁾

Brenntag itself also undergoes an EcoVadis assessment on a regular basis. In the most recent assessment published in December 2022, the company improved on its previous score and achieved 77 points (previous assessment: 71 points), the highest result in the company's history since assessments began in 2014. Brenntag was awarded the EcoVadis platinum metal for this result and thus ranks among the top 1% of all companies rated by EcoVadis. On sustainable procurement, the company scores a particularly high 90 out of a possible total of 100 points and is rated as outstanding.

Brenntag obtains a more detailed picture of sustainability performance by performing on-site supplier sustainability audits. In this case, the audits are based on a catalog of requirements developed by TfS and cover sustainability management, the environment, health and safety, employee and human rights, and corporate governance. The results of all audits are shared within TfS. Like the other TfS members, Brenntag also accepts sustainability audits conducted in accordance with [SQAS \(Safety and Quality Assessment System\)](#), [SMETA \(Sedex Members Ethical Trade Audit\)](#) and [PSCI \(Pharmaceutical Supply Chain Initiative\)](#) standards. Brenntag reviews its suppliers' audit results. If necessary, it agrees on corrective measures with the supplier and the auditor and follows up on their implementation.

In the reporting period, Brenntag also initiated further significant steps to augment the existing human rights risk management system in order to prepare itself for future statutory provisions, such as the German Supply Chain Due Diligence Act. Brenntag will first fall under the Supply Chain Due

Diligence Act in 2024, as the company employs fewer than 3,000 staff in Germany.

The measures include expanding the cross-function project team entrusted with implementing the due diligence obligations, for example. The interdisciplinary project team consists of experts from the fields of sustainability, QSHE (quality, safety, health and environment), compliance, legal and procurement. In the field of sustainability, the team was augmented by adding an employee who deals solely with human rights.

In the reporting period, the innovative IT solution of a third-party provider was established based on preparations already made for the Supply Chain Due Diligence Act in 2022, enabling a risk analysis to be produced. This risk analysis serves as a basis for preparing a guideline for preventive measures and is part of our holistic approach to risk management. This includes carrying out extensive risk analysis and prioritization, and building on that by initiating preventive measures. Our aim is to have all suppliers covered by risk management as of 2024.

The multi-step process includes an initial risk analysis that takes into account sector and industry risks as well as the degree of influence that Brenntag is able to exercise over the supplier in question. All suppliers on the platform are assigned to four different risk categories based on a score from 1 to 100 and prioritized accordingly. For suppliers for which this results in an increased risk profile, detailed AI²⁾-supported screening is also carried out for potential incidents on the supplier's side. For 100% of the suppliers categorized as high-risk, Brenntag has also assigned internal responsibilities so as 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 addition, the company has prepared and published a Policy Statement on Human Rights. In this context, internal training sessions were conducted for the employees concerned from the human resources, QSHE, legal, compliance and procurement departments.

Brenntag will continue working to also train its suppliers more on sustainability issues, to which end it will make greater use of the TfS Academy or e-learning resources, for example. In

¹⁾ The KPI "Coverage of purchasing volume by sustainability certifications" is no longer reported. In the reporting year, Brenntag started to change the ESG assessment system for its suppliers.

²⁾ Artificial intelligence

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

Together for Sustainability (TfS)

Together for Sustainability is a chemical industry initiative. It wishes to make the sector more sustainable by gradually establishing a uniform global program for the responsible procurement of goods and services in the chemical industry. The aim of TfS is to increase transparency over sustainability in the supply chain and improve environmental and social standards worldwide.

TfS was established in 2011 and currently has 50 members. In 2023, the member companies generated combined revenues of over EUR 800 billion. The members evaluate and review their suppliers by means of a standardized process using assessments and audits. This information is shared confidentially and used jointly within the network, which provides efficiency benefits for every member and creates more transparency.

TfS also develops standards and guidelines for the industry, including the Product Carbon Footprint (PCF) Guideline (see [Environment, page 108](#)). This assists manufacturers and suppliers in determining the environmental footprint of their products. Brenntag was involved in developing the Guideline. In addition, tailored learning and development courses are offered through the TfS Academy in order to train TfS member companies' procurement teams and their suppliers in sustainability matters.

Through its involvement at TfS, Brenntag actively helps to make the chemical industry more sustainable. The interaction at workshops, the sharing of members' best practices and the synergies from the EcoVadis assessments and audits help the company to promote sustainability across the board and worldwide.

Environment

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Environment

Climate protection and reduction of emissions



Climate protection strategy and CO₂ management

Brenntag always acts in accordance with the “Safety First” principle – including when it comes to protecting the environment and climate. Environmental protection and efficiency measures are implemented at the company’s sites worldwide in the context of local and regional conditions and legislative requirements. The focus here is on energy and water consumption, the protection of soil, water and air, waste reduction, and transport and fleet management.

Climate protection plays a particularly important role in Brenntag’s ESG strategy, as the entire value chain is affected. Not only do Brenntag’s own activities produce CO₂ emissions; the products that the company buys have also emitted greenhouse gases during their manufacture. Moreover, climate protection is important to many of Brenntag’s customers. The CEO of the Brenntag Group is therefore responsible for climate protection as part of his direct responsibility for Sustainability Brenntag Group, which has functional management responsibility for all climate protection-related matters. As a result, the CEO is responsible, among other things, for developing CO₂ reduction targets, monitoring target achievement, driving forward measures to achieve targets and promoting climate-related issues in different areas of the company. The Vice President Sustainability Brenntag Group is involved in all important investment decisions as well as decisions regarding mergers and acquisitions so that alignment with the climate protection strategy can be ensured in these areas, too.

For Scope 1 and 2 greenhouse gas emissions, i.e. those generated by its own activities, Brenntag has set several targets: The company wants to reduce its Scope 1 and 2 emissions by 40% in absolute terms between the 2020 base year and 2030¹⁾, and over the long term to be net zero in accordance with the Paris Agreement²⁾ by 2045, so that it contributes to

the 1.5°C target. The company also wants to procure 100% of its electricity from renewable sources³⁾ by 2025. In order to achieve the net-zero target, Brenntag intends to gradually replace company cars and forklift trucks with low-carbon alternatives, substitute heating systems with sustainable alternatives such as heat pumps, and switch the truck fleet over to carbon-free transport, for example. In accordance with technological developments (e.g. in the case of electric trucks), conditions at the individual sites (e.g. available charging infrastructure) and the need for replacements (e.g. in the case of heating systems), the focus here will first be on replacing company cars and forklift trucks, then heating systems and trucks. A further aim is to offset 100% of unavoidable emissions from 2025 onward.

With regard to Scope 3 emissions, which include all other indirect emissions generated in a company’s value chain, Brenntag wants to work together with its suppliers and data service providers to create a better data set. On this basis, the company wants to reduce Scope 3 emissions through sustainable portfolio steering, for example. A Scope 3 emissions reduction target has not yet been set and is to be developed in 2024.

In 2022, Brenntag pledged its commitment to the [Science Based Targets initiative \(SBTi\)](#) that it would set science-based targets by October 2024. The SBTi is a joint climate protection initiative between WRI, CDP, WWF and the UN Global Compact. It helps companies to set science-based climate targets. The Scope 1 and 2 emissions reduction targets are already partly guided by the SBTi specifications. Brenntag had already expressed its commitment to climate protection (100% renewable electricity by 2025) and contributed to raising awareness of this issue among employees by joining the [RE100 initiative](#) back in summer 2021. RE100 provides a global guideline where businesses pledge to source 100% renewable electricity over the medium term.

¹⁾ Reduction with respect to the sites already included in the 2020 base year. New sites will be tracked separately.

²⁾ The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 parties at COP 21 in Paris on December 12, 2015 and entered into force on November 4, 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared with pre-industrial levels.

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

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Scope 1, 2 and 3: direct and indirect emissions

The Greenhouse Gas Protocol, which establishes global greenhouse gas accounting standards, distinguishes between direct and indirect emissions:

Scope 1 emissions are all direct emissions from sources that are owned or controlled by a company itself, e.g. emissions from fuels and coolants at the company’s own site or from the company’s own vehicle fleet.

