Annual report

2024

Key financial figures at a glance

Consolidated income statement

		2024	2023	Change in %	Change in % (fx adj.)
Sales	EUR m	16,237.4	16,815.1	–3.4	–3.2
Operating gross profit	EUR m	4,025.4	4,041.8	–0.4	–0.2
Operating EBITA	EUR m	1,101.9	1,265.0	–12.9	–12.5
Operating EBITA / operating gross profit	%	27.4	31.3		
Profit after tax	EUR m	543.7	721.1	–24.6	
Basic earnings per share	EUR	3.71	4.73		
Diluted earnings per share	EUR	3.71	4.73		

Consolidated balance sheet

		Dec. 31, 2024	Dec. 31, 2023
Total assets	EUR m	11,668.0	10,337.8
Total equity	EUR m	4,762.0	4,356.7
Working capital	EUR m	2,139.3	2,005.8
Net financial liabilities	EUR m	2,793.0	2,186.8

Consolidated cash flow

		2024	2023
Net cash provided by operating activities	EUR m	906.6	1,663.9
Payments to acquire intangible assets and property, plant and equipment	EUR m	–342.2	–321.1
Free cash flow	EUR m	892.6	1,712.0

Key data on the Brenntag shares

		2024	2023
Share price	EUR	57.88	83.22
No. of shares (unweighted)		144,385,372	147,453,837
Market capitalization	EUR m	8,357	12,271
Free float	%	85.00	89.52

Company Profile

Brenntag is the global market leader in chemicals and ingredients distribution. The company holds a central role in connecting customers and suppliers of the chemical industry. With its two global divisions Brenntag Essentials and Brenntag Specialties the company provides a portfolio of industrial and specialty chemicals and ingredients as well as tailor-made application, marketing and supply chain solutions, technical and formulation support, comprehensive regulatory know-how and digital solutions for a wide range of industries.

Brenntag operates a global network spanning around 600 sites in more than 70 countries. With its workforce of over 18,100 employees, Brenntag generated sales of around EUR 16.2 billion in 2024.

Letter from the CEO

Dear ladies and gentlemen, dear shareholders,

The past financial year was a special one for your Brenntag: We celebrated 150 years of our company. One highlight of the fantastic anniversary year was the celebrations at various sites around the globe and our ceremony in Essen in October 2024, where we had the pleasure of welcoming not only our employees, but also customers, business partners, representatives from the political arena, investors and friends of the company. I was deeply impressed by how many of Brenntag's companions congratulated us on this occasion and paid tribute to our employees' performance and our working relationship of trust.

The entire Brenntag team aspires to continue this track record of success. We know that Brenntag's key to success was and still is to remain agile as an organization and in its thinking, and to continue to evolve in line with a clear strategy while constantly returning to our strengths and values. Only in this way was the company able to ascend to the position of global market leader in chemical and ingredients distribution over one and a half centuries and is now able to actively shape the future of our industry.

"Focus in change" – the motto of our anniversary year – is also an apt description of financial year 2024. On the chemical markets, the challenging macroeconomic environment and the still-strained geopolitical situation caused an unusually long bottoming-out in the industry cycle – a development that we have not yet experienced on this scale in the chemical industry. In this environment, we attached considerable importance to prudent price and margin management, further portfolio optimization, the differentiated management of our divisions and consistent implementation of our extensive cost-reduction program. At the same time, we worked full steam ahead to drive the further development and execution of our strategy. Here, the considerable commitment and hard work of the colleagues at Brenntag deserve the utmost respect.

Nevertheless, our financial results for financial year 2024 remained well below our expectations. Although we saw both the effect of the aforementioned measures and initiatives and the slight sequential recovery in volumes that had been forecast over the course of the year, we once again faced an extremely challenging environment and difficult market conditions. Competition remained fierce and price pressures persisted, especially in the case of industrial chemicals, placing severe demands on our team. In this environment and bearing in mind the general conditions described, Brenntag achieved an acceptable set of results overall in financial year 2024. The Group's sales stood at EUR 16.24 billion and its operating gross profit at EUR 4.03 billion. Our operating EBITA came to EUR 1.10 billion. Brenntag Specialties posted operating gross profit of EUR 1.17 billion. Operating EBITA came to EUR 447 million. Operating gross profit at Brenntag Essentials came to EUR 2.85 billion. Operating EBITA stood at EUR 781 million in financial year 2024. Our weak share price performance reflects the results below our expectations and does not show Brenntag's actual potential.

However, in financial year 2024 we not only worked on our efficiency and drove forward our day-to-day operations, but also consistently executed our "Strategy to Win" presented in November 2022. In this context, we are continuing to develop Brenntag's organizational structure and reinforcing our two divisions' differentiated positioning so as to better adapt them to changing customer and supplier needs. In November 2024, following an extensive review, we decided that it is in our shareholders' interests to concentrate fully on executing "Strategy to Win" and on our path to enhancing performance and improving results. In disentangling the divisions, we are focusing on those areas which offer Brenntag the greatest potential for value creation and differentiation in our markets, including the allocation of the sites and their logistics chains. At the same time, we are driving measures to further disentangle the divisions while avoiding substantial one-time costs. We are minimizing dis-synergies and over the next few years will leverage the strength of our existing structure as "one Brenntag" with two increasingly differentiated divisions.

Besides measures that facilitate our two divisions' profitability and organic growth, value-enhancing acquisitions are an important pillar of our "Strategy to Win". In 2024, we once again made targeted investments in focus industries and growth markets of strategic importance to us and reinforced our market position. A total spend of EUR 570 million on eight closed acquisitions puts us slightly above the target corridor we have set for M&A investments.

I am delighted to report that we successfully pursued the sustainability pathway embedded in our strategy in 2024. For example, we commissioned Brenntag's largest solar farm to date in Latin America, thereby supporting our goal of sourcing 100% of our energy requirements from renewable sources by the end of 2025. In addition, we provided customers with "CO_2Xplorer on-demand", a service tool for calculating the carbon footprint of chemical products. Developed in-house and certified by testing service provider TÜV Rheinland, this tool sets us clearly apart in the market as a provider of sustainable solutions.

Last year, Brenntag's progress on sustainability was once again recognized and qualified by way of well-known ratings and certifications. We are particularly proud of the fact that we were able to increase our score at EcoVadis and were once again the only global chemical distributor to be awarded platinum, the highest possible status, and to thus rank among the top one percent of companies rated across all sectors and regions. In September 2024, Brenntag was admitted to the DAX 30 ESG index. In financial year 2024, we fully reviewed and adapted our climate change mitigation targets. These now cover Scope 1, 2 and 3 emissions. Having made these changes, we meet the requirements of the Science Based Targets initiative (SBTi), which successfully validated all targets at the beginning of 2025 – another case where we are unique in our industry.

In addition, we continue to consistently implement our Digital, Data & Excellence initiative, DiDEX, through which we are transforming Brenntag into a more data- and technology-driven company and more closely linking our processes with those of our suppliers and customers. Customer service is another area where we are relying more on AI. For example, we are the first company in Germany to have implemented AI agents on a Salesforce platform to simplify service, sales, marketing and distribution tasks.

The aim of all our strategic and operational efforts was and still is to create value for you, our shareholders. Since going public in 2010, we have reliably paid an attractive dividend. We want to do so again for this challenging financial year 2024 and at the Annual General Meeting will propose an unchanged dividend of EUR 2.10 per share.

We have a stated aim and a clear roadmap for 2025: Our top priority is to enhance the company's operating performance. To this end, we are consistently executing our growth strategy. At the same time, we will continue to drive forward our ambitious transformation program as an essential ingredient for Brenntag's sustained success. For 2025 we expect continued moderate improvements in volumes throughout the year, also driven by our acquisitions, and a sequential slightly better pricing environment. At the same time, we expect the macroeconomic and geopolitical environment to continue to be marked by uncertainty. Against this background, we expect the Brenntag Group's operating EBITA for 2025 as a whole to be between EUR 1.1 billion and EUR 1.3 billion.

Dear shareholders,
As you know, I have decided not to extend my contract with Brenntag beyond 2025. Although these are not parting words and there is still a lot we have planned for this year, I would like to take this opportunity to express my sincere thanks for your trust over the past more than five years. It was and still is an honor to work to ensure our company's sustained success together with the fantastic Brenntag team, with passion and energy. My special word of thanks at this point goes to Kristin Neumann, who has unfortunately decided to leave the company when her contract expires. At the same time, I extend a warm welcome to Thomas Reisten as the future CFO on our management team.

I am proud of what we have achieved together so far. Your trust was and still is my biggest motivation. I am looking forward to improving the company's performance and continuing to implement the measures decided upon for its transformation together with our employees, the entire Board of Management, our global leadership team and the Supervisory Board so as to best position Brenntag for future, sustainable growth.

Essen, March 12, 2025

Dr. Christian Kohlpaintner
Chief Executive Officer

1 To our Shareholders

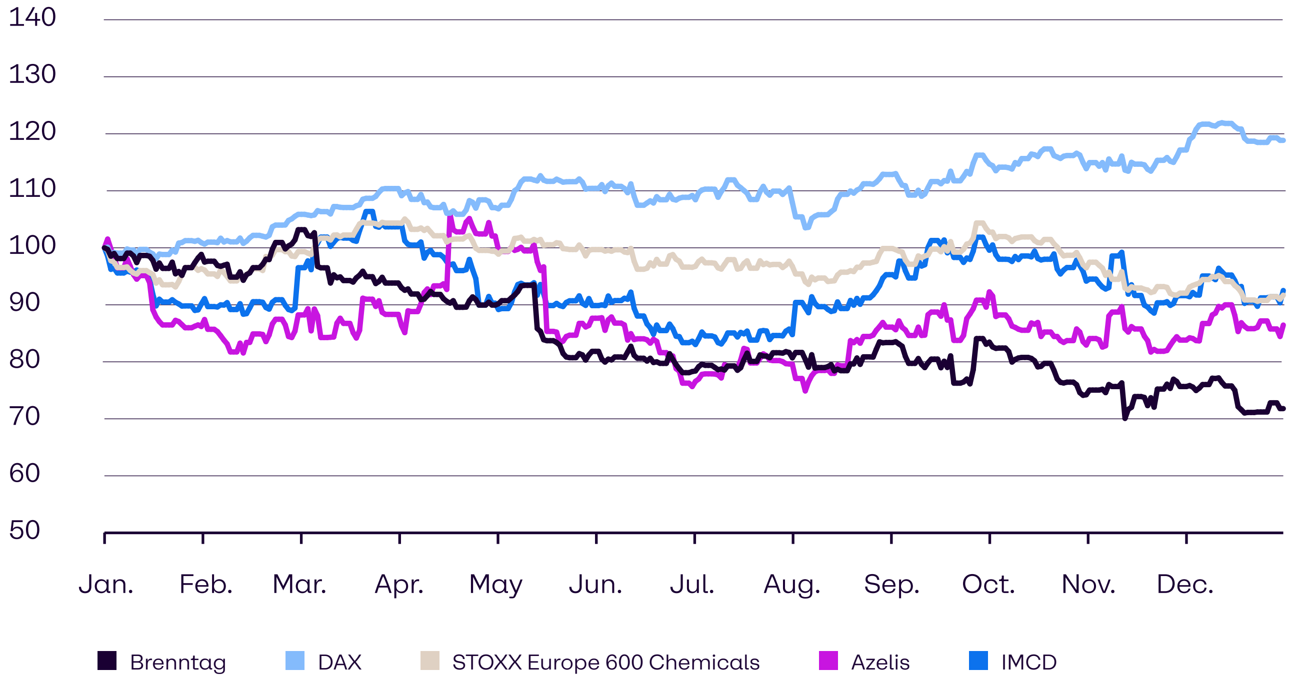
Brenntag on the Stock Market

In 2024, Brenntag SE once again operated in a persistently challenging market environment. Global conditions continued to be shaped by geopolitical uncertainties such as the war in Ukraine and the worsening conflicts in the Middle East. Declining inflation in many economies and falling interest rates had a positive impact on macroeconomic stability.

Against this backdrop, performance across the regional economic areas varied. While the USA recorded robust growth, economic momentum in Europe remained below expectations due to structural challenges and a slowdown in industrial production. Several Asian countries once again showed a positive performance, while China continued to suffer as a result of persistently weak domestic demand. In Latin America, economic growth was significantly impacted by falling investment, high interest rates and structural budget deficits. Overall, the global economy was resilient and grew by 3.2%[1] in 2024.

Meanwhile, the global equity markets, including Germany's leading index the DAX, delivered a clearly positive performance. In light of falling inflation rates and lower inflation expectations for 2025, the US Federal Reserve and the European Central Bank have recently cut key interest rates several times. The lower interest rates boosted the capital markets and led to a rally in the fourth quarter of the year. Thus, Germany's leading index reached an all-time high of 20,522 points in mid-December and ended financial year 2024 up by just over 19%.

Brenntag share price performance



1.01 Brenntag share price performance in financial year 2024[2] (indexed)

[1] Source: IMF (International Monetary Fund) World Economic Outlook Update January 2025.
[2] Total return incl. reinvestment of dividends.

Brenntag shares fell by around 31% (around 28% including dividend payments) in financial year 2024. There was a similar performance from the sector index, the STOXX Europe 600 Chemicals, and the shares of our listed specialty competitors, which were also impacted by falling share prices. In contrast, Germany's leading index, the DAX, showed a clearly positive performance and ended the year on a gain. Initially continuing the positive trend seen in the previous year, Brenntag shares reached their annual high of EUR 85.86 on March 1, 2024.

In the first quarter of 2024, however, the Brenntag Group's operating performance was weaker than expected at the beginning of the year. Both divisions were affected by a challenging market environment, fierce competition, and strong price pressures. Even in the following months, higher volumes were not enough to offset lower operating gross profit per unit. In the middle of the year, this led to the outlook for financial year 2024 being lowered.

The described trends in the financial figures were also reflected in the price performance of Brenntag shares. Following the annual high in the first quarter of 2024, the Brenntag share price fell and on November 12, 2024, reached its annual low of EUR 56.50. The shares closed financial year 2024 at EUR 57.88.

Share buyback program

The share buyback program of around EUR 750 million in total that had been initiated in the previous year was completed successfully in the first quarter of 2024. In the course of this program between March 2023 and March 2024, a total of 10,114,628 Brenntag SE shares were acquired on the stock market and subsequently canceled.

Reference data on the Brenntag shares

Due to the share buyback program described above, the subscribed capital of Brenntag SE decreased to EUR 144.4 million overall (previously EUR 154.5 million). The share capital is divided into 144,385,372 no-par value registered shares, each with a notional value of EUR 1.00.

Since September 2021, Brenntag SE has been listed on the DAX; the stock market flotation was in 2010.

Brenntag shares are also included in major international indices such as selected MSCI indices and the STOXX Europe 600, which tracks the performance of the 600 largest companies from 17 European countries, as well as in various sector indices such as the STOXX Europe 600 Chemicals. In addition, Brenntag shares are included in various sustainability indices such as the DAX 50 ESG and the DAX ESG Target Index. In September 2024, they were also admitted to the DAX 30 ESG Index. The index tracks the performance of the 30 largest German companies listed on the Regulated Market of the Frankfurt Stock Exchange and with good ESG (environment, social, governance) ratings.

With a market capitalization of EUR 8,357 million at the end of 2024, Brenntag shares ranked 37th among all listed companies in Germany, according to the Deutsche Börse AG criteria.

	Dec. 31, 2024	Dec. 31, 2023
Number of shares	144,385,372	147,453,837
WKN	A1DAHH	A1DAHH
ISIN	DE000A1DAHH0	DE000A1DAHH0
Trading symbol	BNR	BNR
Market segments	Regulated Market / Prime Standard	Regulated Market / Prime Standard
Trading venues	Xetra and all German regional exchanges	Xetra and all German regional exchanges
Selected indices	DAX, MSCI, STOXX Europe 600, STOXX Europe 600 chemicals, DAX 30 ESG, DAX 50 ESG, DAX ESG Target Index, STOXX Europe 600 ESG, MSCI Europe ESG Leaders	

1.02 Key data on the shares

Brenntag in dialog with the capital market

Brenntag SE's Investor Relations activities aim to deliver a fair and transparent communication policy that provides equal treatment to all stakeholders. This is intended to increase awareness of the company as an attractive investment and further develop Brenntag's standing on the capital market. The company's business performance and strategy are communicated continuously, promptly and reliably. This is intended to further strengthen investors' confidence in Brenntag and help to ensure that our shares are adequately valued on the capital market.

In 2024, Brenntag again attached significant importance to personal contact with capital market participants. The Board of Management and the Investor Relations team were in constant dialog with investors and analysts worldwide. In total, the Investor Relations team held over 1,000 meetings with investors. The company's performance was discussed in detail in the course of one-on-one meetings, various international roadshows and 19 investor conferences, which took place both virtually and in person, as well as at the Annual General Meeting.

The two corporate governance roadshows in February and November 2024 are worthy of note. In the course of the multi-day roadshow in February, the Chairman of the Supervisory Board presented the role of the Supervisory Board in the context of the new corporate strategy, among other things, together with the Head of Corporate Investor Relations. During the corporate governance roadshow in November, the composition of the Board of Management and the Supervisory Board was primarily discussed, with the focus on the possible enlargement of the Supervisory Board to include two additional positions and the relevant candidate profiles in particular. Further topics related to the independence of the members of the Supervisory Board, the Board of Management remuneration system and the role of ESG within Brenntag SE.

The results of external ratings underscore the importance attached to corporate governance at Brenntag SE. In 2024, the company was ranked first among the DAX companies by the German Association for Financial Analysis and Asset Management (DVFA). In 2022 and 2023, Brenntag had already improved its position in the ranking to third place, which reflects its continuous further development in this important area.

In addition to the aforementioned activities, Brenntag SE's Investor Relations team expanded its activities in relation to dialog with retail investors and on November 18, 2024, presented itself to interested private shareholders at the Essen forum organized by Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW).

In 2025, we will continue to present the company at numerous roadshows and capital market events.

Shareholder structure

As at February 28, 2025, notification had been received from the following shareholders under Section 33 of the German Securities Trading Act (WpHG) that their share of the voting rights exceeded the 3%, 5%, 10% or 15% threshold:

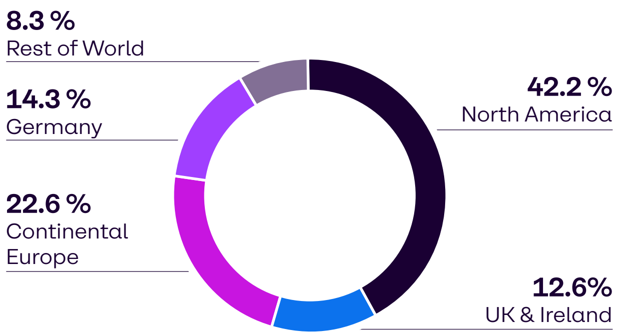
Shareholder	Interest in %	Date of notification
Kühne Holding AG[1]	>15	Nov. 12, 2024
Artisan Partners Limited Partnership	>10	Nov. 19, 2024
BlackRock, Inc.	>5	Jul. 17, 2024
Flossbach von Storch AG	>5	Jun. 1, 2023
Harris Associates L.P.	>3	Jul. 17, 2024
Wellington Management Group LLP	>3	Jun. 27, 2024

1.03 Shareholder structure

[1] Details of person subject to the notification obligation: Klaus-Michael Kühne.

All voting rights notifications are published on the company's website at www.brenntag.com/voting_rights_announcements.

As at December 31, 2024, 85% of Brenntag's shares were in free float as defined by Deutsche Börse (STOXX). Around 80% of the identified shares are held by institutional investors and organizations.



1.04 Shareholdings of institutional investors by region[1]

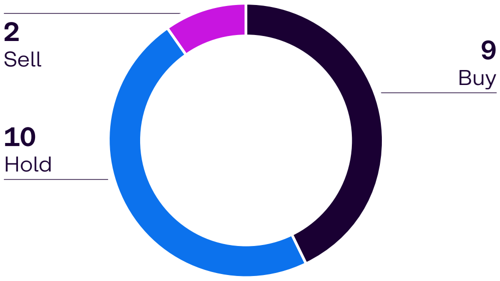
[1] Data collected as at December 2024; Source: Nasdaq.

Directors' dealings

In financial year 2024, fifteen transactions were reported in directors' dealings notifications (managers' transactions). These can be viewed at any time on the Brenntag website at https://corporate.brenntag.com/en/investor-relations/brenntag-share/managers-transactions/.

Analysts' opinions

Brenntag is continuously monitored and rated by a large number of international financial analysts. Currently, 21 banks regularly publish research reports on our company's latest performance and issue recommendations.



1.05 Analysts' opinions as at Feb. 28, 2025

Nine analysts have a buy recommendation, ten have a hold recommendation and two have a sell recommendation on the Brenntag shares. Many analysts value Brenntag highly as a growth stock with strong cash flow generation and a resilient earnings performance. Due to the Brenntag Group's weaker operating performance in financial year 2024, the Group's cost performance and the relative performance of the specialty chemicals business compared with competitors are in some cases viewed in a critical light. On the other hand, the strategic measures to improve performance and the cost position in the context of the company's multi-year transformation are regarded as positive. On February 28, 2025, the average price target was EUR 72.63.

Analysts covering Brenntag SE

- Baader Bank
- Bank of America
- Bankhaus Metzler
- Barclays
- Berenberg Bank
- Citigroup
- Deutsche Bank
- DZ Bank
- Exane BNP Paribas
- Goldman Sachs
- HSBC
- Jefferies
- J. P. Morgan Cazenove
- Kepler Cheuvreux
- LBBW
- Morgan Stanley
- Mwb research
- Oddo BHF
- Stifel
- UBS
- Warburg Research

Up-to-date information on this can be found on our website at https://corporate.brenntag.com/en/investor-relations/brenntag-share/analysts-opinions/.

Creditor relations

Brenntag has an extremely strong, long-term financial profile. We have a capital structure that enables the Group to cover its potential financing requirements, even in a difficult capital market environment. This gives us a high degree of security, independence and financial flexibility. The most important component in the financing structure of Brenntag SE is the Group-wide syndicated loan agreement. In addition, four bonds and a promissory note transaction are currently outstanding.

Brenntag's strong credit profile is reflected in investment grade ratings from the two international rating agencies Standard & Poor's and Moody's.

Since August 2023, Standard & Poor's has assigned Brenntag SE a "BBB+" rating (outlook: stable). Since March 2021, Moody's has assigned Brenntag SE a "Baa2" rating (outlook: stable).

In April 2024, Brenntag issued a new, EUR 500.0 million bond (Bond 2028) maturing in 2028 and carrying an annual coupon of 3.750%. Also in April 2024, Brenntag issued a further EUR 500.0 million bond (Bond 2032). This matures in 2032 and carries an annual coupon of 3.875%. The following table provides an overview of the key data on the four outstanding bonds.

		Bond 2025	Bond 2028	Bond 2029	Bond 2032
Issuer		Brenntag Finance B.V.	Brenntag Finance B.V.	Brenntag Finance B.V.	Brenntag Finance B.V.
Listing		Luxembourg stock exchange	Luxembourg stock exchange	Luxembourg stock exchange	Luxembourg stock exchange
ISIN		XS1689523840	XS2802928775	XS2394063437	XS2802928692
Aggregate principal amount	EUR m	600	500	500	500
Denomination	EUR	1,000	100,000	100,000	100,000
Minimum transferrable amount	EUR	100,000	100,000	100,000	100,000
Coupon	%	1.125	3.750	0.500	3.875
Interest payment	annual	Sep. 27	Apr. 24	Oct. 6	Apr. 24
Maturity		Sep. 27, 2025	Apr. 24, 2028	Oct. 6, 2029	Apr. 24, 2032

1.06 Key data on the bonds of the Brenntag Group

Annual General Meeting

The virtual Annual General Meeting of Brenntag SE was held in Essen on May 23, 2024. With attendance at around 82%, the shareholders were extensively represented. The Annual General Meeting confirmed all resolutions proposed by the Board of Management and the Supervisory Board.

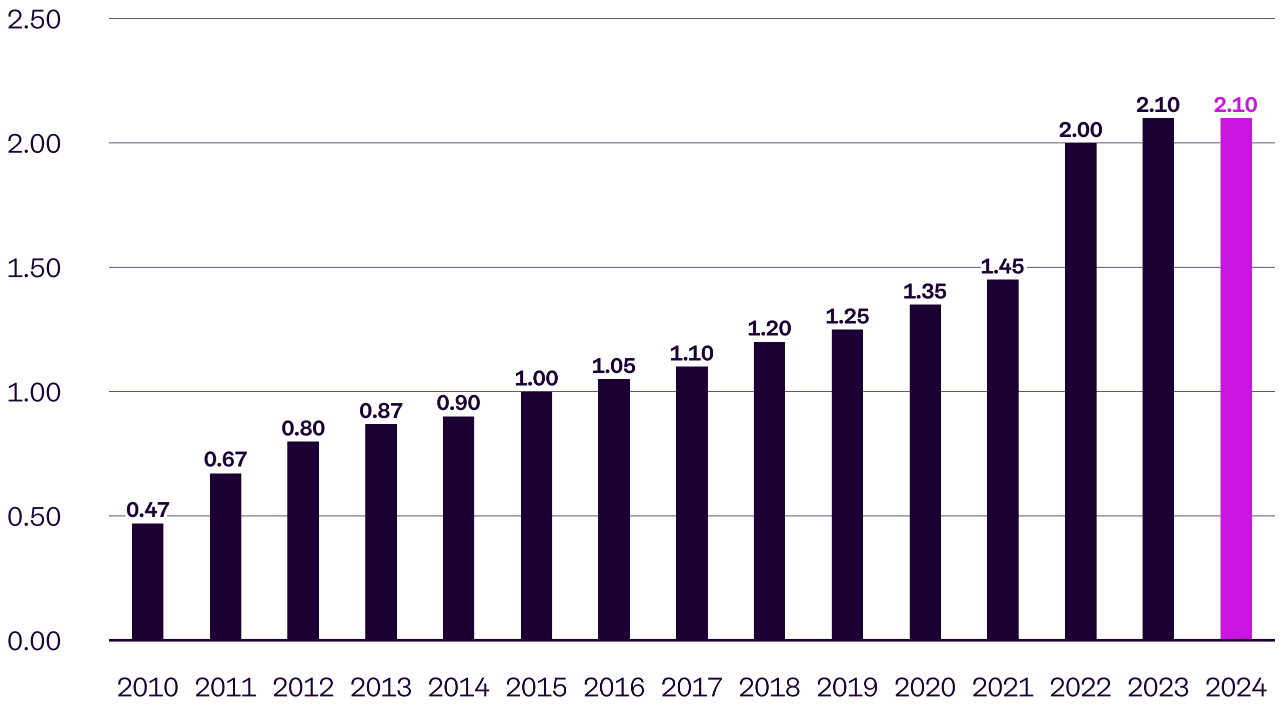
The proposal to pay a dividend of EUR 2.10 per share was approved. The dividend increased by 5% compared with the previous year.

Dividend proposal for 2024

Since going public in 2010, Brenntag has continuously paid a dividend to its shareholders and increased it by an average of around 12% annually up to and including 2023.

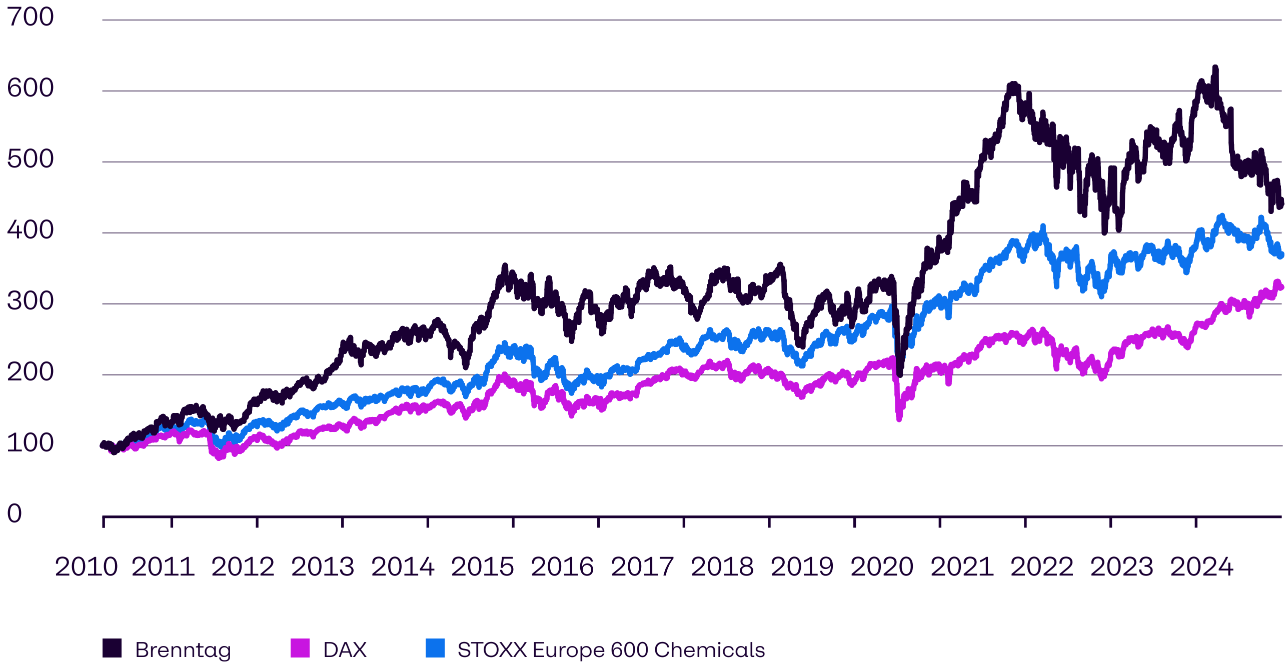
Despite the challenging market environment, the company also intends to pay an attractive dividend for financial year 2024 and to maintain it at the previous year's level. The Board of Management and the Supervisory Board will therefore recommend to shareholders at the Annual General Meeting on May 22, 2025, a dividend payment of EUR 2.10 per share.

Subject to its approval at the Annual General Meeting, this would correspond to an average annual growth of around 11% since the IPO. This is intended to ensure the stability of the dividend and Brenntag's reliability towards its shareholders.



1.07 Dividend performance in EUR

Historical performance



1.08 Historical performance[1] of Brenntag shares compared with the DAX (Mar. 29, 2010 to Dec. 31, 2024)

[1] Share price performance including dividends

in %	1 year	3 years	5 years	10 years
Brenntag shares[1]	-28.2	-7.6	6.2	4.6
DAX	18.8	7.8	8.5	7.3
STOXX Europe 600 Chemicals	-8.3	-2.6	5.2	6.8

1.09 Average annual growth rate of Brenntag shares and relevant benchmark indices in percent

[1] Received dividends reinvested. Due to rounding, the absolute totals may differ.

Service for shareholders

	Dec. 31, 2024	Dec. 31, 2023
No. of shares	144,385,372	147,453,837
Dividend (in EUR)	2.10[7)]	2.10
Dividend yield (in %)[1)]	3.63	2.52
Payout ratio (in %, rounded)[2)]	57.00	43.00
Earnings per share (in EUR)[3)]	3.71	4.73
Book value per share (in EUR)[4)]	32.70	29.20
XETRA closing price (in EUR)	57.88	83.22
XETRA high (in EUR)	85.86	83.22
XETRA low (in EUR)	56.50	60.70
XETRA average price (in EUR)	69.35	72.17
Average daily trading volumes XETRA and Frankfurt		
Shares	314,645	410,652
EUR	21,853,990	29,519,493
Market capitalization (in EUR m)[5)]	8,357	12,271
Price-earnings ratio[6)]	15.60	17.67

1.10 Key data on the Brenntag shares

1) Dividend / closing price x 100
2) Dividend taking into account the number of shares as at December 31, 2024/ profit attributable to shareholders of Brenntag SE
3) Profit attributable to shareholders of Brenntag SE / average weighted number of outstanding shares (144.7 million)
4) Equity attributable to shareholders of Brenntag SE / number of shares as at December 31, 2024
5) Market capitalization at year-end
6) Closing price / earnings per share
7) As per the proposal for the appropriation of profit presented by the Board of Management and the Supervisory Board, subject to approval at the Annual General Meeting on May 22, 2025

You can find comprehensive information on Brenntag SE and the Brenntag shares on the Investor Relations website. In addition to financial reports, presentations and detailed information on the Annual General Meeting, it also contains all the key dates on the financial calendar. The conference calls on the quarterly and annual financial statements are recorded and offered in audio format. Shareholders and interested parties can register by e-mail to be placed on the investor mailing list. The Investor Relations team would also be happy to help you in person.

Telephone: +49 (0) 201 6496 2100
Fax: +49 (0) 201 6496 2003
E-mail: IR@brenntag.de
Web: https://corporate.brenntag.com/en/investor-relations/

Report of the Supervisory Board

Dear ladies and gentlemen, dear shareholders,

In its 150th year of existence, Brenntag continued to demonstrate resilience and adaptability, the company's fundamental strengths. These are even more important as, following a period characterized by a more supportive market environment, conditions have become increasingly challenging since the end of 2023 and in 2024. Reflecting and as an immediate reaction to these developments, the Supervisory Board's primary focus was on overseeing the Board of Management's cost and performance steering, reviewing the performance improvements in several business operations and driving operational excellence.

At the same time, it was encouraging to see that Brenntag made significant progress in enhancing transparency across its numerous global distribution networks, in the composition and variety of its product portfolios and the demands in its different customer markets. Newly introduced digital tools enabled a more granular understanding of these business processes, allowing for deeper insights and data-driven decision-making – and ultimately better services and stronger collaboration with Brenntag's customers and suppliers.

We also monitored the adjustments in Brenntag's mid-term transformation agenda to reinforce our commitment to performance excellence and value creation for our partners. We support the operating model of "One Brenntag with two differentiated divisions", which are fully set up for serving the distinct needs of our customers and suppliers. Together with the Board of Management we believe that it is important to drive differentiation and disentanglement of the two Brenntag divisions where this creates value and supports differentiation in the markets, always with the clear focus on operational excellence and performance. This will be key to preparing the company for new strategic ambitions.

Additionally, Brenntag further developed all areas of its compliance management system and continued strengthening the governance framework, thereby ensuring that the Group adheres to the highest standards of integrity and compliance.

Governance on the Supervisory Board

Committees and governance structure

During the reporting period, the Supervisory Board diligently fulfilled its responsibilities in supervising the Board of Management in the management of the company. The focused work of the three committees – the Audit and Compliance Committee, the Nomination and Remuneration Committee and the Transformation and ESG Committee – contributed substantially to the overall effectiveness of our work. Additional information regarding the activities of these committees is given in the “Committee activities” section.

Effective dialog with the Board of Management

The Board of Management informed the Supervisory Board promptly and comprehensively about all relevant matters. The Supervisory Board monitored the adequacy and compliance of the company's management and was involved at an early stage in fundamental corporate decisions. All material decisions and strategic directions were discussed in detail with the Board of Management. The introduction of a combined meeting cadence of the Supervisory Board and committee meetings led to in-depth discussions over two or three consecutive days. The new meeting structure also allowed us to slightly reduce the number of meetings. Furthermore, the Chair of the Supervisory Board maintained regular contact with the Chair of the Board of Management outside the meetings to discuss topics related to strategy, business development, the risk situation, risk management, and company compliance.

Continuous shareholder dialog

The Chair of the Supervisory Board maintained close contact with our investors throughout the reporting year. In February and November 2024, the Chair of the Supervisory Board conducted two corporate governance roadshows for our investors during which the Chair of the Supervisory Board met with representatives of the majority of the shareholder capital. The discussions focused on the governance role of the Supervisory Board in Brenntag's transformational and growth path, the continued improvement of ESG at Brenntag, and the further development of corporate governance, as well as the composition and the long-term succession planning of the Board of Management and Supervisory Board. In this context, the Chair of the Supervisory Board presented to our investors the envisaged expansion of the Supervisory Board by two additional seats and outlined requirement profiles for the elections of new members to the Supervisory Board at the 2025 Annual General Meeting. In addition to the corporate governance roadshows, the Chair of the Supervisory Board was available for numerous one-on-one meetings with various shareholders.

No reported conflicts of interest of Supervisory Board members

In 2024, no conflicts of interest were reported by Supervisory Board members to the Chair of the Supervisory Board. The Supervisory Board can therefore once again confirm its assessment that all members of the Supervisory Board are independent of the Board of Management and Brenntag.

Trainings and professional development

The Supervisory Board members engaged in training and development initiatives to further enhance their ability to effectively monitor the Board of Management. Those trainings were partly initiated by the Supervisory Board members and partly supported by Brenntag, including the appropriate reimbursement of associated expenses. The professional development and trainings included participation in specialized events for Supervisory Board members, organized by leading auditing and consulting firms, and in executive peer networks. In addition, members attended conferences and expert forums focusing on key topics such as the implementation of the CSRD Directive, AI governance, multiple topics on generative AI technologies, cyber risk management and adaptive supply chains. Further key topics also covered Board governance excellence, advancements in the European chemical industry, sustainability, financial and non-financial reporting. The Supervisory Board members also actively contributed to professional associations and networks, including the German Audit Committee Network, the Financial Experts Association, e.V., and Deutsche Schutzvereinigung für Wertpapierbesitz. During our strategy offsite meeting in September, all members of the Supervisory Board participated in a keynote speech and discussion with a senior representative of the American Chemistry Council regarding geopolitical questions and the future of American-European business relations.

Effective Supervisory Board work

To ensure an appropriate onboarding process for new members, an internal onboarding guideline supports the first months of a new Supervisory Board member. This guideline outlines specific measures to ensure a seamless integration, such as providing detailed information on corporate governance and on Brenntag as well as tailored information materials regarding meeting structures and procedures. Furthermore, the guideline mandates that each new member engages in at least one introductory meeting with all current Supervisory Board and Board of Management members. Constantly improving our corporate governance and the effectiveness of our work is a key task for the Supervisory Board. Therefore, building on the self-assessment of the Supervisory Board's effectiveness in 2023, the Supervisory Board conducted a follow-up evaluation in December 2024 with the support of an external consultant. The evaluation focused on the recent changes to the meeting structure and the internal alignment of the committees with the Supervisory Board, including the review of our qualification matrix with benchmark information. Further information on corporate governance at Brenntag, and the Declaration of Conformity with the German Corporate Governance Code, can be found in the corporate governance statement.

Meetings of the Supervisory Board

In the reporting year, four ordinary Supervisory Board meetings took place. All of the ordinary meetings took place with physical attendance, which demonstrates our joint commitment to fulfilling the duties of the Supervisory Board. As in the previous year, we achieved the highest possible attendance rate of 100% in the ordinary Supervisory Board meetings. The Board of Management members attended the ordinary meetings of the Supervisory Board. The Supervisory Board also met regularly without the Board of Management. In the reporting year, the Supervisory Board held four meetings without the presence of the Board of Management, all four of which took place in person. With Sujatha Chandrasekaran being the only member of the Supervisory Board excused from one meeting of the Audit and Compliance Committee, the overall attendance rate at Supervisory Board and committee meetings was 99%.

In addition to the ordinary meetings, the Supervisory Board and the Board of Management held a three-day strategy offsite meeting in Houston, Texas, in September 2024. The focus of this meeting was the company's overall strategy and performance improvement. Moreover, several presentations from the North American leadership team, a townhall at the Brenntag Houston office, an extensive tour of a Brenntag Essentials' site, a discussion with the on-site team as well as a Q&A session increased our understanding of the Brenntag business and culture in North America. Furthermore, we were able to exchange views with an industry expert on geopolitics and their impact on the American–European business partnership.

The following table provides a detailed overview of the attendance of Supervisory Board members at the meetings of the Supervisory Board and the committees:

Name	Ordinary Supervisory Board meetings	Extraordinary Supervisory Board meetings	Audit and Compliance Committee	Nomination and Remuneration Committee	Transformation and ESG Committee
Richard Ridinger	4/4	–	–	4/4	10/10
Dr. Andreas Rittstieg	4/4	–	–	4/4	–
Stefanie Berlinger	4/4	–	7/7	–	–
Sujatha Chandrasekaran	4/4	–	6/7	–	–
Wijnand P. Donkers	4/4	–	–	4/4	10/10
Ulrich M. Harnacke	4/4	–	7/7	–	10/10

1.11 Meeting attendance in 2024

Topics of the Supervisory Board meetings

In the reporting period and as outlined above, the Supervisory Board put enhanced focus on operational performance and cost management to counterweigh the challenging market environment. Furthermore, we continued to support the Board of Management in developing and refining Brenntag's long-term transformation and strategy. No extraordinary meetings were held during the reporting year and all ordinary meetings were conducted as physical meetings. Key topics discussed at the Supervisory Board meetings included the following:

In its first ordinary meeting on March 6, the Board of Management amongst others informed the Supervisory Board about significant steps taken towards strengthening the company's position in the industry. The Board of Management reported on the status of the share buyback program and the issuance of two fixed-rate eurobonds totaling EUR 1 billion. Both topics were approved by the Supervisory Board shortly after the meeting by way of circular resolution. Another focus was the discussion of strategic options within the transformation program, which included an in-depth assessment of cost structures and portfolio analysis for Brenntag Specialties to drive growth. The Supervisory Board also discussed the status of the Group IT infrastructure program and reviewed the ESG achievements in 2023. Finally, the Supervisory Board reviewed, discussed and approved the Annual Report 2023 and the auditor's report with the appointed auditors Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, who attended the Supervisory Board meeting. The Supervisory Board also approved the 2023 consolidated financial statements and the 2023 annual financial statements of Brenntag SE, including the proposal for the appropriation of the distributable profit of Brenntag SE and the combined Group management report and the management report of Brenntag SE and thus adopted the annual financial statements of Brenntag SE. The Supervisory Board also adopted the 2023 report of the Supervisory Board as well as the 2023 remuneration report and the 2023 combined separate non-financial Group report, and endorsed the Board of Management's proposal for the appropriation of the distributable profit. The Supervisory Board thoroughly reviewed and discussed the Board of Management's reports and proposed resolutions in detail. The Supervisory Board also discussed the convocation to the Annual General Meeting and approved the convocation shortly after the Meeting by way of circular resolution on March 21, 2024.

One example of the effective dialog with the Board of Management was a conference call held on April 28, 2024, between the Board of Management and some members of the Supervisory Board to discuss the deal structure and key terms and conditions of an acquisition opportunity. The Supervisory Board then continued to discuss this acquisition opportunity internally and on May 2, 2024, approved by circular resolution the acquisition of Química Delta, S.A. de C.V., Teoloyucan, Mexico, by Brenntag Mexico through a share deal.

During the second ordinary meeting on May 22, 2024, the Supervisory Board reviewed Brenntag's operational performance on the basis of an extensive and detailed performance update presented by the Board of Management. The Supervisory Board also closely reviewed the cost management ambitions and portfolio analysis of Brenntag Specialties as well as the options for a further disentanglement of the divisions, also considering the associated costs. The Supervisory Board and Board of Management agreed to amend the disentanglement path, redefine the project perimeter, and develop an adjusted timeline for the next phases. Part of the cost management and cost containment discussion was also a change to the scope of the Digital.Data.Excellence (DiDEX) initiatives. Another focus topic was the review of the post-merger integration status of previous acquisitions and a general discussion on the further development of Brenntag's post-merger integration approach including long-term performance metrics for acquired targets. This was followed by a regular update on various compliance and governance topics and an overview on a new data-driven human resources model designed to provide relevant information to identify shortcomings and recognize negative trends and ultimately reverse them. In addition, the Supervisory Board reviewed and approved a consulting agreement with a former member of the Board of Management. Lastly, the Supervisory Board discussed the Annual General Meeting, which took place the following day.

