

About this report

Reporting principles

This combined separate non-financial report (NfR) for financial year 2022 is the tenth report published by Brenntag on its sustainability activities since 2013. This year, the NfR has for the first time been integrated into the Annual Report and will not therefore be published as a standalone sustainability report. It is not part of the Group management report.

This NfR is based on international standards for sustainability reporting and therefore takes into account the interests of investors, customers, partners, suppliers, NGOs, employees and interested members of the public:

- The Global Reporting Initiative (GRI, index on [page 134](#)),
- 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 141](#)),
- The standard issued by the Task Force on Climate-related Financial Disclosures (TCFD, index on [page 139](#)). The TCFD looks at the financial risks that climate change poses to companies’ business performance.

This NfR was prepared in accordance with Section 315c in conjunction with Sections 289c to 289e of the German Commercial Code (HGB) and meets the legal requirements of the HGB. It also contains the mandatory disclosures in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (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 134](#). The following disclosures are additional information and not part of this separate NfR and therefore not subject to the audit: the GRI Content Index, references to

information not contained in the NfR or the combined Group management report and management report of Brenntag SE, and SASB and TCFD indices.

The NfR has been audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) pursuant to ISAE 3000 (Revised) to obtain limited assurance. The Practitioner’s Report can be found on [pages 144–145](#). 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 147–148](#).

In this NfR, correlations have been identified with amounts reported in the consolidated financial statements. Information on environmental provisions amounting to 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 2022.

Identification of material content

The issues presented in the materiality matrix on [page 99](#) 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. In order to determine the material topics for the NfR, Brenntag adhered to the requirements of Section 289c, para. 2 in conjunction with para. 3 of the German Commercial Code (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, social and employee 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 Brenntag’s Group strategy and/or its ESG strategy and the objectives contained in it.

ABOUT THIS REPORT

In the reporting period, Brenntag looked closely at the material topics and updated the materiality analysis against the background of the ESG strategy ([please see page 99](#)). Compared with the previous year, there were both some linguistic changes and a revision of the scope of the list of topics. The materiality analysis was submitted to and discussed and decided upon by the Board of Management. This materiality process identified the following topics as being material to Brenntag within the meaning of the law:

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	Safe handling of chemicals (page 107)
	Combating climate change (page 116)
	Waste and packaging (page 121)
	More sustainable products (page 103)
	Circular business models (page 121)
	Responsible use of water (resources) (page 122)
	Climate resilience (page 104)
Employee matters	Occupational health and safety (page 106)
	People development and training (page 111)
	Respectful and caring work environment (page 108)
Respect for human rights	Compliance and corporate governance (page 101, 112)
Anti-corruption and bribery matters	Compliance and corporate governance (page 101)
Social matters	(Not material within the meaning of Section 289c, para. 3, sentence 1 HGB)
Responsibility in the supply chain	Responsible supplier management (page 112)
Sustainable governance	Integration of sustainability in governance structures (page 103)

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. However, Brenntag will report on social

activities and employees' involvement outside the NfR so that this important topic is addressed. In addition to the aspects covered by the law, Brenntag has identified "Responsibility in the supply chain" and "Sustainable governance". As the market leader in chemicals and ingredients distribution, Brenntag believes it has a responsibility to reduce negative effects with regard to non-financial aspects within the supply chain and to strengthen positive effects. Among other things, Brenntag's understanding of the topic of sustainable governance is that sustainability aspects are important decision criteria in portfolio and investment decisions and on M&A projects.

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 197](#) and [page 202](#), as well as the list of companies included in the consolidated financial statements, [page 265](#). Any deviations from these parameters are indicated in the relevant section of this NfR.

The reporting period for this NfR covers the Brenntag Group's financial year 2022 (January 1, 2022 to December 31, 2022). Any deviations in the reporting periods for individual data and contents are noted separately.

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

Boundaries of material topics pursuant to GRI

The diagram on [page 94](#) shows the boundaries of the material topics pursuant to the GRI. The relevant GRI standards covered by each topic are also indicated. For topics that are not covered by the GRI standards, we have referred directly to the corresponding management approaches in the NfR and, if necessary, to our website as an additional source of information.

Based on the materiality analysis performed in 2022, the following overview shows an updated presentation of the material topics and boundaries.

The business model

Brenntag is the global market leader in chemicals and ingredients distribution. The company plays a central role in connecting customers and suppliers of the chemical industry. In the field of sustainability, Brenntag pursues specific goals and is committed to sustainable solutions in its own sector and the industries served. In doing so, we identify the sustainability needs of our numerous customer industries and work together with our suppliers to develop appropriate products and services. You can read more about the business model on [page 147](#) of the Group management report.