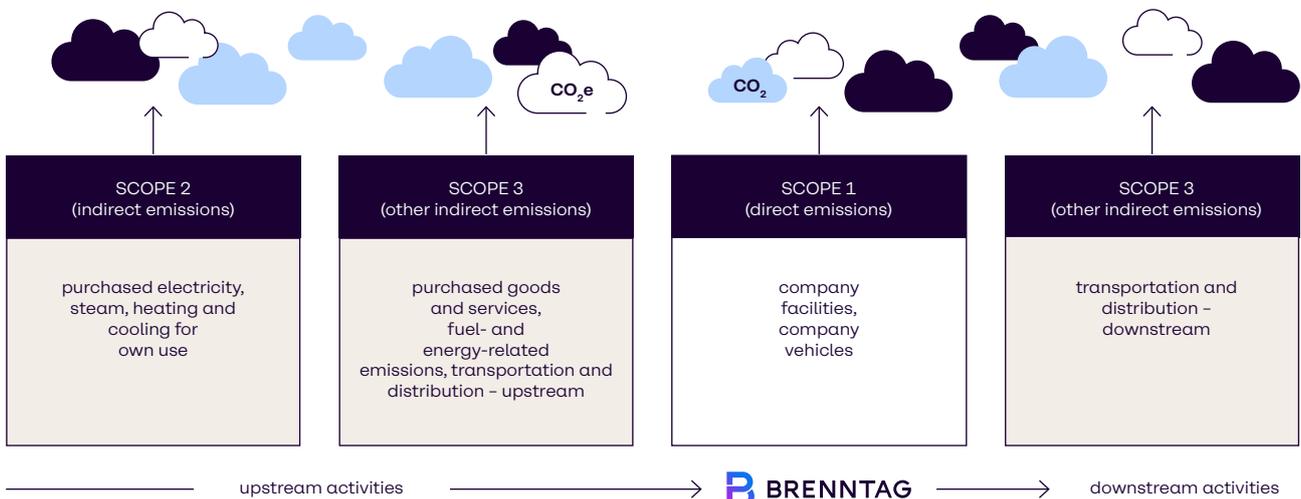
Scope 2 emissions are indirect emissions from the generation of purchased energy, e.g. electricity or district heating from an energy provider.

Scope 3 emissions include all other indirect emissions produced in upstream and downstream supply chains, e.g. through the purchase and sale of goods and services, employee mobility, and the processing and use of sold products.

Energy and Scope 1 and 2 emissions

Brenntag established Group-wide energy reporting back in 2016. Information on the sites’ energy consumption is collected on a quarterly basis. The Brenntag sustainability team centrally consolidates the data, evaluates them and calculates the associated direct and indirect greenhouse gas emissions. During 2023 Brenntag started to track the emissions related to refrigerants. This inventory will continue during 2024.

To increase transparency over Scope 2 emissions, Brenntag has calculated these emissions using the market-based method in addition to the location-based method since 2020. In the case of the location-based method, location-based, average emission factors in the region where energy consumption occurs are used for the calculation. In the case of the market-based method, the calculation uses the emission factors of the energy supplier or an individual electricity product. Using the market-based method enables company-specific purchases of energy from renewable sources to be presented in a more transparent manner. It is therefore used as the basis for the following information and for setting targets. The calculations under the location-based method serve only to facilitate comparability with earlier reports.



3.08 Scope

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Brenntag's target for 2023, derived from the linear reduction target toward net zero in 2045, was to reduce total Scope 1 and 2 emissions by at least 12.6% compared with the 2020 base year¹⁾. Brenntag achieved -22.2% (2022: -9.3%). Including acquisitions recognized from 2021, the reduction is -15.6% (2022: -7.0%).

Energy consumption Brenntag Group

	2023	Previous year: 2022	Base year: 2020
Electricity (in MWh)	146,273	150,010	139,928
thereof electricity from renewable sources which we procure through direct supply contracts and by purchasing guarantees of origin	117,016	122,101	21,216
thereof electricity from renewable sources we generate on site	3,158	1,455	285
District heating (in MWh)	9,223	10,007	4,317
Natural gas (in MWh)	185,153	328,280	282,180
Diesel / biodiesel (in 1,000 liters)	52,255	49,302	48,638
Diesel (in MWh)	546,451	525,464	518,384
Biodiesel (in MWh)	2,402	--	--
Petrol / bioethanol (in 1,000 liters)	5,947	4,947	4,686
Petrol (in MWh)	55,636	47,918	45,389
Bioethanol (MWh)	555	--	--
Other ¹⁾ (in 1,000 liters)	3,926	3,696	3,850
Other ¹⁾ (in MWh)	36,199	31,119	32,706

3.09 Energy consumption Brenntag Group

¹⁾ Gas oil, heating oil, LPG, CNG.

Note about calculation of CO₂e emissions:

The CO₂e emissions for electricity were calculated for both the location-based and the market-based method using the respective country-specific factors according to IEA (2020) for the base year 2020, according to IEA (2022) for the year 2022 and according to IEA (2023) for the year 2023. If the specific emission factor of the purchased electricity (e.g. of the energy producer) was available, the factor has been applied in the market-based method instead of the country-specific factor. For district heating, the calculation was carried out in all years using the factor according to UBA (2018); for all other energy types, it was carried out using the respective energy-specific factors according to UK Government GHG Conversion Factors for Company Reporting (2020) for the base year 2020 and according to UK Government GHG Conversion Factors for Company Reporting (2023) for the year 2023. Since not all energy consumption could be reported at the time of the audit, extrapolations were made. In the reporting period, the extrapolated emissions for 2022 (for the 2022 report) were compared against the real values determined in the course of Q1 2023. This resulted in only minimal changes (<0.3%), as a result of which only a low level of uncertainty can be assumed for this year's extrapolations.

¹⁾ Reduction with respect to the sites already included in the 2020 base year. New sites will be tracked separately.

CO₂e emissions Brenntag Group

	2023	Previous year: 2022	Base year: 2020
Scope 1			
Natural gas (in tonnes)	33,870	59,924	51,884
Diesel (incl. biodiesel in tonnes)	138,363	132,811	130,016
Petrol (incl. bioethanol in tonnes)	13,789	11,575	10,847
Other ¹⁾ (in tonnes)	8,223	7,371	7,780
Scope 2			
Electricity (in tonnes)			
Location-based	47,024	47,542	49,655
Market-based	8,255	6,057	40,795
District heating (in tonnes)	1,993	2,162	933
Scope 1 + 2 (in tonnes)			
Location-based	243,262	261,385	251,116
Market-based	204,494	219,900	242,255
Location-based	-3.1% ²⁾	4.1% ²⁾	-
Market-based	-15.6% ²⁾	-9.2% ²⁾	-

3.10 CO₂e emissions Brenntag Group

¹⁾ Gas oil, heating oil, LPG, CNG.

²⁾ Compared with the base year.

The main contributor to the reduction in Scope 1 and 2 emissions was the company's continued drive in the reporting period to purchase electricity from renewable energy sources (2025 target: 100%). In the reporting period, the share was 82% (2022: 82%). Brenntag procures electricity from renewable sources by generating it on site, through direct supply contracts and by purchasing guarantees of origin. It is intended to install solar panels at sites where this is technically possible (e.g. there must be no storage of flammable liquids) and makes financial sense. In the reporting period, solar panels were installed and put into operation at the Brenntag site in Santa Fe Springs (USA) and Brenntag Ingred. Public Co. Ltd. (Thailand). These supplement the existing installations on Brenntag warehouses and offices in places such as Anelo and Zarate (Argentina), Kandrzin-Cosel (Poland), Padua (Italy), Singapore and Gurugram (India). Further savings were achieved by switching partly to biodiesel in filling up company cars, for example. Biodiesel's share of total diesel consumption was 0.5% in the reporting period (2022: N/A).

To make the efforts to reduce greenhouse gases as efficient as possible, Brenntag introduced an internal carbon management program in 2022 (see info box), where an internal price is placed on all Scope 1 and 2 emissions produced. In the reporting period, 43 project ideas for cutting the greenhouse gas emissions produced by the respective sites were submitted for internal funding from the resulting central budget for 2024 (approximately EUR 6.6 million). Awareness and the appeal of the program increased compared with the previous year, when 16 project proposals were submitted. The projects put forward range from purchasing electric company cars and trucks plus charging stations to replacing gas heating systems with heat pumps and installing solar panels. The Traun site in Austria is even aiming to complete the switch to being a zero-emissions site in the next few years. Brenntag determines who is awarded the support on the basis of factors such as the projects' potential emissions savings and innovative spirit as well as the opportunity to gain experience and foster the cultural transition toward greater sustainability. The eleven projects that were awarded support in 2022 were mostly implemented in the reporting period. The first electric trucks are now in operation in the USA and Brazil, for example, sites in Belgium and Switzerland are being heated using heat pumps, and the installation of charging stations at a number of sites worldwide enables electric vehicles to be charged.

In addition, back in 2022 Brenntag began to offset unavoidable Scope 1 and 2 emissions through certified projects. In 2023, 45% (2022: 26%) were offset in this way. This percentage is to be increased each year in order to offset 100% of the remaining Scope 1 and 2 emissions by 2025.

In the reporting period, two different carbon offset projects were selected that cover additional sustainability targets: producing green energy in Indonesia and supplying the population with clean drinking water in Uganda. Both offset projects take place in countries where Brenntag itself has sites, and meet the certified emission reduction (CER) quality standard. On these projects, greenhouse gas emissions are saved and CO₂ certificates generated, which Brenntag uses to offset its own emissions. The Ulubelu geothermal power plant in South Sumatra is expected to produce 867,000 MWh of renewable energy a year and thus save a total of around 581,000 t of CO₂e. The drinking water project in Uganda not only reduces greenhouse gas emissions; it is also intended to serve the health of over a million people, improve their standard of living and protect forests by dispensing with the need for firewood to boil drinking water.