During the Supervisory Board’s third ordinary meeting, which was held during the strategy offsite meeting in Houston on September 5, 2024, the Supervisory Board focused on discussing with the Board of Management the status of the targeted disentanglement, conclusions from prior meetings and approved adjustments to the disentanglement parameters as well as the development of a refined timeline. The Supervisory Board also reviewed a comprehensive performance update. This was complemented by a presentation of the ESG scorecard for the first half-year of 2024, which underpinned Brenntag's ongoing commitment to sustainability and the achievement of defined ESG targets. M&A activities were another central topic, with detailed discussions on the potential acquisition of a chemical distributor in the USA and the potential divestment of the business model, finished lubricants manufacturing. Following this in-depth discussion during the meeting the Supervisory Board approved the Board of Management’s decision to divest Raj Petro Specialities Pvt. Ltd. and its UAE subsidiary shortly after the meeting by circular resolution on September 22, 2024. Furthermore, governance and compliance topics including risk management were discussed.

During the Supervisory Board’s fourth ordinary meeting on December 17, 2024, after a further thorough review of the Group’s financial performance, including discussions on the plan for 2025 and subsequent years as well as financial targets and resource allocation, the Supervisory Board approved the 2025 budget. Another focus topic was a comprehensive review of the post-merger integration of recent acquisitions. The Board of Management presented an update of the implementation of the strategies of Brenntag Specialties and Brenntag Essentials, the targeted disentanglement and the cost containment program. In its internal meeting, the Supervisory Board thoroughly discussed the succession planning for both the Supervisory Board and Board of Management, including the nomination of a new Chief Financial Officer as of April 2025. Furthermore, the results of the Supervisory Board’s effectiveness review were discussed and the Supervisory Board discussed and approved the annual Declaration of Conformity with the German Corporate Governance Code and the proposal to engage Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the auditor for the Group sustainability statement.

Committee activities

Audit and Compliance Committee

Since June 15, 2023, the committee has consisted of Ulrich Harnacke (Chair), Stefanie Berlinger and Sujatha Chandrasekaran. The Audit and Compliance Committee held seven ordinary meetings, of which six were held on site and one virtually. In addition, feedback calls on the quarterly financial publications took place. The committee complies with the statutory requirements of Section 100, para. 5 AktG and recommendation D.3 GCGC regarding the financial expertise of its members, which are described in detail in the corporate governance statement. The Audit and Compliance Committee's attendance rate was 95% as Sujatha Chandrasekaran was excused from one meeting. All meetings were attended by Dr. Kristin Neumann as Chief Financial Officer, and three meetings were partly attended by Ewout van Jarwaarde as CEO Brenntag Essentials. Furthermore, representatives from Deloitte as the auditor were present at four of the meetings. The committee as a whole also regularly consulted with the auditor without the Board of Management. The Chair of the committee also exchanged views directly with the Chief Financial Officer and senior management such as the SVP Accounting, the SVP Internal Audit, the SVP Compliance and the General Counsel of Brenntag Group. In the reporting period, the Audit and Compliance Committee dealt with the following main topics:

The committee conducted a preparatory review of the annual financial statement documents for 2023, the separate non-financial report and the auditor's reports to the Supervisory Board. Following a detailed review, the Audit and Compliance Committee raised no objections and recommended the Supervisory Board to endorse the findings of the audit and to approve the annual financial statements. The committee also reviewed the quarterly statements, the half-year financial report and the respective audit reports of the external auditor. After Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, was elected as auditor by the Annual General Meeting in the reporting period and declared to the committee that there were no circumstances that would call its impartiality into question, the committee verified the necessary independence of the auditor and issued the audit engagement. Since then, the committee has continuously reviewed the quality of the audit and the independence of the auditor. In addition, the committee obtained information on the internal organization of Deloitte's audit team and discussed the audit strategy and planning as well as the focal points and topics of the audit with the auditor. There was also regular dialog between the Audit and Compliance Committee – in particular the Chair – and the auditors outside the meetings.

At its meetings, the committee dealt in detail with the Group's financial performance and its accounting as well as the compliance management set-up, with a focus on tax compliance. Furthermore, the committee dealt in detail with the integration of the supervision of the DiDEX initatives and the Group IT Infrastructure Program into the Audit and Compliance Committee as well as cybersecurity and the progress in managing external IT security risks. The committee also dealt intensively with the preparation of Supervisory Board resolutions for the 2024 annual financial statements, the review of litigation proceedings and legal risks arising from the sale of talc and similar products as well as the close review of consulting expenses related to DiDEX initiatives and special accounting topics such as the impact of an insurance claim in Canada and the excise duty situation in Sweden. Among other things, the committee regularly discussed and reviewed the compliance management system, further development of the compliance organization and potential compliance incidents. Furthermore, the committee regularly reviewed the effectiveness of the internal audit system, discussed internal audit activities on an ongoing basis and dealt in detail with the results of the internal audits, reviewed the effectiveness of the internal control system, and discussed the further development of the systems.

Nomination and Remuneration Committee

Since June 15, 2023, the committee has consisted of Dr. Andreas Rittstieg (Chair), Wijnand Donkers and Richard Ridinger. The committee held four meetings in the reporting period, all of which were held in person. Furthermore, numerous calls and consultations took place in preparation for the meetings, especially with regard to succession planning. Overall, the Nomination and Remuneration Committee focused on the short- and long-term succession planning for the Supervisory Board and the Board of Management and the preparation of the planned expansion of the Supervisory Board by two new members. The committee checked compliance of the members of the Board of Management with their share ownership obligations. The committee also managed the selection process for the election of new Supervisory Board members at the 2025 Annual General Meeting. When selecting potential candidates, the Nomination and Remuneration Committee was guided in particular by the objectives resolved by the Supervisory Board for the composition of the Supervisory Board, including the competency profile and the diversity concept for the Supervisory Board, and also took into account the feedback from shareholders at the corporate governance roadshow. The committee placed particular emphasis on expertise in international management and the business services industry, on knowledge of the chemical and distribution industry as well as on supply chain management, finance, HR management, legal and capital market expertise as well as leadership experience as CEO and CFO. Furthermore, after a comprehensive search process that took our diversity concept into account, the Nomination and Remuneration Committee, selected Thomas Reisten as the new Chief Financial Officer as of April 2025.

Transformation and ESG Committee

The composition of the committee remained unchanged from the previous year. Since June 15, 2023, the committee has consisted of Wijnand Donkers (Chair), Richard Ridinger and Ulrich Harnacke. The Transformation and ESG Committee held ten ordinary meetings, eight of which were held in person and two virtually. The committee focused on overseeing strategy development. The committee discussed the current refinements and the redefinition of the scope in light of the updated analyses and market developments. In more detail, the committee discussed the status of disentanglement and the definition of the divisional perimeter. Furthermore, the operational performance of Brenntag Specialties and Brenntag Essentials and cost management were discussed. Another focus was a review of the ESG strategy and HSE standards through close monitoring of a site-specific safety analysis.

Composition of the Board of Management and Supervisory Board

There were no changes in the composition of the Board of Management in the reporting year. Both Chief Executive Officer Dr. Christian Kohlpaintner and Chief Financial Officer Dr. Kristin Neumann have decided not to extend their contracts with Brenntag SE. Following their early notifications, the Supervisory Board initiated a structured and comprehensive succession process to ensure a smooth transition and leadership stability. During their remaining tenure, Dr. Kohlpaintner and Dr. Neumann will remain fully committed to positioning Brenntag for sustainable future success, driving efficiency, and advancing cost management initiatives. On the recommendation of the Nomination and Remuneration Committee, the Supervisory Board identified and appointed the experienced international manager and finance expert, Thomas Reisten, as Chief Financial Officer as of April 1, 2025.

The Supervisory Board sincerely thanks Dr. Kohlpaintner and Dr. Neumann for their exceptional dedication and leadership during their tenure. Their strategic foresight and unwavering commitment have been instrumental in Brenntag’s growth and transformation journey.

As regards the composition of the Supervisory Board, there were no changes in the reporting year. Following the presentation of the proposed expansion of the Supervisory Board to eight members during the corporate governance roadshow in November 2024 and the positive feedback received from investors, the Supervisory Board intends to propose a respective amendment to the Articles of Association to the Brenntag shareholders at the 2025 Annual General Meeting. In light of Brenntag's diverse business portfolio and strategic challenges, the expansion addresses the steadily increasing workload for the Supervisory Board members, ensuring a continued high level of efficient monitoring and strategic support for the Board of Management. In line with the tenure limit for Supervisory Board members of Brenntag SE introduced in 2023, Dr. Andreas Rittstieg chose not to stand for re-election during the 2025 Annual General Meeting. Consequently, the Supervisory Board plans to propose a total of three new candidates for election at the Annual General Meeting, ensuring a seamless transition and the continued effectiveness of its work. The Supervisory Board expresses its gratitude to Dr. Andreas Rittstieg for his long-standing, dedicated, and consistently constructive contributions to the Supervisory Board's work. His expertise and commitment have greatly enriched the Supervisory Board over many years and supported the successful development and growth of Brenntag.

Audit of the annual and consolidated financial statements

The annual financial statements of Brenntag SE for the year ended December 31, 2024, and the combined Group management report and management report were prepared by the Board of Management in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The consolidated financial statements were prepared by the Board of Management in accordance with IFRSs (International Financial Reporting Standards) – as applicable in the EU – and the additional requirements of German commercial law pursuant to Section 315e, para. 1 HGB. Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, which was elected by the 2024 Annual General Meeting and commissioned by the Supervisory Board to audit the financial statements for financial year 2024, audited the annual financial statements of Brenntag SE, the combined Group management report, and the management report of Brenntag SE and the consolidated financial statements and issued an unqualified audit report in each case. The auditors also audited the 2024 Group sustainability statement and issued an unqualified audit report on the non-financial reporting as part of the commissioned audit. The annual financial statements of Brenntag SE, the consolidated financial statements and the combined Group management report and management report of Brenntag SE as well as the Group sustainability statement, the Board of Management's proposal for the appropriation of profit and the auditor's reports were made available to all members of the

Audit and Compliance Committee and the Supervisory Board in good time. The documents were discussed in detail in advance in a preparatory call of the Audit and Compliance Committee on March 10, 2025, and discussed in detail at the meeting of the Audit and Compliance Committee on March 10, 2025, and at the Supervisory Board meeting on March 10, 2025 in the presence of the auditor. The audit findings were discussed with the auditor, addressing key audit matters, areas and procedures. Following the preliminary review by the Audit and Compliance Committee and its own detailed examination, the Supervisory Board raised no objections. The Supervisory Board endorses the findings of the audit of the annual financial statements and the findings of the audit of the Group sustainability statement and approved the aforementioned financial statements prepared by the Board of Management. The annual financial statements were thus adopted on March 10, 2025. The Supervisory Board endorses the Board of Management's proposal to use the distributable profit to pay a dividend of EUR 2.10 per dividend-bearing no-par value share.

Conclusion and outlook

The Supervisory Board reaffirms its commitment to Brenntag's success through proactive oversight, strategic guidance and effective collaboration with the Board of Management. We remain focused on operational excellence, innovation and sustainability to solidify Brenntag's global leadership in the distribution of chemicals and ingredients.

The Supervisory Board expresses its sincere thanks to all employees, the Global Leadership Team, and the Board of Management for their unwavering dedication. Building on the ability of the entire Brenntag team to navigate challenging markets as well as on the strengths from the company's 150-year history, together we will continue driving Brenntag's success.

For the Supervisory Board

Richard Ridinger
Chair
Essen, March 2025

Combined

2 Management Report

of the Brenntag Group and Brenntag SE

Preamble

The German Corporate Governance Code ("GCGC") provides for disclosures on the internal control and risk management system that go beyond the legal requirements for the management report. The disclosures are excluded from the statutory auditor's audit of the management report content ("disclosures not typically part of the management report"). In the following, these disclosures are allocated thematically to the main elements of the internal control / risk management system; they have also been set apart from the disclosures required to be audited by placing them in separate paragraphs and labeled accordingly.

For the first time, the management report contains a corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB) which reflects the recommendations of the German Corporate Governance Code (GCGC). At the same time, the content of the corporate governance statement is an integral part of the management report. In accordance with Section 317, para. 2, sentence 6 of the German Commercial Code, the disclosures in the corporate governance statement are not included in the financial statements audit. Some sections of the corporate governance statement contain disclosure requirements under European Sustainability Reporting Standards (ESRSs) in relation to the Group sustainability statement and in this context were subjected to a limited assurance audit.

Group overview

Business activities and Group structure[1)]

Brenntag's growth opportunities and business model are based not only on complete geographic coverage, a wide product portfolio and a comprehensive offering of value-added services, but especially on high diversity across its suppliers, customers and industries and the targeted use of the potential offered by outsourcing on the part of suppliers.

Brenntag is a partner to chemical manufacturers (its suppliers) on the one hand and chemical users (its customers) on the other. As the global market leader in chemical and ingredients distribution, Brenntag has the vision of shaping the future of the industry.

Brenntag purchases large-scale quantities of industrial and specialty chemicals and ingredients from a large number of suppliers. This enables it to achieve economies of scale and offer a comprehensive range of products and value-added services. The products it purchases are stored in distribution facilities, packed into quantities the customers require and delivered, typically in less-than-truckloads. Overall, Brenntag supplies a broad product range comprising around 20,000 chemicals[2)] and ingredients, and offers extensive value-added services such as just-in-time delivery, product mixing, repackaging, inventory management and drum return handling.

Among other things, Brenntag also offers tailor-made application, marketing and supply chain solutions, technical and formulation support, comprehensive regulatory know-how and digital solutions such as digital sales channels and product platforms.

To enable it to best respond to its customers' and suppliers' diverse and changing requirements, Brenntag manages its business through two global divisions, Brenntag Specialties and Brenntag Essentials. Brenntag Specialties focuses on selling ingredients and value-added services, and is managed globally through the Life Science, Material Science and Specialties Other segments. Brenntag Essentials markets a broad portfolio of process chemicals across a wide range of industries and applications, and is managed through the geographical segments EMEA, North America, Latin America and APAC. In addition, a further reportable segment, "Trans-regional", was introduced in the Brenntag Essentials division in order to manage the international operations of BRENNTAG International Chemicals GmbH (BIC), which buys and sells chemicals in bulk on an international scale without regional boundaries (previously shown under "All other Segments").

1) The disclosures in this section also meet disclosure requirements under ESRS 2 (SBM1 – Strategy, business model and value chain).
2) Chemical substances, including the quality grade and concentration level (in the case of diluted products) or the product form (in the case of solid substances), are recorded as chemicals.

The two divisions are supported by "Group and Regional Services", which mainly include the central functions for the entire Group, the regional service functions and the activities with regard to the digitalization of Brenntag's business.

As at December 31, 2024, the scope of consolidation comprised Brenntag SE and in addition 25 (Dec. 31, 2023: 27) domestic and 216 (Dec. 31, 2023: 195) foreign consolidated subsidiaries including structured entities. Four (Dec. 31, 2023: four) associates were accounted for using the equity method.

Objectives and strategy

In the coming years, Brenntag aims to strengthen and further expand its position as the global market leader in chemical and ingredients distribution in a changing global market environment.

In financial year 2024, Brenntag worked systematically to drive the execution of its "Strategy to Win" presented in November 2022. Firstly, the core elements comprised **differentiated strategies for the two divisions** Brenntag Specialties and Brenntag Essentials, which will be further developed through the "Advanced Operating Model" from January 2024 onwards.

Brenntag Essentials' strategy is based on local (last-mile) delivery services, regional provision and supply chain services, and global sourcing and interregional optimization. Through this triple business model, Brenntag Essentials plans to accelerate its growth in the highly attractive, globally expanding market for the distribution of commodity and industrial chemicals.

Brenntag Specialties is placing emphasis on price and margin management, cost and efficiency improvements, portfolio management and strategic portfolio decisions, and value-added services. With its global industry segments, Brenntag Specialties is implementing dedicated industry strategies and plans to extend its focus on very attractive market segments and further increase Life Science's share of the portfolio.

Secondly, in addition to the dedicated strategies, Brenntag is pursuing a **sustainability agenda** with the aim of assuming a leading role in the responsible distribution of sustainable chemicals and ingredients. This includes using 100% environmentally-friendly energy by 2025 and achieving net-zero emissions by 2045, for example.

Thirdly, Brenntag aims to drive market consolidation through value-creating **M&A activity**. Its focus here is on expanding its position in emerging markets in both divisions, improving strategic capabilities and market positions, adding to the existing portfolio and improving technical capabilities.

Fourthly, it is transforming itself into a **data- and technology-driven** company (Digital.Data.Excellence initiative (DiDEX)).

At the same time as pursuing the aforementioned "Strategy to Win" with its four core elements, Brenntag continues to develop its organizational structure. This includes the further separation of Brenntag Specialties and Brenntag Essentials into two divisions with differentiated operations and management, honed profiles and optimized portfolios, supported by a joint, efficient corporate center. In separating the two divisions, Brenntag is concentrating on those units which offer the greatest potential for value creation and differentiation in the market. A quick and complete disentanglement, as presented at the Capital Markets Day in December 2023, is being modified in favor of a gradual disentanglement over an extended period of time with a strong focus on improving current operating performance. More specifically, as communicated in November 2024, the sales and sourcing organizations continue to be separated with a view to supporting the divisions' differentiated management. At the same time, the two divisions' supply chains are being mapped out in detail and the legal structures in individual countries cost-effectively prepared for future separation. In addition, as communicated at the Capital Markets Day in 2023, a EUR 300 million cost reduction program was put in place with a view to enhancing efficiency and offsetting inflation-driven increases in costs. This also includes the reduction in costs from the DiDEX program.

Management systems

Financial performance indicators

The Brenntag Group's financial management system is based on the key performance indicators operating gross profit, operating EBITA, working capital turnover and free cash flow. Brenntag also measures return on capital and sets strict requirements for the performance of investment projects and acquisitions.

In the following, the performance indicators used to measure the Group's financial performance are explained. They also include alternative performance indicators not defined under IFRSs (operating EBITA, working capital turnover and free cash flow), as a result of which these terms may be defined differently by other companies. These alternative performance indicators are calculated continuously using a uniform approach, which ensures that metrics from different financial years can be compared. Brenntag sometimes also adjusts for acquisition effects, in which case it talks about organic growth.

Most significant financial performance indicators

For Brenntag as a chemical distributor, **operating gross profit** is an important factor for increasing enterprise value over the long term. Operating gross profit is defined as the difference between external sales and cost of materials, adjusted for certain items. The goal is for the growth in operating gross profit to exceed macroeconomic benchmarks such as industrial production and the Global Manufacturing Purchasing Managers' Index (PMI). In order to ensure that measurement of performance at Group or regional level is meaningful, the growth in operating gross profit is adjusted for currency translation effects.

Operating EBITA is the key performance indicator in the Brenntag Group. This is the operating profit as recorded in the consolidated income statement, plus amortization and impairment of intangible assets and depreciation and impairment of investment property, adjusted for certain items.

Brenntag adjusts operating EBITA for income and expenses arising from special items, and at segment level for holding charges, so as to improve comparability in presenting the performance of its business operations over multiple reporting periods and explain it more appropriately. Holding charges are certain costs charged between holding companies and operating companies. At Group level, these effects net to zero. Special items are income and expenses outside ordinary activities that have a special and material effect on the results of operations.

In its efforts to generate increasing cash flow, Brenntag analyzes **working capital turnover.** This is defined as:

$$\textbf{working capital turnover} = \frac{\textbf{sales}}{\textbf{average working capital}}$$

Working capital is defined as trade receivables plus inventories less trade payables.

Average working capital for a particular year is defined as the arithmetic average of working capital at each of the following five dates: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year.

To measure cash generation, Brenntag uses the performance indicator **free cash flow**. Free cash flow is an important performance indicator for Brenntag, as it shows what level of cash is generated from operating activities and will therefore be available for growth through acquisitions as well as for lenders, shareholders and tax payments.

Free cash flow is defined as follows:

	Operating EBITDA
-	**payments to acquire intangible assets and property, plant and equipment**
+/-	**changes in working capital**
-	**principal and interest payments on lease liabilities**
=	**free cash flow**

Additional financial performance indicators

In addition to the aforementioned most significant financial performance indicators, Brenntag uses several other metrics to assess the economic success of its business activities.

In the Brenntag Group, return on capital is measured using the indicator return on capital employed (ROCE). ROCE is defined as:

ROCE = Operating EBITA / (average carrying amount of equity + average carrying amount of financial and lease liabilities – average carrying amount of cash and cash equivalents)

The average carrying amounts in the denominator are defined for a particular year as the arithmetic average of the amounts at each of the following five dates: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year.

The conversion ratio is an indicator calculated in order to measure the efficiency of a segment or the Group, more specifically by expressing operating EBITA for a given period as a percentage of operating gross profit for the same period. The indicator is used primarily to assess longer-term trends and less so to analyze short-term fluctuations between quarters.

To determine whether a particular investment project is expected to generate value for Brenntag, it takes the modified internal rate of return (MIRR) and the payback period as measures of the risk involved in the project. An investment project is generally only approved if the MIRR is above the hurdle rate and the combination of return and payback seems attractive. The hurdle rate for the MIRR varies according to the risk involved in the project and depends, among other factors, on the respective country risk.

In addition to these metrics, Brenntag has also set strategic objectives as well as financial hurdle rates that generally have to be considered when an acquisition is carried out. In particular, potential acquisitions must be able to satisfy the hurdle rate of return in the form of free cash flow on capital employed. Again, the hurdle rate of return depends, among other factors, on the country risk of the acquisition.

Further performance indicators such as tax rate, earnings per share (EPS) and net debt leverage are only used at Group level. They are not used to measure the performance of Brenntag's divisions and segments since factors such as interest or tax are less a reflection of the operating performance of the segments, but are above all based on central decisions.

Net debt leverage is used to continuously review the adequacy of the company's capital structure. In this case, the difference between financial and lease liabilities and cash and cash equivalents is expressed relative to operating EBITDA.

Adjustments for exchange rate effects

For Group accounting, the results of all Group companies are translated into the Group currency, the euro. The results are generally translated at the average rate for the reporting period or, for Group companies in hyperinflationary economies, at the closing rate.

Therefore, the results and in particular the change between reporting periods may not only be affected by changes in operating performance, but also by effects of translation from functional currencies into the Group currency, the euro (translation effects). As Brenntag considers it important to assess the operating performance of the Group companies and in particular the change in operating performance between reporting periods free of distortions from translation effects, it also reports the changes adjusted for these effects.

Exchange rate-adjusted financial metrics are not to be seen as substitutes or as more meaningful financial indicators, but always as additional information on sales, operating expenses, earnings or other metrics.

Non-financial performance indicators

The Brenntag Group's non-financial performance indicators are not regarded as among the most significant performance indicators. However, Brenntag believes that non-financial objectives also have a supporting role to play in the company's success. A sustainability strategy has been developed with a view to strengthening sustainable governance.

Climate change mitigation plays a particularly important role within Brenntag's sustainability strategy, as the entire value chain is affected. Not only do Brenntag's own activities produce CO_2 emissions; the products that the company buys have also emitted greenhouse gases during their manufacture. Moreover, climate change mitigation is important to many of Brenntag's customers. In financial year 2024, Brenntag fully reviewed and adapted its climate change mitigation targets, which now cover Scope 1, Scope 2 and Scope 3 emissions. This change was necessary in order to meet the requirements of the Science Based Targets initiative (SBTi). All targets were successfully validated by the SBTi at the beginning of 2025. For Scope 1 and 2 greenhouse gas emissions, the Brenntag Group has set several targets so that it contributes to the 1.5°C target: to reduce Scope 1 and 2 emissions by 58.8% between base year 2023[1)] and 2034, and over the long term to be net zero in accordance with the Paris Agreement[2)] by 2045. Targets have also been set with regard to Scope 3 emissions: Brenntag has undertaken to reduce its absolute Scope 3 emissions by 35% by 2034, starting from base year 2023, and to reach net-zero greenhouse gas emissions across the value chain by 2050. **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. The market-based method is taken as the basis for setting targets. Under this 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 transparent manner. **Scope 3 emissions** are other indirect emissions occurring in the value chain for upstream and downstream activities. These emissions can only be cut in cooperation with Brenntag's suppliers and customers. Scope 3 emissions are calculated in accordance with the method set out in the Greenhouse Gas Protocol (GHG Protocol) Corporate Value Chain (Scope 3) Accounting and Reporting Standard. In doing so, different approaches are used for the individual categories, depending on the availability of the data required for the calculation. Further information on this can be found in the section Climate change, under Targets and metrics.

To improve health and safety in the workplace, training sessions, safety projects and dedicated campaigns are carried out so as to continuously raise employee awareness of health and occupational safety, particularly the safe handling of chemicals. The **Total Recordable Injury Rate** (TRIR) is used as a performance indicator. This shows the number of injured people who receive medical treatment beyond first aid per one million work hours.

For Brenntag as a company with operations worldwide, the diversity of its workforce is another factor in its success. 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%.

1) The target boundary includes land-related emissions and removals from bioenergy feedstocks. The previous target, to reduce Scope 1 and Scope 2 emissions by 40% by 2023, was therefore adapted such that all acquisitions are now also included in the scope.
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.

Report on economic position

Economic and sector-specific environment

In 2024, global economic performance was shaped by a mix of growth drivers and impediments. Some economies recorded moderate growth rates, while others were confronted with recessionary trends. As in previous years, Brenntag's market environment was made difficult again by geopolitical conflicts such as the war in Ukraine and the Middle East conflict. These tensions affected business activities across various sectors. The US presidential elections in November 2024 brought additional uncertainty over future US trade policy. Europe and the US neighboring countries Canada and Mexico in particular fear higher tariffs and worsening trade relations. To stimulate the economy, the ECB cut its deposit rate to 3.0% most recently in the second half of the year, partly in light of normalizing inflation in 2024. In the USA, the Federal Reserve maintained its relatively cautious stance and cut key interest rates only slightly to a still-high level in an effort to further contain inflation.

Overall, global industrial production rose at a somewhat faster pace than in 2023, expanding by 2.3% year on year over the course of financial year 2024.[1] Building on that, the Global Manufacturing Purchasing Managers' Index (PMI) stood at 50.0 and therefore at the 50 neutral mark again for the first time in two years.

Europe experienced another difficult economic year in 2024, marked by weak growth, geopolitical uncertainty and structural challenges. Macroeconomic measures such as interest rate cuts from the ECB failed to fully stabilize the situation, while geopolitical conflicts and weak global demand held the upturn in check. Industrial production fell by 1.3% year on year.

Economic performance in North America was stable overall in 2024, as consumer spending remained robust. However, the second half of the year was impacted by high sovereign debt, high interest rates and political uncertainty. Industrial production nevertheless grew by 1.6% year on year in 2024.

In Latin America, economic performance remained mixed. Overall, the Latin American economy expanded year on year in 2024, with industrial production increasing by around 0.7%.

The emerging economies of Asia (excluding China and Japan) also achieved growth in 2024, with production expanding by 4.2% compared with the prior-year figure. Overall, the Asia Pacific region remained one of the main sources of global growth, driven by growing consumption and rising capital spending.

Although China continues to make an important contribution to global growth, the Chinese economy is still battling weak domestic demand and sluggish exports. Nevertheless, industrial production grew by 5.3%, a stronger rate than in the previous two years.

Along these global trend lines, performance across the global chemical industry also varied from region to region. The global chemical industry showed a noticeable contraction of 5.5%, driven by sharply falling prices compared with the previous year (-8.6%) in combination with moderate growth in the volumes produced (+3.4%). In Europe, production recovered only slightly following a weak 2023, rising by 1.0%. In North America, chemical production dropped slightly, contracting by 0.4%. In Asia, on the other hand, chemical production grew by 5.1%, making the region the chemical industry's main growth driver again in 2024.

[1] All data in this section on the growth in industrial production were taken from the Oxford Economics global industry databank.

Business performance

Major events impacting on business in 2024

In February 2024, Brenntag acquired all shares in Rental Service Specialty LLC (RSS) based in Broussard, Louisiana, USA. RSS is a provider of specialty rental equipment for the midstream and downstream oil and gas industry. The acquisition increases Brenntag Essentials' market presence in the important North American energy sector. RSS reported annual sales of USD ~10 million in 2023.

Also in February 2024, Brenntag acquired the chemical logistics site of Chimica D'Agostino in Bari, Italy. The site enhances Brenntag's presence in the southern Italian market and optimizes the site network in the region. This acquisition extends Brenntag Essentials' local services and logistics offering and adds specific functions to the hub and transshipment point.

At the end of March 2024, Brenntag announced the acquisition of Lawrence Industries Ltd. based in Tamworth, UK. The company supplies high-quality additives, minerals and catalysts to a wide range of markets across the UK and Ireland. This acquisition strengthens Brenntag Specialties' position in Material Science in the Coatings, Adhesives, Sealants and Elastomers (CASE), Construction, Polymer and Rubber industries. In financial year 2023, Lawrence Industries generated sales of around EUR 34 million.

The share buyback program initiated in the previous year was completed in the first quarter of 2024. In the course of the second tranche, 3,068,465 Brenntag SE shares were acquired on the stock market at a total purchase price of around EUR 250 million and subsequently canceled.

In April 2024, Brenntag successfully placed two bonds totaling one billion euros on the European capital market. Brenntag Finance B.V. issued the two EUR 500 million bonds with a maturity of four and eight years and carrying a coupon of 3.750% and 3.875%. The bonds were issued at 99.781% and 99.192% of par, respectively.

At the beginning of May 2024, Brenntag signed an agreement to acquire 100% of the shares in Química Delta S.A. de C.V. based in Teoloyucan, Mexico. The company is a leading distributor of industrial chemicals and has a dense service network in central Mexico with access to tollgate infrastructure in Mexico. In 2023, the company reported annual sales of USD 368 million. The acquisition supports Brenntag Essentials' positioning in the rapidly-growing Mexican chemicals market.

At the beginning of June 2024, Brenntag closed the acquisition of the Solventis Group, which had been announced in December 2023. Solventis is a glycols and solvents distributor based in Belgium and the UK. The state-of-the-art site in Antwerp, Belgium, will extend Brenntag's regional access and warehousing capacity, while opening up the potential for interregional optimization. As ships and barges are used to deliver and transport products, the acquiree also helps to improve Brenntag Essentials' sustainability profile and is thus an excellent fit with the Group's strategy.

At the beginning of July 2024, Brenntag Essentials acquired the site and business operations of Industrial Chemicals Corporation (ICC) in Denver, Colorado, USA. ICC operates a major, centrally located chemical distribution facility and a transport hub. In 2023, ICC posted annual sales of USD 40 million. The transaction strengthens strategically important capacity for last-mile service operations in North America, especially in the Colorado area.

At the beginning of August 2024, Brenntag Essentials acquired Monarch Chemicals, one of the UK's leading distributors of commodity and agricultural chemicals with its own liquid and powder blending facilities. The transaction includes two sites in the southeast of England and Scotland and expands Brenntag's local service offering in the UK. In 2023, the Monarch Group posted annual sales of GBP 35 million.

As part of the steps to develop the portfolios of Brenntag's global divisions and focus them on their respective core competencies, Brenntag Essentials initiated the sale of Indian company Raj Petro Specialties Pvt. Ltd. and its subsidiary Raj Petro Specialties DMCC based in Dubai (Raj Petro). Raj Petro had belonged to Brenntag in a joint venture since 2018. By acquiring the remaining shares in 2023, Brenntag simplified the ownership structure and enabled the strategic flexibility for the current clear and uncomplicated transaction structure. Raj Petro is a manufacturer of finished lubricants and petroleum-based product blends. The cyclical and recently rather low-margin business does not fit with Brenntag Essentials' triple strategy of focusing on core activities in industrial chemical distribution. The disposal will lead to an overall loss of approximately EUR 63 million, of which EUR 53.4 million had already been recognized in the past financial year.

On October 9, 2024, Brenntag SE celebrated 150 years in existence. The anniversary year featured the publication of a company study, global employee events on the day of the company's founding and a ceremony at the company's headquarters in Essen attended by numerous business partners and honorary guests from the political and business world, including Germany's Federal Chancellor, Olaf Scholz.

At the end of October, Brenntag acquired PIC Química e Farmacêutica Ltda. (PIC) and PharmaSpecial Especialidades Químicas e Farmacêuticas Ltda. (PharmaSpecial) in Brazil. This acquisition expands Brenntag Specialties' position in Brazil's growing life science market significantly.

Dr. Kristin Neumann, Chief Financial Officer of Brenntag SE, has not extended her contract for personal reasons and will leave the company when the contract expires on March 31, 2025.

The Supervisory Board of Brenntag SE appointed Thomas Reisten to serve as Chief Financial Officer on Brenntag SE's Board of Management with effect from April 1, 2025. In his role, he will be responsible for Accounting, Controlling, Investor Relations, Legal, Shared Services, Indirect Procurement, Tax, Treasury, Insurance and Regional Finance. His contract runs until March 31, 2028.

Dr. Christian Kohlpaintner, Chief Executive Officer of Brenntag SE, informed the Supervisory Board of Brenntag SE of his decision not to extend his contract, which runs until December 31, 2025, for reasons related to personal life planning. The orderly process to appoint a successor is already under way.

Statement by the Board of Management on the situation and business performance in 2024

The Brenntag Group achieved operating EBITA of EUR 1,101.9 million in financial year 2024, a decrease of 12.9% compared with the previous year. On a constant currency basis, this represents a decline of 12.5%. The results achieved in the past financial year remain below expectations, but are acceptable bearing in mind the challenging economic environment marked by geopolitical uncertainty.

In 2024, Brenntag continued to operate in a difficult macroeconomic environment. Features of particular note here include falling global economic demand, continuing and resurgent inflation, the war in Ukraine and other geopolitical tensions. In light of these challenging conditions, Brenntag was able to continue to invest in the modernization of its sites, supply its customers with the required products and offer its employees a safe working environment due primarily to its solid financial position and its business model. As market leader, Brenntag plays an important role in global distribution markets and enjoys a high level of trust among its business partners, also in times of major uncertainty. In particular, Brenntag's broad and globally diversified customer and product portfolio and its close relationships with suppliers paid off again.

Contrary to expectations, both divisions, Brenntag Specialties and Brenntag Essentials, posted a year-on-year decline in earnings. At Brenntag Specialties, a combination of volumes roughly in line with the prior-year period, and weaker operating gross profit per unit resulted in a lower absolute operating gross profit compared with the previous year. Here, strong competition in particular led to increased price pressures, resulting in lower average sales prices. The rise in costs this year was influenced by inflation-driven increases in costs for fixed salaries, insurance premiums and lease expenses. Together with lower operating gross profit, the overall result was a substantial decline in operating earnings. Despite a rise in volumes, earnings in the Brenntag Essentials division also remained below the prior-year figure. While volumes were higher, absolute operating gross profit held steady year on year due to the meaningful decline in operating gross profit per unit, meaning that the increase in costs was not offset.

Due to the difficult market environment in the course of the year, Brenntag successfully took various measures to reduce the Group's operating costs and counteract the volume- and inflation-driven increases in costs – including organically reducing the headcount by 226 since the end of 2023 and making extensive improvements to the site network. Compared with the previous year, the Group's personnel costs rose only slightly overall on an organic basis. This change is due especially to a fall in variable personnel costs, which were influenced mainly by lower bonus forecasts.

Working capital was above the prior-year figure in financial year 2024. This is due in particular to higher volumes and the related inventory. Annualized working capital turnover increased year on year and demonstrates the more efficient use of working capital.

At EUR 342.2 million in financial year 2024, the total cash outflow for investments was above the prior-year figure (2023: EUR 321.1 million). Investments were made in the global site network in particular.

Brenntag generated free cash flow of EUR 892.6 million in financial year 2024 (Dec. 31, 2023: EUR 1,712.0 million), a significant decrease on the prior-year figure. While the previous year's free cash flow was influenced by a significant inflow from working capital, this year's free cash flow included a slight outflow to working capital.

Based on the operating results, Brenntag posted significantly lower profit after tax of EUR 543.7 million in financial year 2024 (Dec. 31, 2023: EUR 721.1 million).

Due to its long-standing relationships with its suppliers and customers, its broad range of products and services, and the organization's ability to adapt to changing market requirements, Brenntag believes it is very well positioned for future success and an active role in shaping the industry.

Results of operations

Business performance of the Brenntag Group

			Change	
in EUR m	2024	2023	in %	in % (fx. adj.)[1]
Sales	16,237.4	16,815.1	–3.4	–3.2
Operating gross profit[2]	4,025.4	4,041.8	–0.4	–0.2
Operating expenses	–2,568.6	–2,457.2	4.5	4.7
Operating EBITDA	1,456.8	1,584.6	–8.1	–7.8
Adjusted depreciation and impairment of property, plant and equipment and right-of-use assets	–354.9	–319.6	11.0	11.0
Operating EBITA	**1,101.9**	**1,265.0**	**–12.9**	**–12.5**
Net expense from special items	–111.4	–78.3	–	–
EBITA	990.5	1,186.7	–	–
Amortization of intangible assets	–75.1	–64.0	–	–
Net finance costs	–172.8	–119.9	–	–
Profit before tax	742.6	1,002.8	–	–
Income tax expense	–198.9	–281.7	–	–
Profit after tax	543.7	721.1	–	–

2.01 Business performance of the Brenntag Group

[1] Change in % (fx. adj.) is the percentage change on a constant currency basis.
[2] Gross profit was adjusted by EUR 21.6 million in the prior-year period due to the loss of inventories during major fires at sites in Canada and Turkey in the Brenntag Specialties division.

The Brenntag Group generated **sales** of EUR 16,237.4 million in financial year 2024, a year-on-year decline of 3.4%. On a constant currency basis, sales were down by 3.2% on the prior-year figure. The decline is the result of a fall in sales prices and was not offset by higher volumes. Both divisions contributed to this performance.

The Brenntag Group generated **operating gross profit** of EUR 4,025.4 million in financial year 2024, a decrease of 0.4% compared with the previous year. On a constant currency basis, operating gross profit was in line with the prior-year figure. The Brenntag Specialties division posted a slight decline in earnings due to a fall in operating gross profit per unit. Despite a meaningful increase in volumes, operating gross profit in the Brenntag Essentials division was roughly in line with the prior-year figure. This result is likewise due to a meaningful decline in operating gross profit per unit compared with a strong comparative period in this regard.

The Brenntag Group's **operating expenses** amounted to EUR 2,568.6 million in financial year 2024, a meaningful increase of 4.5% year on year (on a constant currency basis: 4.7%). On an organic basis, the Brenntag Group recorded a slight increase in costs compared with the previous year. This was due primarily to volume-driven increases in transport costs, increased costs for IT implementations in connection with the DiDEX initiative and inflation-driven general cost increases, which were not fully offset by the measures initiated under the cost-reduction program and lower variable personnel costs.

Adjusted depreciation and impairment of property, plant and equipment and right-of-use assets rose by EUR 35.3 million year on year to EUR 354.9 million in financial year 2024. This represents a rise of 11.0% compared with the previous year, or 11.0% on a constant currency basis. The acquisitions account for around a third of this.

The Brenntag Group's **operating EBITA** came to EUR 1,101.9 million in financial year 2024, a decrease of 12.9%. On a constant currency basis, this represents a decline in earnings of 12.5% compared with the prior-year figure. This significant decline in earnings stemmed from both divisions in financial year 2024 and in both divisions was driven by the fall in operating gross profit per unit in combination with cost increases.

Amortization of intangible assets amounted to EUR 75.1 million. Compared with financial year 2023, Brenntag recorded an increase of EUR 11.1 million.

Net expense from special items breaks down as follows:

in EUR m	2024	2023
Loss on the initiated sale of Raj Petro	-42.1	–
Expenses for strategy projects	-49.7	-10.5
Expenses for legal risks	-42.6	-31.4
Reversal of provisions for excise duties	10.6	-1.2
Major fires at warehouse sites in Canada and Turkey	15.4	-29.4
Other special items	-3.0	-5.8
Net expense from special items	**-111.4**	**-78.3**

2.02 Net expense from special items

A loss of EUR 53.4 million was recognized due to the initiated sale of Raj Petro. Of this amount, an impairment loss on property, plant and equipment and net working capital accounts for EUR 42.1 million recognized within net expense from special items, and an impairment loss on intangible assets for EUR 11.3 million.

Expenses for strategy projects amounted to EUR 49.7 million in financial year 2024. They mainly include severance and advisory expenses which will help to achieve the cost-reduction targets and which support the planning for the legal and operational disentanglement of the two divisions, Brenntag Specialties and Brenntag Essentials.

In financial year 2024, expenses of EUR 42.6 million were recognized for legal risks arising from the sale of talc and similar products in North America due to the number of actions brought.

Tax returns were submitted in connection with provisions recognized in 2023 for excise duty risks in Sweden. These led to a lower-than-expected tax liability. The reversal of the relevant provisions resulted in other operating income of EUR 10.6 million in financial year 2024.

For expenses in connection with the major fires at warehouse sites in Canada and Turkey in financial year 2023, income of EUR 15.4 million arose in financial year 2024 due predominantly to insurance payouts.

The other special items relate to expenses in connection with social security charges paid in previous years in Brazil.

Net finance costs came to EUR 172.8 million in financial year 2024 (2023: EUR 119.9 million), with the year-on-year change attributable mainly to four effects. Firstly, net interest expense widened year on year to EUR 133.7 million (2023: EUR 103.9 million) due mainly to higher debt. In addition, the change in purchase price obligations relating to the acquisition of non-controlling interests resulted in an expense of EUR 14.0 million in the period under review (2023: income of EUR 26.4 million). On the other hand, the expense arising on the translation of foreign currency receivables and liabilities in financial year 2024 was lower than in the previous year. Moreover, in financial year 2024, the classification of Turkey as a hyperinflationary economy in financial year 2022 increased net finance costs to much less of an extent than it did in the previous year.

Income tax expense fell by EUR 82.8 million year on year to EUR 198.9 million in financial year 2024. In addition to the fall in income tax expense due to the results, an improvement in the tax rate also contributed to lower income tax expense. This improvement is the result of the first-time recognition of deferred tax assets for loss carryforwards of the German consolidated tax group.

Profit after tax stood at EUR 543.7 million in financial year 2024 (2023: EUR 721.1 million).

in EUR m	2024	2023	Change abs.	Change in %
Operating EBITA	1,101.9	1,265.0	–163.1	–12.9
Average carrying amount of equity	4,499.1	4,499.5	–0.4	–0.1
Average carrying amount of financial and lease liabilities	3,211.1	2,921.8	289.3	9.9
Average carrying amount of cash and cash equivalents	–648.4	-727.7	79.3	–10.9
ROCE	**15.6%**	**18.9%**	**–**	**–**
ROCE after special items	**14.0%**	**17.7%**	**–**	**–**

2.03 Return on capital employed (ROCE)

The Brenntag Group posted **ROCE** of 15.6% in financial year 2024, a fall of 3.3 percentage points compared with the previous year. This change is due mainly to the significant reduction in operating EBITA. Unadjusted for special items, ROCE fell to 14.0% in financial year 2024 (2023: 17.7%).