Sustainability at Brenntag

Strategy

As the global market leader in chemicals and ingredients distribution, Brenntag aims to fulfill its responsibility and play a significant role in shaping the future of the industry. We support our partners in our networks and promote collaboration, excellence 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 \(TfS\)](#), an initiative that works to enhance sustainability in the chemical industry 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 within the next two years. 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, from which clearly defined and ambitious medium- and long-term goals will be derived along the value chain. Brenntag is thus taking the lead in shaping the sustainable future of global chemical distribution.

Focus areas

Through its new 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

All actions are guided by the United Nations [Sustainable Development Goals \(SDGs\)](#). Brenntag has identified eight 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,

Governance

Management structures for business ethics



Values

We at Brenntag are grateful for the trust that our business partners and other stakeholders place in us on a daily basis. They quite rightly expect the highest level of quality, reliability and efficient, innovative solutions. In order to meet these standards, Brenntag uses five central values to systematically guide its actions. All business activities and business relationships are shaped by these values.



Care

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



Trust

We build relationships through authenticity and commitment.



Clarity

We work toward common goals with focus and determination.



Excellence

We go beyond expectations through excellence, innovation and collaboration.



Safety

We put safety first in everything we do.

3.06 Values of Brenntag SE

In 2022, Brenntag further developed its corporate culture. Employees from all areas of the company were involved from the outset with a view to working out the core values together in workshops. Brenntag wishes to embed these values in day-to-day business and ensure that employees live the values. A range of digital and analog resources will be on offer in 2023 and are intended to encourage 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.

Compliance and integrity

Brenntag has traditionally attached great importance to responsible, future-oriented and sustainable corporate governance. In 2022, 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. This further development took place, among other things through the organizational expansion of the compliance department, the extension of the internal compliance reporting system and the complete redesign of the compliance intranet presence. Internal audits are regularly conducted at all Group companies to assess compliance with internal guidelines. Internal Audit Brenntag Group conducted a total of 28 audits in 2022.

The Senior Vice President (SVP) Compliance Brenntag Group reports on a regular basis directly to the Board of Management, the Supervisory Board and the Audit Committee during the reporting period. The regionally appointed Regional Compliance Managers, who are assisted in their work by local compliance contacts, regularly exchange information and experience with the SVP Compliance Brenntag Group. In the reporting period, Compliance was further expanded both centrally and locally and the organizational structure was further developed.

Brenntag attaches great importance to setting up safe and confidential points of contact for whistleblowers. Seventeen confirmed incidents were reported in the reporting period. Two reports of possible corrupt actions were submitted and

investigations launched. In one case, the suspicion was not confirmed at the end of the investigation. The investigation into the second report is still ongoing. Employees and third parties can access the relevant whistleblowing channels through the Brenntag website.

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.

Among other resources, the new Brenntag Compliance intranet site is used to familiarize employees with relevant topics and provide extensive materials, guidelines and manuals. In addition, Brenntag offers regular training, for example, through 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 94% of the relevant employees in the reporting period. In addition, employees who were designated on the basis of their activity completed antitrust law training (completed by 92% of the relevant employees) and anti-corruption training (completed by 91% of the relevant employees).

Trade compliance challenges as a result of the Russia-Ukraine war

The war in Ukraine and its geopolitical and economic consequences pose particular challenges for Brenntag. As a distributor of chemical products and ingredients with a global network, Brenntag has to be mindful of a large number of rapidly changing laws, embargo regulations and sanctions and ensure that they are implemented. To enable it to respond to changing situations as efficiently as possible, Brenntag has put in place an internal crisis team for the Russia-Ukraine war, made up of members of various departments. To comply with the economic sanctions imposed on the Russian Federation, for example, Brenntag regularly reviews business partners with the help of a sanction checking system.

Data protection

Group-wide data protection places particular requirements on Brenntag. Different statutory provisions have to be observed at each of the Group's international sites. At the same time, it is necessary to appropriately protect the interests of data subjects everywhere and ensure that data protection regulations are adhered to throughout the company. For this, the provisions of the General Data Protection Regulation and the requirements of numerous other data protection laws (e.g. in Brazil, California [USA], China, South Africa, etc.) must be implemented and best brought into line. This requires comprehensive and in particular local expertise, well-coordinated communication and a data protection management system that integrates all sites.