Scope 3 emissions

To create more transparency over environmental impacts in the value chain, Brenntag has also included Scope 3 emissions in its reporting since 2020. Scope 3.1, i.e. emissions from purchased chemicals, was identified as the main Scope 3 emission source and accounts for approximately 98% of total calculated emissions¹⁾. In the reporting period, the Scope 3.1 calculation was switched to an improved data source (Carbon Minds), rather than solely to generic ecoinvent data. This explains the year-on-year increase. Emissions resulting from outbound transport carried out by external companies (categories 3.4 and 3.9) decreased compared with the previous year due to the updated emission factor. A target has not yet been developed for Scope 3 emissions.

In 2023, Brenntag worked intensively to further improve the quality of the data. In particular, it looks at transportation by external companies and the products purchased by Brenntag. Under the transportation management system (TMS), it is cur-

Carbon management program

The carbon management program is an innovative, internal incentive system for climate protection measures with an internal CO₂e price: Each Brenntag company is held accountable for the emissions it causes through a set internal price for the emissions. The amount generated under this system is paid virtually into an internal climate protection fund, which provides the resulting budget. Each company or site can apply for this budget by submitting greenhouse-gas-saving projects. Brenntag is relying on the inventiveness of its employees to propose innovative projects that best fit the local conditions. At the end of each year, the emissions caused are compared against the Brenntag Group's desired emissions reduction target toward net zero. In the following year, the CO₂e price is set based on the results. This is intended to create a stronger incentive to reduce emissions while simultaneously increasing the budget to fund projects. Responsibility for setting the internal price and selecting the projects that are to receive support lies with the Sustainability Council.

¹⁾ Scope 1 and 2 emissions (market-based method) and emissions in the following Scope 3 categories: 3.1, 3.3, 3.4, 3.9.

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rently examining how this transportation can also be covered by the carbon management program in future.

In calculating products' CO₂e footprint (product carbon footprint (PCF)), Brenntag relies on external data. Ideally, product carbon footprints are made available by suppliers as primary

data. At present, very few values are available from suppliers (<1%). The company therefore works together with specialist providers such as Carbon Minds in order to calculate secondary data that are as precise as possible and uses other databases in order to estimate Scope 3 emissions as precisely as possible.

Scope 3 emissions Brenntag Group

Scope 3 category according to Greenhouse Gas Protocol¹⁾

	2023 (tCO ₂ e)	Previous year: 2022 (tCO ₂ e)	Base year: 2020 (tCO ₂ e)
3.1 Purchased goods and services	27,087,295	21,284,553	22,021,336
3.3 Fuel- and energy-related emissions ²⁾	65,710	65,553	49,750
3.4 Transportation and distribution (upstream)	117,932 (outgoing transportation) 146,750 (incoming transportation and direct business) ³⁾	151,243 (outgoing transportation) 176,971 (incoming transportation and direct business) ³⁾	140,359 (outgoing transportation) 162,579 (incoming transportation and direct business) ³⁾
3.9 Transportation and distribution (downstream)	12,096 (outgoing transportation) 133,021 (incoming transportation and direct business) ³⁾	17,407 (outgoing transportation) 159,178 (incoming transportation and direct business) ³⁾	14,364 (outgoing transportation) 115,502 (incoming transportation and direct business) ³⁾

3.1.1 Scope 3 emissions Brenntag Group

¹⁾ Information on the calculation of Scope 3 emissions is included in the Appendix, [page 127](#).

²⁾ Not included in Scope 1 or 2.

³⁾ The values given for incoming transportation and direct business have not been audited by Deloitte.

Product carbon footprint service for Brenntag customers

Since December 2022, Brenntag has been providing its customers with detailed PCF data on request. The PCF service named CO₂Xplorer aims to promote and improve transparency over greenhouse gas (GHG) emissions with a view to driving the reduction of emissions throughout the supply chain. In addition to suppliers' primary data, Brenntag uses carbon footprints from an external data provider that provides country-specific data for a number of chemicals. Brenntag's own distribution-related emissions are also included in the overall calculation. In the reporting period, the calculation method was certified by the independent external testing service provider TÜV Rheinland following a systematic review. This confirms that Brenntag's PCF methodology meets the requirements of the internationally recognized ISO 14067:2018 standard and the Together for Sustainability (TfS) PCF Guideline. It was also determined that the principles underlying the method are generally suitable for assessing the potential effects of chemicals on greenhouse gas emissions.

CDP climate score

In 2023, Brenntag was awarded a Level B CDP climate score (Management) for the third time in succession. Every year, CDP compares more than ten thousand companies worldwide in terms of their strategic approach to the challenges of climate change and assesses their climate management system based on a comprehensive catalog of criteria.

Other emissions

Emissions such as NO_x (nitrogen oxides) and SO_x (sulfur oxides) are not relevant to Brenntag as a chemical distributor. In order to counter the potential impact of VOC emissions (volatile organic compounds)¹⁾, VOCs are treated in accordance with the respective applicable legal framework. Depending on technical conditions, this involves the application of activated carbon filters in exhaust air, the use of incinerators or gas displacement when filling containers.

Transport and fleet management

To keep the fuel consumption and harmful emissions of the vehicle fleet to a minimum, trips are planned as efficiently as possible through structured transport logistics. In the course of transport planning, systems that differ locally are used for effective transport management. The transport network is analyzed for potential synergies and optimized. The aim in this context is to combine volumes by allocating hubs or cross-docks. Make-or-buy analyses aim to determine the optimum fleet size bearing in mind efficiency criteria. By using its own vehicle fleet, Brenntag creates synergies between incoming and outgoing shipments, particularly in empty-container management. Delivery frequency analyses provide the basis for optimizing shipment sizes with the aim of further increasing the vehicles' capacity utilization rate. Requesting freight quotations for intermodal transportation on suitable transport routes is an integral part of strategic freight service procurement and enables the use of more environmentally-friendly modes of transport. Operational planning aims to optimize freight capacity utilization and is supported by strategic analyses and the strategic procurement of freight services.

In addition, more and more Brenntag companies are using telematics systems in order to optimize the use of their vehicle fleets. They record vehicle- and trip-related data and thus facilitate safe and eco-efficient driving. The data captured through a telematics system serve as the basis for the fuel and energy report. Metrics such as the ratio of distance traveled to fuel consumption, estimated CO₂ emissions and idle times create transparency and provide information on the fuel efficiency and the fuel consumption of the vehicles in the fleet.

¹⁾ Organic materials that vaporize into the gas phase at room temperature or higher temperatures, i.e. are volatile.

Resource efficiency and circular economy

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AND INFRASTRUCTURE12 RESPONSIBLE
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ACTION

Brenntag works continuously to reduce resource consumption and minimize the environmental impacts of its business activities on the soil, water and air. The company implements appropriate environmental protection measures at all sites. Depending on conditions and the nature of the products, this may include multi-stage retention systems or water treatment facilities, for example. Any soil and groundwater contamination that is known to already exist is regularly reviewed and assessed in the course of the annual IFRS project. Resource efficiency measures such as water and waste are implemented at process level by the QSHE department. Product- and service-specific matters such as the use of critical materials and recycling options are handled by the operating business. The overarching sustainability reporting and the consolidation of the topics are the responsibility of Sustainability Brenntag Group.

Waste

The Brenntag sites have established processes for the handling of waste that are appropriate to the nature and scale of their business. The company maintains constant dialog with the national umbrella associations of chemical dealers with a view to further improving waste management. The common goal is to reduce the volume of waste in the industry and increase recycling rates.

Brenntag gives its employees regular training on the handling of chemical products, including with regard to storage and transportation, in order to avoid unnecessary waste from the outset and reduce the volume of waste. The company also carries out various measures to reduce the environmental impacts of waste in countries where legal requirements for avoiding and separating waste are not yet implemented to

the same extent as they are in the EU. All sites in the Latin America region, for example, are required to systematically separate waste.

As part of its digital enhancements, the company is centralizing global waste tracking. This initiative aims to standardize and improve waste monitoring at a global level, and reflects Brenntag's commitment to end-to-end waste management. Brenntag is currently in the data capture and process adaptation phase. In the reporting period, an analysis of the various data capture processes across all global regions was carried out for this purpose.

Brenntag's future aim is to improve and harmonize waste reporting for all operating sites. One important milestone planned for 2024 is the provision of corporate guidelines and the development of reporting functions for waste management.

Water

Brenntag uses water in many areas of its business operations, for example to produce solutions, to clean pipe systems and to cool or heat chemicals and tank facilities. The total amount of water consumed depends to a significant extent on the nature and scope of the products and services being handled. Water consumption is therefore subject to fluctuations and differs from site to site.

Brenntag also consumes water in operating the buildings and plants, for example in sanitary facilities or to clean surfaces, road tankers and buildings. The used water is treated in wastewater treatment facilities that purify it in line with statutory regulations before being returned to the system.