Business performance in the divisions

in EUR m	Brenntag Specialties	Brenntag Essentials	Group and Regional Services	**Brenntag Group**
Operating gross profit[1)]				
2024	1,173.2	2,852.2	–	4,025.4
Change versus 2023 in %	–2.1	0.3	–	–0.4
fx. adj. change versus 2023 in %	–1.2	0.2	–	–0.2
Operating EBITA				
2024	446.9	780.7	–125.7	1,101.9
Change versus 2023 in %	–13.1	–13.9	–19.6	–12.9
fx. adj. change versus 2023 in %	–11.9	–14.1	–19.6	–12.5

2.04 Business performance in the divisions

1) Gross profit was adjusted by EUR 21.6 million in the prior-year period due to the loss of inventories during major fires at sites in Canada and Turkey in the Brenntag Specialties division.

Brenntag Specialties

in EUR m	Life Science	Material Science	Specialties Other	**Brenntag Specialties**
Operating gross profit[1]				
2024	829.9	325.4	17.9	1,173.2
Change versus 2023 in %	–1.6	–1.0	–30.9	–2.1
fx. adj. change versus 2023 in %	–0.7	–0.6	–27.8	–1.2
Operating EBITA[2]				
2024	340.7	115.5	–1.8	446.9
Change versus 2023 in %	–10.2	–9.0	–118.9	–13.1
fx. adj. change versus 2023 in %	–9.0	–8.4	–121.4	–11.9

2.05 Business performance in the segments / Brenntag Specialties

[1] Gross profit was adjusted by EUR 21.6 million in the prior-year period due to the loss of inventories during major fires at sites in Canada and Turkey.
[2] The difference between the sum total of the reportable segments and a particular division is the result of central activities which are part of the division but not directly attributable to any one segment.

Operating gross profit in the Brenntag Specialties division came to EUR 1,173.2 million in financial year 2024, a decrease of 2.1% on the prior-year figure. On a constant currency basis, operating gross profit was slightly lower year on year. This change is attributable to a fall in sales prices, while volumes were in line with the prior-year figure. Operating gross profit per unit has shown a sequential improvement since the second quarter of financial year 2024, but for the year as a whole this indicator remained below the prior-year figure.

Operating EBITA in the Brenntag Specialties division came to EUR 446.9 million in financial year 2024, a decrease of 13.1% on the prior-year figure. On a constant currency basis, this represents a decline of 11.9%. All segments of the Brenntag Specialties division contributed to this result. Besides the decrease in operating gross profit, the decline in operating EBITA was due especially to much higher costs. Around a third of the rise in costs is attributable to the acquisitions made. Added to this is the inflation-driven increase in personnel costs and other operating costs. In addition, further costs in connection with the DiDEX initiative were allocated internally by “Group and Regional Services”. These are costs from previous years which had previously remained in “Group and Regional Services” and were only charged on in 2024 when various services were introduced.

Brenntag Essentials

in EUR m	EMEA	North America	Latin America	APAC	Trans-regional	Brenntag Essentials
Operating gross profit						
2024	994.7	1,536.8	166.6	141.6	12.5	2,852.2
Change versus 2023 in %	0.8	0.3	2.5	6.1	-56.3	0.3
fx. adj. change versus 2023 in %	0.1	0.5	3.0	7.7	-56.3	0.2
Operating EBITA[1]						
2024	276.5	469.3	14.1	17.3	6.4	780.7
Change versus 2023 in %	-11.7	-10.2	-52.4	-13.5	-70.2	-13.9
fx. adj. change versus 2023 in %	-12.6	-10.0	-53.0	-12.2	-70.2	-14.1

2.06 Business performance in the segments / Brenntag Essentials

[1] The difference between the sum total of the reportable segments and a particular division is the result of central activities which are part of the division but not directly attributable to any one segment.

Operating gross profit in the Brenntag Essentials division increased by 0.3% year on year to EUR 2,852.2 million in financial year 2024. On a constant currency basis, operating gross profit was in line with the prior-year figure. With the exception of the Transregional segment, all other segments achieved an increase in volumes both on an organic basis and including the new acquisitions. Higher volumes offset the fall in operating gross profit per unit.

Operating EBITA in the Brenntag Essentials division dropped by 13.9% year on year to EUR 780.7 million in financial year 2024. On a constant currency basis, it showed a decrease of 14.1%. This was due to increased costs. Over half of the increase in costs is attributable to the acquisitions made. Moreover, higher volumes led to an increase in transport costs in all segments. In addition, costs in connection with the DiDEX initiative were allocated internally from "Group and Regional Services". These are costs from previous years which had previously remained in "Group and Regional Services" and were only charged on this year when various services were introduced.

Group and Regional Services

In addition to the central functions for the entire Group, "Group and Regional Services" also include the regional service functions and the activities with regard to the digitalization of Brenntag's business. In financial year 2024, Brenntag recorded a significant year-on-year reduction in costs. This was due mainly to the higher allocations of costs for the DiDEX initiative to the two divisions Brenntag Specialties and Brenntag Essentials. These are costs from previous years which had previously remained in "Group and Regional Services" and were only charged on to the two divisions this year when various services were introduced. Even adjusted for these cost allocations, the result in "Group and Regional Services" showed a substantial improvement compared with the previous year. This positive performance was achieved, among other factors, as a result of lower variable personnel costs, which were below the prior-year figure due to lower bonus forecasts.

Overall, the **operating EBITA** of "All other Segments" came to EUR -125.7 million in financial year 2024, a decrease of 19.6% year on year (on a constant currency basis: 19.6%).

Forecast / Actual comparison

In financial year 2024, the chemical markets served by Brenntag experienced a longer-than-expected trough in the industry cycle that was marked by strong competition and pressure on average sales prices. Given macroeconomic conditions and the global impact of the war in Ukraine, the resulting high energy prices and the development of inflation rates, the operating EBITA performance is acceptable. Forecast earnings include the contribution from acquisitions closed and exclude foreign currency translation effects arising after the date of the forecast's preparation. The year-end results were at the lower end of the forecast range communicated at the time of the publication of the half-year results. For financial year 2024, Brenntag had forecast operating EBITA of between EUR 1,230.0 million and EUR 1,430.0 million. In the first quarter of 2024, Brenntag guided towards the lower end of the communicated range. At the time of the publication of the half-year results, the guidance was again lowered to between EUR 1,100 million and EUR 1,200 million in light of the trends and forecasts in the chemical industry. The guidance adjustments were based on the performance in the past quarters of 2024, the trend in earnings in the current quarter and the outlook for the rest of the year. One factor particularly worthy of mention here is the lack of a recovery in average sales prices, which led to the original forecast for operating gross profit being missed despite a year-on-year increase in volumes. The forecast also reflected expectations for future market conditions. The forecasts were based on the assumption at the date of their publication that exchange rates would remain stable. Most recently, when the financial results for the third quarter were published, the revised earnings forecast was confirmed. At year-end the Brenntag Group achieved operating EBITA of EUR 1,101.9 million and therefore failed to reach the range initially communicated. However, operating EBITA was at the lower end of the range given in August 2024.

The Brenntag Group forecast a moderate rise in operating EBITA in both divisions in financial year 2024, with the relative rise for the Brenntag Essentials division expected to be lower than for the Brenntag Specialties division. For Brenntag Essentials, operating EBITA was down by 14.1% on the prior-year figure. For Brenntag Specialties, operating EBITA fell by 11.9%. Therefore, the forecast issued at the beginning of the year could not be confirmed.

Moreover, the Brenntag Group anticipated a meaningful rise in operating gross profit slightly above that in operating EBITA. It expected the rise in operating gross profit to be attributable to both divisions and assumed that the relative rise at Brenntag Specialties and Brenntag Essentials would be of a similar magnitude. Overall in financial year 2024, the Brenntag Group generated operating gross profit of EUR 4,025.4 million, a year-on-year decrease of 0.2% on a constant currency basis. Operating gross profit showed a year-on-year rise of 0.2% for Brenntag Essentials and a year-on-year fall of 1.2% for Brenntag Specialties on a constant currency basis. The forecasts for operating gross profit were therefore missed. Due to the continuing pressure on operating gross profit per unit as a result of low sales prices, absolute operating gross profit remained below expectations despite a rise in volumes.

At the beginning of financial year 2024, Brenntag anticipated a moderate improvement in working capital turnover compared with the reported averages for the previous financial year. Combined with meaningful sales growth, Brenntag expected a moderate increase in average working capital. Contrary to expectations, external sales for the current year were lower than in the previous year. Nevertheless, the positive change in average working capital resulted in a rise in annualized working capital turnover of 0.3x. Overall in financial year 2024, Brenntag achieved a meaningful reduction in average working capital of more than EUR 150 million compared with the previous year.

Brenntag expected a significant reduction in free cash flow in financial year 2024. This forecast was due in particular to the price-related working capital effect from the previous year, which resulted in a very high free cash flow and could not be budgeted again for 2024. With free cash flow at EUR 892.6 million (2023: EUR 1,712.0 million), this forecast was confirmed.

Financial position

Capital structure

Brenntag's capital structure strategy ensures financial resilience, maintaining flexibility to meet investment needs and strategic expansion. Our liquidity, interest rate and currency risks are largely managed on a Group-wide basis. Derivative financial instruments are only used to hedge the above-mentioned risks from underlying transactions and not for speculative purposes. A Group-wide Finance Guideline ensures the implementation of these policies and standard processes throughout the Group.

The most important component in Brenntag's financing structure is the Group-wide syndicated loan agreement. As at December 31, 2024, this totaled the equivalent of EUR 1.5 billion. The syndicated loan originally had a term running until February 2028, which at the beginning of 2024 was initially extended until February 2029 and at the end of 2024 was ultimately extended until February 2030 through two extension options. It is based on variable interest rates with margins depending on the credit rating, and is divided into two revolving credit facilities – one credit facility in the amount of EUR 1 billion and a USD credit facility in the amount of USD 525.0 million (equivalent in euros as at Dec. 31, 2024: EUR 505.3 million). The margin is also linked to the achievement of certain Brenntag Group sustainability targets.

As at December 31, 2024, Brenntag had no outstanding liabilities under the syndicated loan (before offsetting of transaction costs). Only a very small amount of the EUR 1 billion credit facility had been drawn down for bank guarantees. The USD credit facility, on the other hand, was entirely unutilized as at December 31, 2024. Both credit facilities are available for further drawdowns at any time. The syndicated loan is guaranteed by Brenntag SE.

In addition, the Brenntag Group's financing consists of the following instruments (in ascending order according to maturity):

- a EUR 600.0 million bond (**Bond 2025**) maturing in 2025 and carrying an annual coupon of 1.125%.
- promissory notes totaling EUR 330.0 million and USD 180.0 million (equivalent in euros as at Dec. 31, 2024: EUR 173.3 million) (**Promissory Notes 2027 / 2029**). The promissory notes were issued in a total of seven tranches maturing in 2025, 2027 and 2029 and carrying both floating and fixed interest rates. In 2024, Brenntag repaid the two floating-rate tranches in the amount of EUR 60.0 million and USD 70.0 million (equivalent in euros at the repayment date: EUR 64.5 million) maturing in 2025 ahead of schedule, as a result of which the outstanding EUR tranches decreased from the original amount of EUR 390.0 million to the above-stated EUR 330.0 million, the outstanding USD tranches decreased from the original amount of USD 250.0 million to the above-stated USD 180.0 million and the total number of outstanding tranches was reduced from seven to five.
- a EUR 500.0 million bond issued in April 2024 (**Bond 2028**) maturing in 2028 and carrying an annual coupon of 3.750%.
- a EUR 500.0 million bond (**Bond 2029**) maturing in 2029 and carrying an annual coupon of 0.500%. Most of the proceeds from the Bond 2029 were swapped for US dollars by way of a long-dated derivative (cross-currency interest rate swap).
- a EUR 500.0 million bond also issued in April 2024 (**Bond 2032**) maturing in 2032 and carrying an annual coupon of 3.875%.

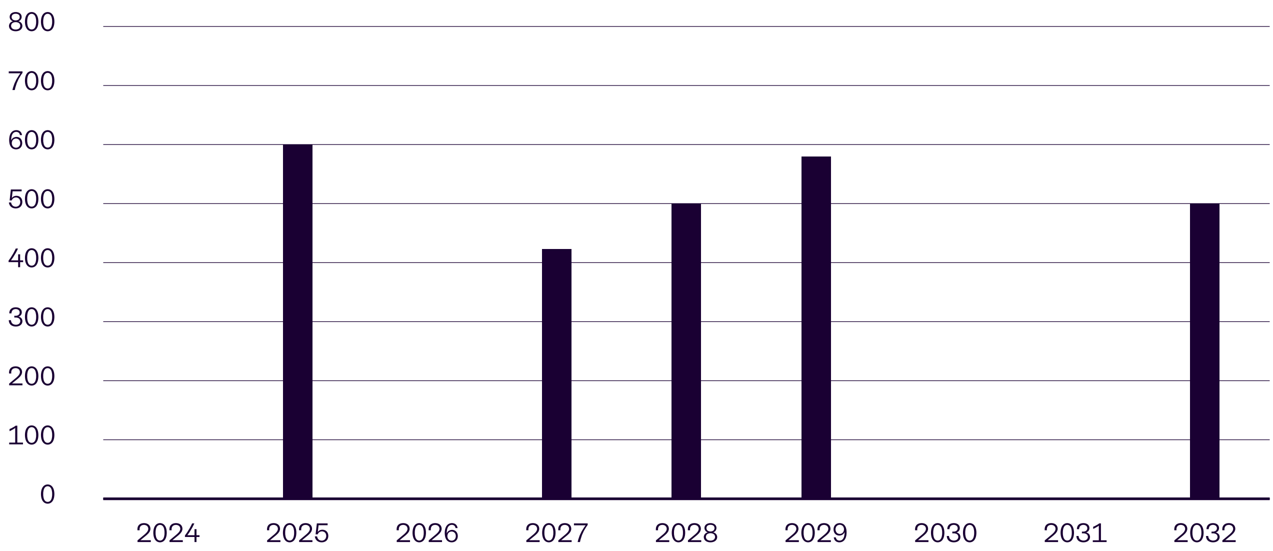
The three latter bonds (Bond 2028, Bond 2029 and Bond 2032) were issued under the debt issuance program newly established in 2021.

The Bonds 2028 and 2032 issued in April 2024 mainly facilitate the early refinancing of the Bond 2025 and the tranches of the promissory notes falling due in 2025. As mentioned above, the latter were repaid ahead of schedule in 2024 using the funds from the new bonds.

In addition to the above-mentioned financing instruments, some Group companies make use of credit lines with local banks in consultation with Group Treasury.

Due to the four fixed-rate bonds and the partly fixed-rate promissory notes, approximately 80% of the Brenntag Group's financial liabilities were hedged against the risk of interest rate increases as at December 31, 2024.

According to its short- and mid-term financial planning, Brenntag expects the capital requirements for operating activities, planned investments and projects, and dividends and acquisitions on the assumed scale to be covered by the cash provided by operating activities. To cover short-term liquidity requirements and for general corporate purposes, it likewise has the aforementioned credit facilities under the syndicated loan.



2.07 Maturity profile of our credit portfolio[1] as at December 31, 2024 in EUR m

[1] Bond 2025, Promissory Notes 2027 / 2029, Bond 2028, Bond 2029 and Bond 2032, each excluding accrued interest and transaction costs. As explained above, there were no financial liabilities (before offsetting of transaction costs) under the syndicated loan (maturing in 2030) as at December 31, 2024.

Investments

In financial year 2024, investments in property, plant and equipment and intangible assets (excluding additions from acquisitions) led to a total cash outflow of EUR 342.2 million (2023: EUR 321.1 million).

Brenntag regularly invests in the maintenance, replacement and extension of the Group infrastructure necessary to perform its services, such as warehouses, offices, trucks, field service vehicles and IT hardware for various systems.

Investments in intangible assets amounted to EUR 18.8 million in financial year 2024 (2023: EUR 15.5 million) and related mainly to digitalization.

Investments are usually funded from cash flow and / or available cash from the respective Group companies. With larger investment projects which cannot be covered by local funds, financing is provided by the Group.

Cash flow

in EUR m	2024	2023
Net cash provided by operating activities	**906.6**	**1,663.9**
Net cash used in investing activities	**-749.0**	**-558.3**
of which payments to acquire consolidated subsidiaries, other business units and other financial assets	-436.4	-277.3
of which payments to acquire intangible assets and property, plant and equipment	-342.2	-321.1
of which proceeds from divestments	29.6	40.1
Net cash provided by / used in financing activities	**23.0**	**-1,553.8**
of which dividends paid to Brenntag shareholders	-303.2	-304.7
of which bonds issued	994.9	-
of which repayments of / proceeds from borrowings	-338.4	-738.1
of which payments to acquire treasury shares	-250.1	-496.2
of which other financing activities	-80.2	-14.8
Change in cash and cash equivalents	**180.6**	**-448.2**

2.08 Cash flow

Brenntag generated EUR 906.6 million in operating cash flow, down from EUR 1,663.9 million in 2023, primarily due to a EUR 45.8 million increase in working capital (2023: decrease of EUR 608.7 million).

Of the net cash of EUR 749.0 million used in investing activities (2023: EUR 558.3 million), EUR 342.2 million (2023: EUR 321.1 million) comprised payments to acquire intangible assets and property, plant and equipment. Payments to acquire consolidated subsidiaries and other business units, in the amount of EUR 436.4 million, consisted mainly of payments to acquire all shares in the Solventis Group based in Belgium and the UK, Química Delta S.A. de C.V based in Teoloyucan, Mexico, Lawrence Industries Ltd. headquartered in Tamworth, UK, Monarch Chemicals with two sites in the southeast of England and Scotland, and the site and business operations of Industrial Chemicals Corporation (ICC) in Denver, Colorado, USA.

The main driver of the net cash of EUR 23.0 million provided by financing activities (2023: net cash of EUR 1,553.8 million used in financing activities) were the total cash inflows of EUR 1.0 billion from the bonds issued. In addition to bank loans taken out and repaid as well as lease liabilities repaid, EUR 250.1 million were used to acquire treasury shares and a further EUR 303.2 million for the dividend payment to Brenntag shareholders.

Free cash flow

			Change	
in EUR m	2024	2023	abs.	in %
Operating EBITDA	1,456.8	1,584.6	-127.8	-8.1
Payments to acquire intangible assets and property, plant and equipment	-342.2	-321.1	-21.1	6.6
Change in working capital	-45.8	608.7	-654.5	-107.5
Principal and interest payments on lease liabilities	-176.2	-160.2	-16.0	10.0
Free cash flow	**892.6**	**1,712.0**	**-819.4**	**-47.9**

2.09 Free cash flow

The Brenntag Group's free cash flow amounted to EUR 892.6 million in financial year 2024, a decrease of 47.9% on the previous year.

This is due mainly to the year-on-year change in working capital. In the previous year, the change in working capital was shaped especially by price effects. Capital expenditure to expand the Group's infrastructure was up by 6.6% on the prior-year figure.

Net assets

	Dec. 31, 2024		Dec. 31, 2023	
in EUR m	abs.	in %	abs.	in %
Assets				
Current assets	**5,088.9**	**43.6**	**4,612.6**	**44.6**
of which trade receivables	2,282.5	19.6	2,263.1	21.9
of which inventories	1,518.4	13.0	1,376.4	13.3
Non-current assets	**6,579.1**	**56.4**	**5,725.2**	**55.4**
of which goodwill	3,446.0	29.5	3,210.8	31.1
Total assets	**11,668.0**	**100.0**	**10,337.8**	**100.0**
Liabilities and equity				
Current liabilities	**3,478.2**	**29.8**	**3,021.0**	**29.2**
of which trade payables	1,661.6	14.2	1,633.7	15.8
of which financial and lease liabilities	949.4	8.1	562.7	5.4
Equity and non-current liabilities	**8,189.8**	**70.2**	**7,316.8**	**70.8**
of which financial and lease liabilities	2,606.9	22.3	2,201.0	21.3
of which equity	4,762.0	40.8	4,356.7	42.1
Total liabilities and equity	**11,668.0**	**100.0**	**10,337.8**	**100.0**

2.10 Net assets

As at December 31, 2024, total assets had increased by EUR 1,330.2 million compared with the end of the previous year to EUR 11,668.0 million (Dec. 31, 2023: EUR 10,337.8 million). This rise is due mainly to the Bonds 2028 and 2032 issued in 2024 and exchange rate effects.

At 7.6, annualized working capital turnover was above the prior-year figure (7.3).

The Brenntag Group's non-current assets rose by EUR 853.9 million year on year to EUR 6,579.1 million (Dec. 31, 2023: EUR 5,725.2 million). Acquisitions account for EUR 552.6 million of the rise.

Upon completion of the second tranche of the share buyback program launched in January 2024, the subscribed capital was reduced by a nominal amount of around EUR 3.1 million by canceling the shares in March 2024 and the excess amount of EUR 247.0 million was eliminated against additional paid-in capital. The subscribed capital now amounts to around EUR 144.4 million.

Cash and cash equivalents increased by EUR 186.4 million compared with the 2023 year-end figure to EUR 763.3 million (Dec. 31, 2023: EUR 576.9 million). The main items set against net cash provided by operating activities and by the placement of the Bonds 2028 and 2032 were the payments of EUR 250.1 million for the aforementioned share buybacks, Brenntag SE's dividend payment of EUR 303.2 million in the second quarter of 2024 and the net cash used in investing and acquisition activities and to repay the 2025 tranches of the promissory notes ahead of schedule.

Overall, net financial liabilities changed as follows compared with the end of the previous year:

in EUR m	Dec. 31, 2024	Dec. 31, 2023
Liabilities under syndicated loan	–	45.6
Other liabilities to banks	132.8	182.1
Promissory notes (Schuldschein)	508.1	622.5
Bond 2025	601.1	600.1
Bond 2028	510.4	–
Bond 2029	498.4	498.0
Bond 2032	507.8	–
Derivative financial instruments	44.4	29.0
Liabilities relating to the acquisition of treasury shares	–	250.0
Other financial liabilities	136.0	86.6
Total	**2,939.0**	**2,313.9**
Lease liabilities	617.3	449.8
Cash and cash equivalents	763.3	576.9
Net financial liabilities	**2,793.0**	**2,186.8**

2.11 Net financial liabilities

Annual financial statements of Brenntag SE

General information

Brenntag SE is the parent and the strategic management holding company of the Brenntag Group. The key management functions at overall Group level are the responsibility of the Board of Management. These primarily include setting the Group strategy and deciding on the allocation of resources, as well as executive development and financial management.

The annual financial statements of Brenntag SE have been prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). Brenntag SE has its registered office at Messeallee 11, 45131 Essen and is entered in the commercial register at the Essen Local Court under commercial register number HRB 31943.

The full annual financial statements of Brenntag SE are submitted to and published in the Company Register in electronic format.

Business performance

The net assets, financial position and results of operations of Brenntag SE are determined mainly by the business success of the Brenntag Group's investees. The section "Business performance" in the Report on economic position reports in detail on the performance and success of the Group and the divisions.

At EUR 312.4 million, the net income achieved in financial year 2024 was well above the prior-year figure, as expected (2023: EUR 120.6 million). This performance was supported by higher profit distributions from subsidiaries and second-tier subsidiaries.

Results of operations of Brenntag SE

in EUR m	2024	2023
Sales	298.5	226.7
Other own work capitalized	0.6	–
Other operating income	114.1	115.8
Cost of materials	–277.4	–194.7
Personnel expenses	–55.5	–62.4
Amortization and write-downs of intangible assets and depreciation and write-downs of property, plant and equipment	–10.3	–4.0
Other operating expenses	–218.1	–240.3
Net finance income	471.6	288.2
Profit before tax	**323.6**	**129.3**
Taxes on income	–11.2	–8.7
Profit after tax / net income for the financial year	**312.4**	**120.6**
Retained profits brought forward	–	4.3
Appropriation to retained earnings	–9.2	–4.3
Withdrawal from retained earnings	–	203.9
Distributable profit	**303.2**	**324.5**

2.12 Brenntag SE / Income statement in accordance with the German Commercial Code (HGB)

Sales resulted exclusively from sales to affiliated companies. Of the total, revenues from the provision of services to affiliated companies, which resulted mainly from IT services and other management services provided, accounted for EUR 294.8 million (2023: EUR 222.8 million). The year-on-year rise in sales in financial year 2024 is due to the increased volume of intra-Group services.

Other operating income decreased by EUR 1.7 million to EUR 114.1 million. The decrease is attributable mainly to a decline in income from foreign currency hedges.

Cost of materials of EUR 277.4 million (2023: EUR 194.7 million) consisted solely of the cost of purchased services. Cost of materials rose due to the increased volume of intra-Group service agreements.

The EUR 6.9 million decrease in personnel expenses to EUR 55.5 million is due predominantly to a fall in variable remuneration.

Other operating expenses amounted to EUR 218.1 million (2023: EUR 240.3 million). Derivative financial instruments, advisory expenses, primarily in IT and other strategic projects, and lease expenses were the main contributors to expenses. The reduction was due to the EUR 21.1 million decline in expenses from derivative financial instruments to EUR 48.8 million.

Only depreciation and amortization charges were recognized in financial year 2024.

As in the previous year, net finance income consisted mainly of income from profits transferred by Brenntag Holding GmbH, Essen. For 2024, this stood at EUR 487.3 million (2023: EUR 276.5 million). Net interest expense in the amount of EUR 15.7 million (2023: net interest income of EUR 11.7 million) was driven mainly by intra-Group financing activities.

As at December 31, 2024, temporary differences – both Brenntag SE's own and those at companies in the consolidated tax group and German partnerships – gave rise to a future tax receivable, as deferred tax assets exceeded deferred tax liabilities. Applying the option under Section 274, para. 1, sentence 2 of the German Commercial Code, a deferred tax asset was not recognized for the excess of deferred tax assets over deferred tax liabilities.

Financial position and net assets of Brenntag SE

in EUR m	Dec. 31, 2024	Dec. 31, 2023
Fixed assets	2,629.1	2,567.8
Current assets including prepaid expenses	1,818.0	1,686.8
Total assets	**4,447.1**	**4,254.6**
Equity	1,871.5	2,112.4
Provisions	92.7	90.4
Liabilities	2,482.9	2,051.8
Total equity and liabilities	**4,447.1**	**4,254.6**

2.13 Brenntag SE / Balance sheet in accordance with the German Commercial Code (HGB) – condensed version

The net assets of Brenntag SE reflect the company's holding function and its activity as the Group's central financing company. Fixed assets in the amount of EUR 2,629.1 million (Dec. 31, 2023: EUR 2,567.8 million) consisted almost exclusively of financial assets. These comprise the investment in Brenntag Holding GmbH, an intermediate holding company with further subsidiaries and second-tier subsidiaries.

Current assets including prepaid expenses rose by EUR 131.2 million to EUR 1,818.0 million. The rise related, firstly, to receivables due from affiliated companies, which amounted to EUR 1,687.7 million (Dec. 31, 2023: EUR 1,569.9 million), and consist mainly of finance receivables and, secondly, to cash at bank and in hand, which amounted to EUR 85.8 million (Dec. 31, 2023: EUR 45.5 million). It is important to bear in mind here that the amount for the reporting period includes invested funds from the placement of the Bonds 2028 and 2032.

The equity of Brenntag SE decreased by EUR 240.9 million to EUR 1,871.5 million. In addition to the dividend of EUR 303.2 million paid for financial year 2023, this decrease is due in particular to the cancelation of EUR 250.1 million of treasury shares under the share buyback program explained below.

On March 7, 2023, the Board of Management of Brenntag SE resolved on a share buyback program of up to EUR 750 million with the approval of the Supervisory Board and exercising the authorization granted at the Annual General Meeting held on June 9, 2022. In the course of the second tranche in the period to March 6, 2024, Brenntag SE acquired 3,068,465 no-par value shares, each with a notional value of EUR 1.00 (EUR 249,999,944.46 in total). The shares were acquired on the electronic trading platform of the Frankfurt Stock Exchange (Xetra). Exercising the above-mentioned authorization to cancel treasury shares acquired pursuant to Section 71, para. 1, no. 8 of the German Stock Corporation Act, the company's share capital was reduced from EUR 147,453,837.00 – by EUR 3,068,465 – by canceling 3,068,465 no-par value registered shares, each with a notional value of EUR 1.00, which the company acquired in the period to March 6, 2024. The 3,068,465 no-par value shares held by the company and acquired under the share buyback program were canceled. The subscribed capital therefore amounted to EUR 144.4 million in total as at December 31, 2024 (Dec. 31, 2023: EUR 147.5 million) and is divided into 144,385,372 (Dec. 31, 2023: 147,453,837) no-par value registered shares.

Provisions amounted to EUR 92.7 million in total (Dec. 31, 2023: EUR 90.4 million) and consisted mainly of provisions for pensions and similar obligations, provisions for taxes, provisions for outstanding invoices and provisions for other personnel expenses. Provisions for taxes increased by EUR 7.4 million to EUR 11.1 million. Provisions for other personnel expenses decreased by EUR 9.7 million to EUR 13.6 million.

Liabilities of EUR 2,482.9 million (Dec. 31, 2023: EUR 2,051.8 million) related mainly to liabilities to affiliated companies, which rose by EUR 612.6 million year on year to EUR 1,960.6 million.

Expected development, opportunities and risks of Brenntag SE

In line with its function as a holding company, Brenntag SE's future results mainly depend on the receipt of dividends from companies in the Group and therefore also on the business performance of subsidiaries and decisions on dividend distributions. Thus, Brenntag SE's expected performance in financial year 2025 and the risk situation also depend to a significant extent on the performance of the Group as a whole and its opportunities and risk situation. This is covered in the Report on expected developments, opportunities and risks in the Brenntag Group's combined management report. In this respect, the statements made there regarding the expected performance and the risk position of the Group also apply to the future performance and the risk position of Brenntag SE. In addition, the risk management tools and methods for the financial instruments of Brenntag SE are explained in the report on opportunities and risks.

Brenntag SE's most significant financial performance indicator is the net income for the financial year recognized in the financial statements prepared in accordance with German commercial law. Due to the potential for distributions of retained profits at subsidiaries and the profit and loss transfer agreements entered into, we expect to generate net income for financial year 2025 that is on a par with that of the previous year. At Brenntag, intra-Group profits are distributed taking local financing requirements and further constraints into consideration. Even if no intra-Group dividends are distributed to Brenntag SE in a financial year, there are sufficient reserves to pay an appropriate dividend to the Brenntag shareholders.

Appropriation of distributable profit of Brenntag SE

The net income of Brenntag SE as at December 31, 2024 was EUR 312,402,022.08. After allowing for the transfer of EUR 9,192,740.88 to retained earnings, the distributable profit is EUR 303,209,281.20.

At the Annual General Meeting on May 22, 2025, the Board of Management and the Supervisory Board will propose that the distributable profit of Brenntag SE amounting to EUR 303,209,281.20 be used to pay a dividend of EUR 2.10 per no-par value share entitled to a dividend; that is EUR 303,209,281.20 in total.

Employees

As at December 31, 2024, Brenntag had 18,122 employees worldwide, including the 639 employees of the companies newly acquired in 2024. 90.6% of the workforce work outside Germany. The total number of employees is determined on the basis of headcount, i.e. part-time employees are fully included. Excluding the new acquisitions, the total number of people employed in the Brenntag Group declined by 226, or 1.3%, compared with the previous year. Voluntary employee turnover was 7.5% on average across the Group (2023: 7.8%).

	Dec. 31, 2024		Dec. 31, 2023[1]	
Headcount	abs.	in %	abs.	in %
Brenntag Specialties	3,594	19.8	3,614	20.4
Brenntag Essentials	12,237	67.5	11,866	67.0
Group and Regional Services	2,291	12.7	2,229	12.6
Brenntag Group	**18,122**	**100.0**	**17,709**	**100.0**

2.14 Employees per division

[1] The prior-year figures were adjusted to reflect the current portfolio allocation.

Report on expected developments, opportunities and risks

Report on expected developments

The Brenntag Group expects 2025 to be another financial year shaped by subdued global economic demand, geopolitical tensions such as the ongoing war in Ukraine and the uncertainty in the Middle East, and sustained moderate inflationary pressures. Moreover, at the time of preparation of the report on expected developments, it is still completely unclear what impact the election result in the United States will have on the most important sales markets. This continues to result in a still greater-than-average degree of uncertainty over growth expectations for the global economy. Oxford Economics currently predicts that the global economy, measured in terms of industrial production (IP), will grow only slightly again in 2025: Weighted by the sales generated by Brenntag in the individual countries, this results in a forecast average real IP growth rate of +2.2% in 2025, slightly above the forecast for 2024.

In light of the continuing economic uncertainty and the fact that global economic growth is expected to remain subdued, Brenntag expects the Group's operating EBITA for financial year 2025 to be between EUR 1,100 million and EUR 1,300 million. This forecast takes into account the contributions to earnings from acquisitions already closed and assumes that exchange rates will remain stable compared with those at the time of the forecast.

After the Brenntag Specialties and Brenntag Essentials divisions recorded a decline in operating EBITA in 2024, the Brenntag Group expects a meaningful rise in operating EBITA in both divisions in 2025. It is expected that Brenntag Essentials will report a slightly higher relative rise in operating EBITA. This is due in particular to the acquisition of Química Delta S.A. de C.V. and the Solventis Group, which in 2025 will contribute to an improvement in earnings throughout the entire year.

The meaningful increase in operating EBITA is higher than the moderate increase expected in operating gross profit. Here, the Brenntag Group is assuming a slight rise in operating gross profit per unit and a moderate increase in volumes. The rise in operating gross profit will be driven by a rise in operating gross profit in both divisions. In this case, it is anticipated that the relative rise at Brenntag Specialties and Brenntag Essentials will be of a similar magnitude. Lastly, it is expected that the relative increase in EBITA will be higher than the increase in operating gross profit due to the cost-reduction program in combination with management of the anticipated effects of inflation and personnel costs.

Following an increase in working capital turnover in the past financial year, Brenntag anticipates that, in 2025, it will once again be able to achieve a moderate improvement in working capital turnover compared with the reported averages for the past financial year. Overall, however, Brenntag expects the planned business activity and the improvement in working capital turnover to result in a slight increase in working capital.

Assuming that exchange rates remain stable, Brenntag expects free cash flow in 2025 to be significantly higher than in the previous year. This takes into account capital expenditure of around EUR 300 million in financial year 2025, including expenditure to optimize the global site network. Brenntag is also investing more in safety and sustainability at the sites. It is intended to use this free cash flow to continue to ensure Brenntag's acquisition strategy and dividend policy and fund the expenses expected in 2025 in connection with the implementation of the company's transformation and growth strategy. At the same time, it is intended to maintain liquidity at an adequate level.

Main elements of the internal control / risk management system[1)]

It is essential to Brenntag's long-term success that opportunities and risks are identified at an early stage and leveraged or managed. The aim of risk management is to identify, monitor and mitigate emerging risks at an early stage or to prevent them completely. The risk management system consists of risk reporting (an early detection system), controlling, an internal monitoring system and individual measures to identify new risks at an early stage and limit any known risks. The planning, controlling and reporting processes of the Brenntag Group are integral parts of the risk management systems of all operational and legal units as well as the central functions.

The risk management system is continuously further developed in accordance with the requirements of Section 91, para. 2 of the German Stock Corporation Act (AktG). In the reporting period, the risk management software underwent further technical development to improve transparency in the capture process. By building a risk management hub, we are promoting knowledge transfer in risk management for everyone involved in the process.

The Risk Management and Internal Control Committee continuously monitors, coordinates and improves risk management and internal control functions and activities. It reviews risk management-related strategies and guidelines and monitors their implementation, maintenance and approval. It also deals with the process-related review in that it tracks countermeasures and checks their plausibility.

The risk-bearing capacity concept is based on a combined equity and liquidity approach.

To determine the entities included in the risk capture process, risk-related materiality thresholds are derived from Brenntag's risk appetite, with the respective EBITA serving as the key metric. Material qualitative risk factors such as business model complexity, the maturity of governance, risk and compliance functions, specific local regulatory requirements and an entity's significance are also considered.

To take into account early risk detection, the risks for the following two years are also captured.

Measures to effectively reduce a potential or real risk are assigned a specific mitigation strategy and a status. If the measure is to be implemented in the future, a partial completion rate or an implementation date must be given.

Risk reporting (early detection system)

Brenntag continually identifies and analyzes risks at the Group companies and constantly improves internal workflows and the IT systems used throughout the Group.

Responsibility for risks at the entities included in the risk capture process lies initially with the legal units in the Brenntag Group. This includes identifying risks and estimating their effects. It must also be ensured that there are suitable measures in place to reduce risks.

The biannual risk inventories are one important tool for global risk management. These are performed at the Group companies and at the highest Group level with system support and documented by the system. In addition, all units have been instructed to immediately report any significant risks emerging (ad hoc reporting) to Group headquarters. Risks are captured using a system-supported tool.

The risk inventories gather estimations on existing risks. Standardized risk catalogs giving examples of the typical risks for the Brenntag Group are used as a system for gathering this information. In doing so, thematically related risks are grouped into risk categories. Any risks which are identified are assessed with regard to the possible extent of damage and their probability of occurrence, in each case on a five-level scale.

First, the gross risk is assessed. The gross risk is the maximum damage if no counteraction is taken. If a risk can be reliably counteracted by effective action, these measures have to be shown in risk profiles and assessed with regard to their effectiveness. The residual risk (net risk) is then the gross risk less the effect of measures taken to reduce the risk. These measures are supplemented with the mitigation strategy applied and the status of implementation.

1) The disclosures in this section also meet disclosure requirements under ESRS 2 (GOV-5 – Risk management and internal controls over sustainability reporting).

Brenntag classifies net risks as “critical”, “high”, “medium” or “low” according to the estimated probability of occurrence and the possible extent of damage, i.e. the negative impact on the results of operations, the financial position and cash flow. The extent of damage is classified by inferring percentages with respect to Group EBITA. As at December 31, 2024, this gives the following risk matrix for the 2025 analysis period:

			Probability of occurrence				
Possible extent of damage			Highly improbable	Improbable	Possible	Probable	Highly probable
Qualitative	in EUR m	in EUR m (old)	< 6%	6-25%	26-50%	51-70%	> 70%
Critical	> 267	> 283	**Medium**	**High (Medium)**	**High**	**Critical (High)**	**Critical (High)**
High	> 107-267	> 113-283	**Low (Medium)**	**Medium**	**High (Medium)**	**High**	**Critical (High)**
Medium	> 53-107	> 57-113	**Low**	**Medium**	**Medium**	**High (Medium)**	**High**
Low	> 11-53	> 11-57	**Low**	**Low**	**Medium**	**Medium**	**High (Medium)**
Insignificant	≤ 11	≤ 11	**Low**	**Low**	**Low**	**Low (Medium)**	**Medium**

2.15 Risk assessment matrix

The individual risks reported are consolidated at regional level and for the Group and then presented to the Risk Management and Internal Control Committee, the Board of Management and the Supervisory Board.

A Monte Carlo simulation is used to assess and aggregate the risks. The resulting value at risk (VaR 95) is compared against risk-bearing capacity in order to ensure the stability and sustainability of business activities from a risk perspective as well.

Risk capture at local level includes risks only, not opportunities. In addition, the risks identified are evaluated and opportunities assessed by the function heads at the level of Brenntag SE (top-down review). The estimate of the risks per risk category and the opportunities and risks are explained in detail in the section “Report on opportunities and risks”.

The process for systematically identifying and assessing risks for the Group companies is regularly audited by Internal Audit Brenntag Group. In addition, the statutory auditor, as an independent, external party, assesses the general suitability of the risk early detection system in the course of its audit of the annual financial statements.

Controlling

The Corporate Controlling department immediately processes the information gained from the monthly and quarterly reports and can thus identify and communicate risks and opportunities. This also includes an analysis of the reasons for any deviations from planned figures. On the basis of any identified deviations from planned figures, the Corporate Controlling department regularly examines the achievability of targets in forecasts, indicating the associated opportunities and risks. The financial performance indicators examined are described mainly in the section “Financial management system”, first and foremost operating EBITA.

The ongoing evaluation of opportunity and risk potential in all segments is also an elementary part of Brenntag’s strategy, which is described in detail in the section “Objectives and strategy”. As part of regular strategy development, Brenntag analyzes the market opportunity and risk situation in each Brenntag segment and, on this basis, establishes goals and value-enhancing measures designed to mitigate risks and exploit opportunities. Finally, the situation analysis and business operation plans are regularly reviewed in discussions on business performance.

Internal monitoring system

Another important part of risk management in the Brenntag Group is the internal monitoring system consisting of the organizational security measures, internal controls and internal audit.

The internal control system comprises all central and decentralized policies and regulations adopted by the Board of Management and the regional and local management teams with the aim of ensuring

- the effectiveness and efficiency of the workflows and processes,
- the completeness, correctness and reliability of internal and external financial reporting as well as
- the Group-wide observance of applicable laws and regulations (compliance).

Both the efficiency of the workflows and processes and the effectiveness of the internal control systems set up in the decentralized units as well as the reliability of the systems used are regularly examined by Internal Audit Brenntag Group. The results of these audits are reported immediately. Thus, Brenntag ensures that the Board of Management and the Audit Committee are kept continuously informed of any weaknesses and any resulting risks, along with the appropriate recommendations to eliminate the weaknesses. Moreover, in 2024 measures were implemented to further develop the internal control system. These aim to extend the control environment and further enhance the quality and transparency of internal controls. In the reporting period, a regular and extensive ICS self-evaluation process was introduced to systematically review and continuously refine the design and effectiveness of the existing internal controls.

Internal control system related to the (Group) accounting process (report in accordance with Section 289, para. 4 and Section 315, para. 4 of the German Commercial Code (HGB))

The Group accounting process is managed by the Corporate Accounting department. A major element of the internal control system related to the (Group) accounting process is an IFRS accounting manual applicable throughout the Group which specifies accounting and measurement policies for all companies included in the consolidated financial statements. Preparation of the consolidated financial statements is supported by the use of uniform, standardized reporting and consolidation software (SAP SEM-BCS) containing comprehensive testing and validation routines. The services of external experts are used for special areas of accounting, e.g. the annual goodwill impairment test as well as environmental and pension actuarial reports to determine the relevant provisions.

There are also other Group-wide guidelines which have concrete effects on accounting. The management of the local units confirm compliance with these guidelines by issuing a management certificate. Particularly notable examples include the “Internal Control Guideline”, which contains requirements on the performance of monitoring routines as well as the separation of functions, the dual control principle and access authorizations, the “Transfer Pricing Guideline” and the “Finance Guideline”.

In addition, Internal Audit Brenntag Group regularly checks compliance with these Group guidelines at the subsidiaries.