As head of the Global Data Protection department, the Group Data Protection Officer reports independently and directly to the Chief Executive Officer at regular meetings. As of this year, Global Data Protection falls within the area of responsibility of the SVP Compliance Brenntag Group. Data protection coordinators in the various regions support the Global Data Protection department and report to the central unit. Data protection recommendations and developments are regularly discussed with the departments.

Introduced in 2020, the global data privacy management system (One Trust) 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 2022, the quality of documentation in One Trust was further improved and the data protection coordinators in the regions received training in this regard. Further steps were taken in 2022 to drive the digitalization of data protection processes. Another point of focus was providing support to the DiDEX initiatives, including the auditing of service providers. In addition, the project teams involved received in-depth advice so that data protection requirements are also observed from the outset by the teams being newly set up as Brenntag's new data landscape is developed.

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Responsible partner



Supply chain and human rights

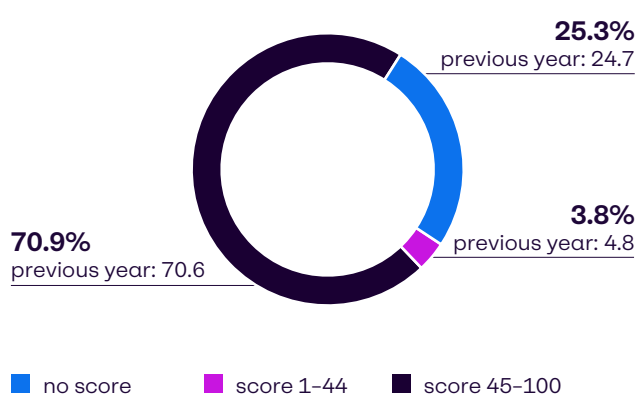
As the global market leader in chemical and ingredients distribution, Brenntag takes its responsibility to uphold human rights very seriously. The company undertakes to respect and defend human rights worldwide within its supply chains. These are among Brenntag's top principles. Brenntag is a member of the [UN Global Compact](#) and committed to its ten principles for human rights, labor standards, fair remuneration, environmental protection and fighting corruption. Worldwide, the company works to ensure fair working relationships and, as described in the ESG strategy, acts as a responsible partner to suppliers.

In order to meet this aspiration, Brenntag has implemented numerous measures developed centrally by various departments such as Sustainability and Compliance Brenntag Group. Employees can report human rights violations via the whistleblowing system. External third parties can also use this system. In the reporting period, Brenntag did not receive any reports of human rights violations within the company.

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

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 task here is 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 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.

Measured by its total chemical spend (in EUR), Brenntag covered around 75% (2021: 75%) through such sustainability assessments or audits in the reporting period. On a particularly encouraging note, the company continues to see its suppliers making considerable advances in improving their sustainability performance. By the end of 2022, for example, it appeared that 69% of suppliers who underwent re-assessment had improved their score compared with the previous year. This figure is particularly high in the group of suppliers that had a relatively low score of under 45 in the previous year. As many as 73% of suppliers that underwent re-assessment in 2022 managed to improve their score by at least one point compared with the previous assessment.

Share of total chemical spend
in EUR (in %)

3.11 Share of total chemical spend in EUR (in %)

Of course, 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, the highest result in the company's history. Brenntag was awarded the EcoVadis platinum medal 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

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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 2022, in preparation for the specific requirements of the German Supply Chain Due Diligence Act, Brenntag started to further develop its risk assessment regarding human rights violations and environmental risks for all suppliers. In addition to existing EcoVadis assessments or TfS audits, this will be based on an innovative IT solution that works both with publicly accessible information (via media, for example) and with artificial intelligence. The company has also appointed a human rights officer, who will monitor risk management, review the effectiveness of preventive and corrective actions, and regularly inform management about potential incidents in future. In the reporting period, 100% of relevant Brenntag suppliers¹⁾ underwent the initial risk assessment process. In addition, the company will continue working to also train its suppliers with a greater focus on sustainability issues, to which end it will make greater use of the TfS Academy or e-learning resources, for example.

Brenntag is continuously developing measures to further reduce potential risks within global supply chains. Going forward, the company will continue to constantly expand its commitment to respecting human rights across worldwide supply chains. Not least of all, Brenntag aims to have all suppliers covered by risk management.

How Brenntag is implementing the Supply Chain Due Diligence Act

The German Supply Chain Due Diligence Act requires certain German companies to fulfill human rights and environmental due diligence obligations within their supply chain. Brenntag is required to apply this act from 2024. Given that there are several thousand suppliers and various Group companies, this presents an enormous challenge, which Brenntag is fully committed to meeting. The act requires companies to create maximum transparency in the supply chain and their own area of business, carry out risk analyses and implement actions to prevent potential breaches of due diligence obligations. In 2022, Brenntag set up an interdisciplinary team of experts from the fields of QSHE, sustainability, compliance, legal and procurement, which deals explicitly with implementing the requirements.