Brenntag obtains water mainly from the public water supply network. Some sites also use other types of water supply, such as rainwater or their own wells. Brenntag's aim here is to minimize water consumption and be economical with resources in all processes. The site in Zarate (Argentina), for example, captures rainwater, treats it and uses it for industrial purposes.

As part of its digital enhancements, the company is centralizing the global recording of water consumption. This initiative aims to standardize and improve water consumption monitoring at a global level, and reflects Brenntag's commitment to end-to-end water management. Brenntag is currently in the data capture and process adaptation phase. In the reporting period, the company conducted an analysis in order to better understand in a global context where there are regional differences in water management.

In 2024, Brenntag wishes to improve and harmonize the reporting for all operating sites. The company therefore plans to develop corporate guidelines and reporting functions for water consumption.

Packaging

Brenntag has a strategy for reused packaging (reusable packaging). The aim is to reduce the need to purchase packaging materials by designing standardized packaging and increasing the fill weight per package. In collaboration with customers, Brenntag is also working to increase packaging material return rates. Tracking tools and software solutions are being examined in order to make the lifecycle of the individual packaging visible. A global guideline for packaging standardization and utilization has been planned for 2024 with a view to implementing the current initiatives worldwide.

Circular economy

Brenntag is aware of the importance of a circular economy model for managing environmental challenges and fostering responsible resource management. Brenntag's aim is therefore to establish ten circular businesses by the end of 2025, each generating more than EUR 1 million a year. To this end, a list for circular economy business models was created and 24 business models were analyzed in the reporting period. Brenntag in EMEA, for example, entered into an agreement with a rubber recycling company regarding the technical development and commercialization of rubber powder and granules. This fully recycled end product is produced by recycling large, end-of-life off-the-road tires. Brenntag signed a further collaboration agreement with a plastics recycling company to promote the distribution of high-quality recycle for applications such as in the automotive and household appliance industry. In order to achieve the target of ten circular businesses by the end of 2025, the following goal was set for 2024 together with the two divisions Brenntag Essentials and Brenntag Specialties: develop a plan for each business and start implementing the plan for five businesses per division.

In the reporting period, Brenntag further expanded its internal organization for the circular economy in EMEA with a view to centralizing regional knowledge and thus being able to offer more support for new circular development projects in the individual countries. In this context, Brenntag is developing a communication and support strategy for the individual countries in EMEA and using special tracking, analysis and reporting tools for the circular economy. In addition, Brenntag intends to work even more closely together with suppliers and customers in future.

EU Taxonomy

Background to and scope of the reporting

By adopting the Action Plan on Financing Sustainable Growth, the European Union took a decisive step to extend its commitment to climate protection and sustainable business practice on the financial markets. One tool in the action plan presented in March 2018 is the EU Taxonomy Regulation (EU Taxonomy). This uniform and legally binding classification system sets out which economic activities are regarded as environmentally sustainable and how they should be reported. The aim is to steer financial flows toward green investments. Investors should thus be able to decide whether they wish to contribute to the EU's goals through their investments. All companies that are required to provide non-financial reporting pursuant to Section 315b et seq. of the German Commercial Code (HGB) have been obliged to disclose information on the implementation of the EU Taxonomy since financial year 2021.

Against this background, in the following section, Brenntag SE as a non-financial parent company presents the proportion of its consolidated turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the 2023 reporting period that is associated with Taxonomy-eligible economic activities in relation to all six environmental objectives pursuant to Art. 8 of the EU Taxonomy. Brenntag also discloses information on Taxonomy-alignment in relation to the first two environmental objectives (climate change mitigation and climate change adaptation) pursuant to Art. 8 of the EU Taxonomy. Information on Taxonomy-alignment in relation to the other environmental objectives is only required to be disclosed as of the following reporting period.

Brenntag's Taxonomy-eligible economic activities

Brenntag, as a distributor, generates external sales only in the context of one activity: the sale of chemicals and ingredients. The review of the economic activities under environmental objectives three to six added by the Environmental Delegated Act (see Delegated Regulation (EU) 2023/2486) and the amendments to the existing Delegated Regulations govern-

ing content and presentation (see Delegated Regulations (EU) 2021/2178) and the technical screening criteria for the climate-related environmental objectives (Climate Delegated Act; see Delegated Regulations (EU) 2023/2485 and (EU) 2021/2139) revealed that Brenntag's activity is covered only by Annex II to the Environmental Delegated Act (transition to a circular economy). More specifically, this means that a small portion of the turnover is attributable to certain chemicals named in the Regulation which we recycle ourselves (which, in the context of the Regulation, is regarded as the "treatment of hazardous waste"), i.e. we receive hazardous waste and reprocess it such that it can be reused by our business partners. Brenntag therefore presents both the turnover attributable to this Taxonomy-eligible and, where applicable, Taxonomy-aligned economic activity (see table 3.16) and the capital and operating expenditure related to assets or processes that are associated with this activity ("category a" according to Section 1.1.2.2 of Annex I to the Art. 8 Delegated Act).

Description of the Brenntag activity	Annex II to the Environmental Delegated Act
Recycling of hazardous waste	2.4. Treatment of hazardous waste

3.12 Relevant Brenntag activity and corresponding economic activity in the EU Taxonomy

Brenntag also discloses capital and operating expenditure related to the purchase of output from Taxonomy-eligible economic activities and certain individual measures to improve energy efficiency. These are economic activities and individual measures listed in Annex I to the Climate Delegated Act and in Annexes I to IV to the Environmental Delegated Act ("category c" Section 1.1.2.2. of Annex I to the Art. 8 Delegated Act; see table 3.16). Brenntag has identified the following purchase of output and the following individual measures that correspond to economic activities pursuant to the EU Taxonomy and therefore result in Taxonomy-eligible (and possibly Taxonomy-aligned) CapEx/OpEx:

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Description of the Brenntag activity	Corresponding economic activity in the EU Taxonomy	
	Annex I to the Climate Delegated Act	Annexes I to III to the Environmental Delegated Act
Motor vehicles		
Purchase and leasing of heavy goods vehicles for freight transport	Freight transport services by road (CCM 6.6.)	
Purchase, leasing, repair and maintenance of industrial trucks	Manufacture of other low-carbon technologies (CCM 3.6.)	
Purchase and leasing of passenger cars as company vehicles	Transport by motorbikes, passenger cars and light commercial vehicles (CCM 6.5.)	
Renewable energy technologies		
Purchase, leasing and maintenance of renewable energy technologies for electricity and heat generation at Brenntag sites, e.g. solar panels, heat pumps and wind turbines	Installation, maintenance and repair of renewable energy technologies (CCM 7.6.)	
Buildings		
Construction of new buildings	Construction of new buildings (CCM 7.1.)	Construction of new buildings (CE 3.1.)
Acquisition and leasing of existing buildings	Acquisition and ownership of buildings (CCM 7.7.)	
Installation, maintenance and repair of energy efficiency equipment	Installation, maintenance and repair of energy efficiency equipment (CCM 7.3.)	
Installation and maintenance of charging stations for electric vehicles	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (CCM 7.4.)	
Equipment		
Installation and maintenance of water treatment facilities		Treatment of urban waste water (WTR 2.2.)
Environmental remediation		Remediation of contaminated sites and areas (PPC 2.4.)

3.13 Relevant Brenntag activity and corresponding economic activity in the EU Taxonomy

For the allocation of turnover, CapEx and OpEx, Brenntag identified the relevant sales, purchases and measures, and then allocated to these the related economic activity in the Climate Delegated Act and the Environmental Delegated Act. In this way, Brenntag ensures that no turnover, CapEx or OpEx is included more than once. The turnover, CapEx or OpEx thus identified forms the numerator of the performance indicators reported below.

Taxonomy-alignment

For the 2023 reporting period, the review for Taxonomy-alignment was carried out only in relation to the first two environmental objectives: climate change mitigation and climate change adaptation. It consists of multiple steps that must be followed individually, with the results documented by the Group companies. In addition to the economic activity's substantial contribution to one of the two climate-related environmental objectives, the criteria on avoiding significant harm to one or more of the six environmental objectives, referred to as the 'do no significant harm' (DNSH) criteria, and compliance with the minimum requirements regarding human rights, anti-corruption, taxation and fair competition

must also be checked. With regard to compliance with the minimum requirements, the review must also be carried out for Brenntag SE without reference to a specific economic activity.

The review of Brenntag SE's compliance with the minimum requirements revealed that not all of the criteria are met because Brenntag has so far only taken into account direct suppliers with regard to fulfilling human rights due diligence obligations. As all of the above-mentioned criteria must be met, no Taxonomy-aligned turnover, CapEx or OpEx can be presented.