Summary assessment of the internal control and risk management system[1)]

In continually addressing internal control and risk management in financial year 2024, the Board of Management identified the potential for improvement in some areas. It responded to any risks detected by initiating immediate measures and organizational changes. In summary, bearing in mind these initiatives, the Board of Management has no indications that the internal control and risk management system is not appropriate and effective.

1) The disclosures in this paragraph are disclosures not typically part of the management report as defined in the preamble to this management report.

Report on opportunities and risks

Brenntag's strategy is geared to steadily improving the efficiency and underlying profitability of the business. The Brenntag Group companies are exposed to a number of risks arising from their business activities in the field of chemical distribution and related areas. At the same time, these business activities also give rise to numerous opportunities to safeguard and nurture the company's competitiveness and growth.

Projects, in particular the strategic initiatives (see the section "Objectives and strategy"), are regularly implemented to maintain and strengthen the Group's profitability. These projects focus on exploiting opportunities to increase operating gross profit and on optimizing costs.

To limit or entirely eliminate possible financial consequences of risks that may occur, Brenntag has, insofar as is possible, taken out appropriate insurance for the size of its businesses to cover damage and liability risks. The following sections describe the risks and opportunities which could influence the business performance, financial position and results of operations of the Brenntag Group. Similar, organizationally or functionally related risks have been systematically grouped in risk categories. The estimates made per risk category relate to the net risk. Unless stated otherwise or obvious from the context, the following statements on risks and opportunities refer to all Brenntag segments.

As part of Group risk management, Brenntag also analyzes environmental, social and governance-related (ESG) aspects, such as environmental matters, employee matters, human rights, anti-corruption and bribery matters and their respective risk aspects. The risks are transferred into the Group sustainability statement if they were identified as material in the course of the double materiality assessment.[1)]

The process of aggregation into risk categories includes risks only and does not offset risks against opportunities. In the further explanations of the risk categories, possible opportunities are considered individually and described separately and independently of the risks. Possible changes, if any, in the risk categories' overall risk are discussed separately in the relevant paragraphs. The assessment of corporate risks for financial year 2024 in the 2025 analysis period (as at Dec. 31, 2024) and the prior-year comparative assessment are as follows:[2)]

			Overall risk	
Risk category	Possible extent of damage	Probability of occurrence	**Dec. 31, 2024**	**Dec. 31, 2023**
Economic environment and political stability	High	Possible	**High**	High
Market risks	Critical	Possible	**High**	High
Strategic risks	High	Possible	**High**	High
IT risks	High	Possible	**High**	High
Legal risks	High	Possible	**High**	Medium
Tax risks	High	Possible	**High**	High
Personnel risks	High	Improbable	**Medium**	Medium
Financial risks	High	Improbable	**Medium**	Low
Operational risks	High	Improbable	**Medium**	Medium
Environmental protection, health and safety	High	Improbable	**Medium**	Medium
Compliance risks	Medium	Possible	**Medium**	Medium
ESG risks	Medium	Possible	**Medium**	Medium
Acquisition risks	Medium	Possible	**Medium**	Medium
Quality assurance risks	Low	Improbable	**Low**	Low

2.16 Overview of corporate risks

1) The disclosures in this paragraph also meet disclosure requirements under ESRS 2 (GOV-5 – Risk management and internal controls over sustainability reporting).
2) The disclosures in this paragraph also meet disclosure requirements under ESRS 2 (GOV-5 – Risk management and internal controls over sustainability reporting).

- **Economic environment and political stability:**

Due to the international nature of its business, Brenntag is exposed to a number of economic, political and other risks, and the possibility that negative developments in individual regions or countries might have an adverse effect on its business or financial position cannot be entirely ruled out. For example, natural disasters, pandemics or the instability of the economic and political situation in regions or countries in which Brenntag operates may have a negative impact on its business and its operating result. Countries and regions with an unstable economic and political situation are often emerging markets, which offer great opportunities due to above-average growth. Overall, the international nature and related diversification of the business balances out the risks. Moreover, a large percentage of business is conducted in stable economies.

Economic downturns may also have a negative impact on Brenntag's sales and operating gross profit. In addition to sales risks arising from rising unemployment in certain countries, high levels of public debt and moderate inflationary pressures, a pronounced economic downturn in our core markets in particular, an increase in protectionist tendencies as a result of the election result in the United States and the possible escalation of global, geopolitical tensions may lead to falling demand. Global supply chains have remained very strained and the trend in energy prices poses an additional challenge for international trade. The significant factors influencing the outlook include further developments and effects attributable to higher energy and supply costs in Europe, the trend in inflation in the USA and Europe, and the economic trend in China. Brenntag has drawn up lists of measures for various scenarios, depending on possible political and economic developments.

The constant dialog with customers and suppliers in the region also enables Brenntag to identify any impact on its business and supply chains at an early stage and respond accordingly. In a recession, lower profitability on the part of customers could lead to higher bad debt losses. We counter this risk through a high level of diversification – by geography, customer industries, suppliers, products and customers – and, where appropriate, by using credit insurance and credit reference agencies.

The increase in geopolitical risks could lead to more supply chain bottlenecks and therefore require rapid adaptability and flexibility in sourcing goods. In addition, difficult-to-predict processes of industrial change have accelerated. Due to its broad geographical footprint, close supplier relationships, diversified product portfolio, and global supplier and customer relationships, Brenntag is well able to balance out and overcome bottlenecks in the supply chain. However, any strain on global supply chains harbors the risk of further increases in raw materials prices as well as the risk that these additional costs cannot be fully passed on to customers. In order to ensure a supply of raw materials at the best possible price, Brenntag continuously analyzes supply chains and occasionally stockpiles inventories as a safety cushion. This, in turn, raises the risk that, if the situation in the raw materials market were suddenly to ease, the inventories could be too expensive and have to be sold at less than their value. This risk is countered by Brenntag's business model due to a high level of inventory turnover. There is a further risk that customers could start substituting products with cheaper alternatives, especially in the case of commodity chemicals.

Brenntag continuously analyzes all risks relevant to its business and promptly takes all the necessary and possible measures to counter them.[1)]

On the sales side, risks may arise from political measures, more specifically from tighter standards and increasing regulation, which frequently, however, represent an opportunity for advantage over many medium-sized competitors. Based on its global expertise, such as in the field of regulation, and its broad portfolio of products and services, as a result of which alternative procurement channels can frequently be used, Brenntag is superbly positioned to be able to serve its customers' requirements at all times. This was seen especially during the COVID-19 pandemic and the container shortage, for example.

1) The disclosures in this paragraph also meet disclosure requirements under ESRS 2 (GOV-5 – Risk management and internal controls over sustainability reporting).

- **Market risks and opportunities:**[1)]

Geopolitical developments may disrupt sales markets.

Brenntag's strategic development is geared to the current global, regional and local market growth drivers.

Brenntag's business is managed through two global divisions focused on customer and supplier needs: Brenntag Specialties and Brenntag Essentials. Based on this, there are major sales opportunities of strategic significance for Brenntag in the flexible and efficient marketing of process chemicals and in the large, globally relevant focus industries served by Brenntag Specialties, namely Life Science (Nutrition, Pharma and Beauty & Care) and Material Science.

In addition, its global network and comprehensive portfolio of products and services places Brenntag in a unique position to meet customers' increasing requirements for pan-regional and global end-to-end solutions. The growing demand for customer-specific solutions, blending and services and alternative sales channels also open up further growth opportunities.

As an international Group, Brenntag sees opportunities in all regional markets to extend its market lead. The continuous expansion of its geographic presence in emerging markets, particularly in the Asia Pacific region, offers above-average growth opportunities. Brenntag intends to continue to optimally exploit the opportunities presented by company acquisitions and the active consolidation of the fragmented chemical distribution market.

In terms of product sourcing, Brenntag's operating model enables it to achieve economies of scale. The optimization of the local product portfolios through sales partnership agreements with chemical producers for new products or product categories offers further potential. In addition, Brenntag intends to continue to actively realize the potential that arises as a result of chemical producers outsourcing supply chain and sales activities. The global distribution network and the experienced professional organization at all levels of the Brenntag Group are key elements for tapping this potential.

Through the "Advanced Operating Model", Brenntag is optimizing the differentiated management of the two divisions Brenntag Specialties and Brenntag Essentials with a view to making optimum use of the opportunities outlined (please also see the section "Objectives and strategy"). The plans for the operational and legal separation of the two divisions were modified in the reporting period. In separating the two divisions, Brenntag will concentrate on those units which offer the greatest potential for value creation and differentiation. More specifically, the sales and sourcing organizations will be separated with a view to supporting the divisions' differentiated management and improving business performance.

Brenntag plans to leverage customers' increasing need for sustainable solutions and products to strengthen its position as market leader through the pioneering role it aims to play in responsible and sustainable chemical distribution. Through its transformation into a data- and technology-driven company which began some years ago, it also intends to fully exploit the potential of digital solutions in all Brenntag business models while at the same time enabling more efficient and reliable supply chains. Moreover, through continuing M&A activities, Brenntag wishes to leverage growth opportunities in attractive market segments.

At local level, Brenntag creates the right conditions through its operating activities to effectively and efficiently exploit the opportunities which the markets offer.

In some local markets Brenntag serves, competition from other chemical distributors is growing. This stronger competition, which is partly due to the increasing pan-regional activities and consolidation among competitors as well as the development of new sales channels, some of them digital, is a risk that might negatively impact sales and earnings. Brenntag therefore works continually to improve its product and service portfolio and build its own digital sales channels and tools. The local business might also be impacted by customers relocating to low-cost countries. However, Brenntag sees its extensive global presence as a key factor in balancing out these local risks.

As far as possible, the sourcing risk related to the supply of strategically important raw materials is offset through long-term contracts and / or partnerships with different suppliers and alternative supply sources. However, the purchase prices can vary considerably depending on the market situation and impact on cost structures. To safeguard its competitiveness, Brenntag counteracts these risks by adjusting sales prices, through international procurement and through strict cost management.

In the course of the central review process, the estimate of probability of occurrence resulting from aggregation was changed from "improbable" to "possible" on the basis of the current market assessment.

The risk arising from future market developments is counteracted by constantly monitoring markets and competitors as well as by holding regular strategy meetings.

[1)] The disclosures in this section also meet disclosure requirements under ESRS 2 (GOV-5 – Risk management and internal controls over sustainability reporting).

- **Strategic risks:**

Strategic opportunities and risks for the Brenntag Group stem primarily from the ongoing transformation efforts and their successful or delayed implementation. Opportunities to increase EBITA through the two divisions' differentiated strategies, through the further transformation into independent and autonomous divisions, and through the DiDEX initiatives contrast with the risk that these efforts will be delayed or ultimately fail.

Emerging or widening geopolitical risks, for example as a result of the war between Russia and Ukraine, in Northeast Asia, in the Middle East or through increased protectionist measures as a consequence of the US elections, could adversely affect the Brenntag Group's regional business performance. Due to its global footprint, however, Brenntag is well positioned to offset the effects in a region.

The allocation of the business portfolio to the two divisions reflects the different market requirements of Essentials and Specialties in the industrial and specialty chemical markets, and positions the divisions such that they are able to better leverage the profitable growth in their respective business environment. However, this allocation also harbors a risk of lost business as a result of temporary coordination problems, for example.

Intensifying competition as a result of competitors' transformative M&A activities may lead to an increased risk of falling behind the growth rates of other competitors in the trend toward consolidation in chemical distribution markets regionally and globally. However, Brenntag intends to carefully analyze such inorganic growth opportunities and actively participate if the risk / reward profile is judged to be positive for Brenntag.

- **IT risks and opportunities:**

IT and cyber risks result, on the one hand, from the dependency of business processes on digital technologies and the centralization of business workflows, and on the other from external cybersecurity risks, such as the increasing cyber threat posed by malicious actors (e.g. manipulation and theft of data through hacker attacks and the use of leading-edge technologies). These risks could result in a partial or complete interruption to business operations; data could be manipulated, stolen or destroyed.

Brenntag counters these risks through regular employee training delivered in the course of campaigns to raise awareness of digital security, by designing and implementing organizational and technical measures, such as cyber risk management and threat defense, by immediately detecting, investigating, containing and resolving incidents through continuous investment in technologies to reduce risk, such as vulnerability management, endpoint security, firewall systems, data security measures, identity and access management systems, systems to prevent the loss of data, systems to manage security events and by introducing information security guidelines.

These risk management measures in relation to information security are monitored using Group-wide information security principles, standards and directives. The increasing use of IT systems and data analytics technologies results in increased risks due to greater dependency on the availability of those systems. Opportunities stem from improved operational efficiency, the reconfiguration of processes and improved collaboration between all parties involved. In addition, IT-managed systems generally improve the quality and reliability of internal controls and data protection.

Brenntag believes that using leading-edge technologies to achieve its strategic objectives is a necessity and a business imperative. The company therefore invests continuously in the further development and reliability of its digital landscape, in particular but not exclusively in the confidentiality, integrity, availability and resilience of the ERP systems, the digital platforms and the supply chain ecosystem.

- **Legal risks:**

Brenntag SE and individual subsidiaries have been named as defendants in various legal actions and proceedings arising in connection with their activities as a global group. Sometimes, Brenntag is also the subject of investigations by the authorities. Brenntag cooperates with the relevant authorities and, where appropriate, conducts internal investigations regarding alleged wrongdoings with the assistance of in-house and external counsel.

The decision issued by the French Competition Authority in 2013 in relation to the allocation of customers and coordination of prices was set aside by a court of appeal due to procedural errors at the request of our French subsidiary BRENNTAG SA in February 2017. In December 2020, the court imposed a fine of EUR 47 million, which was payable immediately. BRENNTAG SA lodged an appeal against the decision, whereupon the paid fine was reimbursed in November 2023 and the proceedings referred back by the Cour de cassation (Court of cassation) for a further decision. With further steps expected to be taken by the French authorities responsible, a provision was recognized in the amount of the EUR 47 million reimbursement. Regarding the investigation also ongoing at the French Competition Authority concerning whether BRENNTAG SA has illegally made use of its market position, a decision by the Authority is still pending. Based on current knowledge, Brenntag assumes that claims for civil liability arising from the above-mentioned proceedings are not sufficiently substantiated.

Given the number of legal disputes and other proceedings that Brenntag is involved in, it is possible that a ruling may be made against Brenntag in some of these proceedings. The company contests actions and proceedings where it considers it appropriate. Provisions are established for ongoing legal disputes on the basis of the estimated risk and, if necessary, with the help of external consultants. It is very difficult to predict the outcome of such matters, particularly in cases in which claimants seek indeterminate compensation. Any adverse decisions rendered in such cases may have material effects on Brenntag's net assets, financial position and results of operations for a reporting period. However, Brenntag currently does not expect its net assets, financial position and results of operations to be materially affected.

In connection with the sale of talc and similar products, actions have been brought against our North American subsidiaries, against which the Brenntag Group is actively defending itself. The number of actions brought increased significantly compared with the previous year, although the pace slowed over the course of 2024. Taking into account legal advisory costs, the expense amounted to approximately EUR 43 million. In addition, Brenntag has taken measures to mitigate any risks and is asserting claims for compensation from third parties. Nevertheless, the possibility that these legal disputes will result in significant adverse effects on the results of operations cannot be ruled out.

In the course of the central review, the estimate of the effect was changed from "medium" to "high" bearing in mind experience over the course of the year, as a result of which the overall risk increased from "medium" to "high".

- **Tax risks:**

As a global company, Brenntag has to comply with the country-specific tax laws and regulations in each jurisdiction. Tax exposures could result in particular from current and future tax audits of German and foreign subsidiaries. We counter the risks by continuously improving the tax compliance management system bearing in mind auditing standard IDW PS 980 and gradually rolling out this system to other Group companies in Germany and abroad. These risks are generally reflected in the balance sheet by recognizing provisions. We currently see nothing to indicate that we should expect significant new findings from the tax authorities or customs authorities that could lead to additional tax expenses.

- **Personnel risks and opportunities:**[1)]

Personnel risks result mainly from the steadily increasing skills shortage, particularly in sales, logistics and IT, as a result of which Brenntag may lose high performers and staff in key positions or be unable to find a sufficient number of qualified staff to fill vacancies within the Group. The strategic measures that have been initiated, including the cost structure measures, also result in an increased risk of employees leaving the company. Moreover, there is a risk that qualified Brenntag employees will be headhunted by competitors. Brenntag counters these risks by positioning itself globally as the preferred employer in chemical distribution and through measures aimed at long-term employee retention. It also limits these risks through Brenntag's global employer brand and through globally uniform HR programs and measures that allow the Brenntag companies to take into account country-specific legislation and circumstances. Information on Brenntag's HR strategies and tools is provided in the "Social" section of the Group sustainability statement for 2024. Combining these with other early warning indicators, Brenntag is able to promptly identify possible changes in employees' attachment to the company and initiate appropriate management measures where necessary.

[1)] The disclosures in this paragraph also meet disclosure requirements under ESRS 2 (GOV-5 – Risk management and internal controls over sustainability reporting).

- **Financial risks and opportunities:**

Brenntag's business is generally exposed to exchange rate, interest rate, credit and price risks. Due to the fact that Brenntag conducts business in different currency areas, changes in exchange rates may have positive or negative translation effects on the results of the Group. In particular, any change in the euro / US dollar exchange rate may have a substantial impact as a large proportion of business is conducted in the US dollar area. Brenntag has decided not to hedge exchange rate differences resulting from the translation of financial statements of subsidiaries whose functional currency is not the euro (translation risks). On the other hand, transaction exposures resulting from the translation of foreign currency receivables and liabilities into the functional currency of a subsidiary are hedged insofar as is possible and where it makes economic sense to do so. This is based on a Group-wide Finance Guideline that sets out basic requirements and objectives, threshold values and hedging instruments to be used. The Finance Guideline requires Group companies to offset the risks of open net foreign currency exposure using suitable instruments such as forward and swap contracts or to keep them within certain limits. Any exceptions exceeding the above limits must be agreed on a case-by-case basis with the Treasury department.

Unfavorable political developments and fiscal policy decisions in specific countries may have a particularly negative impact in this context.

Risks related to cash investments are limited by only doing business with banks and business partners considered to be of good credit standing. Payments are also handled through such banks. The credit facility under the syndicated loan is made available by a large number of international banks, meaning that availability is ensured through high diversity. Uncollectibility risk is reduced by continually monitoring customers' credit ratings and payment behavior and setting appropriate credit limits. The risk is limited by the large number of customers the company has in different countries; even the largest key account customer only accounts for a very small single-digit percentage of Group sales. In some cases, credit insurance is also taken out in order to limit risks.

The Brenntag Group is partly financed with debt capital. Brenntag is confident that the loan agreements and credit lines, the bonds issued and the liquid funds available are adequate to cover the Group's future liquidity needs, even if requirements should increase unexpectedly. Like comparable loan agreements, the syndicated loan contains a number of customary provisions. In the event of a severe breach of the provisions of the loan agreement, the facility agent appointed by the lenders may call in the loans if he deems this move necessary to safeguard the lenders' interests. As the Group's main financing instruments (syndicated loan, four bonds and promissory notes) all contain cross-default clauses, any breach of contract or calling due of outstanding amounts in respect to one financing instrument could also have a negative impact on the others.

The terms and conditions of the financing instruments are also influenced by the Group's credit rating. A change in the rating that the international rating agencies Standard & Poor's and Moody's assign to Brenntag may impact on the Group's financing terms. The rating may have a positive or a negative impact. Both rating agencies continue to assign an investment grade rating, thereby confirming Brenntag's high credit standing. Moody's currently rates Brenntag at "Baa2" with a stable outlook, while Standard & Poor's has given Brenntag a rating of "BBB+" with a stable outlook.

Some of Brenntag's financing is based on variable interest rates which are subject to fluctuations in market interest rates. This means that Brenntag has both the opportunity to participate in falling market interest rates but also the risk of incurring higher interest cost as a result of rising market interest rates. The split between variable and fixed interest rates is determined as part of interest risk management. Derivative instruments such as foreign exchange forwards, interest rate and currency swaps or combined instruments may be used to hedge risks from financing. Interest rate-related financial risks are mainly managed by the Treasury department at Group headquarters. If individual companies hedge financial risks from operating activities themselves, this is done in consultation with and under the supervision of Group headquarters. This permits a balancing of risks throughout the Group.

The Brenntag Group has obligations to current and former employees as a result of pension commitments. Some of the pension obligations are covered by plan assets. The plan assets are subject to capital market risks, as a portion of them is invested in funds and equities. Any changes in relevant inputs, such as an increase in life expectancy or salaries, may lead to higher cash outflows and higher present values of the defined benefit obligation. To some extent regionally, contributions are also paid into defined benefit pension plans maintained by more than one employer (termed multi-employer plans). If other participating employers do not meet their payment obligations, Brenntag may be liable for the obligations of those employers.

The above-mentioned financial risks are also relevant mainly for the single-entity financial statements of Brenntag SE prepared in accordance with German commercial law. In addition, the company is exposed to impairment risk on the equity investments it holds. The continuous monitoring of the investments in subsidiaries is an integral part of our risk management, meaning that potential impairments are identified at an early stage and, if necessary, countermeasures can be taken to stabilize or improve the subsidiaries' profitability.

The year-on-year increase in the overall risk from "low" to "medium" is attributable to the fact that, in this reporting period, the foreign currency risks in the Group increased in jurisdictions where hedging instruments cannot be used.

- **Operational risks:**

Brenntag's business is subject to operational risks. As a chemical distributor, Brenntag is exposed to the risk of interruptions to business, quality problems or unexpected technical difficulties, for example as a result of the incorrect handling of chemicals or machinery and equipment on site and during transportation. Disruptions and outages at its warehouse sites or during transportation may lead to delivery delays and falling sales revenues. Brenntag counters this risk through extensive safety measures at its sites and regionally standardized quality and safety manuals, by specifically training employees in how to handle chemicals correctly and through safety campaigns across the sites. In addition, Brenntag has taken out appropriate business interruption insurance for sites where any disruption might pose the threat of interruptions to business due to the local geographical site structure and / or portfolio structure, as well as increased cost of working cover for all sites. As Brenntag frequently uses the sites of external providers as well as its own sites, it is possible that it may (partly) relocate to different external sites in the event of an interruption to business so that it can continue to ensure that customers are supplied.

Risks may also arise if the products purchased and delivered to customers do not meet the specified and agreed quality, the wrong products are delivered or if, in specific cases, their sale is subject to restrictions. The distribution of certain products may result in particular liability risks. However, the procedures that have been established guarantee a good level of assurance that products are procured from reliable sources and that they are the right ones, meet the required standard of quality and are sold on in accordance with the law. In addition, there is product liability insurance, including extended product liability cover, to cover the above-mentioned losses.

- **Quality management, safety, health, environmental protection and ESG:**[1)]

The safety, health and environmental risks associated with chemical distribution are managed through rigorous safety measures at the sites and are an integral part of Brenntag's QSHE (Quality, Safety, Health, Environment) strategy. The QSHE strategy is based on central pillars that place a culture of safety front and center, supported by a team that fosters shared responsibility at all levels. A robust management system provides for clear guidelines, directives and proven practices, and ensures that these are adapted in line with regional requirements. Active training, communication and strict monitoring by way of self-assessments, audits and action plans foster continuous improvements.

As a chemical distributor, Brenntag generally operates in a complex regulatory environment. Cross-country teams of product regulation specialists are deployed to ensure that operating and business processes are in compliance with the relevant requirements. Here too, Brenntag sees itself in a good position due to its scale, its central systems and its expertise.

As an important player in the chemicals industry, Brenntag is aware of its responsibility as regards social standards. Respect for international human rights is embedded in the Group through a human rights risk management system that is monitored by the Human Rights Officer. Among other things, the system includes risk analyses that are conducted both in Brenntag's own operations and at suppliers. Further information on human rights and the supply chain is published in the sustainability statement. The monitoring of human rights compliance and environmental, health and safety risks is part of the sustainability strategy. The Board of Management sets the ESG targets at the beginning of the year and is informed about the achievement of targets once a quarter.

[1)] The disclosures in this section also meet disclosure requirements under ESRS 2 (GOV-5 – Risk management and internal controls over sustainability reporting).

Environmental protection and climate change mitigation play an important role at Brenntag. Brenntag's goal worldwide is to conserve resources, make optimum use of them and minimize the impact of its business activities on the environment. Climate change may give rise to a range of different risks for Brenntag, but also to opportunities. Brenntag has sites all over the world and acute risks are increasingly expected as a result of extreme weather events such as hurricanes and flooding. In order to better prepare the Brenntag sites for such climatic changes, Brenntag analyzed the threat to its sites posed by physical risks in three global warming scenarios. In addition, extensive precautionary measures are set out for foreseeable critical weather conditions. In particular, these include removing or securing sensitive products and equipment from storage areas that are particularly under threat. Plans are drawn up to ensure that customers will be supplied from other sites in the Brenntag network should sites be temporarily out of operation following such events. In addition, the global fight against climate change will lead to structural, regulatory and technological changes in the market on the one hand, but also to increased costs as a result of preventive technologies or government carbon taxes on the other.

Reducing CO_2 emissions (Scope 1 and 2) to net zero by 2045 and reaching net-zero emissions across the value chain (Scope 3) by 2050 are important ESG targets. For Brenntag's product portfolio too, sustainability is an important metric that ensures that Brenntag is well positioned with regard to possible market changes.

In the course of the central review process, the estimate of probability of occurrence resulting from aggregation for ESG risks was changed from "improbable" to "possible" on the basis of the current assessment, and that of the possible extent of damage from "high" to "medium". This does not affect the overall risk estimate for ESG risks.

- **Compliance and data protection risks and opportunities:**[1)]

As a global company, Brenntag is subject to a large number of laws and provisions in each country in which it operates. Brenntag sees compliance and data protection as strategic success factors that help to reduce the risks to the company, while at the same time creating added value for its partners.

For Brenntag to be able to cooperate with its business partners as a reliable partner of integrity, it is essential to comply with the applicable laws and regulations, as this ensures a working relationship of trust with partners based on shared fundamental beliefs. Among other things, Brenntag has introduced a compliance management system to minimize the risk of unethical business conduct. This is constantly further developed so as to meet current requirements and developments. Compliance involves conducting business in accordance with the relevant regulations. In particular, any form of corruption, bribery or fraud is forbidden at Brenntag. Other focal points of the compliance activities at Brenntag include working toward compliance with antitrust, foreign trade and data protection requirements.

As the global market leader in chemical distribution and as a company with operations around the globe, Brenntag conducts business worldwide. In a rapidly changing environment, Brenntag's business may be impacted by export control regulations, embargoes or other types of trade restriction, among other things. Brenntag must comply with all the foreign trade laws applicable to it, such as restrictions on exports and imports of particular goods, services and technologies to or from countries subject to sanctions or embargoes. Internal regulations set out further specifications for employees in foreign trade.

Identifying sanctioned companies and persons, and the related task of ensuring compliance with various sanctions provisions are other duties performed in compliance work at Brenntag. For this, Brenntag uses an automated, IT-based solution, among other things. With the help of a special software application, regular checks are carried out against the sanction lists issued by the United Nations, the European Union, the USA and various other countries.

[1)] The disclosures in this section also meet disclosure requirements under ESRS 2 (GOV-5 – Risk management and internal controls over sustainability reporting).

The binding rules requiring all employees to treat one another and business partners fairly are set out in particular in Brenntag's Code of Business Conduct and Ethics and in other internal guidelines. Failure to observe those rules can give rise to risks and this is counteracted primarily through various controls and checks as well as through regular audits. Brenntag employees are required to familiarize themselves with the content of the Code of Business Conduct and Ethics and comply with its provisions.

Brenntag has established processes to receive and handle internal and external complaints and compliance notifications throughout the company. Reports of possible compliance violations are received, among other means, through an electronic whistleblowing system. All incoming reports are taken seriously and investigated. If an investigation of the underlying circumstances confirms the suspicion, measures are taken to punish a violation and further develop relevant processes.

As a company with operations worldwide, Brenntag is also subject to laws and regulations relating to data protection. Breaches of data protection regulations may lead to large penalties and substantial reputational damage. Brenntag has introduced a data protection management system to mitigate these risks. A global data protection unit has been established, which works together with regional and local data protection coordinators to continuously ensure compliance with relevant data protection requirements and further develop the data protection management system.

Employees are made aware of compliance and data protection issues through various communication measures, such as newsletters and information campaigns, and through comprehensive training measures, among other things.

The introduction of compliance and data protection management systems and regular employee training play an essential role in establishing a corporate culture characterized by integrity and a sense of responsibility. This not only strengthens internal collaboration, but also enhances the company's market position and reputation over the long term. Brenntag responds flexibly and with foresight to regulatory changes and, accordingly, continuously further develops the management systems taking into account local requirements. This enables potential risks to be identified at an early stage and helps to foster innovative approaches.

- **Acquisition risks and opportunities:**

In the Brenntag Group, every decision to acquire is linked to minimum requirements on the internal rate of return of the particular investment. The company valuations incorporating the findings of due diligence work performed are of central importance in acquisitions. Therefore, all significant risks and opportunities are systematically recorded and an appropriate purchase price determined. Company acquisitions always involve risks surrounding the integration of employees and business operations. Particularly when acquiring small companies, there is often a particular dependency on a handful of key employees. Significant integration risks mainly include the loss of the acquiree's key employees and the loss of business relationships with suppliers and customers. Achieving the planned growth in the acquired business and realizing the planned synergies from the transaction are other significant areas of risk. Brenntag strives to limit these risks with adequate transaction structures, by conducting opportunity and risk analyses at an early stage in the approval process, with the support of external consultants and with specific contract structures (e.g. incentive, warranty and retention clauses). In the past, M&A activities focused on Europe, North America and Asia, while in 2024 Latin America was a focal point. In the case of acquisitions in emerging markets in Asia and Latin America, purchase prices are sometimes higher and the risks are also higher (e.g. compliance risks, higher working capital funding requirements, integration risks, foreign currency risks). On the other hand, however, there are also much greater opportunities due to higher expected growth rates. Strong market fragmentation regularly gives rise to acquisition opportunities for Brenntag (multitude of acquisition opportunities). Brenntag can selectively pursue acquisition targets with the most suitable target entities and a number of opportunities arise to support strategic objectives through acquisitions. Systematic use of a practiced acquisition and integration process helps to minimize risks and exploit potential. We counter integration risk with an updated version of the post-merger integration manual. The current market dynamics in chemical distribution, with falling price levels in some cases and possibly lower share prices or transaction multiples, may result in more favorable M&A opportunities, but at the same time pose a risk of the company itself becoming an acquisition target. In the course of the central review process, the estimate of probability of occurrence resulting from aggregation was changed from "improbable" to "possible" on the basis of the current assessment, and that of the possible extent of damage from "high" to "medium". This does not affect the overall risk estimate.

Summary of the opportunities and risk situation

During the past financial year, the executive directors once again continuously updated and assessed the risk situation for the Brenntag Group. The Group's risk position did not change significantly during that period. In our opinion, the risks described in the section "Report on opportunities and risks" do not jeopardize the continued existence of the company, either individually or collectively, and do not exceed its risk-bearing capacity. It can be concluded, therefore, that none of the risks, either in isolation or in aggregate, compromises the going concern principle from an equity or liquidity standpoint. Additional risks and opportunities that are not yet known or risks that are currently considered immaterial may also have a negative impact on our business operations. Brenntag is convinced that the challenges arising from the risks described above can continue to be mastered successfully.

Explanatory report on information required under Sections 289a and 315a of the German Commercial Code (HGB)

Composition of the subscribed capital

As at December 31, 2024, the subscribed capital of Brenntag SE totaled EUR 144,385,372. The share capital is divided into 144,385,372 no-par value registered shares, each with a notional value of EUR 1.00.

According to article 7, para. 3 of the Articles of Association of Brenntag SE, any right of shareholders to certification of their shares is excluded to the extent permitted by law and that certification is not required under the rules of any stock exchange on which the share is admitted to trading. The company is entitled to issue share certificates embodying several shares (consolidated certificates). Pursuant to Section 67, para. 2 of the German Stock Corporation Act (AktG) in conjunction with Article 9, para. 1 (c) (ii) of Council Regulation (EC) No 2157/2001 on the Statute for a European company ("the SE Regulation"), only those persons recorded in the company's share register will be recognized as shareholders of Brenntag SE. For purposes of recording the shares in the company's share register, shareholders are required to submit to Brenntag SE the number of shares held by them, and, in the case of individuals, their name, address and date of birth, or in the case of legal entities, their company name, business address and registered offices. All shares confer the same rights and obligations. At the Annual General Meeting, each share has one vote and accounts for the shareholders' proportionate share in the net income of Brenntag SE. Excepted from this rule are any treasury shares held by Brenntag SE that do not entitle Brenntag SE to any membership rights. Brenntag SE does not currently have any treasury shares. The shareholders' rights and obligations are governed by the provisions of the German Stock Corporation Act (which apply to an SE as a European stock corporation by way of the reference to other relevant provisions contained in Article 9 of the SE Regulation), in particular by Sections 12, 53a ff., 118 ff. and 186 of the German Stock Corporation Act.

Restrictions on voting rights or transfer of shares

The Board of Management of Brenntag SE is not aware of any agreements relating to restrictions on voting rights or on the transfer of shares.

Direct or indirect interests in the capital of the company exceeding 10% of the voting rights

As at December 31, 2024, the company was aware of two direct or indirect interests in the capital of the company that exceeded 10% of the voting rights. Section 33 of the German Securities Trading Act (WpHG) requires that any investor whose percentage of voting rights in Brenntag SE reaches, exceeds or falls below certain thresholds as a result of purchases, disposals or otherwise must notify Brenntag SE and the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht). On November 15, 2024, Brenntag was informed pursuant to Section 33 of the German Securities Trading Act that Kühne Holding AG's share of the voting rights exceeded 15%. On November 19, 2024, Artisan Partners Limited Partnership provided notification that its share of the voting rights exceeded 10%. Other voting right notifications in accordance with Section 33 of the German Securities Trading Act received by Brenntag SE in the reporting period concern shares of the voting rights in excess of the 3% and 5% thresholds.

Shares with special rights conferring powers of control

There are no shares with special rights conferring powers of control.

System of control of any employee participation scheme where the control rights are not exercised directly by the employees

Brenntag SE does not have a general employee participation scheme.

Legislation and provisions of the Articles of Association applicable to the appointment and removal of the members of the Board of Management and governing amendments to the Articles of Association

The appointment and removal of members of the Board of Management are subject to the provisions of Sections 84 and 85 of the German Stock Corporation Act. The Supervisory Board appoints the members of the Board of Management for a maximum term of five years. Their appointment may be resolved according to article 13, para. 4 of the Articles of Association of Brenntag SE by simple majority of votes. In the event of a tie, the Chair of the Supervisory Board has the casting vote. According to article 9, para. 1 of the Articles of Association of Brenntag SE, the Board of Management consists of one or more persons. The specific number of members of the Board of Management is determined by the Supervisory Board. As at December 31, 2024, the Board of Management of Brenntag SE consisted of four members.

Contrary to Sections 133, para. 1 and 179, para. 2, sentence 1 of the German Stock Corporation Act, article 20 of the Articles of Association of Brenntag SE stipulates that in cases that require the majority of the share capital represented when the resolution is passed, the simple majority of the capital represented is sufficient. However, this does not apply to changes to the object of the company, as Section 179, para. 2, sentence 2 of the German Stock Corporation Act only permits amendments to a company's Articles of Association regarding the object of the company to be adopted with larger majorities than three-quarters of the capital represented when the resolution is passed. The authority to adopt purely formal amendments to the Articles of Association is transferred to the Supervisory Board under article 14, para. 2 of the Articles of Association of Brenntag SE. In addition, by resolution of the Annual General Meeting on June 9, 2022, the Supervisory Board was authorized to amend the Articles of Association of Brenntag SE in connection with the creation of new authorized capital after implementation of each capital increase and after expiry of the authorization period without use of the authorized capital.

Powers of the Board of Management to issue or repurchase shares

Authorization to create authorized capital

By resolution of the Annual General Meeting on June 9, 2022, the Board of Management was authorized, with the approval of the Supervisory Board, to increase the share capital of Brenntag SE on one or more occasions in the period to June 8, 2027 by a total of up to EUR 35,000,000 by issuing up to 35,000,000 new registered ordinary shares in return for cash contributions or contributions in kind. The shareholders shall generally be granted a subscription right. However, in certain cases the Board of Management is authorized, with the approval of the Supervisory Board, to exclude the shareholders' statutory subscription rights for one or more capital increases under the authorized capital. This shall apply, for example, if the capital increase is effected against cash contributions and the issue price of the new shares is not significantly lower than the stock market price of the shares of the same class and carrying the same rights already traded on the stock market at the time of final determination of the issue price within the meaning of Section 203, para. 1 and para. 2 and Section 186, para. 3, sentence 4 of the German Stock Corporation Act and the total pro rata amount of registered share capital represented by the new shares issued in accordance with this paragraph with exclusion of subscription rights pursuant to Section 186, para. 3, sentence 4 of the German Stock Corporation Act is not less than 10% of the registered share capital (simplified exclusion of subscription rights). The 10% threshold will be determined based on the share capital at the time the authorization becomes effective. If the share capital is lower at the time this authorization is exercised, that lower amount will apply.

The Board of Management shall decide on the further content of the share rights and the conditions of the issuance of shares with the approval of the Supervisory Board.

Authorization to acquire and use treasury shares in accordance with Section 71, para. 1, no. 8 of the German Stock Corporation Act

By resolution of the Annual General Meeting on May 23, 2024, the Board of Management was authorized, with the approval of the Supervisory Board, to acquire treasury shares up to a total of 10% of the share capital. The shares acquired on the basis of this authorization, together with other shares in the company which Brenntag SE has already acquired and still holds, may at no time account for more than 10% of the respective registered share capital. The authorization may be exercised in whole or in part, once or several times. It took effect at the close of the Annual General Meeting on May 23, 2024 and shall be valid until May 22, 2029. If the shares are purchased on the stock exchange or through a multilateral trading facility within the meaning of Section 2, para. 6 of the German Stock Exchange Act (MTF), the purchase price (excluding incidental costs) may not be more than 10% higher or lower than the arithmetic mean of the share prices (closing auction prices of Brenntag SE shares in Xetra trading or a comparable successor system) on the Frankfurt Stock Exchange on the last five trading days prior to the purchase or the entering into an obligation to purchase. In the case of acquisition by means of a public purchase offer, Brenntag SE may either publish a formal offer or issue a public invitation to submit offers for sale. The purchase price offered (excluding incidental costs) or the limits of the purchase price range per share determined by Brenntag SE (excluding incidental costs) may not exceed or fall below the arithmetic mean of the share prices on the Frankfurt Stock Exchange on the last five trading days prior to the publication of the purchase offer or the invitation to submit offers by more than 10%. The authorization may be exercised for any purpose permitted by law. The Board of Management was authorized, with the approval of the Supervisory Board, to cancel the treasury shares acquired on the basis of the authorization pursuant to Section 71, para. 1, no. 8 of the German Stock Corporation Act without any further resolution by the Annual General Meeting. The cancelation may be limited to a portion of the shares acquired. The authorization to cancel shares may be exercised more than once. The cancelation of shares generally leads to a reduction in registered share capital. In derogation of this, the Board of Management may determine that the registered share capital shall remain unchanged and that instead the cancelation shall increase the proportion of the registered share capital represented by the remaining shares in accordance with Section 8, para. 3 of the German Stock Corporation Act. In this case, the Board of Management is authorized to adjust the indication of the corresponding number in the Articles of Association. Treasury shares may, under certain circumstances, also be used subject to exclusion of the shareholders' subscription rights existing in principle and in particular by way of simplified exclusion of subscription rights as specified above.

On March 7, 2023, the Board of Management of Brenntag SE resolved on a share buyback program of up to EUR 750 million with the approval of the Supervisory Board and exercising the authorization granted at the Annual General Meeting held on June 9, 2022. In the course of the second tranche in the period to March 6, 2024, Brenntag SE acquired 3,068,465 no-par value shares, each with a notional value of EUR 1.00 (EUR 249,999,944.46 in total). The shares were acquired on the electronic trading platform of the Frankfurt Stock Exchange (Xetra). Exercising the above-mentioned authorization to cancel treasury shares acquired pursuant to Section 71, para. 1, no. 8 of the German Stock Corporation Act, the company's share capital was reduced from EUR 147,453,837.00 – by EUR 3,068,465 – by canceling 3,068,465 no-par value registered shares, each with a notional value of EUR 1.00, which the company acquired in the period to March 6, 2024. The 3,068,465 no-par value shares held by the company and acquired under the share buyback program were canceled.

Authorization to issue bonds and to create conditional capital

By resolution of the Annual General Meeting on June 9, 2022, the Board of Management was authorized ("Authorization 2022"), with the approval of the Supervisory Board, to issue holder or registered convertible bonds or bonds with warrants as well as profit participation rights or profit participating bonds with option or conversion rights on one or more occasions up to June 8, 2027 for a total nominal amount of up to EUR 2,000,000,000 with or without limited term ("Bonds") and to grant the holders or creditors of the Bonds option or conversion rights to up to 15,450,000 new Brenntag SE shares with a pro rata total amount of the registered share capital of up to EUR 15,450,000 in accordance with the respective option or convertible bond conditions or profit participation right or participating bond conditions ("Conditions") to be determined by the Board of Management. In order to grant shares to the holders or creditors of Bonds, the registered share capital was conditionally increased at the Annual General Meeting on June 9, 2022 by up to 15,450,000 no-par value registered shares conferring profit-sharing rights from the beginning of the financial year in which they were issued ("Conditional Capital 2022"); this equates to an increase in the registered share capital of up to EUR 15,450,000. The Bonds may, in addition to euros, also be issued in a foreign legal currency, subject to a limit of the corresponding equivalent value in euros, and by companies dependent on Brenntag SE or in which it holds a majority interest; in this case, the Board of Management was authorized, with the approval of the Supervisory Board, to assume the guarantee for the Bonds on behalf of Brenntag SE and to grant the holders of such Bonds option or conversion rights to Brenntag SE shares and to make other declarations and take other actions necessary for a successful issue. The issues of Bonds may be divided into partial Bonds each having equal rights. Bonds may only be issued against contribution in kind, provided that the value of the contribution in kind corresponds to the issue price and that this price is not significantly lower than the theoretical market value of the Bonds determined in accordance with recognized methods of financial mathematics. The Board of Management is authorized, under certain circumstances and with the approval of the Supervisory Board, to exclude shareholders' subscription rights to the Bonds. However, with regard to the exclusion of subscription rights against cash payment, this authorization shall apply only provided that the shares issued to fulfil the option or conversion rights and / or in the case of fulfilment of the conversion obligation represent no more than 10% of the registered share capital (simplified exclusion of subscription rights). The 10% threshold will be determined based on the share capital at the time the authorization becomes effective. If the share capital is lower at the time this authorization is exercised, that lower amount will apply.

When convertible bonds, profit participation rights or profit participating bonds with conversion rights are issued, the holders are granted the right to exchange their Bonds for new Brenntag SE shares in accordance with the more detailed Conditions.

When bonds with warrants, profit participation rights or profit participating bonds with option rights are issued, one or more warrants shall be attached to each partial bond or each profit participation right or each participating bond, entitling the holder to subscribe for Brenntag SE shares in accordance with the more detailed Conditions.