¹⁾ Brenntag defines this as suppliers with a chemical spend of more than EUR 1 million in a 12-month period.

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 40 members. In 2022, the member companies generated combined revenues of over EUR 600 billion. The members regularly evaluate and review their suppliers by means of a standardized process using assessments and audits. This information is shared confidentially and used jointly within the network, which provides efficiency benefits for every member and creates more transparency.

TfS also develops standards and guidelines for the industry, including the Product Carbon Footprint (PCF) Guideline ([see Environment, page 120](#)). 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.

Training

Brenntag delivered a series of training sessions on the circular economy in the reporting period. In rounds of discussions, product management and sales in the EMEA region exchange information and ideas on the subject and seek further solutions together.

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 here depends largely on the nature and scope of the products handled and services provided. 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. Water consumption is not currently recorded and controlled on a Group-wide basis.

Brenntag aims to minimize water consumption and be economical with water in all processes. The site in Zarate (Argentina), for example, captures rainwater, treats it and uses it for industrial purposes and to extinguish fires at the site. In addition, Brenntag works together with non-governmental organizations such as Water for People with a view to implementing further water-saving measures.

In the reporting period, Brenntag prepared a risk analysis in order to find out which sites could suffer water shortages as climate change increases.

EU Taxonomy

Art. 8 EU Taxonomy Regulation

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 according 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 as a non-financial parent company presents the proportion of its consolidated turnover, capital expenditure (Capex) and operating expenditure (Opex) for the 2022 reporting period that is associated with Taxonomy-eligible and Taxonomy-aligned economic activities in relation to the first two environmental objectives (climate change mitigation and climate change adaptation) pursuant to Art. 8 of the EU Taxonomy Regulation.

Organization of company activities

A project team consisting of Corporate Accounting and Sustainability Brenntag Group assumed responsibility for implementing the EU Taxonomy requirements at Brenntag. The project team analyzed all Taxonomy-eligible economic activities listed in the Climate Delegated Act with regard to applicability to Brenntag. The review to determine whether Taxonomy-eligible economic activities are also Taxonomy-aligned is carried out and documented in the Group consolidation system by the Accounting department of the respective Group company. To ensure a uniform approach in reviewing alignment, the Reporting Guideline EU Taxonomy 2022 is applied at all Brenntag Group companies.

Key performance indicators

The key performance indicators (KPIs) required to be reported under the EU Taxonomy include the turnover KPI, the Capex KPI and the Opex KPI. For the 2022 reporting period, the KPIs have to be disclosed in relation to Taxonomy-eligible economic activities and Taxonomy-aligned economic activities.

As a distributor, Brenntag generates external sales only in the context of one activity: the sale of chemicals and ingredients. The review revealed that this economic activity is not covered by the Climate Delegated Act and is therefore not Taxonomy-eligible since trade-related activities have not been identified by the EU as a major source of greenhouse gas emissions.

In providing the service of transporting chemicals and ingredients to customers, Brenntag does not generate external sales on a standalone basis. As a result, this is not included in the turnover KPI or reported as a Taxonomy-eligible activity. The company therefore cannot present any Taxonomy-eligible economic activities in relation to turnover.

However, Brenntag reports capital and operating expenditure related to the purchase of output from Taxonomy-eligible economic activities and individual measures to improve energy efficiency listed, which are listed in the Climate Delegated Act, as Taxonomy-eligible. In addition, Taxonomy-eligible capital and operating expenditure is required to be presented as Taxonomy-aligned if the technical screening criteria and minimum requirements regarding human rights, anti-corruption, taxation and fair competition are met pursuant to the EU Taxonomy Regulation and the Delegated Act.

Taxonomy-eligibility

Brenntag discloses Capex and Opex related to the purchase of output from Taxonomy-eligible and Taxonomy-aligned economic activities and individual measures to improve energy efficiency listed in Annex I of the Climate Delegated Act (see table 3.16). In detail, on the basis of the overview of investment requests, the budget planning lists and the consolidated reporting on Capex and Opex at Group level, Brenntag has identified the following purchased outputs and individual measures that correspond to Taxonomy-eligible economic activities pursuant to the EU Taxonomy and therefore result in Taxonomy-eligible Capex/Opex:

Description of the Brenntag activity	Corresponding economic activity in the EU Taxonomy (Annex I to the Delegated Act)
Motor vehicles	
Purchase and leasing of heavy goods vehicles for freight transport	6.6. Freight transport services by road
Purchase, leasing, repair and maintenance of industrial trucks	3.6. Manufacture of other low-carbon technologies
Purchase and leasing of passenger cars as company vehicles	6.5. Transport by motorbikes, passenger cars and light commercial vehicles
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	7.6 Installation, maintenance and repair of renewable energy technologies
Buildings	
Construction of new buildings	7.1. Construction of new buildings
Acquisition and leasing of existing buildings	7.7. Acquisition and ownership of buildings
Installation, maintenance and repair of energy efficiency equipment	7.3. Installation, maintenance and repair of energy efficiency equipment
Installation and maintenance of charging stations for electric vehicles	7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

3.16 Taxonomy-eligibility

Taxonomy-alignment

The review for Taxonomy-alignment 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. Brenntag considers all of its Taxonomy-eligible economic activities as purchase of output. Evidence in this regard is required from the supplier to demonstrate that they are the result of a Taxonomy-aligned activity. 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.

Substantial contribution

In the case of many of the economic activities relevant to Brenntag under the Climate Delegated Act, the performance of that activity already represents the substantial contribution, obviating the need for any further reviews. The installation of solar panels or heat pumps can be given as an example. In the case of other economic activities, including the 'construction of new buildings' or the 'acquisition of existing buildings', a more detailed review has to be carried out in accordance with the regulatory standard.

Avoiding significant harm and compliance with minimum requirements

For each economic activity that makes a substantial contribution to at least one of the environmental objectives, it is necessary to assess criteria on avoiding significant harm to one or more of the six environmental objectives as well as compliance with the minimum requirements. According to the Final Report on Minimum Safeguards issued by the Platform on Sustainable Finance in October 2022, the latter relates to human rights, anti-corruption, taxation and fair competition.

The assessment is carried out by the department responsible at the respective Group company in cooperation with the supplier of the products purchased or the services received.

Not all criteria for Taxonomy-alignment fulfilled

As regards the purchase of output, no supplier was able to provide information on and proof of fulfillment of all criteria for Taxonomy-alignment, i.e. substantial contribution, avoidance of significant harm and compliance with the minimum requirements. As a result, it was not possible to substantiate any Taxonomy-aligned Capex and Opex.

APPENDIX

GRI standard and description		References	Comments and online resources
2-20	Process to determine remuneration	NfR, p. 108 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. 90–91, 95, 97	
2-23	Policy commitments	NfR, p. 102	
2-24	Embedding policy commitments	NfR, pp. 102–103	
2-25	Processes to remediate negative impacts	NfR, pp. 101–102	
2-26	Mechanisms for seeking advice and raising concerns	NfR, p. 101	
2-27	Compliance with laws and regulations	NfR, pp. 101–102	
2-28	Membership associations	NfR, pp. 95, 107, 111, 112, 116	Memberships Brenntag
Stakeholder engagement			
2-29	Approach to stakeholder engagement	NfR, p. 98	
2-30	Collective bargaining agreements		Due to its large number of international locations and the broad range of labor regulations applicable to these locations, Brenntag does not record this data in a consolidated Group-wide format.
Material Topics			
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	NfR, pp. 93, 99	
3-2	List of material topics	NfR, p. 94	
201: Economic Performance 2016			
3-3	Management of material topics	Management Report, p. 152	
201-1	Direct economic value generated and distributed	Key financial figures at a glance, p. 2 , Consolidated Financial Statements, p. 185 , Consolidated income statement, p. 186 , Notes, p. 216	
201-3	Defined benefit plan obligations and other retirement plans	Consolidated Financial Statements, p. 231	
204: Procurement Practices 2016			
3-3	Management of material topics	NfR, pp. 112–114	
204-1	Proportion of spending on local suppliers		Local and regional purchasing plays a role in the business model of a chemicals distributor, in particular in the area of commodities.
205: Anti-corruption 2016			
3-3	Management of material topics	NfR, pp. 101–102	
205-1	Operations assessed for risks related to corruption		In internal audits, a total of 24 Brenntag companies were, among other things, reviewed in relation to corruption risk in the reporting period.
205-2	Communication and training about anti-corruption policies and procedures	NfR, pp. 101–102	
205-3	Confirmed incidents of corruption and actions taken		Brenntag has not received any reports on incidents for the reporting period.
206: Anti-competitive Behavior 2016			
3-3	Management of material topics		Voluntary reporting as anti-competitive behavior is not a material topic according to the 2022 materiality analysis.
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Management Report, p. 169, 178	