Brenntag therefore reports the following KPIs:

Turnover KPI

Financial year 2023

2023

	Code (2)	Turnover (3)	Proportion of turnover, year 2023 (4)	Substantial contribution criteria					
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
Economic activities (1)									
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
none									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		EUR 0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Treatment of hazardous waste	CE 2.4./ PPC 2.2.	EUR 5,159,618	0,03%	N/EL	N/EL	N/EL	EL	EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		EUR 5,159,618	0.03%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		EUR 5,159,618	0.03%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities		EUR 16,809,938,854	99.97%						
Total		EUR 16,815,098,473	100.00%						

3.14 Turnover KPI

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Financial year 2023

DNSH criteria
(Does not significantly harm)

Economic activities (1)	DNSH criteria (Does not significantly harm)									
	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
none										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	0.00%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Treatment of hazardous waste								0.00%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)								0.00%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)								0.00%		
B. TAXONOMY-NON-ELIGIBLE-ACTIVITIES										
Turnover of Taxonomy-non-eligible activities										
Total										

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

3.14 Turnover KPI

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CapEx KPI

Financial year 2023	2023	Substantial contribution criteria							
		Code (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)
Economic activities (1)									
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
None									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0 EUR	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Freight transport services by road	CCM 6.6.	EUR 19,571,571	3.18%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low carbon technologies	CCM 3.6.	EUR 5,404,921	0.88%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	EUR 31,293,713	5.09%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	EUR 2,074,892	0.34%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Construction of new buildings	CCM 3.1./ CE 7.1.	EUR 17,255,459	2.80%	EL	N/EL	N/EL	N/EL	EL	N/EL
Acquisition and ownership of buildings	CCM 7.7.	EUR 129,635,627	21.07%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	EUR 4,097,581	0.67%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	EUR 380,854	0.06%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Urban waste water treatment	WTR 2.2.	EUR 380,400	0.06%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Treatment of hazardous waste	CE 2.4./ PPC 2.2.	EUR 194,933	0.03%	N/EL	N/EL	N/EL	EL	EL	N/EL
Remediation of contaminated sites and areas	PPC 2.4.	EUR 52,324	0.01%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		EUR 210,342,275	34.19%	34.09%	0.00%	0.06%	0.04%	0.00%	0.00%
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		EUR 210,342,275	34.19%	34.09%	0.00%	0.06%	0.04%	0.00%	0.00%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities		EUR 404,844,938	65.81%						
Total		EUR 615,187,213	100.00%						

3.15 CapEx KPI¹⁾

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Financial year 2023

DNSH criteria
(Does not significantly harm)

Economic activities (1)	DNSH criteria (Does not significantly harm)									
	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
None										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	0.00%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Freight transport services by road								0.74%		
Manufacture of other low carbon technologies								1.28%		
Transport by motorbikes, passenger cars and light commercial vehicles								1.61%		
Installation, maintenance and repair of renewable energy technologies								0.31%		
Construction of new buildings								0.82%		
Acquisition and ownership of buildings								4.52%		
Installation, maintenance and repair of energy efficiency equipment								0.41%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)								0.00%		
Urban waste water treatment								0.00%		
Treatment of hazardous waste								0.00%		
Remediation of contaminated sites and areas								0.00%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)								9.69%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)								9.69%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
CapEx of Taxonomy-non-eligible activities										
Total										

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

3.15 CapEx KPI¹⁾

¹⁾ The rise in CapEx - for both Taxonomy-eligible and Taxonomy-non-eligible economic activities - is attributable to a higher level of additions from acquisitions and the increase in investment in right-of-use assets in the reporting period. The continuous development of internal reporting and analytical tools also resulted in an increase in CapEx for Taxonomy-eligible economic activities.

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OpEx KPI

Financial year 2023

2023

Substantial contribution criteria

Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Substantial contribution criteria					
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
None									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		EUR 0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Freight transport services by road	CCM 6.6.	EUR 4,814,960	2.26%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low carbon technologies	CCM 3.6.	EUR 1,521,570	0.71%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	EUR 4,028,322	1.89%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	EUR 100,522	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Construction of new buildings	CCM 3.1./ CE 7.1.	EUR 154,779	0.07%	EL	N/EL	N/EL	N/EL	EL	N/EL
Acquisition and ownership of buildings	CCM 7.7.	EUR 9,416,796	4.41%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	EUR 124,050	0.06%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	EUR 3,279	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Urban waste water treatment	WTR 2.2.	EUR 10,979	0.01%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Treatment of hazardous waste	CE 2.4./ PPC 2.2.	EUR 0	0.00%	N/EL	N/EL	N/EL	EL	EL	N/EL
Remediation of contaminated sites and areas	PPC 2.4.	EUR 29,160,305	13.67%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		EUR 49,335,561	23.12%	9.45%	0.00%	0.01%	13.67%	0.00%	0.00%
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		EUR 49,335,561	23.12%	9.45%	0.00%	0.01%	13.67%	0.00%	0.00%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities		EUR 164,055,268	76.88%						
Total		EUR 213,390,829	100.00%						

3.16 OpEx KPI¹⁾

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Financial year 2023

DNSH criteria
(Does not significantly harm)

	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic activities (1)										
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
None										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	0.00%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Freight transport services by road								1.35%		
Manufacture of other low carbon technologies								0.44%		
Transport by motorbikes, passenger cars and light commercial vehicles								0.27%		
Installation, maintenance and repair of renewable energy technologies								0.03%		
Construction of new buildings								0.00%		
Acquisition and ownership of buildings								0.00%		
Installation, maintenance and repair of energy efficiency equipment								0.00%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)								0.00%		
Urban waste water treatment								0.00%		
Treatment of hazardous waste								0.00%		
Remediation of contaminated sites and areas								0.00%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)								2.09%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)								2.09%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
OpEx of Taxonomy-non-eligible activities										
Total										

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

3.16 OpEx KPI¹⁾

Brenntag does not carry out any nuclear power and gas activities and therefore does not disclose the specific tables relating to these activities.

¹⁾ The rise in OpEx for Taxonomy-eligible economic activities is due mainly to the addition of the economic activity "Remediation of contaminated sites and areas" (PPC 2.3.) in connection with the introduction of environmental objectives three to four and to the continuous development of internal reporting and analytical tools.

Accounting policies

Brenntag determines the Taxonomy KPIs in accordance with the legal requirements, including Annex I to the Art. 8 Delegated Act, and describes its accounting policies in this regard as follows:

Turnover KPI

The proportion of Taxonomy-eligible economic activities in the total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator). The denominator of the turnover KPI is based on the company's consolidated net turnover in accordance with International Accounting Standard (IAS) 1.82(a), which can be taken from the consolidated financial statements; see the consolidated income statement on [page 186](#). You can find further details on Brenntag's accounting policies for consolidated net turnover on [page 200](#).

With regard to the numerator, the company refers to the explanations above ("Brenntag's Taxonomy-eligible economic activities" section).

CapEx KPI

The CapEx KPI is defined as Taxonomy-eligible CapEx (numerator) divided by total CapEx (denominator) as specified in the EU Taxonomy. Total CapEx consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortization and any remeasurements, including those resulting from revaluations and impairments, and excluding fair value changes.

It includes additions to property, plant and equipment (IAS 16), intangible assets (IAS 38) and right-of-use assets (International Financial Reporting Standards, IFRS 16). Additions resulting from business combinations are also included. Goodwill is not included in CapEx because it is not defined as an intangible asset in accordance with IAS 38. You can find further details on the accounting policies with regard to the company's CapEx on [pages 201 to 202](#).

Brenntag's total CapEx can be derived from the consolidated financial statements from the statements of changes in property, plant and equipment, intangible assets (excluding goodwill) and right-of-use assets (see [table 5.47 Property, plant and equipment](#), [table 5.48 Intangible assets](#) and [table 5.52 Right-of-use assets](#)). It is the sum total of the following transaction types:

- Business combinations
- Other additions

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

With regard to the numerator, Brenntag refers to the explanations above ("Brenntag's Taxonomy-eligible economic activities" section).

OpEx KPI

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

Total OpEx consists of direct uncanceled costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, remediation and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment.

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

- The Brenntag Group does not incur any research and development expenses.
- The volume of uncanceled leases was determined in accordance with IFRS 16 and includes expenses for short-term leases, variable leases and low-value leases (see [table 5.53 Lease expenses](#)). Even though variable leases and low-value leases are not explicitly mentioned in the Art. 8 Delegated Act, Brenntag has interpreted the legislation as to include these leases.

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- Maintenance and repair and other direct expenditures relating to the servicing of assets of property, plant and equipment were recorded in separate accounts. The related cost items can be found in the other operating expenses item in the consolidated income statement and are part of maintenance and energy costs (see [table 5.26 Other operating expenses](#)). This also includes building renovation measures. As a rule, these are costs for services and material costs.
- Expenses for the remediation of environmental damage, mainly for soil and groundwater for current and former, owned or leased sites. The related cost items are included in the other operating expenses item in the consolidated income statement and are part of miscellaneous operating expenses (see [5.26 Other operating expenses](#)).

With regard to the numerator, Brenntag refers to the explanations above ("Brenntag's Taxonomy-eligible economic activities" section).