New shares are issued at the option or conversion price to be set in accordance with the aforementioned resolution granting authorization.

Significant agreements which take effect, alter or terminate upon a change of control of the company following a takeover bid

As at the reporting date, the most important component in Brenntag's financing structure is the Group-wide loan agreement concluded with a consortium of international banks. The total loan volume is described in the section "Capital structure". The main conditions are laid down in a syndicated facilities agreement entered into in February 2023. Under this agreement, individual lenders have the right to terminate the agreement if any person or group of persons acting in concert acquire directly or indirectly more than 50% of the shares issued or the voting rights in Brenntag SE. The right to terminate in the event of a change of control is preceded by a 30-day negotiating period on the continuation of the loan agreements. If the parties involved cannot reach agreement on the continuation of the loan agreements in this period, each lender can within ten days terminate his involvement as a lender in the agreement by giving notice of at least another 30 days and request payment of the outstanding loan amounts.

Section 5 of the conditions of issue relating to the Bond 2025 in the amount of EUR 600.0 million issued by Brenntag Finance B.V. in September 2017 also contains provisions governing a change of control, under which bondholders may request that the bond be repaid early if the rating is downgraded within a certain period of a change of control (in each case as defined in the conditions of issue).

Furthermore, section 5 of the conditions of issue relating to the Bond 2029 in the amount of EUR 500.0 million placed by Brenntag Finance B.V. in September 2021 and paid out in October 2021 (first issue under the newly established debt issuance program) also contains a provision governing a change of control, under which bondholders may likewise request that the bond be repaid early if the rating is downgraded within a certain period of a change of control (in each case as defined in the conditions of issue).

Section 5 of the loan agreement relating to the promissory note transaction placed by Brenntag SE in August 2022 for around EUR 640 million also contains provisions governing a change of control. In this case too, the lenders may request that the notes be repaid early if the rating is downgraded within a certain period of a change of control (as defined in the loan agreement).

The conditions of issue relating to the Bonds 2028 and 2032 placed by Brenntag Finance B.V. in April 2024, in each case in the amount of EUR 500.0 million, also contain the same provision governing a request for early repayment in the event of a change of control and a rating downgrade. In addition, the lenders may request early repayment if there is a change in the ownership structure (as defined in the conditions of issue) of a division of Brenntag SE as a result of an M&A transaction, a stock market flotation or a transaction with a similar effect. For this, the division or a part of it must make up at least 20% of the Brenntag Group's consolidated operating gross profit. For this right to be exercised, the rating must also be downgraded as a result (as defined in the conditions of issue).

Compensation agreements with members of the Board of Management or employees in the event of a takeover bid

There are no compensation agreements with members of the Board of Management or employees in the event of a takeover bid.

Corporate governance statement

Brenntag has always attached great importance to good corporate governance. As a globally operating DAX 40-listed company, we are particularly aware of our responsibility and our obligations in this area. The Board of Management and Supervisory Board jointly issue the corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB) and report on the principles of responsible corporate governance at Brenntag, each being responsible for the parts of the report that relate to them. In accordance with Principle 23 of the German Corporate Governance Code in its current version of April 28, 2022, the corporate governance statement is the central instrument of corporate governance reporting.

Corporate Governance

Commitment to responsible corporate governance

As in previous years, in this reporting year the Board of Management and the Supervisory Board thoroughly examined corporate governance and the requirements of the German Corporate Governance Code ("GCGC"). On the basis of these deliberations, they issued, on December 17, 2024, the following declaration of conformity with the recommendations of the GCGC of April 28, 2022:

"Declaration of Conformity by the Board of Management and the Supervisory Board of Brenntag SE in accordance with Article 9, para. 1 lit. c) ii) SE-VO in conjunction with Section 161 of the German Stock Corporation Act (Aktiengesetz)

The Board of Management and the Supervisory Board of Brenntag SE are obliged to resolve a Declaration of Conformity in accordance with Article 9, para. 1 lit. c) ii) SE-VO in conjunction with Section 161 of the German Stock Corporate Act. This declaration was last resolved on December 14, 2023. The Board of Management and Supervisory Board declare that since the last declaration was resolved, all recommendations of the Government Commission on the German Corporate Governance Code in the version dated April 28, 2022 (GCGC 2022) published by the Federal Ministry of Justice in the official section of the Federal Gazette have been complied with and that the recommendations of the GCGC 2022 will continue to be complied with in the future."

Declaration on the suggestions made in the GCGC

Brenntag complies with all suggestions made in the GCGC 2022.

Brenntag publishes an overview of implementation of the GCGC's suggestions on its corporate website at https://corporate.brenntag.com/en/about/corporate-governance/corporate-governance-code/.

Disclosures on corporate governance practice

In line with responsible, prudent and sustainability-focused corporate governance, Brenntag aims to observe legal requirements and voluntary internal codes of conduct (compliance) so it always acts honestly and fairly. To ensure this, the management makes use of various internal control and risk management systems. Furthermore, a compliance organization has been established in the company. Every Brenntag employee is personally responsible for complying with all applicable laws, directives, policies and regulations. The information on corporate governance practice is also published on the website at https://corporate.brenntag.com/en/about/compliance/.

Compliance management and organization: The compliance organization of Brenntag SE is headed by the Board of Management and, within the Board, by the Chairman. The Senior Vice President (SVP) Compliance Brenntag Group of Brenntag SE provides the Board of Management and the Supervisory Board with information on compliance matters every quarter. Reports on compliance and whistleblowing cases and the development of the Group-wide compliance management system are also given in the regular Audit and Compliance Committee meetings of the Supervisory Board. Internal reporting was developed further in the reporting year. Now the CEOs of the two divisions Specialties and Essentials also receive reports as the compliance and whistleblowing cases are differentiated according to the respective division. The compliance management system will continue to be developed in 2025 to keep it in line with the organizational developments in the company. Regional compliance managers ensure coordination of the compliance management system at regional level. They are supported in their work by local compliance contacts. The regional compliance managers are responsible for implementing the Compliance Management System in their respective regions and are the people to contact with regard to compliance matters in their region. They regularly exchange information and experience with SVP Compliance Brenntag Group. This ensures the close networking of compliance management with Brenntag's business activities at regional and local levels.

Code of conduct and company guidelines: As a global company, Brenntag is subject to a large number of laws, directives, regulations and ordinances. In addition to compliance with rules and regulations, honesty and integrity are a particular priority at Brenntag. A comprehensive Code of Business Conduct and Ethics summarizes all fundamental company values, ethical principles, compliance with laws, rules and regulations as well as the relevant guidelines and procedures which are of key significance for Brenntag and its reputation. The Code of Business Conduct and Ethics contains in particular the standards and rules Brenntag applies in the areas of health, safety and the environment, human rights and working conditions, dealings with business partners and public institutions, combating bribery and corruption, competition and antitrust law, avoidance of conflicts of interest as well as data privacy and information security. The Code of Business Conduct and Ethics has been published both on the external website of the Brenntag Group and on the intranet and is available in various languages. It applies to all employees at all levels of the company. Its aim is to give guidance in the legal and ethical challenges of their daily work and to encourage correct and compliant conduct. Every infringement of this code of conduct may lead to disciplinary action and have further consequences under employment law and even criminal law for employees committing an infringement. In addition to the Code of Business Conduct and Ethics, there are further Group guidelines detailing compliance requirements, such as the Anti-corruption Guideline and the Corporate Guideline on Foreign Trade Compliance. In addition to the Code of Business Conduct and Ethics, all Group-wide guidelines can be accessed by all employees on the Group-wide Intranet.

Monitoring: The compliance processes and their implementation are regularly monitored both centrally and decentrally, in particular by the compliance organization. Appropriate measures are developed and implemented to counteract any weaknesses that are identified. Internal Audit Brenntag Group regularly reviews the internal control and compliance management system of the Brenntag Group companies. If weaknesses regarding compliance are identified during the audits, the Compliance department is informed accordingly. Compliance develops and implements measures to eliminate the weaknesses and further develop the compliance management system.

Training: Adherence to the Code of Conduct, the antitrust requirements as well as the prevention of corruption are particular focal points of the compliance program. Brenntag employees receive regular training on these topics – either at in-person events or through e-learning systems worldwide. The aim is to keep all employees' knowledge up to date, avoid any illegal actions as well as to protect the environment and employees from harm. Regular participation in compliance training, in particular on the Code of Business Conduct and Ethics, is mandatory for employees. In addition, there are in-depth compliance training courses at global, regional and local levels, particularly on the topics of bribery and corruption, fraud prevention, anti-trust law and data privacy. In the reporting year, all members of the Board of Management also received training on corruption and bribery in mandatory compliance training sessions. The training included e-learning modules on the Code of Business Conduct and Ethics and on anti-corruption.[1)]

Whistleblowing: Brenntag has set up procedures for receiving and handling internal and external complaints and reports of compliance issues throughout the Group. Employees can either make such reports to their direct supervisor or the regional compliance manager, or alternatively submit them through central or regional whistleblowing channels and whistleblowing systems. It is also possible to make an anonymous report using the whistleblowing system in particular. Persons outside the company can submit complaints and report infringements by using the whistleblowing channel on the website of Brenntag SE. The information received is always treated in strict confidence. Any reports received are reviewed internally and at the meetings of the Audit and Compliance Committee. Appropriate counteraction is taken if a compliance infringement has occurred.

[1)] The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.

Embedding sustainability in corporate governance: Sustainability is of key importance to the corporate strategy of the Brenntag Group and is firmly anchored in the organizational and management system. The Supervisory Board of Brenntag SE has set up a separate Transformation and ESG Committee to oversee implementation and pursuance of the corporate and sustainability strategies, including the sustainability targets, at the highest corporate level. The Board of Management of Brenntag SE makes all strategic decisions regarding sustainability topics. In the reporting year, a particular focus was on the impacts, risks and opportunities related to climate change, occupational health and safety, and workers in the value chain. The Sustainability Council was established in 2022 to advise and support the Board of Management. The Sustainability Council is made up of members of the Global Leadership Team from different departments, regions and functions and is chaired by the CEO. It met four times in the reporting year and is particularly focusing on the carbon management system, the ESG framework and the current status of progress in achieving the annual targets through an internal scorecard. These elements are used to monitor impacts, risks and opportunities. Appropriate measures are discussed and initiated if there is a possibility that the targets will not be met. The ESG scorecard is also submitted quarterly to the Board of Management and the Transformation and ESG Committee for monitoring purposes. The Sustainability Brenntag Group department, headed by the Vice President Sustainability, supports the CEO in driving forward and implementing the sustainability strategy. It manages sustainability topics throughout the company. The department works closely with the sustainability teams of the two divisions, Brenntag Specialties and Brenntag Essentials. Both divisions have set up their own sustainability teams. A Sustainability Community was established in the Brenntag Group in July 2024 to further promote and raise awareness of sustainability topics. Here, representatives from different departments, divisions, regions and functions can find out about current topics and projects and get involved.[1)]

Working practices of the Board of Management and Supervisory Board as well as the composition and working practices of their committees

Brenntag SE has a two-tier management system consisting of the Board of Management and the Supervisory Board in accordance with the legal requirements of Article 9, para. 1, number (c) (ii) of Regulation (EC) no. 2157/2001 on the Statute for a European company (SE) ("SE Regulation") and the German Stock Corporation Act. The management of business by the Board of Management and supervision by the Supervisory Board are therefore clearly separated. The Board of Management and the Supervisory Board are guided by the applicable legislation, the principles of the GCGC 2022, the company's Articles of Association as well as their respective rules of procedure. The working practices of both bodies are geared to responsible corporate governance, which is characterized by open discussions and transparency.

1) The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies and GOV-2 Information provided to and sustainability matters addressed by Brenntag's administrative, management and supervisory bodies) as specified in the preamble to this management report.

Board of Management

Ewout van Jarwaarde
Chief Executive Officer
Brenntag Essentials

Dr. Christian Kohlpaintner
Chief Executive Officer
Chairman of the Board of Management

Dr. Kristin Neumann
Chief Financial Officer

Michael Friede
Chief Executive Officer
Brenntag Specialties

Board of Management

Since August 1, 2023, the Board of Management of Brenntag SE has consisted of four members: the Chairman of the Board of Management (CEO) of Brenntag SE, Dr. Christian Kohlpaintner, the Chief Financial Officer (CFO), Dr. Kristin Neumann, and the divisional CEOs of the two divisions, Michael Friede (Specialties) and Ewout van Jarwaarde (Essentials).[1)]

Dr. Kristin Neumann has decided not to extend her contract, which ends on March 31, 2025, for personal reasons. She is succeeded by Thomas Reisten, who, in accordance with the GCGC 2022, was appointed with effect from April 1, 2025 initially for a period of three years.

Dr. Christian Kohlpaintner also informed the Supervisory Board at an early juncture that he would not be extending his contract, which ends on December 31, 2025. The Supervisory Board has begun a structured process to appoint a successor.

Further information on the members of the Board of Management can be found on the website at https://corporate.brenntag.com/en/about/corporate-governance/board-of-management/. Information on the remuneration of the Board of Management can be found in the Remuneration report.

[1)] The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.

Members of the Board of Management

The members of the Board of Management hold the following offices on statutory supervisory boards and comparable supervisory bodies of business enterprises.

	Dr. Christian Kohlpaintner	Dr. Kristin Neumann
Position	CEO	CFO
First appointed	January 1, 2020	April 1, 2022
Responsibilities	– Corporate Board Office – Global Human Resources – Corporate Planning, Strategy & M&A Brenntag Group – Global Communications – Global Marketing – Internal Audit Brenntag Group – Compliance & Privacy Brenntag Group – QSHE Brenntag Group – Sustainability Brenntag Group – Brenntag Excellence	– Corporate Controlling – Accounting Brenntag Group – Legal Brenntag Group – Tax Brenntag Group – Treasury Brenntag Group – Corporate Investor Relations – Corporate Insurance Management – Shared Services Brenntag Group – Regional Finance Brenntag – Indirect Procurement
External positions	Evonik Industries AG, Essen, Germany (listed) (Member of the Supervisory Board)	Zeppelin GmbH, Friedrichshafen, Germany (Member of the Supervisory Board)
Group company positions		

	Michael Friede	Ewout van Jarwaarde
Position	CEO Brenntag Specialties	CEO Brenntag Essentials
First appointed	April 1, 2023	January 1, 2021
Responsibilities	– Brenntag Life Science – Brenntag Material Science – Supplier & Customer Excellence – Supply Chain & Customer Services BSP – Business Development BSP – Controlling BSP	– Brenntag Essentials – Digital, Data & Technology – Customer & Supplier Excellence BES – Supply Chain BES – Business Development BES – Controlling BES
External positions	Pearl Polyurethanes LLC, Dubai, United Arab Emirates (Member of the Advisory Board)	
Group company positions	Brenntag (Shanghai) Enterprise Management Co., Ltd.	

2.17 Position and membership of statutory supervisory boards and comparable German and foreign supervisory bodies of business enterprises

Working practices of the Board of Management

The Board of Management is responsible for managing the company with the aim of creating sustainable value. It develops the company's strategy, taking due account of the environmental and social impacts of the company's activities.[1] The members of the Board of Management bear joint responsibility for the entire management of the company's business. They work together in a spirit of collective responsibility and keep one another informed about all significant business transactions and other important transactions and measures adopted in their respective areas of responsibility. Notwithstanding the joint responsibility of all Board of Management members for the conduct of Brenntag SE's business, each Board member is individually responsible for the areas assigned to him under the business responsibility plan or through other resolutions of the Board of Management.

The Board of Management manages the business of Brenntag SE independently. In doing so, it must act in the company's best interest, and therefore in the interest of the shareholders, employees and other stakeholders. The Board of Management operates in accordance with the applicable laws and the provisions of the individual service agreements of its members as well as the company's Articles of Association, its rules of procedure and the business responsibility plan.

The Board of Management has set up a sustainable risk management and risk monitoring system that also covers sustainability goals and includes processes and systems for collecting and processing sustainability-related data.[2] Furthermore, the Board of Management develops the strategy of the Brenntag Group in cooperation with the Supervisory Board and discusses the current status of its implementation with the Supervisory Board at regular intervals.

Board of Management meetings are to take place every two weeks but at least once a month. The Board of Management has a quorum if all its members have received invitations to the meeting and at least half of its members participate in adopting resolutions. Resolutions may be adopted outside meetings either by circulating the documents or in another form, for example by video conference. The Board of Management must do everything in its power to ensure that its resolutions are adopted unanimously. Insofar as other majorities are not prescribed by law or by the Articles of Association of Brenntag SE, the Board of Management is to adopt resolutions with a simple majority of the members of the Board participating in the vote. In the event of a tie, the Chair of the Board of Management has a second vote.

The Board of Management has currently not set up any committees.[3] The transactions for which a resolution adopted by the Board of Management is required by law, the Articles of Association or the rules of procedure for the Board of Management of Brenntag SE include but are not limited to the following measures:

- Board of Management's reports to the Supervisory Board,
- fundamental organizational measures, such as the conclusion of company agreements, transformation measures within the meaning of the German Transformation of Companies Act or acquisitions, carve-outs or the sale of material parts of the company as well as strategy and business planning issues,
- measures related to the implementation and controlling of a monitoring system,
- issuance of the declaration of conformity with the German Corporate Governance Code,
- preparation of the annual financial statements and the management report,
- convening of the Annual General Meeting as well as the Board of Management's requests and proposals for resolutions to be dealt with and voted on at the Annual General Meeting,
- matters with respect to which the Chair of the Board of Management or any two members have requested a resolution by the Board of Management.

Furthermore, internal guidelines applicable throughout the Group have been implemented which also require a resolution passed by the entire Board of Management or by individual members of the Board of Management for certain matters.

The Board of Management must regularly inform the Supervisory Board, in due time and comprehensively, of all issues of Brenntag SE and its subsidiaries with regard to strategy, corporate governance, the business policy it plans and other fundamental questions of corporate planning, the company's profitability, business performance and current position, risk management and compliance. The Board of Management addresses in particular any departures of business performance from the plans made or targets agreed, stating the reasons for such departures. In addition, the Board of Management requires the prior consent of the Supervisory Board for certain major matters which are described in detail in the section "Supervisory Board".

[1] The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.
[2] The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-2 – Information provided to and sustainability matters addressed by Brenntag's administrative, management and supervisory bodies) as specified in the preamble to this management report.
[3] The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.

Supervisory Board

As in the previous year, the Supervisory Board of Brenntag SE consisted of six members. There are no employee representatives on the Supervisory Board of Brenntag SE as the German One-Third Employee Participation Act (Drittelbeteiligungsgesetz) and the German Codetermination Act (Mitbestimmungsgesetz) are not applicable. The members of the Supervisory Board mentioned by name below are therefore all shareholders' representatives.[1)]

The Supervisory Board intends to propose to the 2025 Annual General Meeting of Brenntag SE that the Supervisory Board be expanded to include two additional members, thus increasing the total number of members to eight.

Members of the Supervisory Board

The members of the Supervisory Board hold the following offices on statutory supervisory boards and comparable supervisory bodies of business enterprises.[2)]

	Richard Ridinger	**Dr. Andreas Rittstieg**
Position	Chair	Deputy Chair
Member from	June 10, 2020	March 19, 2010
Profession	Independent Management Consultant	Lawyer
Group company positions	– Nomination and Remuneration Committee – Transformation and ESG Committee	– Nomination and Remuneration Committee
Membership of statutory supervisory boards and comparable German and foreign supervisory bodies of business enterprises (as at December 31, 2024)	– DSM-Firmenich AG, Kaiseraugust, Switzerland (listed) (Non-executive Member of the Board of Directors) – Roar HoldCo AB, Stockholm, Sweden (not listed) (Non-executive Member and Chair of the Board of Directors) and – Recipharm AB, Stockholm, Sweden (Group company, shares held by Roar HoldCo AB, not listed) (Non-executive Member and Chair of the Board of Directors)	– Hapag Lloyd AG, Hamburg, Germany (listed) (Member of the Supervisory Board) – Hubert Burda Media Holding Geschäftsführung SE, Offenburg, Germany (not listed) (Member of the Administrative Board) – Huesker Holding GmbH, Gescher, Germany (not listed) (Member of the Advisory Committee) – Kühne Holding AG, Schindellegi, Switzerland (not listed) (Member of the Administrative Board)

	Stefanie Berlinger	**Sujatha Chandrasekaran**
Position	Member	Member
Member from	June 9, 2015	June 15, 2023
Profession	Managing Director Lilja & Co. GmbH	Independent Management Consultant
Group company positions	– Audit and Compliance Committee	– Audit and Compliance Committee
Membership of statutory supervisory boards and comparable German and foreign supervisory bodies of business enterprises (as at December 31, 2024)		– American Eagle Outfitters Inc., Pittsburgh, PA, USA (listed) (Non-executive Member of the Board of Directors) – Agendia Inc., Irvine, CA, USA (not listed) (Non-executive Member of the Board of Directors) – Atos SE, Bezons, France (listed) (Non-executive Member of the Board of Directors) – Pando.AI, Chicago, Illinois, USA (not listed) (Non-executive Member of the Board of Directors)

1) The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.
2) The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.

	Wijnand P. Donkers	Ulrich M. Harnacke
Position	Member	Member
Member from	June 8, 2017	June 8, 2017
Profession	Independent Management Consultant	Chartered Accountant and Independent Business Consultant
Group company positions	– Nomination and Remuneration Committee – Transformation and ESG Committee	– Audit and Compliance Committee – Transformation and ESG Committee
Membership of statutory supervisory boards and comparable German and foreign supervisory bodies of business enterprises (as at December 31, 2024)		– Vossloh AG, Werdol, Germany (listed) (Member of the Supervisory Board) – Thüga Group (until April 30, 2025): Contigas Deutsche Energie-AG, Thüga AG and Thüga Holding GmbH & Co. KGaA, Munich, Germany (Member of the Supervisory Board or Shareholders' Committee) – Zentis GmbH & Co. KG, Aachen, Germany (not listed) (Member of the Advisory Board)

2.18 Membership of committees and statutory supervisory boards and comparable German and foreign supervisory bodies of business enterprises

Working practices of the Supervisory Board

As the second governing body of a stock corporation (Aktiengesellschaft), the Supervisory Board has the task of monitoring the management of the company by the Board of Management as well as advising the Board of Management on the management of the company. The Supervisory Board also appoints and dismisses the members of the Board of Management.[1] The Supervisory Board bases the composition of the Board of Management on the company's strategy, the requirements of the recommendations of the Government Commission "German Corporate Governance Code" and on the internal diversity policy. The Supervisory Board regularly discusses the company's strategy with the Board of Management and the progress made in its implementation. Furthermore, the Board of Management regularly informs the Supervisory Board of all issues with regard to planning, business development, the risk situation and risk management of the company in compliance with Section 90 of the German Stock Corporation Act (AktG).

Furthermore, the prior consent of the Supervisory Board is required for some major Board of Management decisions, including the business responsibility plan of the Managements, major changes in the business strategy of the Brenntag Group, the acquisition or sale of major plots of land, companies or business operations, the conclusion of agreements in connection with the granting or raising of loans or the assumption of guarantees, the amount of which exceeds certain thresholds.

The Supervisory Board has adopted rules of procedure and, according to these rules, holds at least two meetings in the first two quarters and at least two meetings in the last two quarters of each calendar year. If necessary and on a case-by-case basis, additional meetings are held or circular resolutions are passed outside Supervisory Board meetings. The Supervisory Board has a quorum when at least three members participate in the voting. Insofar as other majorities are not prescribed by law, resolutions are passed by a simple majority. In the event of a tie, the Chair has the casting vote. He / she is also authorized to make any declarations on behalf of the Supervisory Board which are necessary to implement its resolutions.

The Supervisory Board members are in principle elected for a period up to the close of the Annual General Meeting which resolves on the formal discharge of the Supervisory Board for the fourth financial year after commencement of the respective term of office. The financial year in which the term of office starts is not counted for this purpose. The Annual General Meeting can determine a shorter term of office for the Supervisory Board members. Members of the Supervisory Board may be re-elected. All members of the Supervisory Board are bound by the company's best interests and must immediately inform the Supervisory Board of any conflicts of interest. In line with recommendation D. 11 of the GCGC 2022, new members of the Supervisory Board are given a comprehensive introduction to their office in a set onboarding process and already receive targeted information material prior to taking up office in order to prepare them for their work. The resignation of Supervisory Board members is accompanied by a structured offboarding process to ensure that data and documents are deleted or returned and access is blocked.

[1] The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.

Brenntag SE also complies with recommendation D. 11 of the GCGC by providing the Supervisory Board with sufficient support during training and professional development measures. In the reporting year, all members of the Supervisory Board took part in an information security training course. In 2024, they also received training and professional development sessions specially tailored to their requirements. They attended conferences and specialized events, e.g. on the implementation of the CSRD, AI risk management and governance, current developments in the European chemical industry, corporate governance, sustainability, reporting, compliance and risk management. They were also actively involved in industry associations and networks, such as the German Audit Committee Network, the Financial Experts Association e.V. or Deutsche Schutzvereinigung für Wertpapierbesitz.[1)]

Information on the remuneration of the Supervisory Board members can be found in the section "Remuneration report"; this information can also be found on the website.

Good corporate governance also involves a regular assessment of how effectively the Supervisory Board as a body as a whole and its committees as such are fulfilling their duties. The Supervisory Board performs an assessment of its activities on a regular basis. On the basis of the Supervisory Board's self-assessment of its efficiency in 2023, the Supervisory Board conducted a follow-up assessment in December 2024 with the support of an external consultant. The assessment focused on the meeting structure, internal coordination of the committees with the Supervisory Board and the profile of skills and expertise. To ensure that the qualification matrix is validated objectively, the external consultant also examined the classification of skills and expertise.[2)] The next self-assessment is scheduled for 2025.

The Supervisory Board has set up three committees, namely the Nomination and Remuneration Committee, the Audit and Compliance Committee, and the Transformation and ESG Committee. The members of the committees are appointed for the entire period of office as members of the Supervisory Board. Each chair reports regularly to the Supervisory Board on the committee's activities.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee established by the Supervisory Board of Brenntag SE is made up of Dr. Andreas Rittstieg, Richard Ridinger and Wijnand P. Donkers. The Committee makes proposals regarding the appointment and removal of members of the Board of Management, the terms of the Board of Management service agreements within the framework of the remuneration system structure adopted by the Supervisory Board as well as any application to reduce the remuneration of a Board of Management member, and regularly provides the Supervisory Board with information for reviewing the remuneration system as a whole. It ensures long-term succession planning and sets the necessary qualifications of the Board of Management members. In this connection, the Nomination and Remuneration Committee works closely with the Board of Management. Furthermore, it prepares a diversity concept for the Board of Management and Supervisory Board. In addition, the Committee represents Brenntag SE vis-à-vis former members of the Board of Management in accordance with Section 112 of the German Stock Corporation Act, consents to sideline activities of Board of Management members in accordance with Section 88 of the German Stock Corporation Act and grants loans to the persons named in Sections 89 and 115 of the German Stock Corporation Act. In addition, the Committee approves contracts with Supervisory Board members in accordance with Section 114 of the German Stock Corporation Act and proposes suitable candidates as Supervisory Board members to the Annual General Meeting in case of the election of Supervisory Board members, taking into account the concrete objectives for the composition of the Supervisory Board and the profile of skills and expertise for the Supervisory Board as a whole.

Audit and Compliance Committee

The Supervisory Board of Brenntag SE has set up an Audit and Compliance Committee, which meets at least four times in each calendar year and in particular monitors the accounting process and the quality of the audit of the annual financial statements. The Audit and Compliance Committee has three members who were appointed by the Supervisory Board. As in the previous year, the committee is made up of Ulrich Harnacke as its Chair, Stefanie Berlinger and Sujatha Chandrasekaran. Thanks to the many years he has spent working as a chartered accountant and tax consultant, the Chair of the Audit and Compliance Committee, Ulrich Harnacke, has expertise in financial statement auditing and

1) The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) and ESRS G1-3 (Prevention and detection of corruption and bribery) as specified in the preamble to this management report.
2) The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.

special knowledge and experience of applying accounting principles and internal control procedures. Furthermore, he is not a former member of the company's Board of Management. Stefanie Berlinger has special expertise in the field of financial statement auditing, which she has acquired through her many years of experience as a finance expert and managing director as well as her years of service on the Audit Committee. The expertise of both also refers to sustainability reporting and auditing. Both qualify as finance experts within the meaning of Section 100, para. 5 German Stock Corporation Act and the recommendation of D.3 GCGC. Suja Chandrasekaran has additional expertise in cybersecurity, data protection, enterprise risk management, compliance and artificial intelligence risk assessment. In addition, she has years of service in listed company board of directors and serving on other listed company audit committees.

The Chair reports regularly to the Supervisory Board about the activities of the Committee. The Audit and Compliance Committee prepares the resolutions of the Supervisory Board on the auditing and adoption of the annual financial statements as well as the approval of the consolidated financial statements, the proposal for the appropriation of profit and the Group sustainability statement. Furthermore, the Audit and Compliance Committee prepares the Supervisory Board's proposal to the Annual General Meeting on the election of the auditors for the statutory financial statements of Brenntag SE and consolidated financial statements and the auditors for the half-year and quarterly financial reports, insofar as the latter are audited or reviewed by auditors. For this purpose, the Audit and Compliance Committee prereviews the documentation relating to the consolidated and annual financial statements, the combined group management report and the management report, the Group sustainability statement within sustainability reporting as well as the proposal for the appropriation of profit. The Audit and Compliance Committee discusses the audit reports with the auditor. The Committee deals with accounting issues on behalf of the Supervisory Board, in particular the treatment of subjects of fundamental importance, such as the application of new accounting standards and the monitoring of the accounting process. It deals with half-year and quarterly financial reports or quarterly statements as well as their audit or review. Furthermore, it reviews the adequacy and effectiveness of the company's internal control system, risk management system and internal audit system.

The Committee also reviews observance of and compliance with the statutory provisions and internal company policies as well as compliance with the relevant rules of the German Corporate Governance Code. On behalf of the Supervisory Board, the Committee also monitors in particular the quality of the audit and the auditors' independence, including compliance with statutory requirements regarding the tendering process, proper awarding of non-audit services, compliance with the upper limit for permissible non-audit services and observance of requirements to rotate the statutory auditor. In addition, the Committee engages the auditors to conduct the audit of the annual financial statements and, if necessary, a review of the half-year and quarterly financial reports. Furthermore, it discusses the scope and main points of the audit as well as cooperation between the statutory auditor and Internal Audit Brenntag Group and other departments involved in risk management. On behalf of the Supervisory Board, the Committee authorizes the auditors' fee. In addition, the Audit and Compliance Committee discusses the financial, investment and liquidity plans with the Board of Management, including the plans with respect to the observance of financial covenants and the adequacy of interest hedging for the Group as well as deviations of the actual development from targets previously reported. The Audit and Compliance Committee is responsible for the receipt and handling of complaints by employees and third parties about the accounting, the internal company control system, risk management, the audit of the financial statements and other accounting-related issues (whistleblowing). The Audit and Compliance Committee may assume other tasks which the Supervisory Board assigns to it. It obtains regular reports about the work of the Corporate Internal Audit department, in particular about that department's audit focuses and audit findings. The same applies to risk management, the monitoring of compliance and cyber security.

Transformation and ESG Committee

The Supervisory Board has also set up a Transformation and ESG Committee. The Committee reports to the Supervisory Board and prepares the consultations and resolutions of the Supervisory Board in the fields of strategy and sustainability. To this end, it reviews and monitors the corporate strategy and the optimization of company structures as well as the sustainability and digitalization strategies. Wijnand Donkers chairs the Transformation and ESG Committee due to his experience and expertise in the fields of Environment, Social und Governance. The other members of the Transformation and ESG Committee are Richard Ridinger and Ulrich Harnacke.[1)]

[1)] The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.

Shares held by the Board of Management and Supervisory Board members

On December 31, 2024, no member of the Board of Management or the Supervisory Board held share packages of Brenntag SE or financial instruments relating to such shares, which in each case exceed 1% of the shares issued by Brenntag SE either directly or indirectly. At that date, the total number of shares held by all members of the Board of Management and Supervisory Board together also did not exceed 1% of the shares issued by the company.

Avoidance of conflicts of interest on the Board of Management and the Supervisory Board

In the reporting year, there were no conflicts of interest of Board of Management or Supervisory Board members which are to be reported immediately to the Supervisory Board owing to the duty of loyalty to the company. Furthermore, as was also the case in the previous years, in the reporting year there were no advisory or other service agreements and contracts for work between a member of the Supervisory Board and the company or the other consolidated subsidiaries. No member of the Board of Management has accepted more than a total of three offices in non-Group listed companies or on supervisory bodies of non-Group entities that make similar requirements. A detailed list of the offices held by the members of the Supervisory Board on supervisory boards to be established by law or on comparable German and foreign supervisory bodies of business enterprises is given in the section "Members of the Supervisory Board".

Reportable securities transactions of Board of Management and Supervisory Board members

Pursuant to Section 26, para. 2 of the German Securities Trading Act (WpHG) in conjunction with Article 19 of the Regulation (EU) No. 596/2014, termed the Market Abuse Regulation, any persons working in a management capacity for an issuer of securities and any persons closely associated with persons named are obliged to report transactions involving shares of Brenntag SE or related financial instruments if the value of the transactions which they have made in one calendar year reaches or exceeds EUR 20,000. Transactions reported in financial year 2024 were duly published and are available on Brenntag's website at https://corporate.brenntag.com/en/investor-relations/brenntag-share/managers-transactions/. Transactions in previous reporting periods were also duly published and can also be accessed at any time on the website.

D&O insurance deductible

For details on the D&O insurance (Directors & Officers insurance, liability insurance against financial losses), we refer you to the information given in the section "Remuneration report".

Appropriate control and risk management

An effective risk management and control system is a prerequisite for the Board of Management and Supervisory Board of Brenntag SE to ensure that opportunities and risks arising from the business activities of Brenntag SE and its subsidiaries are handled appropriately. One particular focus remains the financial risks, in particular the liquidity and credit default risks. Systematic risk management enables potential uncertainties to be identified and assessed at an early stage and risk positions optimized. The Board of Management reports regularly to the Supervisory Board on any existing risks and their development. The Audit and Compliance Committee of the Supervisory Board is responsible for monitoring the accounting process, effectiveness and efficiency of the company's internal controls, risk management and the internal audit system. The Audit and Compliance Committee's work is described in detail in the previous section "Audit and Compliance Committee". Brenntag SE's controlling, risk management and audit systems are continually refined and regularly adapted to changing conditions. Details on the internal control and risk management system including the adequacy and effectiveness of the systems can be found in the section "Main elements of the internal control / risk management system" in the combined management report.

Transparency and equal treatment through comprehensive information

Brenntag SE aims to ensure that communications with the capital market are as transparent as possible and that all market participants are treated equally. Hereby, it is ensured that all market participants receive information continuously, promptly and comprehensively. For Brenntag SE, constant dialog with its shareholders and potential investors is a matter of course. Communications with the capital market are handled by the Board of Management and the Investor Relations team. The company maintained its dialog with capital market participants at a high level in 2024. An overview of the various activities in this area can be found in the section "Brenntag on the Stock Market". In addition, the Chair of the Supervisory Board is, if required, available to discuss specific topics that fall within the scope of the Supervisory Board. Brenntag SE regards corporate governance as an integral part of communications with the capital market and its investor relations activities. In February and November 2024, in-depth discussions were held between the Chair of the Supervisory Board, Richard Ridinger and selected investors as part of multi-day corporate governance roadshows. The discussions covered topics such as the governance role of the Supervisory Board on Brenntag's transformation and growth path, ESG at Brenntag and the further development of corporate governance as well as the composition and long-term succession planning of the Supervisory Board. In this context, the plan to expand the Supervisory Board by two seats was presented to the investors. Furthermore, it was announced that the Supervisory Board intends to propose to the Annual General Meeting in May 2025 that the Chairman of the Management Board of Kühne Holding AG, Dominik de Daniel, be elected to succeed a member of the Supervisory Board who is not standing for re-election. In this context, the requirements to be met by the candidates for the two vacant positions and their qualifications were presented. Richard Ridinger also had numerous one-to-one talks with various major investors.

In line with its transparent communications policy, Brenntag SE makes all material new information available to shareholders on its corporate website without delay, including, in particular, financial reports, investor presentations, financial news, ad-hoc news, the Articles of Association as well as details on the Annual General Meeting and the financial calendar. The financial calendar contains important event and publication dates and can also be found at the end of this annual report.

Shareholders and Annual General Meeting

The shareholders exercise their membership rights at the Annual General Meeting and, as shareholders, express the collective will of the company. As provided for by law and in the Articles of Association, the shareholders of Brenntag SE exercise their rights before or during the Annual General Meeting and, in this respect, may also exercise their voting rights. Each share of Brenntag SE carries one vote in the Annual General Meeting. The Annual General Meeting resolves, among other things, on the appropriation of profit, the discharge of the Board of Management and of the Supervisory Board and on the election of the auditors. As a rule, the Chair of the Supervisory Board presides over the Annual General Meeting. The Annual General Meeting takes place once a year. Shareholders who are registered with the share register of the company and whose application for attendance is received by the company in good time before the Annual General Meeting are entitled to participate in the Annual General Meeting and exercise their voting rights. Shareholders may exercise their right to vote in the Annual General Meeting either personally or through a representative of their choice, or by a company-appointed proxy acting on their instructions.

As was also the case in the previous year, shareholders were offered the option of exercising their right to vote at the 2024 Annual General Meeting in writing by electronic postal vote, without appointing a person to represent them. It is also planned to offer the option of electronic postal voting for the 2025 Annual General Meeting. To provide information for the shareholders, Brenntag SE posts the annual report on the past financial year on its website promptly after the Supervisory Board meeting at which the annual financial statements are adopted. As was also the case in the previous year, notice of the 2025 Annual General Meeting will be given at least 36 days before the date on which it is to be held. The invitation to attend will include a list of items on the agenda as well as an explanation of conditions for attendance and the rights of the shareholders. All documents and information on the forthcoming Annual General Meeting are also available in good time for downloading from the website of Brenntag SE. After the Annual General Meeting, Brenntag SE also publishes attendance and the results of votes on the Internet.

The Annual General Meeting, which took place on May 23, 2024, was held as a virtual annual general meeting without the physical presence of the shareholders. In accordance with the new provisions of the German Stock Corporation Act on virtual annual general meetings, shareholders connected electronically had the opportunity to speak by means of video communication. All questions were answered at the Annual General Meeting.

Accounting and financial statement auditing

The consolidated financial statements of Brenntag SE are prepared in accordance with the International Financial Reporting Standards (IFRSs), as adopted by the European Union. The financial statements of Brenntag SE, on which the dividend payment is based, are drawn up in accordance with the German Commercial Code and the German Stock Corporation Act. The single-entity and consolidated financial statements of Brenntag SE for financial year 2024 are being audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft. As for financial year 2023, the audit is being managed centrally by the Deloitte branch in Düsseldorf. The undersigned statutory auditors are André Bedenbecker (consolidated financial statements), Christian Siepe (both for the single-entity and consolidated financial statements) and Michael Habenicht (for the single-entity financial statements). The statutory requirements and the obligations to rotate pursuant to Sections 319 and 319a of the German Commercial Code (HGB) are met. For financial year 2024, it was again agreed with the statutory auditors that the Chair of the Audit and Compliance Committee would be informed immediately of any possible grounds for exclusion or bias arising during the audit insofar as they are not immediately eliminated, and that the auditors would report immediately on any findings or occurrences during the audit which have a significant bearing on the duties of the Supervisory Board. It was also agreed that the auditors would inform the Supervisory Board or make a note in the audit report of any facts ascertained during their examination that conflict with the declaration of conformity with the recommendations of the Government Commission “German Corporate Governance Code”; this declaration was issued by the Board of Management and Supervisory Board pursuant to Section 161 of the German Stock Corporation Act.

Information on targets for the percentage of women and diversity

In accordance with Section 111, para. 5 of the German Stock Corporation Act, Brenntag SE is required to set targets for the share of women on the Supervisory Board, Board of Management and, in accordance with Section 76, para. 4 of the German Stock Corporation Act, on the first two management levels below the Board of Management. The Supervisory Board last set new targets for the share of women in 2021. In each case, the deadline for implementing the target is January 31, 2026. It set the target for the share of women on the Supervisory Board at 33.3% and the target for the share of women on the Board of Management at 20%. For the Supervisory Board, this corresponds to two women; for the Board of Management one woman.

The Board of Management last set new targets for the share of women on the two management levels in the company below the Board of Management in February 2022. The Board of Management aims to achieve a target of at least 30% for both levels by January 31, 2026. Taking into account the current structure and staffing of these management levels, a target of six women has been set for the first management level. A target of eight women has been set for the second management level. Naturally, the aforementioned targets do not rule out the possibility that the share of women will increase more than that. Before the above-mentioned deadline for implementation expires, the Supervisory Board and Board of Management will pass a resolution setting new targets.

In Sujatha Chandrasekaran and Stefanie Berlinger, the Supervisory Board has two female members so the share of women on the Supervisory Board was 33.3% in the reporting period and remains so. With Dr. Kristin Neumann as Chief Financial Officer, we again achieved the 20% target for the percentage of women on the Board of Management in 2024.[1)]

As at December 31, 2024 the percentage of women on the first management level below the Board of Management was 42.1%, which corresponds to eight women. The share of women on the second management level below the Board of Management was 33.3%, which corresponds to 13 women.

[1)] The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.

The advancement of young female talent is a major priority of Brenntag. The positive change in the percentage of women on the second management level below the Board of Management at Brenntag SE is a sign that the internal measures implemented are a success. The percentage of women in management roles is also to be further improved by their participation in external programs. We are confident that this will enable us to set the targets higher in the long term and keep them higher.

Apart from Brenntag SE, Brenntag GmbH is the only Group company pursuant to Section 36 and Section 52 of the German Limited Liability Companies Act (GmbHG) required to set targets for the percentage of women on the Supervisory Board, in the managing director team and on the two management levels below the managing directors. Brenntag GmbH is not required to disclose a management report because it has applied the exemption provisions pursuant to Section 264, para. 3 HGB. In accordance with Section 289a, para. 4, sentence 2 in conjunction with para. 1, sentence 2 HGB, Brenntag GmbH publishes its declaration with the specifications and disclosures in accordance with Section 289a, para. 2, No. 4 HGB on its website at https://www.brenntag.com/en-de/compliance/proportion-of-women-in-management-positions/.

Information on the diversity policy

With respect to the composition of the Board of Management and Supervisory Board, Brenntag has a diversity policy in place that is designed to ensure diversity with regard to age, gender, training, educational and professional background as well as experience gained abroad. Brenntag promotes an informal and open-minded work culture with the greatest possible diversity (“Explore variety”). The diversity policy for the Board of Management and the Supervisory Board ensures that this approach is also reflected in these bodies. Brenntag is convinced that a holistic approach to diversity will strengthen the company in the long term by taking into account different perspectives, experiences and backgrounds, and it will create added value for Brenntag’s customers and suppliers as well as its employees.

Diversity policy for the Board of Management

The diversity policy for the Board of Management is based on a holistic approach to ensure successful, long-term succession planning:

- The age limit for membership of the Board of Management is 65.
- The aim is to achieve the target and timeframe set for the percentage of women on the Board of Management. The target set for the share of women on the Board of Management is 20% by January 31, 2026.
- The Board of Management members shall collectively have particularly extensive experience gained abroad.
- The Board of Management members must collectively have multiple years of management experience.[1)]
- The Board of Management members must collectively be familiar with the field of chemical distribution. At least one Board of Management member shall have special knowledge or professional experience in the chemical industry or the distribution sector.[2)]
- At least one Board of Management member shall have demonstrated knowledge of financial reporting and accounting.[3)]

The Supervisory Board takes these requirements into consideration when appointing new Board of Management members. Together with the Board of Management, the Supervisory Board ensures long-term succession planning that is geared to the company's interests. Alongside the diversity policy, long-term succession planning takes into account the requirements of the German Stock Corporation Act, the German Corporate Governance Code, the Supervisory Board’s rules of procedure and the targets for the percentage of women on the Board of Management set by the Supervisory Board. Internal and external candidates for Board of Management positions are discussed on a regular basis. For this purpose, potential candidates are divided into the categories immediate, medium-term and long-term succession candidates. Furthermore, the Chair of the Board of Management regularly reports to the Nomination and Remuneration Committee on any developments regarding the members of the internal talent pool. If necessary, external consultants provide support in identifying suitable external succession candidates.

1) The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.
2) The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.
3) The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.

The Nomination and Remuneration Committee took account of the above-mentioned criteria in appointing the new member of the Board of Management effective April 1, 2025. With the appointment of Thomas Reisten as the successor of Dr. Kristin Neumann, a male candidate was chosen as the new CFO. The decision made during the selection process was based both on the specific profile requirements for this position and on the pool of candidates available.

Brenntag firmly believes that gender diversity in management positions contributes significantly to the company's success and remains committed to achieving gender representation on the Board of Management in line with the targets it has set itself.

Diversity policy for the Supervisory Board / Targets for its composition / Profile of skills and expertise

The composition of the Supervisory Board shall ensure that it can effectively monitor and advise the Board of Management and can perform its duties prescribed by law and by the Articles of Association in the best-possible way. The Supervisory Board's diversity policy follows the following requirements with regard to its composition:

- No member of the Supervisory Board shall continue to hold office beyond the close of the Annual General Meeting following his / her 70th birthday. Moreover, election proposals by the Supervisory Board shall consider that the members of the Supervisory Board shall generally not serve on the Supervisory Board for more than twelve years.
- At least 33.3% of the seats on the Supervisory Board shall be filled by women by January 31, 2026.
- At least 50% of the members of the Supervisory Board shall have particularly extensive experience gained abroad. This requirement for extensive expertise gained abroad is met if the respective member had regular employment abroad for at least 18 months or worked in an international working environment for more than five years.
- The Supervisory Board shall take account of the different educational and / or professional backgrounds of its members, giving due consideration to their knowledge, skills and experience when describing the goals for the composition of the Supervisory Board.

The current composition of the Supervisory Board satisfies all aspects of the diversity policy.

In addition to the diversity policy, the Supervisory Board has defined specific goals for its composition as a whole and taken qualitative criteria on company-specific requirements into account:

- The Supervisory Board shall collectively have suitable knowledge, skills and experience in the following areas:
  - corporate governance, compliance and risk management,
  - the chemical industry, distribution, supply chain management and B2B services,
  - strategy, portfolio management and M&A
  - change management and HR,
  - the fields of accounting and financial reporting (in accordance with Section 100, para. 5 of the German Stock Corporation Act),
  - capital markets,
  - digital transformation and IT,
  - ESG, sustainability, CSR and security.[1)]
- The Supervisory Board shall collectively have experience abroad.
- The Supervisory Board shall – in its own estimation – have an adequate number of independent members, more than half of the members being independent. When assessing independence, the Supervisory Board shall take all aspects mentioned in C.6 and C.7 of the German Corporate Governance Code into account.
- The Supervisory Board shall ensure that all Supervisory Board members have sufficient time to perform their duties.
- The Supervisory Board takes all aspects of the diversity policy into account as goals for the composition of the Supervisory Board.

1) The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.

The profile of skills and expertise for the entire Board specifies the skills and expertise considered important by the Supervisory Board and sets the specific requirements, in particular with regard to educational and professional background:

- The members of the Supervisory Board in the aggregate shall have several years of executive leadership and CEO.
- The members of the Supervisory Board in the aggregate shall be familiar with chemical distribution sector. At least one member of Supervisory Board shall have educational or professional expertise in the chemical industry or distribution.
- At least one member of the Supervisory Board shall have expertise in the field of accounting and at least one other member of Supervisory Board member shall have expertise in the field of auditing.
- At least one member of the Supervisory Board shall be familiar with digital transformation.
- At least one member of the Supervisory Board shall be familiar with sustainability, in particular ESG.

The Supervisory Board aims to continually improve its composition so as to meet the needs of the company and new business developments and ensure a composition suitable for the effective supervision and monitoring of the company, taking into account management experience and specific expertise in various fields such as accounting, auditing, digitalization and sustainability.

The Supervisory Board pursues these objectives and the implementation of the diversity policy as a whole in its proposals to the Annual General Meeting for the election of Supervisory Board members, last for the re-election of Richard Ridinger and the election of Sujatha Chandrasekaran at the 2023 Annual General Meeting.

The current composition of the Supervisory Board is in line with its self-imposed objectives and the profile of skills and expertise. The members of the Supervisory Board of Brenntag SE have been chosen for their professional qualifications, their knowledge and their particular experience. The members of the Supervisory Board as a whole are familiar with the business sector in which Brenntag operates and have the required experience.

	Stefanie Berlinger	Sujatha Chandrasekaran	Wijnand Donkers	Ulrich Harnacke	Dr. Andreas Rittstieg	Richard Ridinger
Member since	June 2015	June 2023	June 2017	June 2017	March 2010	June 2020
Independence (in accordance with GCGC)	Yes	Yes	Yes	Yes	Yes	Yes
No overboarding (in accordance with GCGC)	Yes	Yes	Yes	Yes	Yes	Yes
Gender	Female	Female	Male	Male	Male	Male
Year of birth	1973	1967	1962	1957	1956	1958
Nationality	German	American, Australian, Indian	Dutch	German	German	German
International expertise	Yes	Yes	Yes	Yes	Yes	Yes
Profession	Business economist	Electrical Engineer, Software and Data Engineer	Business economist	Business economist	Lawyer	Chemical Engineer

Expert Qualification	Stefanie Berlinger	Sujatha Chandrasekaran	Wijnand Donkers	Ulrich Harnacke	Dr. Andreas Rittstieg	Richard Ridinger
Safety / Corporate Social Responsibility / ESG expertise relevant to Brenntag	☑	☐	☑	☑	☑	☑
Management / C-Level experience	☐	☑	☑	☑	☑	☑
Corporate Governance / compliance	☑	☑	☑	☑	☑	☑
Chemical industry	☐	☐	☑	☐	☐	☑
Distribution / Supply Chain Management / B2B Services industry	☐	☑	☑	☑	☐	☑
Strategy, Portfolio Management, M&A	☑	☑	☑	☑	☑	☑
Change Management / HR	☐	☑	☑	☑	☐	☑
Financial Expert: (in accordance with section 100 (5) AktG)	☑	☐	☐	☑	☐	☐
Capital Markets	☑	☑	☑	☑	☑	☑
Digital transformation / IT	☐	☑	☑	☐	☑	☑

2.19 Qualification matrix of the Supervisory Board

An overview of the current qualifications and expertise of the Supervisory Board members meeting the profile of skills and expertise is published on our website at https://corporate.brenntag.com/en/about/corporate-governance/supervisory-board/.

Independence

In the Supervisory Board's opinion, a suitable number of independent members is at least three. The Supervisory Board believes that all current members are to be regarded as independent as defined by the GCGC so the share of independent members is 100%.[1] When arriving at this assessment, the Supervisory Board took into consideration that, as of March 2024, Dr. Andreas Rittstieg has been a member of the Supervisory Board for more than 15 years. However, other indicators for a lack of independence as set out in the GCGC do not apply. The length of tenure indicator does not conflict with overall independence.

Dr. Andreas Rittstieg considers himself to be independent. In his consulting and monitoring duties, he demonstrates the necessary distance to the Board of Management along with the capacity for objective judgment, especially since the composition of the Board of Management has changed several times during his term of office. The Supervisory Board feels that it is important to have at least one long-serving member in order to maintain a minimum level of consistency in the advice provided to and supervision of the Board of Management given the daunting challenges the chemical industry is facing, in particular digitalization and sustainability.

The manner in which he has performed his duties to date gives the company no indication of possible conflicts of interest that could influence his judgment. Due to his professional experience and expertise, he also demonstrates the critical distance from the company and the Board of Management that is necessary for the proper performance of his supervisory and advisory function.

A further aspect considered in the assessment of independence was that Dr. Andreas Rittstieg does not represent any shareholder on the Supervisory Board. Dr. Andreas Rittstieg also has other duties and holds other offices and no business relations exist between him and the company.

At the 2024 Annual General Meeting, the Supervisory Board was discharged by 99.98% of the votes cast, which the Supervisory Board sees as confirmation that, in addition to its own assessment, the shareholders also have sufficient confidence that the Supervisory Board maintains its independence when performing its duties.

Dr. Andreas Rittstieg's current term of office ends at the close of the 2025 Annual General Meeting. He will not stand for re-election.

Further information on the members of the Supervisory Board can be found on the website at https://corporate.brenntag.com/en/about/corporate-governance/supervisory-board/.

[1] The disclosures in this paragraph are disclosures required by ESRS 2 (GOV-1 – The role of the administrative, management and supervisory bodies) as specified in the preamble to this management report.

Group sustainability statement

General disclosures

About this Group sustainability statement

General basis for preparation of the Group sustainability statement

This Group sustainability statement for the 2024 reporting period (January 1, 2024 to December 31, 2024) informs Brenntag's stakeholders about its sustainability activities. It was prepared on a consolidated basis, with the scope of consolidation the same as for the financial reporting. It incorporates both Brenntag SE, which is included in the consolidated financial statements, and the consolidated subsidiaries, which are also included along with structured entities. No subsidiary was excluded from the scope of consolidation. Detailed information on the scope of consolidation and consolidation method is provided in the Notes to the consolidated financial statements, sub-section Scope of consolidation.

The Group sustainability statement was prepared in accordance with Sections 289c to 289e in conjunction with Section 315c of the German Commercial Code (HGB) and meets both the legal requirements of the HGB and the statutory provisions under Article 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). The non-financial reporting is prepared by fully applying the first set of European Sustainability Reporting Standards (ESRS) as a framework in accordance with Section 289d of the HGB.

In this context, the following table illustrates how the mandatory aspects listed in Section 289c, para. 2 in conjunction with para. 3 of the HGB are fulfilled in the reporting prepared in accordance with ESRS as the applicable framework. Further information on the identification of material topics can be found in the section Double materiality assessment.

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

Aspects	Topics according to ESRS
Environmental matters	E1 – Climate change E2 – Pollution E3 – Water E5 – Resource use and circular economy
Employee matters	S1 – Own employees
Social matters	Non-material (according to ESRS)
Respect for human rights	S1 – Own employees S2 – Workers in the value chain
Anti-corruption and bribery matters	G1 - Business conduct

2.20 Material topics pursuant to Section 289c, para. 2 in conjunction with para. 3 of the HGB

Social matters were identified as being not material to Brenntag within the meaning of the law and were therefore not included in the Group sustainability statement applying a global policy. However, Brenntag reports on local activities, social activities and employees' involvement outside the Group sustainability statement.

Due to the initial application of ESRS, the consistency principle is overridden in reporting, as these place new and more specific requirements on the recognition, presentation and disclosure of sustainability information. The switch is justified, however, as ESRS are aimed at creating more consistent, more detailed and more comparable sustainability reports that meet the increased requirements of stakeholders and regulatory provisions.

In this Group sustainability statement, Brenntag publishes the content required to be reported and refers to Brenntag's Annual Report 2024 for further disclosures ('incorporation by reference'). To enhance understanding, some information is not reported in this section, but can instead be found in other parts of the management report, such as the section Group overview, the Report on expected developments, opportunities and risks or the Corporate governance statement. A detailed overview can be found in the Appendix. No information corresponding to intellectual property, know-how or the results of innovation is omitted. Neither is use made of the exemptions in connection with Directive 2013/34/EU (Accounting Directive).

In identifying and presenting material impacts, risks and opportunities, Brenntag considered both its own operations and the Group's upstream and downstream value chain. Matters that relate solely to its own operations are expressly disclosed. Policies, actions and targets include the upstream and downstream value chain, depending on topical relevance.

A description of Brenntag's value chain can be found in the section Business model and value chain below and in the section of the management report entitled Business activities and Group structure.

External assurance

Brenntag's consolidated Group sustainability statement was subjected to a limited assurance audit by Deloitte GmbH Wirtschaftsprüfungsgesellschaft (Deloitte). For three metrics, an audit to obtain reasonable assurance was conducted on a voluntary basis. The Practitioner's Report can be found in the relevant section of the Appendix. Unless stated otherwise, no metrics are validated by other external bodies.

Disclosures in relation to specific circumstances

The reporting is based on short-, medium- and long-term time horizons that Brenntag has defined and applied in accordance with ESRS 1, paragraph 6.4. Unless stated otherwise, in line with Brenntag's financial reporting, short-term matters relate to a time horizon of one year. The medium-term time horizon covers periods of one to five years, while long-term time horizons exceed five years. In identifying the material impacts, risks and opportunities, Brenntag defined an additional time horizon that is designated constant. This category denotes that certain impacts, risks and opportunities are ongoing or occur continuously.

The different accounting principles applied to the disclosed metrics in the topic-specific sections provide detailed information on the underlying data. This specifies to what extent the upstream and downstream value chain is taken into account and to what extent estimation is used. In the environment-related sections in particular, a large number of data are being reported for the first time and this entails more uncertainty. This applies to the metrics on Scope 3 emissions, substances of (very high) concern, water consumption, circular products and circular packaging, and waste. In particular in the case of the metrics mentioned, repeated collection, validation and adaptation of the methodology will reduce this uncertainty in the future. Over the coming reporting periods, the learning effects arising in the process will be used to continuously improve data quality.

In the 2024 reporting period – in contrast to the previous year – a comprehensive inventory of CO_2e emissions was prepared, with the collection of Scope 3 emissions in particular being adapted and extended.[1] This change was necessary in order to meet the requirements of the Science Based Targets initiative (SBTi). Based on the data collected, Brenntag set updated climate change mitigation targets that now cover Scope 1, Scope 2 and Scope 3 emissions.[2] In preparation for the targets' submission to the SBTi and their validation, a data audit was carried out, resulting in an adjustment to the market-based Scope 2 emissions.[3] The data audit also detected an inaccuracy in the conversion of some fuel consumption data into MWh.[4] These values were also adjusted for 2023.

In addition, the headcounts for 2023 were adjusted in that employees on leave and in unpaid employment are now also included in the human resources metrics in accordance with ESRS. Further information on this can be found in the section Own workforce. This also contains an overview of the headcount broken down by region.

The role of the management and supervisory bodies

Brenntag SE has a two-tier management system consisting of the Board of Management and the Supervisory Board in accordance with the legal requirements of Article 9, (1,) (c) ii) of Council Regulation (EC) No 2157/2001 on the Statute for a European company (SE) ("SE Regulation") and the German Stock Corporation Act. The management of business by the Board of Management and supervision by the Supervisory Board are therefore clearly separated. Detailed information on the role of the management and supervisory bodies, including the sustainability and business conduct matters addressed by them, is provided in the Corporate governance statement. An overview of the core elements of due diligence can be found in the Appendix to this Group sustainability statement.

Integration of sustainability-related performance in incentive schemes

In order to strengthen its commitment to sustainable business conduct, Brenntag set a target before 2023 to adapt the Board of Management remuneration system for 2024 by explicitly implementing ESG targets. This target was achieved as early as 2023. Following its approval at the 2023 Annual General Meeting, a revised Board of Management remuneration system became effective with retrospective effect from January 1, 2023, through which the Supervisory Board integrated ESG targets into long-term variable remuneration.

Long-term variable remuneration is awarded in the form of virtual shares. The number of virtual shares may increase or decrease, depending on Brenntag's long-term performance measured over a four-year performance period using specified performance criteria. The number of virtual shares finally awarded to the Board of Management member is linked to two financial performance criteria and, via an ESG multiplier, to ESG targets.

On the basis of Brenntag's sustainability strategy, the Supervisory Board selects up to three performance criteria and sets targets, which are to be achieved at the end of the performance period of the respective tranche and result in a multiplier of between 0.8 and 1.2 for each ESG target. The multipliers for each ESG target are weighted equally, resulting in an overall ESG multiplier of between 0.8 and 1.2.

[1] Scope 3 emissions are calculated in accordance with the method set out in the Greenhouse Gas Protocol (GHG Protocol) Corporate Value Chain (Scope 3) Accounting and Reporting Standard. In doing so, different approaches are used for the individual categories, depending on the availability of the data required for the calculation. Further information on this can be found in the section Climate change, sub-section Targets and metrics.
[2] Further information on this can be found in the section Climate change, sub-section Targets and metrics.
[3] Old value: 10,248 t CO_2e, new value: 12,530 t CO_2e.
[4] Bioethanol: old value –555 MWh, new value –441 MWh; other fuels (except diesel, biodiesel, bioethanol and petrol): old value –36,199 MWh, new value –34,264 MWh.

The specific ESG targets for the 2023–2026, 2024–2027 and 2025–2028 tranches of long-term variable Board remuneration are:

- Reduction in greenhouse gas emissions (Scope 1 and Scope 2 emissions)
- Further increase in occupational safety (reduction in the Total Recordable Injury Rate; TRIR)
- Increase in the percentage of female employees at different levels of management

The target values, including the threshold and stretch value for the ESG targets, are in each case set by the Supervisory Board together with target values for the financial targets for variable remuneration in the financial year ending before a tranche is awarded. The target values relate to the last year of the performance period of the respective tranche. The target values and the achievement of each ESG target are in each case disclosed together with the achievement of the financial targets after the performance period of the respective tranche has ended. Taking the 2024 tranche as an example, this means that the target values were set in the December of financial year 2023, relate to a measurement in 2027 and will therefore be disclosed in the remuneration report for 2027.

For the 2023–2026, 2024–2027 and 2025–2028 tranches, the target values for the TRIR and the increase in the percentage of female employees are aligned with the ESG targets for a syndicated credit facility. For the 2023–2026 and 2024–2027 tranches, the target values for the reduction in greenhouse gas emissions (Scope 1 and Scope 2) are likewise aligned with the ESG targets for a syndicated credit facility. For the 2025–2028 tranche, the target values for the reduction in greenhouse gas emissions (Scope 1 and Scope 2) are aligned with the Group-wide reduction targets. These were successfully validated by the SBTi at the beginning of 2025.

Due to the use of multiplicative linking, the percentage of variable remuneration accounted for by the ESG targets can only be shown for the specific target amounts of variable remuneration depending on the total payout factors and as the extent of the influence of the multiplier. Assuming total payout factors for variable remuneration of 100% for the Chief Executive Officer, the percentage influence of the ESG targets is between –11.3% and +11.3%. As the three ESG targets are weighted equally, the influence of the reduction in greenhouse gas emissions (Scope 1 and 2 emissions) is a third of the stated influence. With regard to the total remuneration awarded or due to the Board of Management in 2024, the long-term variable remuneration from 2021 is taken into account, meaning that the specified ESG targets remain unconsidered. As a result, the impact of the emissions reduction target on the total remuneration awarded or due to the Board of Management in 2024 is 0%.[1)]

In line with Board of Management remuneration, the three aforementioned ESG targets were also integrated into the long-term variable remuneration of the most senior management level (Global Leadership Team).

Risk management and internal controls over sustainability reporting

In the course of the materiality assessment implemented in 2024, Brenntag conducted assessments of sustainability-related risks and opportunities. The risks and opportunities identified as material are also covered in the Group-wide risk management system. For example, risks in relation to business conduct are recorded under risk category compliance risk while risks in relation to pollution are recorded under environmental protection, health and safety. Detailed information on this and on the internal control system can be found in the section Report on expected developments, opportunities and risks.

Business model, value chain and strategy

Business model and value chain

As a chemical distributor, Brenntag connects several thousand chemical and ingredients manufacturers with customers from the chemical processing industry and other branches of industry. The Group purchases large-scale quantities of industrial and specialty chemicals and ingredients from a large number of suppliers, which, for their part, purchase raw materials from a large number of upstream suppliers. This enables the Group to achieve economies of scale in procurement and offer a comprehensive range of products and value-added services. The products it purchases are stored in distribution facilities, packed into quantities according to customer requirements and delivered, typically in less-than-truckloads. Efficient logistics and transport management is essential to ensuring that items are stored safely and transported safely. To secure its inputs, Brenntag relies on close supplier relationships and diversification across the product portfolio and the global supplier and customer relationships. Brenntag complies with the various regional legislative requirements that govern and, in some cases, prohibit the sale of chemicals.

Overall, Brenntag's customers benefit from a broad product range comprising more than 20,000 different chemicals and

[1)] Further information on the design of the variable remunderation can be found in the remuneration report.

ingredients as well as extensive value-added services, including just-in-time delivery, product mixing, repackaging, inventory management and drum return handling. The Group also provides tailor-made solutions, such as application, marketing and supply chain solutions, including recycling solutions, technical and formulation support, in-depth regulatory know-how and digital services such as online sales channels and product platforms. In addition, by offering more sustainable products and solutions, Brenntag helps its customers to meet their own sustainability targets. This also opens up further business opportunities for the Group, particularly in the area of the more sustainable product portfolio.[1)]

Strategy

Brenntag aims to fulfill its responsibility as global market leader and actively shape the future of the industry. The company supports its partners within its networks and promotes collaboration and shared success.

Sustainability has been an integral part of Brenntag's corporate strategy for many years now. As far back as 2014, the company became a member of the UN Global Compact and committed to its principles for human rights, labor standards, environmental protection and fighting corruption. In the same year, Brenntag joined Together for Sustainability (TfS), an industry initiative that works to enhance sustainability in the supply chain, and in 2016 it became the first chemical distributor to obtain full membership. In 2020, the CEO signed the Global Compact Statement from Business Leaders for Renewed Global Cooperation together with over 1,000 CEOs of other companies from more than 100 countries. In 2021, Brenntag joined the global RE100 initiative and thus pledged to source 100% of the required power from renewable sources by 2025. In 2022, Brenntag signed up to the Science Based Targets initiative (SBTi), thereby committing to have its climate targets validated by the end of 2024 at the latest. The process to validate the new climate targets started in September 2024 when they were submitted to the SBTi and was completed at the end of January 2025.

Also in 2022, the Group developed its sustainability vision Future Sustainable Brenntag and formulated an ESG strategy. The vision describes Brenntag's overarching set of long-term objectives and the Group's basic direction. The strategy sets out this approach in greater detail and states the actions taken to achieve this objective. The strategy breaks down into six central focus areas:

- Portfolio and investment steering
- Climate change mitigation and reduction of CO_2e emissions
- Resource efficiency and circular economy
- Fair and safe employer
- Responsible partner for suppliers and communities
- Management structures for business ethics

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. Details of the topic-specific targets and the current status of implementation are explained in further detail in the following topic-specific sections. In addition, further information on the Group's overarching objectives and its strategy, including significant groups of products and services offered, can be found in the section Group overview in the sub-section Business activities and Group structure and in the sub-section Objectives and strategy.

[1)] Further information on the business model and the value chain can be found in the section Group overview, sub-section Business activities and Group structure.

Targets

Focus area	Targets 2025–2030	Targets 2030–2050	(Interim) target achievement 2024
General			
Portfolio and investment steering	Assess at least 60% of the product portfolio (sales in EUR) for sustainability (2024)		At least 91% of the product portfolio (sales in EUR) assessed for sustainability
	100% portfolio steering toward sustainability (2025)		31% portfolio steering toward sustainability
	Develop strategies to support technological advancement in important industry segments (e.g. automotive) (2025)		Business development for battery materials established
Environmental			
Climate change	100% electricity consumption from renewable sources (2025)		87.4% electricity consumption from renewable sources
		58.8% reduction in CO_2e emissions (Scope 1, 2) (2034, base year 2023)	6.4% reduction in CO_2e emissions (Scope 1 & 2)
		35% reduction in CO_2e emissions (Scope 3)[1] (2034, base year 2023)	4.8% reduction in CO_2e emissions (Scope 3)
		90% reduction in CO_2e emissions (Scope 1, 2) (2045, base year 2023)	
		90% reduction in CO_2e emissions (Scope 3) (2050, base year 2023)	
Pollution		25% reduction in process spillages (2030, base year 2023)	47% increase in process spillages
Resource use and circular economy	Ten circular businesses, each generating > EUR 1 million a year (2025)		Ten circular businesses identified and started to be implemented
Social			
Own workforce		Total Recordable Injury Rate (TRIR) < 2.0 (2030)	TRIR 2.6
			Global organizational diversity, equity and inclusion structure set up (2024)
	Develop and conduct mandatory training to raise awareness of unconscious bias for leaders, managers and HR officers (as of 2025)	Female representation of at least 30% across the entire management below the Board of Management (2030)	Female representation across management levels in percent: L 1 ≥ 36.6%; L 2 ≥ 33.9%; L 3 ≥ 38.8%; L 4 ≥ 37.4%; L 5+ ≥ 26.1%
			Unconscious bias training conducted
	Annual global employee engagement survey, including action planning and monitoring (as of 2024)		eNPS was implemented
Workers in the value chain	All suppliers are covered by risk management (as of 2024)		100% of relevant suppliers were covered by risk management.
Governance			
Business conduct	Refine the regular reporting to regional, divisional and global management on the development of the compliance management system (2027)		In particular, the compliance and whistleblowing cases reported on a regular basis were distinguished by division

achieved   partially achieved   not achieved

2.21 Targets

[1] The target boundary includes land-related emissions and removals from bioenergy feedstocks.

Sustainable product portfolio and investment steering

Portfolio steering

The product portfolio's focus on innovative and sustainable products is a central element of the sustainability vision Future Sustainable Brenntag. Along the value chain, these contribute to greater efficiency, reduced resource consumption and a smaller impact on people and the environment. Developing a sustainable product portfolio is therefore a fundamental part of Brenntag's business model integrating both social and environmental matters.

Brenntag's aim by the end of 2025 is to use sustainability criteria to steer 100% of the product portfolio and to increase the proportion of products that make a particularly positive contribution to sustainability. Among others, this includes products with a reduced product carbon footprint (PCF), circular products and safer products. [1] The target was developed by Brenntag Group Sustainability in close consultation with the Brenntag Specialties and Brenntag Essentials divisions and finalized with the involvement of the Board of Management and the management. Target achievement is tracked using the ESG scorecard.

To facilitate this approach, Brenntag relies on the company's own Step4Change initiative. This is supported by a team of 50 sustainability ambassadors with operational roles who support all operating units in an advisory capacity, providing expertise, tools and practical tips relating to more sustainable products. In the reporting period, further distribution agreements were entered into with customers and agreements signed on the joint market development of sustainable products.

In 2024, around 91% of the entire product portfolio was fully segmented in terms of its sustainability on the basis of established methods such as the Framework for Portfolio Sustainability Assessments of the World Business Council for Sustainable Development (WBCSD). In doing so, each product is classified with regard to its sustainability performance, from products that make a particular contribution to sustainability ('accelerator') through products that meet standard market sustainability requirements ('sustainable standard') to products with (significant) sustainability deficiencies ('conversion' and 'challenged'). The business units label products in accordance with these four sustainability categories. Key material data and product performance data are captured by regional ERP systems and consolidated in a master data file. These data serve as the basis for extracting commercial metrics and carrying out analyses.

In financial year 2024, Brenntag generated sales of EUR 16,237.4 million in total. [2]

Investment steering

When it comes to assessing investments, ESG factors have been an integral part of the cross-departmental due diligence on mergers and acquisitions since 2022. Brenntag prepares sustainability appraisals in which it determines how the company in question fits its own ESG strategy. The assessment criteria here include energy consumption, energy sources and the products offered by the company under analysis that are classified as sustainable. Portfolio risks relating to sustainability are also examined and incorporated into the investment assessment. Seven assessments were prepared for mergers and acquisitions in the reporting period (2023: eleven assessments).

Since 2022, Group Sustainability has also played a key role in investments with a sustainability dimension. For example, the department assesses investments in buildings or means of transport such as heavy goods vehicles and forklift trucks. It is determined what impact the investment will have on the Group's carbon footprint and the achievement of the CO_2 targets, and, if applicable, how this needs to be counteracted from a sustainability perspective.

[1] Further information on this can be found in the sections Climate change, sub-section Scope 3 emissions, Pollution, sub-section Safe products and substitution of substances of (very high) concern, and Resource use and circular economy, sub-section Circular product portfolio.

[2] Further information on sales can be found in the Report on economic position, sub-section Results of operations.

Interests and views of stakeholders

Brenntag maintains regular dialog with its various stakeholders with a view to understanding their interests and views, and also establishing a mutual understanding of challenges or longer-term perspectives. The insights from the dialog inform the Group's strategic decisions, and the interaction is part of the Group-wide due diligence processes.[1] Significant issues are discussed at the meetings of the Supervisory Board's Transformation and ESG Committee.

The key stakeholder groups include employees, customers, suppliers, other business partners, investors and other representatives of society. In the course of the 2024 materiality assessment, the list of stakeholders was categorized in accordance with ESRS. Brenntag distinguishes between internal and external stakeholders who are or could in future be affected by the impacts of Brenntag's business activities and those of the Group's value chain, and users of the Group sustainability statement. This view results in the following overview, including different dialog formats:

Stakeholders	Internal or external	Affected stakeholders/users/both	Dialog formats
Own employees, works councils, external employees	Internal	Affected stakeholders	Employee surveys, town halls including question and answer sessions, intranet, newsletters, Sustainability Community, various training options, Safety Week
(Potential) employees	External	Both	Company websites, job fairs, social media
Management and leadership (Level L1)	Internal	Affected stakeholders	Sustainability Council, Board of Management meetings, ESG scorecard
Customers	External	Both	Direct dialog between key account managers and customers, self-assessment questionnaires, audits, conferences, Brenntag Sustainability Survey
Suppliers and business partners	External	Both	Direct interaction, audits, EcoVadis assessments, grievance mechanism
Investors	External	Users	Press releases, annual general meeting, investor conferences, roadshows, Capital Markets Day, ratings
Industry associations/association representatives	External	Users	Active member of industry and sector associations

2.22 Stakeholder engagement

The Brenntag Sustainability Survey mentioned in the table has also helped to take into account the interests and views of stakeholders, especially customers, in assessing material impacts, risks and opportunities related to climate change, pollution, water, the circular economy and resource use.

Double materiality assessment

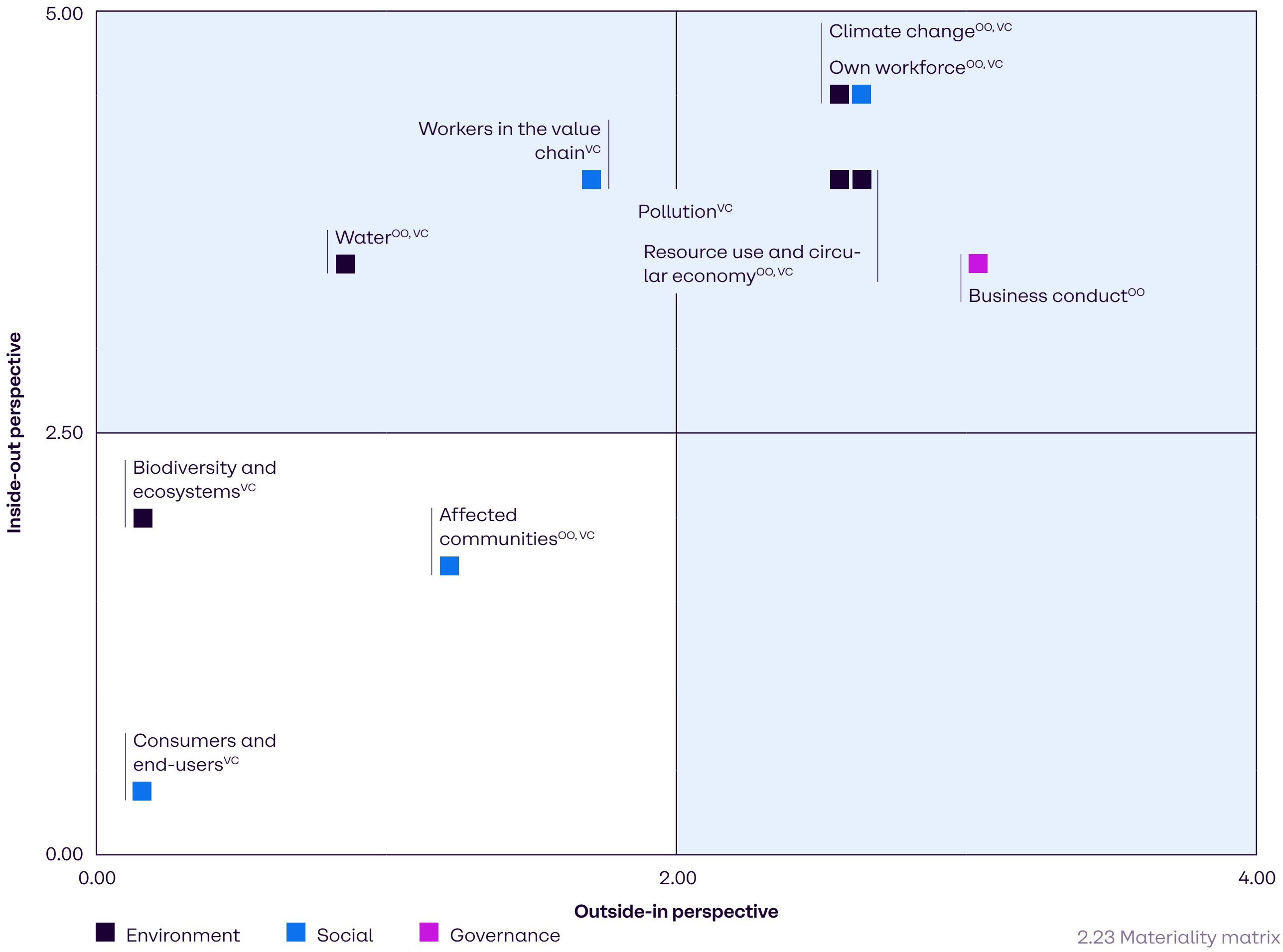
Material impacts, risks and opportunities and their interaction with strategy and business model

Brenntag's operations have material societal, social, economic and environmental impacts. The following matrix provides an overview of the results of the double materiality assessment performed by Brenntag in 2024. In doing so, Brenntag applied the new ESRS requirements. The matrix shows the material risks and opportunities or the financial materiality of the topics for Brenntag on the X axis (outside-in perspective) and the materiality of the impacts of Brenntag's operations on people and the environment on the Y axis (inside-out perspective). This comparison enabled Brenntag to identify its strategic focus areas and align the sustainability strategy accordingly.

Details of the individual material impacts, risks and opportunities are contained in the sections on the topical standards. These provide detailed information on how Brenntag manages those impacts and addresses the risks and opportunities in the context of the Group's own sustainability strategy. Further information on the preceding materiality assessment process can be found in the chapters on material environmental topics as well as business conduct. In addition, a qualitative assessment of Brenntag's strategy and business model was conducted in the course of a workshop with Brenntag sustainability experts. This showed that the Group has the resilience to address the material impacts and risks and take advantage of the opportunities. For example, material impacts, risks and opportunities are addressed within the sustainability strategy and/or in functions and departments explicitly put in place for the purpose.

[1] Further information on this can be found in the statement on due diligence in the Appendix.

Materiality matrix



2.23 Materiality matrix

Threshold inside-out perspective: 2.50
Threshold outside-in perspective: 2.00
OO = Own operations
VC = Value chain

Process to identify and assess material impacts, risks and opportunities

The following steps were taken to identify and assess the material impacts, risks and opportunities. In doing so, all Group activities and the core elements of due diligence set out in the Appendix were taken into consideration:

1. Stakeholder identification and engagement

First, the results of the 2022 stakeholder survey were used as a starting point. In 2024, the stakeholder membership was extended and, as described above in the section on the interests and views of stakeholders, also categorized into 'affected stakeholders' and 'users of the Group sustainability statement' in accordance with ESRS.

2. Preparation of a list of (potentially) relevant sustainability topics

An initial list of material topics was based on the topics identified by Brenntag back in 2022. This was made more granular by further dividing the topics into sub-topics and sub-sub-topics in accordance with ESRS. An additional peer group analysis ensured the completeness of the topics and resulted in an initial list of possible material topics (long list).

3. Definition of impacts, risks and opportunities

In further steps, the sustainability matters were classified as an actual or potential impact, risk or opportunity. Internal Brenntag stakeholders and sustainability experts were consulted for the purposes of this assessment. These are able to assess the external stakeholder perspective either because they are in direct and regular contact with stakeholders (e.g. customer advisors) or because they, as experts, possess specialist knowledge (e.g. with regard to human rights in the supply chain). Direct consultations with affected communities were not conducted as part of the identification of impacts, risks and opportunities in connection with the environmental topics.

4. Assessment of impacts

In accordance with the approach set out in ESRS 1, (actual and potential) negative and positive impacts were assessed with Brenntag's assessment based on the situation before the effects of policies, actions and targets (assessment on a gross basis).

Brenntag assessed actual negative impacts on the basis of severity, while likelihood was in each case added as an assessment criterion in the case of potential negative impacts. However, in accordance with ESRS, likelihood was excluded from the assessment of potential negative impacts on human rights in order to give the severity of the impacts precedence.

For severity, it considered the scale, scope and irremediable character of the impact. Scale refers to how grave (in the case of a negative impact) or how beneficial (in the case of a positive impact) the impact is. Its scope is how widespread the impact is. Irremediable character refers to the extent to which the affected environment or people can be restored to their original state.

In assessing positive impacts, Brenntag considered scale and scope (actual impacts) or scale, scope and likelihood (potential impacts).

The assessment was performed on the basis of close, cross-departmental collaboration with both internal analyses, such as a climate risk assessment, threat assessments or supplier assessments, and external studies, e.g. IPCC, UN Global Compact or sector analyses, playing a role. Consideration was also given to regulatory requirements, such as the EU Taxonomy or the Corporate Sustainability Due Diligence Directive (CSDDD).

5. Assessment of risks and opportunities

For the purposes of assessing financial materiality, Brenntag evaluated the risks and opportunities from sustainability matters with regard to whether they may affect, or could reasonably be expected to affect, Brenntag's financial position, financial performance or cash flows over the short-, medium- or long-term. No financial effects of Brenntag's material risks and opportunities on its financial position, financial performance or cash flows were identified for the reporting period.

The cross-departmental assessment of risks and opportunities was supported by financial reports, risk analyses and scenario analyses. Market data, such as carbon prices or regulatory costs, and studies on market- and climate-related risks are also important sources of information. Dependencies and interdependencies between these risks and opportunities and the impacts identified were also considered. The thresholds taken as a basis and the risks thus identified are aligned with and managed as part of Brenntag's general internal risk management. No sustainability risks were given priority over other risks. Further information on risk management can be found in the Report on expected developments, opportunities and risks.

6. Validation of the results

The results of the double materiality assessment were validated again with internal stakeholders and then submitted to and approved by the Board of Management.

As a result of the process described above, the topic of biodiversity and ecosystems was assessed as being not material. However, ESRS require data points to be disclosed on the upstream materiality assessment process for the environment-specific topics regardless of their materiality. Accordingly, Brenntag considered potential impacts on ecosystems such as those arising from the use of its vehicle fleet on roads, as well as possible dependencies that could result from its product portfolio. For example, components of Brenntag's product portfolio could rely on biodiversity and ecosystems or be linked to their loss. A detailed assessment of individual sites, regardless of whether they might be located in or near biodiversity-sensitive areas, was not conducted, as the potential impacts are general rather then site-specific. Brenntag also concluded that it is not necessary to implement any biodiversity mitigation measures. Aspects such as potential local pollution, which could have a minor impact on biodiversity, are covered in more detail in the section on pollution. Systemic, transition, or physical risks were not included in the assessement of the topic biodiversity and ecosystems.

Environment

Climate change

Material climate change-related impacts, risks and opportunities

Climate change mitigation plays a particularly important role in the sustainability vision Future Sustainable Brenntag, and the climate strategy is derived directly from it. It is based on two different and equally important components. Firstly, the focus is on minimizing the carbon footprint. At the same time, Brenntag strives to increase its positive contribution and leverage opportunities, such as by developing environmentally friendly and environmentally compatible products and solutions. In the course of the materiality assessment, Brenntag identified the following material climate change-related impacts, risks and opportunities:[1]

Material topic	Impacts, risks or opportunities	Value chain	Time horizon	Description
Climate change mitigation	Impact (negative)	Own operations	Constant	Contribution to climate change through Scope 1 and Scope 2 emissions
	Impact (negative)	Upstream and downstream	Constant	Contribution to climate change through Scope 3 emissions
	Impact (positive)	Along the value chain	Constant	Possible impact on the distribution market as an influential market player (Scope 1 and Scope 2 emissions)
	Opportunity	n/a	Constant	Sales opportunities as a result of the potential for differentiation offered by a lower-carbon product portfolio
Energy	Impact (positive)	Downstream	Constant	Possible positive impact on customers in relation to energy consumption and energy efficiency
	Impact (positive)	Upstream	Constant	Possible positive impact on suppliers in relation to energy consumption and energy efficiency
Climate change adaptation	Risk	n/a	Long-term	Physical risks due to potential damage at Brenntag sites/supply chains as a result of extreme weather conditions

2.24 Material climate change-related impacts, risks and opportunities

Transition plan

In 2022, Brenntag joined the Science Based Targets initiative (SBTi) in order to address climate change-related impacts, risks and opportunities in a focused manner and align its strategy with the latest scientific findings. Under the SBTi, Brenntag aligned its targets for Scope 1 and Scope 2 emissions with the 1.5°C target under the Paris Agreement and its targets for Scope 3 emissions with the goal of limiting global warming to well below 2°C (WB2C). The targets were submitted to the SBTi for validation in the reporting period and reviewed and confirmed in January 2025.

Brenntag has introduced and continued two key actions in relation to Scope 1 and Scope 2 emissions in order to meet the targets set. These include the carbon management program and the C.E.R.O. (Carbon Emission Reduction in Operations) project. In the course of these two projects, various decarbonization pathways have been identified and analyzed. Examples of derived actions include implementing energy efficiency measures, developing a more sustainable vehicle fleet through the use of biofuels, fitting installations with lower-emission technologies, replacing gas heating systems with heat pumps, and training and raising awareness among the Group's employees.

[1] Further information on this is contained in the section General disclosures, sub-section Double materiality assessment.

The largest lever for reducing Scope 3 emissions lies in Brenntag's product portfolio. The Group therefore aims to systematically steer this in line with the climate strategy by offering and actively marketing products with a reduced product carbon footprint (PCF).