Appendix

Calculation of Scope 3 emissions

Scope 3.1 Purchased goods and services:

The greenhouse gas emissions were calculated for Brenntag's main product categories, which account for 97.6% of its total chemical spend in tonnes. They were calculated using a combined approach of volume- and consumption-based emission factors from Life Cycle Assessment (LCA) databases, which were considered to be representative of Brenntag's respective product categories. By multiplying them by the volume-related purchasing data for the product categories taken from our Global Business Warehouse (GBW) and extrapolating them to the total spend, it was possible to determine a value that reflects the total emissions in category 3.1.

Scope 3.3 Fuel- and energy-related emissions (not included in Scope 1 or 2):

These were calculated using upstream emission factors from the Department for Business, Energy & Industrial Strategy (DBEIS) for the relevant energy sources whose consumption volumes were already recorded as part of the reporting for Scope 1 and Scope 2 emissions.

Scope 3.4 Transportation and distribution (upstream and downstream):

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

APPENDIX

GRI Index

Statement of use	Brenntag has reported the information cited in this GRI content index for the period Jan. 1 to Dec. 31, 2023 with reference to the GRI Standards.
GRI used	GRI 1: Foundation 2021

GRI standard and description		References	Comments and online resources
Universal Standards			
GRI 2: General Disclosures 2021			
The organization and its reporting practices			
2-1	Organizational details	NfR, p. 87 Annual Report p. 11	Brenntag is listed on the stock market. All of the shares are floating stock. Brenntag SE, Messeallee 11, 45131 Essen Locations Brenntag
2-2	Entities included in the organization's sustainability reporting	NfR, p. 84 Consolidated Financial Statements, p. 194	
2-3	Reporting period, frequency and contact point	NfR, p. 84	The reporting period for this sustainability report is January 1, 2023 to December 31, 2023. Since 2013, Brenntag has been reporting on sustainability activities on an annual basis. These GRI disclosures were published on March 7, 2024. Brenntag SE Sustainability Brenntag Group Nadine Kolter T +49 (0) 201 6496 1569 global.sustainability@brenntag.com
2-4	Restatements of information		No restatements were made in the reporting period.
2-5	External assurance	NfR, pp. 84, 138-140	
Activities and workers			
2-6	Activities, value chain and other business relationships	NfR, p. 87 Management Report, p. 142	www.brenntag.com https://corporate.brenntag.com/en/about/strategy-and-business-model
2-7	Employees	Management Report, p. 165	https://corporate.brenntag.com/en/sustainability/employees
2-8	Workers who are not employees		https://corporate.brenntag.com/en/sustainability/employees
Governance			
2-9	Governance structure and composition	NfR, p. 93 Supervisory Board Report, p. 18	
2-10	Nomination and selection of the highest governance body	Supervisory Board Report, p. 18	
2-11	Chair of the highest governance body	Supervisory Board Report, p. 18	
2-12	Role of the highest governance body in overseeing the management of impacts	NfR, pp. 93, 94 Supervisory Board Report, p. 18	
2-13	Delegation of responsibility for managing impacts	NfR, pp. 93-95 Supervisory Board Report, p. 18	
2-14	Role of the highest governance body in sustainability reporting	NfR, p. 84 Supervisory Board Report, p. 18	Both the Board of Management and then the Supervisory Board deal with the reporting. The Board of Management decides and the Supervisory Board approves.
2-15	Conflicts of interest	Supervisory Board Report, p. 18	

APPENDIX

GRI standard and description		References	Comments and online resources
2-16	Communication of critical concerns	NfR, pp. 94–96	
2-17	Collective knowledge of the highest governance body	NfR, p. 94 Supervisory Board Report, p. 18	
2-18	Evaluation of the performance of the highest governance body	Remuneration Report, p. 49 Supervisory Board Report, p. 18	The Board of Management and Supervisory Board regularly address the achievement of annual targets through an internal scorecard. In the event of possible deviations in target achievement, appropriate measures are initiated.
2-19	Remuneration policies	Remuneration Report, p. 49	
2-20	Process to determine remuneration	Remuneration Report, p. 49	
2-21	Annual total compensation ratio	Remuneration Report, p. 49	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	NfR, pp. 82, 83, 87, 89, 93 CEO Letter, p. 4	
2-24	Embedding policy commitments	NfR, pp. 93–96, 106, 107 To our Shareholders, p. 32	https://brenntagprod-media.e-spirit.cloud/06432017-be1f-41ce-8d1d-564e2a66d213/documents/global/compliance/brenntagcodeofconducten.pdf
2-26	Mechanisms for seeking advice and raising concerns	NfR, p. 94	https://corporate.brenntag.com/en/about/compliance https://corporate.brenntag.com/en/sustainability/sustainability-at-brenntag/human-rights
2-27	Compliance with laws and regulations	NfR, pp. 94, 95, 106, 107	There were no significant instances of non-compliance. No significant fines or non-monetary sanctions were incurred.
2-28	Membership associations	NfR, pp. 100, 104, 106	Environmental initiatives from the industry and the business sector along with an online list https://brenntagprod-media.e-spirit.cloud/06432017-be1f-41ce-8d1d-564e2a66d213/documents/global/sustainability/brenntaglistofmemberships.pdf
Stakeholder engagement			
2-29	Approach to stakeholder engagement	NfR, pp. 85, 90, 91, 95	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	NfR, pp. 85, 86, 90	
3-2	List of material topics	NfR, p. 90	
GRI 201: Economic Performance 2016			
3-3	Management of material topics	Management Report, p. 147	The reporting includes 3-3 a-c.
201-1	Direct economic value generated and distributed	Key financial figures at a glance, p. 2, Consolidated income statement, p. 186, Consolidated Financial Statements, p. 217	
201-3	Defined benefit plan obligations and other retirement plans	Consolidated Financial Statements, p. 232	
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	NfR, pp. 105, 106	The reporting includes 3-3 a-c.
204-1	Proportion of spending on local suppliers		Local and regional purchasing plays an important role in the business model of a chemical distributor. Due to the decentralized structure of the company, Brenntag cannot currently report the required information centrally.
GRI 205: Anti-corruption 2016			
3-3	Management of material topics	NfR, p. 94	The reporting includes 3-3 a-c.
205-1	Operations assessed for risks related to corruption		In internal audits, a total of 26 Brenntag companies were reviewed in relation to corruption risk, among other things, in the reporting period (that is 12% of all Brenntag companies). No significant risks were identified in the reporting period.

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GRI standard and description		References	Comments and online resources
205-3	Confirmed incidents of corruption and actions taken	NfR, p. 94	All suspicions were investigated and none were confirmed.
GRI 206: Anti-competitive Behavior 2016			
3-3	Management of material topics	NfR, p. 94	The reporting includes 3-3 a-c.
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Management Report, p. 177	
GRI 207: Tax 2019			
3-3	Management of material topics	NfR, pp. 95, 96	The reporting includes 3-3 a-c.
207-2	Tax governance, control, and risk management	NfR, pp. 95, 96, 138	
GRI 302: Energy 2016			
3-3	Management of material topics	NfR, pp. 109-111	The reporting includes 3-3 a-c.
302-1	Energy consumption within the organization	NfR, p. 111	
GRI 303: Water and Effluents 2018			
3-3	Management of material topics	NfR, p. 115	Due to the switch to ESRS reporting requirements initiated in the reporting period and the related changes to processes, Brenntag is unable to report all the information required by this standard for the reporting period. The reporting includes 3-3 a-c.
GRI 305: Emissions 2016			
3-3	Management of material topics	NfR, p. 109	The reporting includes 3-3 a-c.
305-1	Direct (Scope 1) GHG emissions	NfR, pp. 110, 111	2020 is the base year, as this was the first year in which information was reported in full and targets were set.
305-2	Energy indirect (Scope 2) GHG emissions	NfR, pp. 110, 111	The type of GHG gases included in the calculation is not specified. Therefore, 305-2 C is not reported.
305-3	Other indirect (Scope 3) GHG emissions	NfR, pp. 112, 113	
305-5	Reduction of GHG emissions	NfR, pp. 109-113	
GRI 306: Waste 2020			
3-3	Management of material topics	NfR, p. 115	Due to the switch to ESRS reporting requirements initiated in the reporting period and the related changes to processes, Brenntag is unable to report all the information required by this standard for the reporting period. The reporting includes 3-3 a-c.
GRI 401: Employment 2016			
3-3	Management of material topics	NfR, p. 110	The reporting includes 3-3 a-c.
401-1	New employee hires and employee turnover	NfR, p. 103 , Management Report, p. 165	Detailed data can be found in the download area. Employees Brenntag
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	NfR, p. 102	Due to our company's decentralized and international structure, it is not possible to provide a complete list of the benefits which our employees receive.
GRI 402: Labor / Management Relations 2016			
3-3	Management of material topics	NfR, p. 100	The reporting includes 3-3 a-c.
402-1	Minimum notice periods regarding operational changes		Brenntag informs its employees of impending operational changes at an early stage and comprehensively, while complying with applicable national and international notification periods.
GRI 403: Occupational Health and Safety 2018			
3-3	Management of material topics	NfR, p. 100	The reporting includes 3-3 a-c.
403-1	Occupational health and safety management system	NfR, pp. 99-101	
403-2	Hazard identification, risk assessment, and incident investigation	NfR, pp. 99-101	