The climate strategy is the responsibility of Brenntag's CEO as part of his direct responsibility for Sustainability Brenntag Group, which has functional management responsibility for all climate change mitigation-related matters. As a result, the CEO is responsible, among other things, for developing CO_2e reduction targets, monitoring target achievement, driving forward actions to achieve targets and promoting climate-related issues in different areas of the company. In addition, the individual parts of the transition plan were approved by the entire Board of Management.

Carbon management program

Each Brenntag company is held accountable for the Scope 1 and Scope 2 emissions it causes through a set internal price of EUR 30 per tonne of CO_2e. The resulting amount is paid virtually into an internal climate protection fund. Each company or site can apply for this budget by submitting emissions-saving projects. Brenntag is relying on the inventiveness of its employees to propose innovative projects that best fit the local conditions and needs. At the end of each year, the emissions caused are compared against the Group's desired emissions reduction target. The internal carbon price is set based on the emissions reductions achieved, global carbon taxes, emissions certificates, renewable energy costs and voluntary offsetting. Putting a price on the emissions emitted creates a stronger incentive to reduce emissions while the proceeds are used to support projects with a sustainability dimension. The Sustainability Council sets the internal price and selects the projects that are to receive support.

C.E.R.O project

In 2024, the C.E.R.O (Carbon Emission Reduction in Operations) project was launched with a view to achieving further reductions in emissions. The global project is intended to enable Brenntag to reduce its Scope 1 and Scope 2 emissions in line with its set climate targets through regional and local implementation measures. Building on a detailed analysis of regional energy consumption and the resulting emissions, the company began to establish a technical development roadmap for reducing emissions in the individual regions. The initial focus here is on the North America and EMEA (Europe, Middle East, Africa) regions, as this is where Brenntag operates the most sites and therefore emits the largest amount of CO_2e.

The Sustainability Council discusses the implementation of the climate strategy and cross-function actions, and tracks implementation using the ESG scorecard. Moreover, 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 strategy is ensured in these areas, too.[1] Brenntag is not excluded from the EU Paris-aligned Benchmarks.

Policies and actions

Brenntag does not yet have an integrated climate policy at company-wide level, but instead follows decentralized approaches in relation to climate change mitigation, climate change adaptation, energy efficiency and renewable energy. The Brenntag Code of Business Conduct and Ethics, for example, requires all employees to contribute to climate protection. The QSHE environmental management guideline (QSHE: quality, safety, health, environment) calls for a reduction in the carbon footprint at all Brenntag sites and an increase in energy efficiency with a view to meeting the climate targets set. To this end, the related QSHE manual suggests participating in the carbon management program, for example. In addition, the CO_2e Emission & Reporting Methodology specifies how to capture energy and climate data so that targeted actions to mitigate and adapt to climate change and increase energy efficiency can be developed and implemented by building on those data. The Renewable Electricity Policy, meanwhile, governs the procurement of renewable energy. All the aforementioned guidelines and procedural instructions were adopted by the Board of Management and are available on the intranet. The Brenntag Code of

[1] Due to Brenntag's business model, no locked-in CO_2e emissions were identified from our assets and products.

Business Conduct and Ethics can also be downloaded from the company website.

In the reporting period, Brenntag implemented a diverse range of actions in relation to Scope 1, Scope 2 and Scope 3 emissions with a view to achieving the policies' central goal – to reduce CO_2e emissions.

Scope 1 and Scope 2 emissions
Procuring electricity from renewable energy sources is a major lever for reducing Scope 2 emissions and something that Brenntag continued to drive forward in 2024. In doing so, Brenntag relies on a combination of on-site generation, direct supply contracts and purchases of guarantees of origin, with the share of renewable eletricity totaling 87.4% in the reporting period (2023: 82.2%). Around 52,397 tonnes of Scope 2 emissions were thus avoided. It is intended to install solar panels at sites where this is technically feasible (e.g. there must be no storage of flammable liquids) and economically worthwhile. At the Brenntag site in Querétaro (Mexico), for example, 441 solar panels were installed, which can produce around 393 MWh of electricity a year. These supplement the existing installations on Brenntag warehouses and offices in Añelo and Zarate (Argentina), Kandrzin-Cosel (Poland), Padua (Italy), Singapore, Bangkok (Thailand), Gurugram (India), Santa Fe Springs (USA) and other sites.

Various project ideas were submitted and implemented under the carbon management program (budget: around EUR 6.6 million[1)]) in 2024 and are to save a total of around 507 tonnes of Scope 1 emissions annually as of 2025. The carbon management program projects implemented in 2023 reduced Scope 1 emissions by around 1,521 tonnes and Scope 2 emissions by around 594 tonnes. The projects include, for example, electric heavy goods vehicles, including the necessary charging stations, and electric forklift trucks in the USA, replacing gas heating systems with heat pumps in Belgium and the USA, and adding batteries to a solar installation in Argentina.

Moreover, Brenntag uses efficient transport logistics to plan the vehicle fleet's trips such that fuel consumption, CO_2e emissions and harmful emissions are minimized. Using freight quotations for intermodal transportation enables the use of more environmentally-friendly modes of transport on suitable routes. Further savings were achieved by switching partly to biofuels for company cars and trucks. Biofuels (biodiesel and bioethanol) accounted for 0.7% of total fuel consumption in 2024 (2023: 0.5%). This saved around 922 tonnes of Scope 1 emissions.

Not least of all, Brenntag offset some of the Scope 1 and Scope 2 emissions with the help of certified projects in 2024 (131,126 t CO_2e). In the reporting period, around 67.7% (2023: 44.1%) were offset in this way. 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. 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 CO_2e. The drinking water project in Uganda not only reduces greenhouse gas emissions; it also serves the health of over a million people, as it improves their standard of living and protects forests by dispensing with the need for firewood to boil drinking water.

CO_{2e} certificates

CO_2e certificates canceled in the reporting period	**2024**	**2023**
Total (t CO_2e)	**131,126**	**91,249**
Share from removal projects (%)	0%	0%
Share from reduction projects (%)	100%	100%
Clean Development Mechanism	100	100
Share from projects within the EU (%)	0%	0%
Share of CO_{2e} certificates that qualify as corresponding adjustments (%)	0%	0%
CO_2e certificates planned to be canceled in the future	**41,181 (by the end of 2025)**	

2.25 CO_2e certificates

1) The funds for the carbon management program cannot be linked directly to items in the financial report, as those funds are disbursed after a lag of one year. This results in a delay that makes it difficult to allocate them directly.

Scope 3 emissions

The largest lever for reducing Scope 3 emissions lies in Brenntag's products. One action to optimize the portfolio involves building a portfolio of products with a reduced product carbon footprint (PCF) that offer customers an alternative to fossil-based products. This is made possible by a globally valid ISCC+ certificate for mass-balance products and the Brenntag LowCarb product range, among other things. The first project successes can now be seen in EMEA, for example, where the offering includes sodium hydroxide produced using 100% renewable energy. The more sustainable sodium hydroxide has a carbon-saving potential of around 65% compared with conventional sodium hydroxide.[1)]

CO_2Xplorer

CO_2Xplorer uses various product data to calculate cradle-to-customer-gate CO_2e emissions. Carbon footprints from external data providers are used in addition to suppliers' primary data. In the reporting period, PCF (product carbon footprint) data were available for more than 2,100 chemical products. Supply chain CO_2e emissions for different means of transport and CO_2e emissions from warehousing are also taken into account. Emissions data for different product packaging, such as IBCs and drums, complete the comprehensive CO_2e emissions calculation.

CO_2Xplorer Core can be accessed by Brenntag-internal users. The tool enables them to easily calculate PCFs for mixes, blends, solutions and products with multiple sources of supply, for example. Measuring the relevant CO_2e-emitting inputs – product, logistics, warehousing and product packaging – also allows different alternatives to be compared. Conventional products can thus be directly compared with more sustainable products, as can different transportation options, e. g. road-based versus rail-based transportation, or single-use versus reusable packaging.

CO_2Xplorer on-demand is a fee-based Brenntag customer service that enables business partners to independently establish CO_2e transparency for their purchased products on the basis of Brenntag's operational reference data and for selected supplier locations. They receive a CO_2e-centered product passport that offers complete emissions transparency. In the reporting period, the service was offered only in the EMEA region. It is scheduled to become available globally as of 2025.

Moreover, Brenntag's CO_2Xplorer provides support in developing new lines of business with lower-carbon products and creates more transparency over Scope 3 emissions along the chemical value chain. Since December 2022, Brenntag has been providing its customers with detailed product carbon footprint (PCF) data for the products they purchase from Brenntag if they so request. The calculation option has been continuously further developed over the last two reporting periods, culminating in the CO_2Xplorer core and the CO_2Xplorer on-demand in 2024. These user-friendly tools enable the CO_2e emissions of chemical products to be calculated throughout their lifecycle.

The aim is to increase transparency over CO_2e emissions and thus drive the reduction of emissions throughout the supply chain. In 2023, the calculation method used for CO_2Xplorer was certified by the independent external testing service provider TÜV Rheinland following a systematic review. The certification 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. Moreover, in the reporting period, the tool received the ICIS award for the best digital innovation.

Resilience analysis

In the reporting period, Brenntag also conducted a resilience analysis of its sustainability strategy and business model in the context of climate change. The resilience analysis incorporated the findings of the double materiality assessment.[2)] It also examined climate-related transition events, i.e. economic, regulatory, technological and societal changes that may occur during the transition to a low-carbon and sustainable economy. For Brenntag as a distribution company, topics such as increased carbon pricing[3)], the development of low-emission technologies and changes in consumer behavior are of key importance in this context. These factors may affect the value chain through rising transport costs or changes in demand for more sustainable products, for example. Against this background, assumptions were developed for long-term scenarios that shed light on the possible implications for Brenntag. It was then assessed to what extent Brenntag's climate strategy is geared to addressing all opportunities and risks identified as material – over the short-, medium- and long-term. Ultimately, Brenntag believes that it

[1)] As the Scope 3 emissions inventory was not prepared in full until this reporting period and products with a reduced PCF still have to hold their ground in the market, there is no robust dataset on which to base a detailed quantification of the Scope 3 emission reductions achieved.
[2)] Further explanatory notes on the double materiality assessment and the definition of the assessment time horizons can be found in the section General disclosures, sub-section Double materiality assessment.
[3)] For the purposes of assessing carbon pricing, consideration was given to external sources and the price range recommended by the High-Level Commission for 2030 in order to keep the rise in temperatures below 2°C.

is resilient to the challenges of climate change identified due to its strong market position and its strategic alignment with the 1.5°C target.[1)]

Nevertheless, the uncertainties that Brenntag faces must also be examined. For example, Brenntag's long-term decarbonization options in relation to Scope 1 and Scope 2 emissions depend on the further development of low-emission technologies and the regional availability of sustainable fuels. Therefore, Brenntag will first drive the decarbonization of the truck fleet over the short- and medium-term through the use of biofuels before making a more extensive switch to electric and hydrogen vehicles over the long term. Reducing Brenntag's Scope 3 emissions requires close cooperation with suppliers and targeted steering of the product portfolio toward more sustainable products. To best leverage this opportunity, Brenntag continuously analyzes the specific requirements and potential of different industries with a view to making advances in decarbonizing the chemical value chain together with partners.

In the course of the resilience analysis, Brenntag also incorporated the results of a pilot project launched in 2022 that assessed climate-related physical risks, such as rising sea levels or exceptional heatwaves, at the company's sites around the world. Together with an external service provider, it conducted a qualitative analysis of the long-term threat from climate risks for three global warming scenarios (RCP2.6, RCP4.5 and RCP8.5) for 2050. The three scenarios selected represent different global warming trends – an optimistic (RCP 2.6), a moderate (RCP 4.5) and a pessimistic estimate (RCP 8.5). This gives Brenntag a thorough understanding of the range of possible future developments, which can be embedded into strategic planning. Consideration was given to the likelihood, scale and duration of the risks and the geographical coordinates. Brenntag sites were thus assessed in terms of their exposure to such risks on a scale from 0 (very low risk) to 1 (very high risk). The results show that physical damage due to climate change may be a material risk over the long term.[2)] The assessment also highlighted that exposure and sensitivity can vary considerably, depending on geographical location and climate scenario. For example, coastal regions are at greater risk from storm surges and sea level rise, whereas interior regions may be more affected by droughts or heatwaves, depending on the scenario selected. The analysis is intended to help strengthen resilience to climate change on an ongoing basis.

The threat of physical risks is also captured and systematically assessed as part of the Group-wide risk reporting. Detailed information on the risk management process is contained in the section Report on expected developments, opportunities and risks.

[1)] No assets or business activities were identified that are incompatible with or need significant efforts to be compatible with the transition to a climate-neutral economy.

[2)] The assessment perspective is also used in analyzing potential impacts of climate-related physical risks on net assets, financial position and results of operations.

Targets and metrics

In the reporting period, Brenntag fully reviewed and adapted its climate targets in connection with their validation by the multi-stakeholder initiative SBTi. The following, science-based CO_2e reduction targets intended to limit global warming to 1.5°C were approved by the Board of Management and were validated by the SBTi at the end of January 2025.

Medium-term targets:

- Brenntag commits to reduce absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 58.8% by 2034 from a 2023 base year.[1)]
- Brenntag commits to reduce absolute Scope 3 GHG emissions by 35% by 2034 from a 2023 base year.[1)]

The Scope 1, Scope 2 and Scope 3 emission reduction targets are gross targets and were developed on the basis of the relevant SBTi methodology, i.e. the SBTi Corporate Near-Term Criteria (version 5.2) for medium-term targets and the SBTi Corporate Net-Zero Standard (version 1.2) for net-zero targets. In doing so, the absolute contraction approach was selected, which requires a linear reduction in emissions, irrespective of the sector.

The previous target, to reduce Scope 1 and Scope 2 emissions by 40% in each case by 2030, was therefore adapted such that all acquisitions are now also included in the scope. In addition, the shift in the base year from 2020 to 2023 enables the best possible data quality to be used for Scope 1 and 2 emissions and the base year to be brought into line with that for Scope 3 emissions. 2023 is also a representative base year due to the stable nature of Brenntag's business activities. The adapted climate targets are more ambitious than before and progress toward them has already been measured.

Net-zero targets

- Brenntag commits to reach net-zero GHG emissions across the value chain by 2050.
- Brenntag commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 90% by 2045 from a 2023 base year.[1)]
- Brenntag commits to reduce absolute Scope 3 GHG emissions by 90% by 2050 from a 2023 base year.[1)]

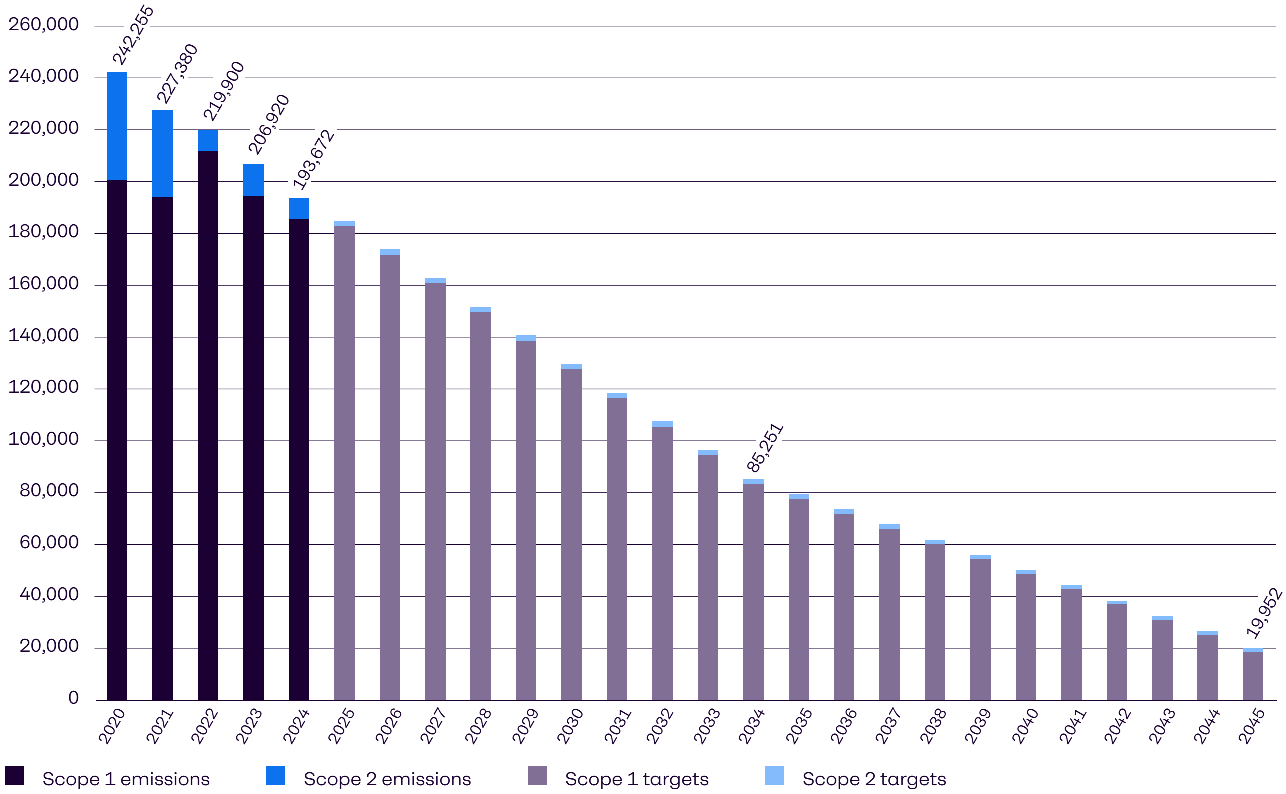
Brenntag expects to be able to reduce Scope 1 and Scope 2 emissions almost completely by 2045. The remaining emissions are to be offset through carbon credits available and permitted from 2045. For Scope 3 emissions, Brenntag relies on the actions of its suppliers, which either offset their emissions or will use authorized emissions-removal methods through to 2050.

Linear progression is used to set annual interim targets. The other annual sub-targets are shown in the two graphics below, as are the emission reductions achieved since 2020. In 2024, for example, a 6.4% (2023: 5.9%) reduction was achieved in Scope 1 and Scope 2 emissions. Scope 3 emissions were reduced by 4.8%.

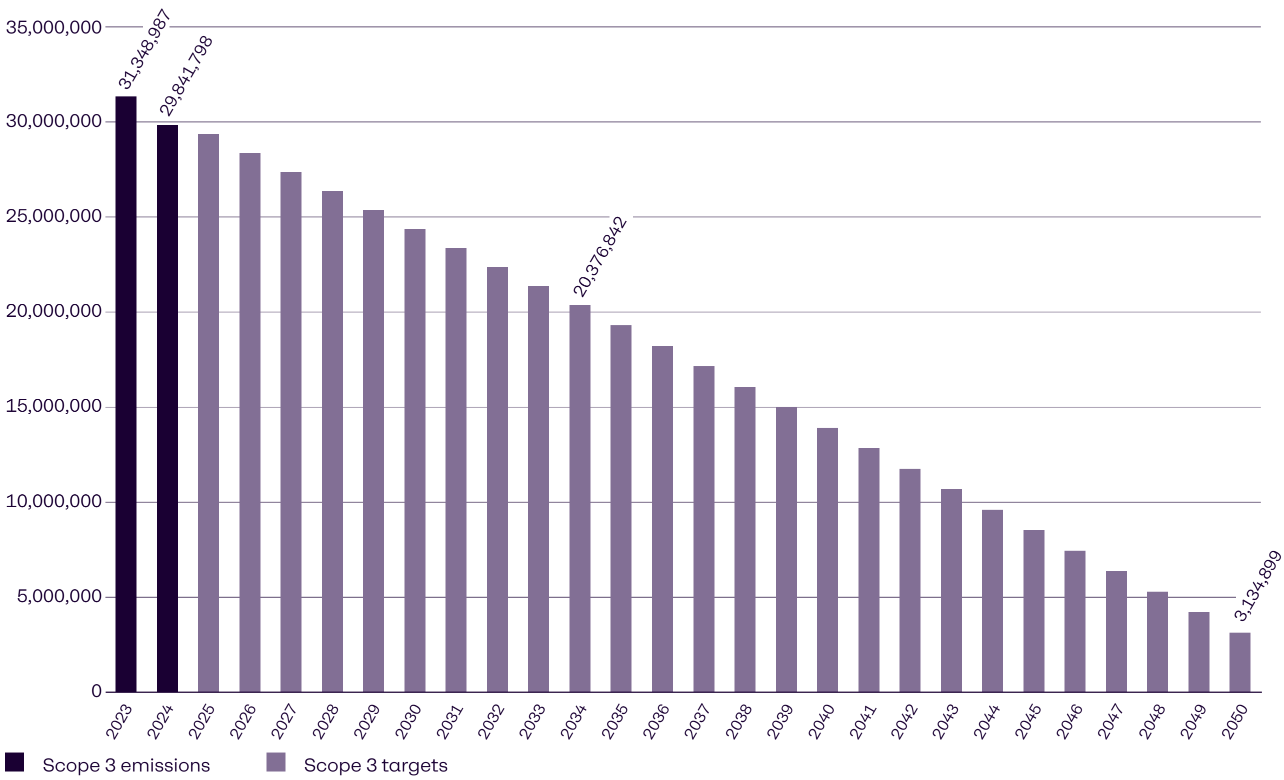
The targets cover all Brenntag business units and the upstream and downstream value chain, with the exception of emissions from the processing of sold products (GHG Protocol category 3.10) and some emissions from the use of sold products (GHG Protocol category 3.11), as these cannot be calculated due to the large number of customers and applications. This approach is in line with the requirements of both the GHG Protocol and the SBTi Chemicals Sector Guidance.

[1)] The target boundary includes land-related emissions and removals from bioenergy feedstocks.

Scope 1 and 2 emissions – market-based (t CO_2e)



Scope 3 emissions (t CO_2e)



The following decarbonization levers and their overall quantitative contribution to the achievement of the CO_2e emission reduction targets by 2030 were identified:

- Use of electricity from renewable energy sources: 5%
- Switching to heat pumps and e-boilers: 6%
- Decarbonization of the truck fleet: 21%
- Decarbonization of the company car fleet: 4%
- Electrification of forklift trucks: <0.5%
- Gradual withdrawal from distributing very carbon-intensive products: approx. 5%
- Expansion of the product portfolio of low-carbon products: approx. 7%
- Sustainability criteria in the product procurement process: approx. 9%

As neither the SBTi nor the ESRS Standard accepts the use of offsets to achieve targets, the goal of offsetting 100% of the remaining Scope 1 and 2 emissions by 2025 is no longer being pursued. The resources this has freed up will instead be used for direct decarbonization projects.

The goal of sourcing 100% renewable electricity worldwide by 2025 remains in place. It is in accordance with Brenntag's Green Electricity Policy in line with the RE100 initiative[1] and its standards.

Progress in achieving climate and energy targets is reviewed by the Board of Management on a quarterly basis using an ESG scorecard.

Energy consumption and mix

Energy consumption and mix	2024	2023
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	632,205	636,351
Fuel consumption from natural gas (MWh)	147,946	185,153
Fuel consumption from other fossil sources (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	26,005	35,322
Total fossil energy consumption (MWh)	**806,156**	**856,826**
Share of fossil sources in total energy consumption (%)	**85.8%**	**87.4%**
Consumption from nuclear sources (MWh)	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0%	0%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	3,296	2,843
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	127,707	117,016
Consumption of self-generated non-fuel renewable energy (MWh)	2,890	3,158
Total renewable energy consumption (MWh)[1]	**133,892**	**123,017**
Share of renewable sources in total energy consumption (%)	**14.2%**	**12.6%**
Total energy consumption (MWh)	**940,048**	**979,843**

2.26 Energy consumption and mix

1) Of the total amount of renewable electricity, 2.2% of the electricity comes from on-site generation, 20.9% from direct supply contracts and 76.9% from purchases of guarantees of origin.

Energy intensity per net revenue[2]

Energy intensity per net revenue	2024	2023	Δ %
Total energy consumption per net revenue (MWh/EUR)	0.0000579	0.0000583	–0.6%

2.27 Energy intensity per net revenue

2) In financial year 2024, Brenntag generated sales of EUR 16,237.4 million. All of Brenntag's business activities are in high climate-impact sectors. Further information on sales can be found in the Report on economic position, sub-section Results of operations.

1) RE100 provides a global guideline where businesses pledge to source 100% renewable electricity over the medium term.

CO_2e emissions

	Retrospective			Milestones and target years			
	2024	2023 (base year)	Δ %	2025	2030	2050	Annual % target / Base year [1]
Scope 1 GHG emissions							
Scope 1 GHG emissions (t CO_2e)	185,546	194,390	-4.5%	182,805	127,501	18,699	
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (in %)	0	0	0%				
Scope 2 GHG emissions							
Location-based Scope 2 GHG emissions (t CO_2e)	48,317	49,017	-1.4%				
Market-based Scope 2 GHG emissions (t CO_2e)	8,127	12,530	-35.1%	1,933	1,933	1,933	
Scope 1 and Scope 2 GHG emissions							
Location-based Scope 1 and Scope 2 GHG emissions (t CO_2e)	233,863	243,407	-3.9%				
Market-based Scope 1 and Scope 2 GHG emissions (t CO_2e)	193,672	206,920	-6.4%	184,798	129,494	20,692	5.3%
Significant Scope 3 GHG emissions							
Scope 3 GHG emissions (t CO_2e)	29,841,798	31,348,987	-4.8%	29,354,052	24,366,713	3,134,899	3.2%
1. Purchased goods and services	25,796,193	27,193,880	-5.1%				
2. Capital goods	148,070	28,513	419.3%				
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)[2]	47,643	50,522	-5.7%				
4. Upstream transportation and distribution	741,915	755,684	-1.8%				
5. Waste generated in operations	23,222	117,007	-80.2%				
6. Business travel	20,370	23,247	-12.4%				
7. Employee commuting	12,464	12,608	-1.1%				
8. Upstream leased assets	141	93	51.9%				
9. Downstream transportation	40,635	34,353	18.3%				
10. Processing of sold products							
11. Use of sold products	1,252,283	1,342,416	-6.7%				
12. End-of-life treatment of sold products	1,741,850	1,765,867	-1.4%				
13. Downstream leased assets							
14. Franchises							
15. Investments	17,013	24,798	-31.4%				
Total GHG emissions							
Total GHG emissions (location-based) (t CO_2e)	**30,075,661**	**31,592,394**	**-4.8%**				
Total GHG emissions (market-based) (t CO_2e)	**30,035,471**	**31,555,908**	**-4.8%**	**29,538,850**	**24,496,207**	**3,155,591**	
Out-of-Scope emissions	812	680	19.4%				

2.28 CO_2e emissions

[1] Annual reduction in percentages from the baseline year 2023 required to reach the 2034 target.
[2] This value includes upstream emissions from biofuels (147 t CO_2e (2023) and 184 t (2024)).

Of this amount, 22.7% of the Scope 1 and Scope 2 emissions are emitted in the EMEA region (2023: 22.6%), 69.6% in North America (2023: 69.8%), 4.7% in Asia Pacific (2023: 4.8%) and 3.0% in Latin America (2023: 2.8%).

Carbon intensity per net revenue [1)]

	2024	2023	Δ %
Total CO_2e emissions (location-based) per net revenue (t CO_2e/EUR)	0.001852	0.001879	-1.4%
Total CO_2e emissions (market-based) per net revenue (t CO_2e/EUR)	0.001850	0.001877	-1.4%

2.29 Carbon intensity per net revenue

[1)] In financial year 2024, Brenntag generated revenue of EUR 16,237.4 million. All of Brenntag's business activities are in high climate-impact sectors. Further information on revenue can be found in the Report on economic position, sub-section Results of operations.

Accounting principles

Brenntag follows the operational control approach and reports its energy consumption and its CO_2e emissions in accordance with the principles and requirements of the Greenhouse Gas (GHG) Protocol.

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 2023 (for the 2023 report) were compared against the real values determined in the course of Q1 2024. This resulted in only minimal changes (0.54%), as a result of which only low-level uncertainty can be assumed for this year's extrapolations.

The emissions are calculated using emission factors from the UK Department for Business, Energy & Industrial Strategy (DBEIS). The calculation for district heating was carried out using the factor according to UBA (2018).

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, average emission factors in the respective regions and IEA emission factors are used for the reporting period. In the case of the market-based method, the emission factors of the respective country electricity mix (excluding renewable sources) are used if available. Using the market-based method enables company-specific purchases of energy from renewable sources to be presented in a more transparent manner. It therefore also serves as the basis for setting targets. The calculations under the location-based method merely enable better comparability with earlier reports.

Scope 3 emissions are quantified by applying the equation set out in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard:

greenhouse gas emissions = activity data * emission factor.

As listed in the table below, different approaches were selected for the various GHG Protocol categories, depending on the data available for the calculation. The reporting on Scope 3 emissions includes emissions related to Brenntag's business activities in the current financial year. This approach therefore also includes emissions that were emitted outside the period under analysis, but were caused by business activities carried out in the reporting period.

Emissions category	Methodology
3.1 Purchased goods and services – chemical products	Activity data: mass-based method, of which 2% primary data
3.1 Purchased goods and services	Spend-based method, of which 0% primary data
3.2 Capital goods	Spend-based method, of which 0% primary data
3.3 Fuel- and energy-related activities (not included in Scope 1 or 2)	Fuel-based method: direct allocation based on Scope 1 and 2 emissions data, of which 100% primary data
3.4 Transportation and distribution (upstream)	Hybrid approach: average data-, spend-based, distance-based method, depending on the data available in each region, of which 0% primary data
3.5 Waste generated (in own operations)	Activity data-based method: waste-type-specific method, of which 99.3% primary data
3.6 Business travel	Spend-based method, of which 0% primary data
3.7 Employee commuting	Countries, number of employees and number of working days as inputs for the calculation, of which 0% primary data
3.8 Leased assets (upstream)	Average energy intensity method, of which 0% primary data
3.9 Transportation and distribution (downstream)	Hybrid approach: activity data- and spend-based method, of which 0% primary data
3.10 Processing of sold products	Not calculated due to complexity (permitted under the GHG Protocol and SBTi Chemicals Sector Guidance)
3.11 Use of sold products	Only calculated for refrigerants operations, in accordance with comment on 3.10, of which 0% primary data
3.12 End-of-life treatment of sold products	Activity data: mass-based method, of which 0% primary data
3.13 Leased assets (downstream)	Not relevant with regard to Brenntag's business activities
3.14. Franchises	Not relevant with regard to Brenntag's business activities
3.15 Investments	Method based on the investee's sales, of which 0% primary data

2.30 Scope 3 emissions calculation method

Pollution

Material pollution-related impacts, risks and opportunities

As a distributor, Brenntag bears particular responsibility, as the processing and use of chemicals and chemical products may cause significant environmental damage in the event of an accidental release or improper use. The safe handling of chemicals is therefore of paramount importance to Brenntag in all respects. As part of the materiality assessment, any historical pollution at individual sites and the consultations held with individual stakeholders in this context were taken into account. The following table summarizes the material impacts and risks of Brenntag's business activities on the environment:[1]

Material topic	Impacts, risks or opportunities	Value chain	Time horizon	Description
Pollution of water and soil, pollution of living organisms and food resources (accidental releases)	Impact (negative)	Along the value chain	Constant	The accidental release of chemicals may lead to the contamination of/harm to (ground)water and soil, flora and fauna.
	Risk	n/a	Constant	Remediation, restoration or rehabilitation costs due to accidental releases
Substances of concern, substances of very high concern; pollution of living organisms and food resources	Impact (negative)	Downstream	Constant	Possible degradation of the environment/living organisms due to the use of products containing substances of (very high) concern
Pollution of water	Impact (positive)	Downstream	Constant	Improving the water quality of polluted bodies of water through the use of the water treatment and water purification product portfolio[2]

2.31 Material pollution-related impacts and risks

[2] Further information on this impact can be found in the section Water, sub-section Water treatment/water purification product portfolio.

Accidental releases

Policies and actions

During the transportation, handling and warehousing of chemicals along Brenntag's value chain, there is generally a risk of an accidental release that may potentially lead to water and soil pollution. Therefore, there is also a potential risk to living organisms and food resources. The Global QSHE Policy (QSHE: quality, safety, health, environment) combines the Group's objectives and standards for quality, health, safety and the environment. Brenntag strives for process safety, occupational health and safety, customer satisfaction, respect for the environment and continuous improvement at all times. The Group undertakes to provide the resources required for this.

The QSHE management system is a central pillar in this policy's implementation and is supported by the QSHE manual and the guidelines, procedures and responsibilities contained in it. The system is aimed at ensuring that Brenntag's sites are operated safely, its products are transported safely and its customers are supplied safely, thereby preventing any negative environmental impacts. The QSHE Policy and the related guidelines were developed by the functional department, which gave particular consideration to the handling of hazardous products. The policies and guidelines were approved by the Board of Management, which also has overall responsibility for their implementation. They apply to all Brenntag companies worldwide and are available through the QSHE management platform on the intranet.[3]

[1] Further information on this is contained in the section General disclosures, sub-section Double materiality assessment.
[3] Further information on the Global QSHE Policy and the QSHE management system is provided in the section Own workforce, sub-section Occupational health and safety.

The actions that build on the guidelines follow a three-step approach to preventing environmental damage as a result of spillages: prevention, retention, elimination.

The task, first of all, is to generally prevent releases. This includes measures such as structural requirements and operational specifications for storage facilities or loading and unloading points. There are also specific requirements for products with increased risk exposure. The intention is to prevent the risk of a release due to overfilling, incorrect filling and other incidents, for example.

Secondly, in case product releases nevertheless occur, Brenntag has installed various internal retention systems at its sites to collect spilled products and prevent them from entering the environment. These structural measures are complemented by easily accessible mobile materials and measures that enable leaked chemicals to be collected or absorbed quickly.

Thirdly, if, in exceptional cases, releases into the environment nevertheless occur – whether at the sites or during transportation – Brenntag takes all the actions necessary to clean up and restore the affected areas. Where necessary, these actions are taken in close consultation with the authorities responsible.

In addition, the safe handling of loose, unpackaged chemicals, termed bulk goods, requires facilities and processes designed specifically for this. Brenntag has therefore established a process safety management (PSM) at all sites worldwide that work with such bulk goods. At intervals of one to two years, the sites conduct a self-assessment using a questionnaire (SAQ) based on the internationally recognized CCPS model (CCPS: Center for Chemical Process Safety). Using a risk-based approach, a structured system is also applied under which the sites concerned undergo a PSM assessment at least once every three years. The schedule also stipulates whether the assessments are led by a global, regional or local PSM expert.

Brenntag expanded its PSM program considerably in the reporting period. As additional processes and products were included, the number of PSM focus sites rose from 237 to 363. The number of assessments carried out was increased from 77 in 2023 to 139 in the reporting period.

Brenntag also simplified the PSM self-assessment questionnaire. Finally, Brenntag enhanced its PSM expertise by recruiting new members of staff and providing rigorous training. In September, for example, 31 PSM experts from the EMEA organization attended an intensive four-day CCPS boot camp delivered by instructors from the American Institute of Chemical Engineers (AIChE).

Also in September of the reporting period, Brenntag launched a global initiative aimed at preventing product releases, which is based on the findings of an analysis of release incidents over the past few years. As part of this initiative, a seminar took place for leaders from HSE, production and management. Compact information formats, such as ‘Safety Moments’ on specific topics, were also provided. The initiative is to be continued with further actions in 2025.

Not least of all, safety- and environment-related events are classified, analyzed and reported in accordance with uniform criteria.

Targets and metrics

Building on the policies and actions described above, Brenntag aims to reduce the rate of process spillages by at least 25% by 2030, starting from 1.88 cases per one million tonnes of outgoing products from warehouse sites in 2023. Ultimately, this general reduction is also intended to further reduce the relatively low number of releases into the environment, thereby preventing potential water and soil pollution. This includes releases of chemicals containing substances of (very high) concern. The target was developed by specialists in the QSHE department in close collaboration with the Sustainability department and finalized with the involvement of the Board of Management. It is voluntary and is not based on any specific scientific findings. Target achievement is monitored at Board of Management level using a quarterly ESG scorecard.

28 process spillages were reported in the reporting period. The resulting rate was 2.76 cases per one million tonnes of outgoing products from warehouse sites and therefore above the interim target of 1.81. In response, Brenntag launched the aforementioned initiative to prevent product releases. However, all releases were collected in full by the retention systems installed, with one exception. At the end of 2024, it was noticed that a leak had developed in an underground section of a pipe at a site in Brazil. An extrapolation after comparing target and actual levels showed that no relevant amounts of pollutants were released into the soil and water. No other

relevant releases of pollutants into soil or water were reported in the reporting period.[1] There were operating expenses of EUR 4.8 million in connection with a fire that broke out in 2023 at a warehouse site in Canada and the related extensive clean-up and remediation measures.[2] Further costs will be incurred in subsequent years due to environmental monitoring measures, which are currently planned in coordination with the authorities for the period to 2027.

Accidental releases from process facilities are termed process safety events (PSEs). PSE-1 events are higher-category events as defined by the CCPS. In 2024, there were a total of eleven PSE-1 events at Brenntag sites: three product releases from processes that were classed according to CCPS criteria as a PSE-1 event due to the quantity of product released. In two cases, the released product was collected in full by the retention systems, as a result of which nothing entered the environment. In addition, there were eight further events where the release of smaller quantities of product resulted in lost time injuries, which is why these were also classed as a PSE-1 event.

Accounting principles

Spillages/releases are defined as a loss of primary containment (LOPC). At Brenntag, all spillages in excess of 200 liters that may stem from liquid and solid products classified as dangerous goods in accordance with the international UN transport regulations and are released from processes (according to the CCPS definition) at Brenntag sites are included in the process spillage rate. The number of these releases is expressed in relation to outgoing products from warehouse sites in millions of tonnes. In the assessment of relevance for significant environmental impacts according to Regulation (EC) No. 166/2006, releases of pollutants smaller than 200 liters were also considered if they entered soil or water. Relevance is considered individually in each case depending on the chemical released. This applies to releases at Brenntag sites or during transportation.

Safe products and substitution of substances of (very high) concern

Policies and actions

Brenntag aims to make its product portfolio more sustainable. The aim, first of all, is to identify products in the portfolio that make a positive contribution to sustainability, increase their share and market them more strongly. At the same time, it is intended to reduce products in the portfolio that could pose a risk to health and the environment if used improperly. In optimizing the portfolio, Brenntag is guided by the guidelines issued by the World Business Council for Sustainable Development. A product offering that meets safety standards above and beyond regional regulations is a sustainable distinguishing feature. Due to different statutory provisions in the various regions around the globe, certain products carrying potential health or environmental risks are still permitted there, even though their use is already restricted in the EU under the REACH regulation[3].

Back in 2023, the Global Safe Product Policy was introduced with a view to ensuring that the most stringent statutory provisions and the highest safety standards are adhered to at Brenntag worldwide. This guideline is aimed at gradually reducing the sale of substances of very high concern (SVHCs) in products at a concentration above 0.1% not just in the EU, but worldwide as well. The focus here is on SVHCs on the EU-REACH authorization list (Annex XIV) and the EU-REACH candidate list. For substances on the SVHC candidate list, Brenntag aims to gradually offer safer alternatives that have smaller environmental impacts, improved product labeling and a reduced toxicity profile compared with the industry standard.

The guideline was adopted by the Board of Management and applies globally. It is available to all Brenntag employees on the intranet. External stakeholders are informed about the guideline on the company website.

In implementing the Global Safe Product Policy, Brenntag benefits from its global presence, an extensive supplier network and in-depth application and product expertise, especially in heavily regulated markets. This knowledge is also leveraged in less regulated markets so as to proactively offer appropriate products to customers wishing to comply with safety standards that go beyond regional regulations.

As it works closely together with suppliers and customers, Brenntag has a deep understanding of the technical functions a particular chemical product must fulfill and is able to offer the customer a selection of safer alternative products. In 2023, the Business Development Sustainable Products function was established in the Brenntag Essentials division with a view to expanding the range of sustainable alternative products and solutions. This serves to foster internal dialog with regard to alternative solutions and products so that the

[1] Relevant releases are reported in accordance with the substances listed in Annex II to Regulation (EC) No 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register, E-PRTR).
[2] Further information on this can be found in the section Report on economic position, sub-section Results of operations of the Brenntag Group (net expense from special items).
[3] REACH is a regulation concerning the registration, evaluation, authorization and restriction of chemicals in the EU.

learning effects from different areas of application can be applied throughout the Group. In addition, Brenntag delivered targeted training in order to inform employees – particularly in product management and sales – about the Global Safe Product Policy and its effects. Special video training courses are used to train sales employees on this topic for meetings with customers. It is continuously available on the intranet.

The Group's own Step4Change initiative also plays a key role here. It combines a team of over 50 sustainability ambassadors from various Group operating units and functions who advise Brenntag operating units by providing expertise, tools and practical tips relating to safe and sustainable product alternatives.

Targets and metrics

The Global Safe Product Policy is aimed at reducing the sale of substances of very high concern (SVHCs) by offering alternative products. To this end, data are collected on which substances of concern and substances of very high concern (SVHCs) are sold at Brenntag. In 2025, targets for portfolio steering are to be developed based on an analysis of those data and items of information.

Substances of (very high) concern

In the 2024 reporting period, Brenntag is for the first time publishing figures on the production, use, distribution, sale, import and export of substances of concern and very high concern.

Substances of (very high) concern	2024	
	Substances of concern[1]	Substances of very high concern[1]
Respiratory sensitization (t)	7,805	2,396
Skin sensitization (t)	49,494	2,943
Germ cell mutagenicity (t)	120,243	1,083
Carcinogenicity (t)	456,321	1,685
Reproductive toxicity (t)	169,261	33,804
Specific target organ toxicity (single exposure) (t)	213,511	485
Specific target organ toxicity (repeated exposure) (t)	361,718	5
Hazard to the aquatic environment long term (t)	231,678	10,400
Hazardous to the ozone layer (t)	0	0
In total (t)	**1,610,031**	**52,800**

2.32 Substances of (very high) concern

[1] The substances are defined in the accounting principles.

Accounting principles

The published data include substances that are classified as 'substances of very high concern' pursuant to the REACH Regulation or fall under the ESRS definition as 'substances of concern'. According to this definition, 'substances of concern' are substances that meet the criteria laid down in Article 57 and were identified in accordance with Article 59(1) of Regulation (EC) No 1907/2006 of the European Parliament and of the Council and are classified in Part 3 of Annex VI to Regulation (EC) No 1272/2008 of the European Parliament and of the Council in the hazard categories named in the ESRS. Substances are also regarded as of concern if they negatively affect the reuse and recycling of materials in the product in which they are present. Substances of very high concern are substances that meet the criteria laid down in Article 57 of Regulation (EC) No 1907/2006 (REACH) and were identified in accordance with Article 59(1) of that Regulation. In capturing the reported data, it is assumed that the total materials inflow is equal to the total materials outflow. The total weight of the products is determined on the basis of sales data. In calculating the weights, only substances at a concentration of over 0.1% are taken into account. For products where the substance is only one of multiple components, the weight is based on the substance, not the weight of the product as a whole. The data were generated from the global and local ERP systems. Unavailable data was extrapolated. Any lack of data is due either to a lack of tracking in the case of products outside the scope of REACH (outside the EU) or a lack of information from suppliers due to trade secrets. If concentration ranges were available, the respective mean values were used. A substance may be named multiple times if it is classified into multiple hazardous classes. Substances will gradually be classified according to the following hazard classes as of financial year 2025. As the ECHA has granted a transitional period through to November 1, 2026 for mandatory labeling of hazard classes, report quality will depend on the data available.