APPENDIX

GRI standard and description	References	Comments and online resources
403-3 Occupational health services		Brenntag pursues a decentralized approach. Some large sites have local occupational health services, otherwise each site has a direct contact for occupational health concerns.
403-4 Worker participation, consultation, and communication on occupational health and safety	NfR, p. 100	Temporary workers also participate in the BEST employee surveys.
403-5 Worker training on occupational health and safety	NfR, p. 99	
403-6 Promotion of worker health	NfR, pp. 99, 100	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	NfR, pp. 99, 100	
403-8 Workers covered by an occupational health and safety management system		All employees are covered by the global QSHE management system.
403-9 Work-related injuries	NfR, p. 101	There were no accidents resulting in fatalities in the reporting period. Temporary workers are included in the accident reporting.
GRI 404: Training and Education 2016		
3-3 Management of material topics	NfR, p. 100	The reporting includes 3-3 a-c.
404-2 Programs for upgrading employee skills and transition assistance programs	NfR, p. 105	Brenntag offers its employees target group-specific and individual measures and training at a global, regional and local level and provides them either in conventional events attended in person or through online training events. The global e-learning management system provides employees with an opportunity to enhance their knowledge and skills independently.
404-3 Percentage of employees receiving regular performance and career development reviews		Annual feedback meetings take place for all Brenntag employees in which the employees' performance is considered and their goals and personal expectations as well as individual development measures are discussed.
GRI 405: Diversity and Equal Opportunity 2016		
3-3 Management of material topics	NfR, p. 103	The reporting includes 3-3 a-c.
405-1 Diversity of governance bodies and employees	NfR, pp. 103, 104 Supervisory Board Report, p. 18	Detailed data can be found in the download area. Employees Brenntag
GRI 406: Non-discrimination 2016		
3-3 Management of material topics		The reporting includes 3-3 a-c. https://corporate.brenntag.com/en/sustainability/sustainability-at-brenntag/guidelines
406-1 Incidents of discrimination and corrective actions taken		Brenntag reports on the total number of confirmed incidents. For confidentiality reasons, Brenntag does not disclose the exact number of complaints by type. Accordingly, the company does not explicitly report the number of complaints relating to discrimination.
GRI 407: Freedom of Association and Collective Bargaining 2016		
3-3 Management of material topics		The reporting includes 3-3 a-c. https://corporate.brenntag.com/en/sustainability/sustainability-at-brenntag/guidelines
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	NfR, pp. 105, 107	As part of our TFS membership, Brenntag requests that its suppliers undergo sustainability assessments, which also include a review of protection of the right of association and the right to collective bargaining. Brenntag's Code of Business Conduct and Ethics as well as our Supplier Code of Conduct also require the protection of human rights, equal treatment and fair working conditions.

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GRI standard and description		References	Comments and online resources
GRI 408: Child Labor 2016			
3-3	Management of material topics		The reporting includes 3-3 a-c. Human Rights Brenntag
408-1	Operations and suppliers at significant risk for incidents of child labor		Policy Statement on Human Rights The reporting includes 408-1-c.
GRI 409: Forced or Compulsory Labor 2016			
3-3	Management of material topics		The reporting includes 3-3 a-c. Human Rights Brenntag
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	NfR, pp. 105-107	Policy Statement on Human Rights Responsible partner in the supply chain The reporting includes 409-1-b.
GRI 410: Security Practices 2016			
3-3	Management of material topics	NfR, p. 100	The reporting includes 3-3 a-c.
410-1	Security personnel trained in human rights policies or procedures		Brenntag deploys security personnel at various locations and uses service providers to provide security services. Brenntag has started to manage security measures centrally, among other things to increase the commitment to respect human rights and to collect relevant data on the implementation of the measures.
GRI 411: Rights of Indigenous Peoples 2016			
3-3	Management of material topics		The reporting includes 3-3 a-c. https://brenntagprod-media.e-spirit.cloud/06432017-be1f-41ce-8d1d-564e2a66d213/documents/global/compliance/global_declaration-of-principles-on-respect-for-human-rights-2023_en.pdf
411-1	Incidents of violations involving rights of indigenous peoples		Brenntag has not received any reports on incidents for the reporting period.
GRI 414: Supplier Social Assessment 2016			
3-3	Management of material topics		The reporting includes 3-3 a-c. https://corporate.brenntag.com/en/about/compliance
414-1	New suppliers that were screened using social criteria		Measured by its total chemical spend (in EUR), Brenntag covered around 75% (2022: 75%) through EcoVadis assessments in the reporting period.
GRI 416: Customer Health and Safety 2016			
3-3	Management of material topics		The reporting includes 3-3 a-c.
416-2	Assessment of the health and safety impacts of product and service categories		There were no incidents during the reporting period.
GRI 417: Marketing and Labeling 2016			
3-3	Management of material topics	NfR, pp. 96, 100	
417-1	Requirements for product and service information and labeling	NfR, pp. 96, 100	In all countries we operate in, the products manufactured and/or transported by Brenntag are subject to legal requirements for the labeling and indication of ingredients, their ecological effects as well as information on safe use and disposal.
417-2	Incidents of non-compliance concerning product and service information and labeling		There were no incidents during the reporting period.
417-3	Incidents of non-compliance concerning marketing and communications		Brenntag is not aware of any incidents during the reporting period.
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	Corporate Governance Code	The reporting includes 3-3 a-c.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		There were no substantiated complaints from customers or regulatory bodies in the reporting period. Neither did Brenntag identify any leaks, thefts, or losses of customer data.

3.17 GRI Index

APPENDIX

TCFD Index

The requirements of the Task Force on Climate-related Financial Disclosures (TCFD) cover governance, strategy, risk management, and metrics and targets. The aim of reporting in accordance with TCFD is to appropriately disclose the risks and opportunities presented by climate change and thus strengthen financial market stability. As the CDP climate change questionnaire has largely integrated the TCFD requirements, Brenntag already reports the following information:

Governance

TCFD core element	Required information	Reference to CDP Climate Change 2023 Questionnaire
Disclosure of governance around climate-related risks and opportunities	a) Board of Management's oversight of climate-related risks and opportunities	C _{1.1a} C _{1.1b}
	b) Role of the Board of Management and senior executives in assessing and managing climate-related risks and opportunities	C _{1.2}
Corresponding sections	NfR, p. 87 NfR, p. 108	

Strategy

TCFD core element	Required information	Reference to CDP Climate Change 2023 Questionnaire
Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	a) Short-, medium- and long-term climate-related risks and opportunities for the organization	C _{2.1a} C _{2.3} C _{2.3a} C _{2.4} C _{2.4a}
	b) Impact of climate-related risks and opportunities on businesses, strategy, and financial planning	C _{2.3a} C _{2.4a} C _{3.1} C _{3.2a} C _{3.2b} C _{3.3} C _{3.4}
	c) Resilience of the organization's strategy, taking into consideration different climate-related scenarios (including a 2°C or lower scenario)	C _{3.2} C _{3.2a} C _{3.2b}
You can find further information here:	NfR, p. 87 NfR, p. 108	

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Risk Management

TCFD core element	Required information	Reference to CDP Climate Change 2023 Questionnaire
Disclosure of processes for identifying, assessing, and managing climate-related risks	a) Processes for identifying and assessing climate-related risks	C ₂ .1 C ₂ .2 C ₂ .2a
	b) Processes for managing climate-related risks	C ₂ .1 C ₂ .2
	c) Integration of processes for identifying, assessing, and managing climate-related risks into overall risk management	C ₂ .1 C ₂ .2
You can find further information here:	NfR, p. 108 Management Report, p. 167	

Metrics and Targets

TCFD core element	Required information	Reference to CDP Climate Change 2023 Questionnaire
Disclosure of metrics and targets used to assess climate-related risks and opportunities	a) Metrics used to assess climate-related risks and opportunities in line with the strategy and risk management process	C ₄ .2 C ₄ .2a C ₄ .2b C ₉ .1
	b) Scope 1, Scope 2 and Scope 3 greenhouse gas emissions and the related risks	C ₆ .1 C ₆ .3 C ₆ .5 C ₆ .5a
	c) Targets used to manage climate-related risks and opportunities and performance against targets	C ₄ .1 C ₄ .1a C ₄ .1b C ₄ .2 C ₄ .2a C ₄ .2b
You can find further information here:	NfR, p. 108 NfR, p. 115	

3.18 TCFD Index

Responses to and results of Brenntag's CDP questionnaire at: [CDP Brenntag](#)

APPENDIX

SASB Index

Topic	Accounting metric	Code	References / comments
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1 TR-RO-110a.1	NfR, pp. 110–112 The calculation of Scope 1 emissions includes all greenhouse gases that result from the consumption of the corresponding energy sources, i.e. CO ₂ , CH ₄ , N ₂ O. The share of CH ₄ and N ₂ O in the total emissions is approximately 1%. At Brenntag, none of the emissions are covered under emissions-limiting regulations.
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2 TR-RO-110a.2	NfR, pp. 109–112
	(1) Total fuel consumed (2) Percentage natural gas (3) Percentage renewable	TR-RO-110a.3	NfR, p. 111
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O) (2) SO _x (3) Volatile organic compounds (VOCs) (4) Hazardous air pollutants (HAPs) (5) Particulate matter (PM10)	RT-CH-120a.1 TR-RO-120a.1	Not relevant for Brenntag as a distributor.
Energy Management	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable (4) Total self-generated energy	RT-CH-130a.1	NfR, p. 111
Water Management	(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with high or extremely high baseline water stress	RT-CH-140a.1	Water withdrawal is not currently recorded and consolidated on a Group-wide basis.
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	No central information available.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	No central information available.
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	Due to the decentralized structure of the company and different legal requirements (e.g. Circular Economy Act in Germany), waste management has so far been handled by each site itself.
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	NfR, pp. 91, 99–101, 105–107

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Topic	Accounting metric	Code	References / comments
Workforce Health and Safety	1) Total recordable incident rate (TRIR) and 2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	NfR, p. 101 At Brenntag, TRIR is defined as the total recordable injury rate, the number of workplace accidents involving injuries that require medical treatment (beyond first aid), per one million work hours.
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	NfR, pp. 99-101
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	RT-CH-410a.1	NfR, pp. 96, 97, 116
Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances (2) Percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	(1) EMEA ¹⁾ : 69% North America: 46% (2) EMEA ²⁾ : 92% ²⁾ North America: 100%
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	NfR, pp. 96-97
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	Not relevant
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	Management Report, pp. 170-179 NfR, pp. 96-97
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	NfR, pp. 99-101
Activity Metric	Production by reportable segment	RT-CH-000.A	Not reported
Driver Working Conditions	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	TR-RO-320a.1	NfR, p. 101 At Brenntag, TRIR is defined as the total recordable injury rate, the number of workplace accidents involving injuries that require medical treatment (beyond first aid), per one million work hours.
	(1) Voluntary and (2) involuntary turnover rate for all employees	TR-RO-320a.2	NfR, p. 102 Employees Brenntag
	Description of approach to managing short-term and long-term driver health risks	TR-RO-320a.3	NfR, pp. 99-101 Health risks for specific functions are only assessed locally.

¹⁾ Poland, Lithuania, Estonia and Latvia as well as Italy are only partially represented. For Brenntag Benelux and Multisol, data from countries in Africa are included, in which the two national companies operate.

²⁾ Percentage of such products (with at least one substance) that have undergone a hazard assessment.

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Topic	Accounting metric	Code	References / comments
Accident & Safety Management	Number of road accidents and incidents	TR-RO-540a.1	NfR, pp. 99-101 Four road accidents involving commercial vehicles.
	Safety Measurement System BASIC percentiles for: (1) Unsafe driving (2) Hours-of-service compliance (3) Driver fitness (4) Controlled substances / Alcohol (5) Vehicle maintenance (6) Hazardous materials compliance	TR-RO-540a.2	Not reported
	(1) Number and (2) aggregate volume of spills and releases to the environment	TR-RO-540a.3	NfR, p.101

3.19 SASB Index

Practitioner's Report

Limited and reasonable assurance report of the Independent Practitioner regarding the non-financial reporting for the financial year from January 1 to December 31, 2023

– German version prevails –

To Brenntag SE, Essen / Germany

Our Engagement

We have performed a limited and reasonable assurance engagement on the separate consolidated non-financial report of Brenntag SE, Essen / Germany, (hereafter referred to as “the Company”) for the financial year from January 1 to December 31, 2023 (hereafter referred to as “non-financial reporting”). In accordance with our engagement, we have performed a reasonable assurance engagement on the indicators presented in the non-financial reporting

- Reduction of greenhouse gas emissions (Scope 1 and 2)
- Further increase in occupational safety (reduction of TRIR)
- Increase in share of women on different management levels

(hereafter referred to as “the indicators”) and performed a limited assurance engagement on all disclosures other than the indicators contained in the non-financial reporting.

Not subject of our assurance engagement are the references to websites including their contents, the key figures relating to prior-year periods as well as the TCFD and SASB indices contained in the non-financial reporting.

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the non-financial reporting in accordance with the requirements of Sections 315b, 315c in conjunction with Sections 289c to 289e German Commercial Code (HGB) and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereafter referred to as “EU Taxonomy Regulation”) and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in the section “EU Taxonomy” of the non-financial reporting.

These responsibilities of the executive directors of the Company include the selection and application of appropriate methods regarding the preparation of the non-financial reporting and the use of assumptions and estimates for individual non-financial disclosures which are reasonable under the given circumstances. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of a non-financial reporting that is free from material misstatement, whether due to fraud (i.e., fraudulent non-financial reporting) or error.

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

The preciseness and completeness of the environmental data in the non-financial reporting is subject to inherent existing limitations associated with the manner in which the data was collected and calculated as well as assumptions made.

Independence and Quality Assurance of the Independent Practitioner's Firm

We have complied with the German professional requirements on independence as well as other professional rules of conduct.

Our firm applies the national legal requirements and professional pronouncements, in particular the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) and the IDW Quality Management Standards issued by the Institute of Public Auditors in Germany (IDW), and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional rules of conduct, professional standards as well as relevant statutory and other legal requirements.

Responsibilities of the Independent Practitioner

Our responsibility is to express a conclusion with reasonable assurance on the indicators defined above that are disclosed in the non-financial reporting and a conclusion with limited assurance on all disclosures other than the indicators in the non-financial reporting in each case based on our work performed within our assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements Other than Audits or Reviews of Historical Financial Information”, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement so that we

- can conclude with reasonable assurance whether the indicators defined above that are disclosed in the non-financial reporting have been presented, in all material respects, in accordance with Sections 315b, 315c in conjunction with Sections 289c to 289e HGB by the executive directors; it does not mean that a separate conclusion is expressed on each of the indicators; and
- can conclude with limited assurance whether matters have come to our attention that cause us to believe that all other disclosures in the non-financial reporting, except the references to websites including their contents, the key figures relating to prior-year periods as well as the TCFD and SASB indices, have not been prepared, in all material respects, in accordance with Sections 315b, 315c in conjunction with Sections 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in section “EU Taxonomy” of the non-financial reporting.

The procedures performed in the limited assurance part of our engagement are less in extent than for a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The choice of assurance work is subject to the practitioner’s professional judgment.

Within the scope of our assurance engagement, which we performed between November 2023 and March 2024, we performed, among others, the following assurance procedures and other activities:

- Gaining an understanding of the structure of the Group’s sustainability organization and stakeholder engagement,
- Inquiries of the executive directors and relevant employees involved in the preparation process about the preparation process, about the internal control system related to this process and about disclosures in the non-financial reporting,
- Identification of likely risks of material misstatements in the non-financial reporting,
- Analytical evaluation of selected disclosures in the non-financial reporting,
- Reconciliation of selected disclosures with the corresponding data in the consolidated and annual financial statements and combined management report,
- Assessment of the presentation of the non-financial statement reporting,
- Assessment of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the non-financial reporting.

In the course of our reasonable assurance engagement part on the indicators disclosed in the Company’s non-financial reporting, we have performed the following assurance procedures and other activities in addition to those described above:

- Assessment of the concept and implementation of the systems and processes for determining, processing and monitoring the disclosures on the indicators,
- Assessment of the risks,
- Tests of details on the basis of samples.

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the imminent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties. In particular, these uncertainties also relate to quantifying indicators when they are measured or evaluated.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Practitioner's Conclusions

In our view, the indicators "Reduction of greenhouse gas emissions (Scope 1 and 2)", "Further increase in occupational safety (reduction of TRIR)" and "Increase in share of women on different management levels" that are disclosed in the non-financial reporting for the period from January 1 to December 31, 2023 have been presented, in all material respects, in accordance with Section 315c in conjunction with Sections 289c to 289e HGB by the executive directors.

Based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that all disclosures other than the indicators in the non-financial reporting of the Company for the financial year from January 1 to December 31, 2023 have not been prepared, in all material respects, in accordance with the requirements of Sections 315b, 315c in conjunction with Sections 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section "EU Taxonomy" of the non-financial reporting.

We do not express an opinion on the references to websites including their contents, the key figures relating to prior-year periods as well as the TCFD and SASB indices contained in the non-financial reporting.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated January 1, 2017 of the Institute of Public Auditors in Germany). We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Therefore, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it.

Our responsibility is to the Company alone. We assume no responsibility with regard to any third parties. Our conclusion is not modified in this respect.

Düsseldorf / Germany, March 4, 2024

Deloitte GmbH Wirtschaftsprüfungsgesellschaft

Signed:
Daniel Oehlmann
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Eike Bernhard Hellmann