- Endocrine disruption for human health
- Endocrine disruption for the environment
- Persistent, mobile and toxic properties or very persistent, very mobile properties
- Persistent, bioaccumulative and toxic properties or very persistent, very bioaccumulative properties

Water

Material water resources-related impacts, risks and opportunities

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. At the same time, Brenntag leverages its product portfolio and expertise to improve water quality and optimize water treatment processes for its customers. The following table shows the material impacts of Brenntag's business activities on water resources identified in the course of the materiality assessment:[1)]

Material sub-(sub-)topic	Impacts, risks or opportunities	Value chain	Time horizon	Description
Water	Impact (negative)	Own operations	Constant	Contribution to water scarcity through water consumption
	Impact (positive)	Downstream	Constant	Improving the water quality of polluted bodies of water through the use of the water treatment and water purification product portfolio

2.33 Material water resources-related impacts

Water consumption

Policies and actions

Water management at the Brenntag sites is carried out as part of the management system of the QSHE (Quality, Safety, Health and Environment) department. The global QSHE Policy sets out the Group's overarching objectives and standards. Building on this, the QSHE environmental management guideline requires all Brenntag sites to implement an efficient water and wastewater management system in accordance with local statutory provisions. The implementation of this requirement is tracked globally. The environmental management guideline applies to all Brenntag companies and can be viewed through the QSHE management platform on the intranet. The decision to implement the guideline is the responsibility of the Board of Management.[2)]

Brenntag obtains the majority of its water from the public water supply network. In addition, some sites use alternative sources of water, such as rainwater or their own wells. One example is the site in Zarate (Argentina), where rainwater is captured, treated and used for industrial purposes. Based on data from the World Resources Institute, a water-risk analysis was carried out for the Brenntag sites that use water in the mixing and blending (M&B) processes. This analysis identified 100 sites in areas at water risk, including areas of high-water stress. The results of the analysis provide a sound basis for assessing whether a global water policy and other risk-mitigation actions at the affected sites are necessary. As a next step, potential actions for operations in high- and extremely high-water stress areas will also be evaluated to mitigate impacts and improve water management.

Targets and metrics

In the context of water management, Brenntag has produced a global data collection protocol that is intended to ensure standardized monitoring of water consumption. The aim is to derive suitable actions to optimize water management on the basis of those data. In the reporting period, an analysis of the global data capture processes was initially carried out, followed by the introduction of appropriate reporting functions for water management. No further targets are currently set in accordance with ESRS.

1) Further information on this is contained in the section General disclosures, sub-section Double materiality assessment.
2) Detailed information on water pollution can be found in the section Pollution, sub-section Accidental releases.

Water consumption

	2024
Total water consumption (m^3)	1,069,511
Total water consumption in areas at water risk, including areas of high-water stress (m^3)	303,597
Total water consumption per net revenue (m^3/EUR)	0.0000659

2.34 Water consumption

Accounting principles

Water consumption is defined as the amount of water withdrawn within a company or facility that is not discharged back into the water environment or to a third party over the course of the reporting period. Brenntag collects data on water consumption specifically related to mixing and blending (M&B) processes. The water consumption data is obtained directly from operational sites. Some sites collect this information from water bills, others extract data from local product databases, and some estimate consumption based on average percentages of water added to products during M&B processes. For example, a site may assume that 40% of the total chemicals produced for M&B consist of added water and subtract this percentage from the total production volume.

Water treatment product portfolio

Policies and actions

Brenntag is not only committed to sustainable water management at its own sites; it also offers a comprehensive product portfolio for water treatment and environmental applications in a variety of sectors. The range of treatment chemicals and technologies covers the entire water cycle – from raw water pretreatment to sludge dewatering and every stage in between – and therefore meets the complex challenges of water management.

Thanks to its extensive application expertise and its global centers of excellence for water treatment, Brenntag is driving the introduction of leading-edge technologies. These increase water efficiency, reduce consumption and optimize reuse while at the same time minimizing negative environmental impacts. In response to the increasing scarcity of water and changing legal requirements, Brenntag promotes water reuse and circular economy models. Beyond these approaches, no specific policy to improve the water quality of polluted bodies of water using Brenntag chemicals has been developed and approved in accordance with ESRS.

In the reporting period, Brenntag supported customers in the water treatment, industrial and environmental sectors in particular through the following targeted actions that enabled them to reduce water consumption and also comply with stringent environmental regulations:

- Assisting with the recycling and reuse of treated water in order to reduce fresh water consumption
- Providing effective technologies to remove heavy metals from wastewater, enabling safe discharge and reliable compliance with environmental regulations
- Providing activated carbon-based solutions for the treatment and remediation of contaminated groundwater and soils in order to tackle the pollution caused by PFAS
- Implementing purification technologies to remove newly occuring micropollutants, such as pharmaceutical residues, from wastewater in order to ensure clean discharge and protect ecosystems from harmful substances

Beyond these actions, customers benefit from a broad range of value-added services, including laboratory testing and just-in-time delivery. Customer-specific mixes for the development of new formulas also support customers' sustainability targets.

Brenntag plans to further expand the offering through its global network of regional innovation and application centers and local water treatment labs. In these centers of excellence, specialists with in-depth product and process knowledge develop tailor-made solutions to meet the growing requirements of water treatment. Beyond that, Brenntag has not formulated any targets in accordance with ESRS.

Resource use and circular economy

Material resource use and circular economy-related impacts, risks and opportunities

Brenntag recognizes the importance of a circular economy model as a key action for managing environmental challenges and fostering responsible resource management. In the course of the materiality assessment, the following material resource use and circular economy-related impacts and opportunities were identified in the context of Brenntag's business activities: [1]

Material sub-(sub-)topic	Impacts, risks or opportunities	Value chain	Time horizon	Description
Resource inflows, including resource use; resource outflows related to products and services	Impact (positive)	Upstream and downstream	Constant	By proactively distributing a circular product portfolio and circular packaging, Brenntag helps to promote the circular economy and has a positive market impact (suppliers and customers).
Resource outflows related to products and services	Opportunity	n/a	Constant	Sales opportunities as a result of the potential for differentiation offered by a circular product portfolio and circular packaging
Waste	Impact (negative)	Own operations	Constant	Waste partly disposed of in landfill

2.35 Material resource use and circular economy-related impacts and opportunities

Circular product portfolio

Policies and actions

Resource efficiency and the circular economy are elements of the sustainability vision Future Sustainable Brenntag, even though a specific circular economy policy has not yet been adopted in accordance with ESRS.

In the context of the ESRS, the following graphic illustrates the materiality of the two key categories for the global and continuous promotion of the circular economy: circular procurement and circular services.

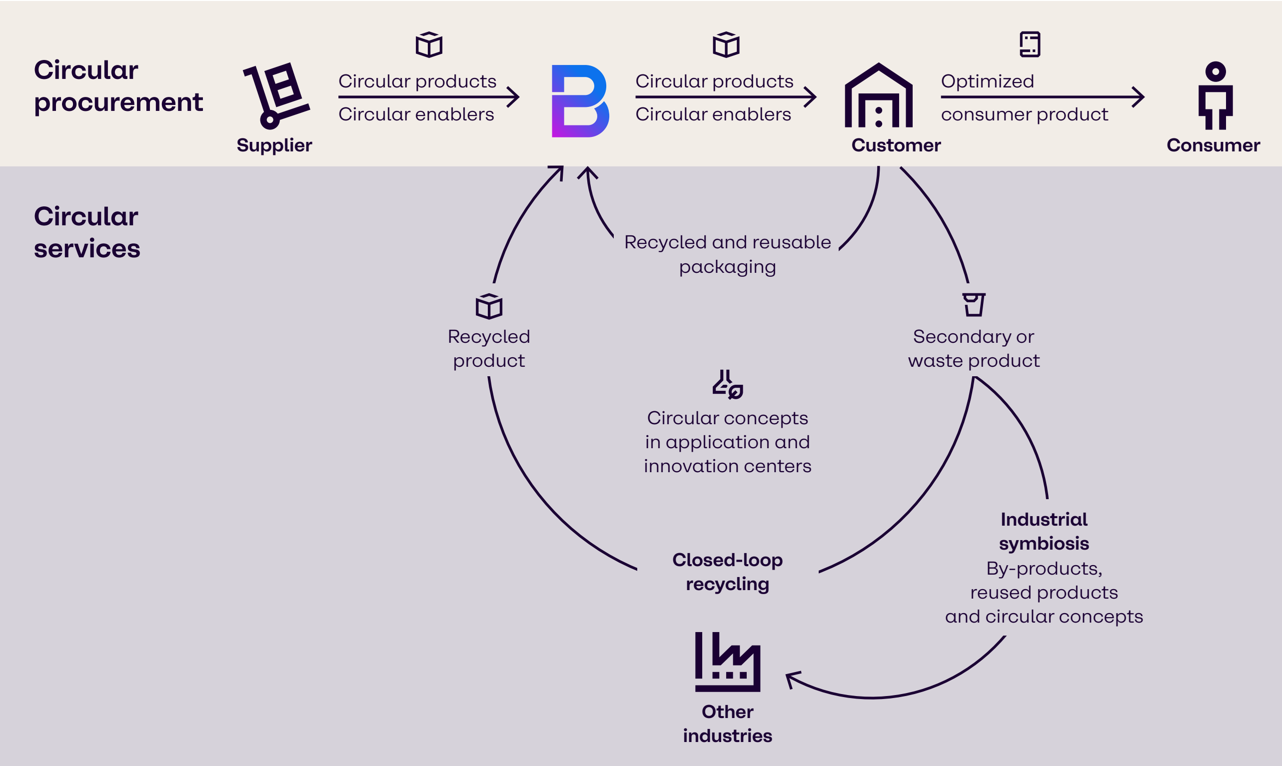
Aided by circular procurement, Brenntag is selectively extending its product portfolio to include products of circular origin and products that enable circular production. These products are actively promoted among customers and serve as a distinguishing feature of the Group.

In circular services, the focus is on fostering industrial symbiosis. As a leading merchant with close links with the chemical industry, Brenntag assumes an intermediary role with a view to connecting different industrial stakeholders and establishing new, cross-sector product flows. The aim is to continuously optimize the resource efficiency of by-products and recycled products. Moreover, Brenntag supports closed loop systems by developing processes to treat secondary flows and waste generated on a customer's site. These treated materials can then be reused as base materials in the same customer's processes.

Leveraging the expertise of the global application and innovation centers, Brenntag also develops innovative circular economy concepts and formulations, referred to as enablers, from which customers benefit directly. This includes developing tailor-made formulations and advisory services to optimize product use and handling.

[1] Further information on this is contained in the section General disclosures, sub-section Double materiality assessment.

Circular products



Targets and metrics
On the basis of the circular economy model described, Brenntag aims to establish ten business models based on the circular economy principle by the end of 2025, each generating sales of more than EUR 1 million a year. Consideration is given to projects from all Brenntag divisions and regions. In the reporting period, the first circular projects were identified and prepared for further implementation. Examples include:

- A strategic partnership with TraceGrow, a company that offers products made from recycled batteries
- The Brenntag plant in Lohn becoming a specialist in the collection and reuse of used solvents
- A service to reactivate activated carbon, in particular for use in water treatment
- Actively supplying customers with recycled, high-quality polymers in order to reduce the use of virgin resources
- Developing special additives to improve the recyclability of polymers
- Using specific ingredients to extend the shelf life of foods
- Jointly developing food solution concepts with customers and suppliers in order to curb food waste

Brenntag has set up a suitable project tracking system to efficiently track progress. Target achievement is tracked at Board of Management level using an ESG scorecard that assesses progress on a quarterly basis. The target described is voluntary and is not based on any specific scientific evidence.

Information on the products and materials marketed during the reporting period is shown in the following table. This also includes the distribution of products and services that take account of the features of the circular economy. Further information on the business activities and Group structure can be found in the relevant section of the management report.

Circular products	2024
Total weight of products (t)	14,262,914
Share of biological products (%)	5.9%
Weight of secondary reused or recycled products (t)	25,746
Share of secondary reused or recycled products (%)	0.2%
Weight of circular products (t)	51,136
Share of circular products (%)	0.4%

2.36 Circular products

Accounting principles

As a chemical distributor, Brenntag's products leave the sites in the chemical state in which they were delivered. This means that the total material inflow corresponds to the total material outflow. The total weight of the chemicals and ingredients is determined on the basis of sales data. The share of biological products is estimated using different factors: In the Brenntag Specialties division, the sales volumes of the Food & Nutrition unit are taken into account. For the Brenntag Essentials division, the principal bio-based product categories are used, such as bioethanol and glycerin. Of the biological products, 0% are sustainably sourced, since there are no sustainability certifications for the majority of these products yet. In determining the weight and the share of secondary reused or recycled products, products clearly labeled as 'accelerator' bearing the distinguishing feature 'recycled' or 'upcycled' are taken into account so that double counting is excluded. The weight and the share of circular products are calculated on the basis of the circular economy model described above, bearing in mind the following categories: circular products (e. g. recycled products, by-products), products for direct reuse, circular enablers, products related to industrial symbiosis and closed circular economy model services. Thus, the secondary reused or recycled products are also included in the circular products category. If, for certain data, information is only available for the EMEA region, those data are extrapolated to the rest of the world.

Circular packaging

Policies and actions

A global policy for the standardization and use of packaging is currently being planned with a view to consolidating the existing worldwide initiatives. Brenntag currently manages its packaging on a local basis. Brenntag EMEA, for example, has introduced a guideline on the use of refurbished intermediate bulk containers (IBCs). This is aimed at promoting the reuse of IBCs and minimizing the use of new goods while at the same time cutting costs. It contains a binding list of product groups where the use of refurbished light duty (LD) IBCs is prescribed. The guideline was approved by the CEO of Brenntag EMEA and can be downloaded on the intranet.

Similarly, the Brenntag North America Poly and Stainless Steel IBC Use Protocol specifies the maximum lifespan of various IBC types for hazardous and non-hazardous products while ensuring compliance with safety standards. This supports the safe and resource-efficient use of IBCs. The guideline was approved by the Senior Director of Operations North America and is available to the Brenntag companies operating in the North America region.

In collaboration with suppliers and customers, Brenntag endeavors to ensure its packaging materials' further use and reuse worldwide. In 2024, Brenntag's template for a framework supply agreement for packaging was updated and extended to include a sustainability clause. This is intended to improve transparency with regard to packaging data. The clause is expected to require global suppliers to provide Brenntag with information on the packaging specifications of each item from 2025 onwards, including information on whether the packaging is new or reused. Information on the percentage weight of recycled packaging materials and a report on the packaging's product carbon footprint (PCF) are also required.

Brenntag is continuously involved globally in taking back and reusing IBCs. These can be directly reused, provided they are continuously filled with the same chemical ('product-related container') and no cleaning is therefore required. In addition, rinsing, washing and drying facilities are available at selected Brenntag sites so that IBCs can be cleaned internally. Alternatively, cleaning can be outsourced to external service providers. After cleaning, the IBCs can be flexibly reused for different products. IBCs and other packaging are reused worldwide and this reuse is adapted in line with specific customer requirements and product specifications.

Targets and metrics

Brenntag is still in the process of setting up a global system for capturing packaging data in order to optimize transparency with regard to reusability and recyclability. For this reason, no targets in relation to packaging have yet been set in accordance with ESRS.

The following table contains an overview of the packaging used during the reporting period, including packaging in conformity with circular economy principles.

Circular packaging	2024
Total weight of used packaging (t)	59,048
Weight of reused or recycled packaging parts (t)	23,006
Share of reused or recycled packaging parts (%)	39.0%
Recyclable content of packaging	99.9%

2.37 Circular packaging

Accounting principles

The data given relate only to the purchased packaging types 'IBCs' and 'drums'. They come from the local ERP systems or were collected in supplier surveys. As Brenntag does not have complete transparency over the share of recycled packaging and the associated weight of the packaging, which also vary from country to country, the company is reliant on the relevant information from suppliers. Averages were used in cases where there were no data available or no data reported. Any missing volume information was supplemented by extrapolating, taking into account a global tender conducted in 2023.

Waste

Policies and actions

Waste management at Brenntag is carried out as part of the management system of the QSHE (Quality, Safety, Health and Environment) department. The global QSHE Policy specifies the Group's overarching objectives and standards. Building on this, the QSHE environmental management guideline sets out the specifications for an efficient waste management system in compliance with local statutory requirements at all Brenntag sites. Chemical waste is monitored and tracked worldwide. The environmental management guideline applies to all Brenntag companies, was approved by the Board of Management and can be viewed through the QSHE management platform on the intranet.

The global Brenntag sites have implemented processes for the handling of waste that are appropriate to the requirements and scale of their business. Where possible, individual business units engage in dialog with national umbrella associations of chemical dealers with a view to continuously improving waste management. The common goal is to reduce the volume of waste in the industry and increase recycling rates.

In order to avoid waste from the outset and minimize waste generation, Brenntag requires the employees concerned to undertake regular training on the handling of chemical products, including their storage and transportation. In some cases, Brenntag also goes beyond local statutory requirements in order to reduce the environmental impacts of waste. All sites in the Latin America region, for example, are required to systematically separate waste.

As part of its waste management, Brenntag has also produced a global data collection protocol that is aimed at standardizing and improving waste monitoring at global level. Improved waste management processes can be established on this basis. This underscores Brenntag's commitment to end-to-end waste management. In the reporting period, an analysis of the existing data capture processes across all global regions was carried out and reporting functions for waste management were established.

Targets and metrics

As Brenntag is currently working to improve and build a system for recording waste streams, no targets have yet been set for waste in accordance with ESRS.

Waste generated

Waste generated	2024
Total amount of non-hazardous waste (t)	36,415
Total amount of hazardous waste (t)	20,232
Total amount of waste generated (t)	**56,647**
Disposal operation	**2024**
Recycling – non-hazardous waste (t)	4,773
Recycling – hazardous waste (t)	5,369
Incineration – non-hazardous waste (t)	24,052
Incineration – hazardous waste (t)	2,769
Landfill – non-hazardous waste (t)	7,589
Landfill – hazardous waste (t)	317
Other disposal operation – non-hazardous waste (t)	0
Other disposal operation – hazardous waste (t)	11,777
Total amount of non-recycled waste	**46,504**
Share of non-recycled waste (%)	**82.1%**

2.38 Waste generated

Accounting principles

As a chemical distributor, Brenntag distinguishes between hazardous and non-hazardous waste, depending on the type of waste generated. Non-hazardous waste is mainly comprises plastics, wood and paper. Hazardous waste is defined by ESRS E5 as waste which displays one or more of the hazardous properties listed in Annex III to EU Directive 2008/98/EC. The waste data capture and validation process is carried out in accordance with the global protocol governing the capture and validation of waste and water data, which sets out guidelines for the local companies on recording waste management at local level in accordance with local reporting requirements. This protocol includes the dual control principle during the data capture process.

Data on waste generation from operational sites were collected using different methods. Some sites obtained this information from invoices and waste manifests, others from product databases, while some estimated waste generation by calculating an average weight per full waste container (e.g. 200 kg per container) and multiplying it by the total number of containers. Additional similar assumptions were also applied. For the majority of the sites in the USA, there are no data available on the disposal operation for hazardous waste. For this reason, information on disposal at other sites in North America was used as an estimate. The amount of hazardous waste directed to incineration was estimated by deducting the amounts recycled and placed in landfill from the total amount of non-hazardous waste. In the case of non-hazardous waste, it was therefore assumed that no waste falls into the ‘Other disposal operation’ category. The amount of hazardous waste disposed of in landfill was estimated on the basis of reports from ten of the 382 (3%) sites that said they place hazardous waste in landfill. Accordingly, it was assumed that 3% of the hazardous waste remaining after deduction of the recycled and incinerated amounts was taken to landfill sites, while the remaining 97% was categorized as ‘Other disposal operation’.

It is important to note that the use of assumptions and estimates is an inherent part of the disclosed information.

EU Taxonomy

The disclosures on the environmental objectives set out in the Taxonomy Regulation are presented together in the section EU Taxonomy in accordance with ESRS.

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 in accordance with the EU Taxonomy 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 parent company presents the proportion of its consolidated turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the 2024 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. The scope of consolidation of the Brenntag Group comprises only non-financial subsidiaries.

Brenntag's Taxonomy-eligible economic activities

Brenntag, as a distributor, generates external turnover through the sale of chemicals and ingredients as well as the provision of services. The review of the economic activities in accordance with the Regulations relating to the EU Taxonomy (see Delegated Regulations (EU) 2023/2486 (Environmental Delegated Act), (EU) 2021/2178), and (EU) 2023/2485 and (EU) 2021/2139) (Climate Delegated Act)) revealed that only Annex II to Delegated Regulation (EU) 2023/2486 (transition to a circular economy) is relevant for Brenntag. More specifically, this means that a small portion of the turnover is attributable to certain chemicals named in the Regulation which Brenntag recycles itself (which, in the context of the Regulation, is regarded as the "treatment of hazardous waste"). That means Brenntag receives hazardous waste and reprocesses it such that it can be reused by the business partners in question. Brenntag therefore presents both the turnover attributable to this Taxonomy-eligible and the capital and operating expenditure related to assets or processes that are associated with this activity ("category a" acc. 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

2.39 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). 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 CapEx/OpEx:

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		Urban waste water treatment (WTR 2.2.)
Environmental remediation		
Environmental remediation		Remediation of contaminated sites and areas (PPC 2.4.)

2.40 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.

Brenntag's Taxonomy-aligned economic activities

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. 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.

Brenntag does not meet the minimum safeguards, as so far only direct suppliers have been taken into account to fulfilling of 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 metrics.

Metrics

Turnover KPI

Financial year 2024				Substantial contribution criteria					
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover, year 2024 (4)	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									
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.	EUR 255,146	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Treatment of hazardous waste	PPC 2.2.	EUR 3,439,180	0.02%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**EUR 3,694,326**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**0.02%**	**0.00%**	**0.00%**
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**EUR 3,694,326**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**0.02%**	**0.00%**	**0.00%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities		**EUR 16,233,711,264**	**99.98%**						
Total		**EUR 16,237,405,590**	**100.00%**						

2.41 Turnover KPI

Financial year 2024	DNSH criteria (Does not significantly harm)									
Economic activities (1)	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 2023 (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%		
Treatment of hazardous waste								0.03%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								**0.03%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)								**0.03%**		
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 2024

2.42 Turnover KPI

CapEx KPI

Financial year 2024

Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2024 (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									
CapEx 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 5,844,256	0.59%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low-carbon technologies	CCM 3.6.	EUR 6,121,847	0.62%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	EUR 34,130,822	3.45%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	EUR 2,301,418	0.23%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Construction of new buildings	CCM 7.1.	EUR 5,861,425	0.59%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Construction of new buildings	CE 3.1.	EUR 58,900	0.01%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Acquisition and ownership of buildings	CCM 7.7.	EUR 159,100,478	16.07%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	EUR 4,401,269	0.44%	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 114,863	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Urban waste water treatment	WTR 2.2.	EUR 1,276,918	0.13%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Treatment of hazardous waste	CE 2.4.	EUR 0	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Treatment of hazardous waste	PPC 2.2.	EUR 905,055	0.09%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Remediation of contaminated sites and areas	PPC 2.4.	EUR 0	0.00%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**EUR 220,117,251**	**22.23%**	**22.00%**	**0.00%**	**0.13%**	**0.09%**	**0.01%**	**0.00%**
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**EUR 220,117,251**	**22.23%**	**22.00%**	**0.00%**	**0.13%**	**0.09%**	**0.01%**	**0.00%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities		**EUR 769,943,495**	**77.77%**						
Total		**EUR 990,060,745**	**100.00%**						

2.43 CapEx KPI[1)]

Financial year 2024 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 2023 (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								3.18%		
Manufacture of other low-carbon technologies								0.88%		
Transport by motorbikes, passenger cars and light commercial vehicles								5.09%		
Installation, maintenance and repair of renewable energy technologies								0.34%		
Construction of new buildings								2.80%		
Construction of new buildings								0.00%		
Acquisition and ownership of buildings								21.07%		
Installation, maintenance and repair of energy efficiency equipment								0.67%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)								0.06%		
Urban waste water treatment								0.06%		
Treatment of hazardous waste								0.00%		
Treatment of hazardous waste								0.03%		
Remediation of contaminated sites and areas								0.01%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								**34.19%**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)								**34.19%**		
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 2024

2.44 CapEx KPI[1]

[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.

OpEx KPI

Financial year 2024				Substantial contribution criteria					
Economic activities (1)	Code (2)	OpEx(3)	Proportion of OpEx, year 2024 (4)	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 3,480,145	1.88%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low-carbon technologies	CCM 3.6.	EUR 795,026	0.43%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	EUR 3,937,688	2.13%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	EUR 8,358	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Construction of new buildings	CCM 7.1.	EUR 3,857,894	2.09%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Construction of new buildings	CE 3.1.	EUR 0	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Acquisition and ownership of buildings	CCM 7.7.	EUR 13,976,685	7.57%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	EUR 1,526,338	0.83%	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 12,916	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Urban waste water treatment	WTR 2.2.	EUR 30,349	0.02%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Treatment of hazardous waste	CE 2.4.	EUR 175	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Treatment of hazardous waste	PPC 2.2.	EUR 1,659	0.00%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Remediation of contaminated sites and areas	PPC 2.4.	EUR 9,992,636	5.41%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**EUR 37,619,870**	**20.36%**	**14.94%**	**0.00%**	**0.02%**	**5.41%**	**0.00%**	**0.00%**
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**EUR 37,619,870**	**20.36%**	**14.94%**	**0.00%**	**0.02%**	**5.41%**	**0.00%**	**0.00%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities		**EUR 147,113,388**	**79.64%**						
Total		**EUR 184,733,258**	**100.00%**						

2.45 OpEx KPI[1)]

Financial year 2024	DNSH criteria (Does not significantly harm)									
Economic activities (1)	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 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
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								2.26%		
Manufacture of other low carbon technologies								0.71%		
Transport by motorbikes, passenger cars and light commercial vehicles								1.89%		
Installation, maintenance and repair of renewable energy technologies								0.05%		
Construction of new buildings								0.07%		
Construction of new buildings								0.00%		
Acquisition and ownership of buildings								4.41%		
Installation, maintenance and repair of energy efficiency equipment								0.06%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)								0.00%		
Urban waste water treatment								0.01%		
Treatment of hazardous waste								0.00%		
Treatment of hazardous waste								0.00%		
Remediation of contaminated sites and areas								13.67%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								**23.12%**		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)								**23.12%**		
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 2024

2.46 OpEx KPI[1]

[1] Brenntag does not carry out any nuclear power and gas activities and therefore does not disclose the specific tables relating to these activities. The decrease in OpEx for Taxonomy-eligible economic activities is due mainly to lower expenses for the remediation of contaminated sites and areas.

Accounting principles

Brenntag determines the Taxonomy KPIs in accordance with the legal requirements, including Annex I to the Art. 8 Delegated Act, and describes its accounting principles 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 section Consolidated income statement. Further details on Brenntag's accounting principles for consolidated net turnover can be found in the section Accounting and measurement policies.

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. Further details on the accounting principles with regard to the company's CapEx can be found in the sections Property, plant and equipment, Intangible assets, and Leases.

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 3.50 Property, plant and equipment, table 3.51 Intangible assets and table 3.58 Right-of-use assets). It is the sum total of the following transaction types:

- business combinations and
- 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 uncapitalized 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 uncapitalized leases was determined in accordance with IFRS 16 and includes expenses for short-term leases, variable leases and low-value leases (see table 3.59 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.
- 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 3.29 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 table 3.29 Other operating expenses).

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

Social

Own workforce

Material impacts, risks and opportunities related to own workforce

Through their expertise and dedication, Brenntag's employees play a key role in the Group's success and long-term competitiveness. Brenntag sees it as its responsibility to offer fair working conditions and a safe, attractive and inspiring working environment while providing its employees with targeted support to promote their personal and professional development. In the course of the materiality assessment performed[1], the following material impacts and opportunities arising from Brenntag's business activities were identified in relation to its own workforce:

Material sub-(sub-)topic	Impacts, risks or opportunities	Value chain	Time horizon	Description
Health and safety	Impact (negative)	Own operations	Constant	A lack of health and safety may lead to ill health (injuries, death, disability, mental health), e. g. as a result of accidents, exposure to chemicals, unsafe working conditions.
	Impact (positive)	Along the value chain	Constant	Involvement in industry associations enables higher health and safety standards to be set, also for the Group's own workforce (Responsible Care/Responsible Distribution).
Secure employment and adequate wages	Impact (positive)	Own operations	Constant	Adequate wages and secure employment create financial security.
Social dialog, freedom of association, existence of works councils and the information, consultation and participation rights of workers	Impact (negative)	Own operations	Constant	A lack of social dialog with employees and employee involvement in decision-making processes may lead to dissatisfaction, as employees' voices are not heard.
Working time, work-life balance	Impact (positive)	Own operations	Constant	A good work-life balance contributes to mental and physical health.
	Impact (negative)	Own operations	Constant	A lack of work-life balance and unreasonable working hours may lead to dissatisfaction, frustration or mental problems.
Training and skills development	Impact (negative)	Own operations	Constant	A lack of training and skills development leads to lower motivation and dissatisfaction among employees.
	Impact (negative)	Own operations	Constant	Missed career opportunities due to insufficient training and skills development.
	Impact (positive)	Own operations	Constant	Socioeconomic benefits: increased employability (attractiveness of employees to Brenntag and other potential employers) as a result of training and skills development.
	Impact (positive)	Own operations	Constant	Training and skills development keep employee motivation and satisfaction at a higher level.
	Opportunity	n/a	Constant	More qualified and motivated employees increase sales revenues and lower costs through better quality and efficiency; sales and procurement are key areas.
Diversity	Impact (negative)	Own operations	Constant	A lack of diversity due to excessively low female representation in management positions may lead to lower productivity and discrimination in the workforce.

2.47 Material impacts and opportunity related to own workforce

[1] Further information on this is contained in the section General disclosures, sub-section Double materiality assessment.

The potential negative impacts listed are confined to individual incidents, such as accidents. If guidelines and regulations on social dialog or diversity have not been complied with, these are individual cases. As explained in more detail in the following sections, Brenntag has developed different policies and guidelines, taken actions and set targets in order to systematically address the impacts and opportunities identified. These sections also show which employees and external workers are addressed by the policies described and benefit from the actions taken. In this context, Brenntag employees include both permanent and temporary staff who are directly employed by the company under formal employment contracts. They work in production, warehousing, transportation, administration, or other operational areas and are subject to internal work policies as well as company-provided social benefits. In accordance with ESRS, external workers are explicitly included in occupational health and safety actions so as to ensure uniform standards and safeguards for all parties involved. This primarily includes temporary workers and freelancers who are integrated into the company organization.

The Group carries out a risk assessment with regard to possible human rights violations and environmental risks for its own operations. In this context, no activities were identified at significant risk of forced labor or child labor. Further information on human rights due diligence can be found in the section Workers in the value chain.

The transition plan for climate change mitigation does not have a direct impact on Brenntag's employees. Further information on this can be found in the section Climate change.

All policies and guidelines outlined in the following sections were developed by the functional departments responsible. Responsibility for their implementation lies with the Board of Management. The policies and guidelines are available to employees on the intranet. The targets formulated in the sections were developed by the respective specialists in close collaboration with other departments such as Sustainability and Change Management, and finalized with the involvement of the Board of Management.

The employee structure breaks down as follows. The number differs from the number of employees in section 4.) Personnel expenses in the Consolidated financial statements and in the separate section Employees in the Management report, as employees on leave and in unpaid employement are not considered there according to the definition.

Workforce structure

	2024		2023[1]	
Region	abs.	%	abs.	%
EMEA	**8,319**	**45.1**	**8,013**	**44.6**
Women	3,250	39.1	3,155	39.4
Men	5,069	60.9	4,858	60.6
North America	**5,334**	**28.9**	**5,420**	**30.2**
Women	1,264	23.7	1,292	23.8
Men	4,070	76.3	4,128	76.2
Latin America	**2,023**	**11.0**	**1,712**	**9.5**
Women	773	38.2	658	38.4
Men	1,250	61.8	1,054	61.6
Asia Pacific	**2,761**	**15.0**	**2,821**	**15.7**
Women	1,193	43.2	1,203	42.6
Men	1,564	56.7	1,618	57.4
Not specified	4	0.1	0	0.0
Brenntag Group	**18,437**	**100.0**	**17,966**	**100.0**
Women	6,480	35.2	6,308	35.1
Men	11,953	64.8	11,658	64.9
Not specified	4	0.0	0	0.0
Of which USA[2]	**4,708**	**25.5**	**4,774**	**26.6**
Women	1,038	22.0	1,062	22.2
Men	3,670	78.0	3,712	77.8

2.48 Workforce structure

[1] The prior-year figures were recalculated on the basis of the definitions under ESRS (see also the section General disclosures).
[2] The United States is currently the only country where Brenntag employs more than 10% of its total workforce.

Accounting principles

In 2023, Brenntag initiated the development of a global People platform by introducing Workday Human Capital Management to effectively implement and manage standardized HR processes worldwide. This platform is used to gather and analyze key HR metrics. To ensure data quality, all local HR departments review the structural data on employees at the end of each quarter as part of an internally standardized audit process. Brenntag reports both by region or country, if a country employs more than 10% of the total workforce, and by gender, presenting both the total number of employees and the corresponding percentage distribution. Employee allocation is globally uniform based on the region of the respective legal employer and the gender identity stored in the People platform. Since only binary gender options are available in the People platform, the 'Other' category is not used in data collection. Employees for whom no gender information is available in the People platform are displayed with the status 'Not specified'. The HR metrics include all employees with an employment contract with Brenntag at the reporting date.

Occupational health and safety

Policies and actions

Safety is one of Brenntag's five core values and therefore the safe handling of chemicals takes top priority. Brenntag is aware of its own responsibility and combines the Group's objectives and standards for quality, health, safety and the environment in its Global QSHE Policy (QSHE: quality, safety, health, environment). The Group strives for process safety, occupational health and safety, customer satisfaction, respect for the environment and continuous improvement. The Group undertakes to provide the resources required for this. The Global QSHE Policy applies to all employees at every level of the hierarchy and to all activities within the Group. It also includes responsibility for the safety of external partners and contractors if they are working at Brenntag sites or supplied by Brenntag.

To implement the QSHE Policy, Brenntag pursues a global QSHE strategy built on four pillars.

Management system

Brenntag operates an integrated QSHE management system focused on people, sites and their equipment and processes that encompasses 100% of the workforce. The aim is to harmonize the different regional and local approaches, requirements and features within one global QSHE system. Internally, the Group issued a global QSHE manual that combines its guidelines setting out company-wide minimum standards in QSHE. It describes all guidelines, procedures and responsibilities forming the backbone of the QSHE management system. It is based on industry standards such as ISO 9001, Responsible Care/Responsible Distribution and the CCPS model (CCPS: Center for Chemical Process Safety).

One significant element of QSHE management at Brenntag is its active 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. The requirements are usually implemented in programs by the respective regional or local industry associations. As specified in the QSHE manual, all Brenntag companies with operating sites or with direct sales are expected to participate if national associations offer a corresponding program. The participating companies are defined on a case-by-case basis using established criteria. Among others, these criteria include transition periods after acquisition or a limited product portfolio. Its active involvement in the associations' working groups enables Brenntag to have a positive influence on standard setting and implementation.[1)]

Not least of all, Brenntag aims for all operating sites to be certified to ISO 9001 so as to ensure quality. In some cases, this is supplemented or replaced by other product- or industry-related quality management systems. At the end of 2024, 367 of Brenntag's 369 relevant sites worldwide were certified to an international standard (2023: 363 of 364 relevant sites). Like RC/RD participation, relevance is defined using similar established criteria.

Culture

At Brenntag, the "Safety First" principle applies throughout the Group and relies strongly on personal commitment and personal responsibility. The Group 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, Safety First Moments, 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. The aim is to use these tools at the beginning of each shift or each (relatively large) meeting. Various platforms are available for this interaction. Lessons learned are incorporated into the forms used for the investigation of safety incidents. In the event of serious incidents or potentially serious incidents, Brenntag can also separately create additional documents on the insights gained and distribute them worldwide. Examples of best practices may emerge from audits, inspections or self-initiative. They are exchanged at various levels. Global QSHE, for example, aims to share a best practice example from one of the global regions for certain global guidelines.

Brenntag addresses individual critical topics on worldwide campaigns with a view to raising employee awareness in a targeted manner and ensuring harmonized corrective and preventive actions. Topics stem from individual incidents or an accumulation of incidents that stand out in an overall assessment. The flagship campaign in the reporting period was the Fire Safety Campaign, the four basic principles of which were presented between February and May. The status of implementation in the regions is tracked centrally at regular intervals.

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

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 Group and, if necessary, improve it by way of specific action plans. As standard, there are moderated workshops at all sites and online questionnaires for those who are unable or do not want to take part. Employee surveys are supposed to take place at intervals of around three years. In accordance with this approach, the next survey is scheduled for the third quarter of 2025, with follow-up action plans in the fourth quarter. In the reporting period, planning for this survey got under way and the first documents on the importance of individual safety behaviors were produced.

Once a year, Brenntag presents the Global Safety Awards in two categories: the Safety Excellence Award for the best safety record over the longer term and the Safety Phoenix Award for the strongest improvement in terms of safety. In 2024, the Dickinson site in the USA (Safety Excellence Award) and the Estarreja site in Portugal (Safety Phoenix Award) were honored for their safety achievements.

In addition, Brenntag holds an annual Global Health & Safety Week, in the course of which the aforementioned awards are also presented. In the week around World Day for Health and Safety at Work on April 28, all sites worldwide organize activities to raise awareness of health and safety. For this, there is a prescribed motto each year, but no fixed framework for the individual program. All units and sites organize activities appropriate to their own requirements, priorities and capabilities. Some companies also involve suppliers, customers or their families. A selection of initiatives is then compiled and serves as inspiration for future Global Health & Safety Weeks. In the reporting period, the Week ran from April 22 to 26, 2024 under the motto ‘Safety 24/7: A global commitment, every hour, every day’.

Team

A multinational team made up of QSHE experts working centrally and QSHE directors of the global regions implements the QSHE management system. These work closely together with the regional and local QSHE teams. Within the QSHE organization, Brenntag has also built up an international team of process safety management (PSM) experts that supports the sites and carries out PSM assessments.[1)]

Monitoring and controlling

Brenntag has established an extensive monitoring and controlling system in order to continuously improve its safety measures. To this end, reports of incidents that meet the Brenntag Global Standard Reporting criteria are continuously gathered on a central QSHE platform. Investigation findings and related corrective and preventive actions are shared internally through various channels in order to prevent a reoccurrence. Brenntag also attaches considerable importance to monitoring and controlling as a preventive tool, for example in the case of indicators such as near misses, actions to reinforce positive behavior, site inspections, and safety inspections and certifications. A QSHE dashboard was introduced to make these indicators more visible and enable them to be better tracked.

Targets and metrics

In 2021, Brenntag set the following target on the basis of the policies and actions described in relation to occupational health and safety: The TRIR (Total Recordable Injury Rate) should improve from 3.1 in base year 2021 to less than 2.0 in target year 2030. The TRIR is continuously monitored and regularly reported to various teams and levels throughout the Brenntag Group.

103 recordable work-related accidents were registered in the reporting period. In the financial year, the TRIR therefore rose from 2.5 in the previous year to 2.6 in the reporting period, but was still on the long-term path to a TRIR of 2.0 in 2030.

Regrettably, for 2024 Brenntag must report the death of a Brenntag employee. The truck driver suffered fatal injuries when his truck caught fire in a traffic accident following a crash. There are currently no indications that the Brenntag driver caused the accident or could have prevented it.

In addition, Brenntag’s aim is for all companies with operating sites or with direct sales to continuously participate in the industry initiative Responsible Care/Responsible Distribution (RC/RD) if national associations offer a corresponding program. Participation is recorded once a year. At the end of the financial year, 77 out of a total of 81 relevant Brenntag companies were participating in an RC/RD program (2023: 92 out of 98 relevant companies).

[1)] Further information on PSM can be found in the section Pollution, sub-section Accidental releases.

Accounting principles

The TRIR (Total Recordable Injury Rate) is a performance indicator widely used internationally in the industry, indicating how often employees sustain injuries in work-related accidents. It denotes the number of work-related injuries requiring medical treatment beyond first aid per one million hours worked. In defining 'work-related' and 'medical treatment beyond first aid', Brenntag follows the US OSHA. Hours worked are determined based on a combination of direct time-recording and a US OSHA estimation approach using 2,000 hours or 2,250 hours per FTE and annum. The approach using 2,250 hours per FTE is applied in the USA in line with Brenntag's direct reporting to OSHA and also for Brazil, Chile, Colombia and the company Raj in India, in each case with six-day working weeks. In the reporting on its safety performance, Brenntag includes all of its own employees along with temporary and contract employees deployed by temporary employment agencies to carry out standard Brenntag activities. All fatal accidents suffered by other persons are also reported if they occur at Brenntag sites.

Secure employment and adequate wages

Policies and actions

At Brenntag, fair remuneration and clear employment contracts are an expression of a corporate strategy and a corporate culture geared to employment security. Among other things, good working conditions include employees regularly receiving a permanent employment contract that creates stability and a long-term outlook for both sides. Brenntag has therefore established a highly structured HR recruitment and selection process with a view to retaining candidates at the Group over the long term. The IT-supported HR recruitment process gives applicants a positive first impression of Brenntag. At the same time, it enables the managers responsible to clearly compare the individual candidates such that their professional suitability is transparent and easily comparable.

Brenntag also offers its employees attractive additional benefits such as an occupational pension that supports a secure financial future in retirement. The occupational pension provision differs from country to country, as it is bound by a large number of country-specific provisions and laws, which Brenntag must follow in actually structuring the pension provision. Further benefits aimed at providing individual financial protection also foster long-term employee satisfaction. These include the group accident insurance which Brenntag offers to German employees, for example. Benefits like this are country-specific and differ from country to country. In addition, Brenntag follows a remuneration policy based on the principles of fairness and transparency.

In 2022, Brenntag introduced the Brenntag Global Living Wage Policy in order to meet its aspiration to provide fair remuneration. This defines a 'living wage' as the remuneration that an employee in a particular place receives for a standard working week and that is sufficient to afford a decent standard of living for the employee and their family. Elements of a decent standard of living include nutrition, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events. This pay may go beyond the statutory minimum wage. It is intended to prevent forced labor or an excessive amount of overtime as well as the need to resort to further jobs or child labor to make the family income sufficient. By paying living wages, Brenntag is therefore contributing toward complying with the United Nations Universal Declaration of Human Rights and achieving the United Nations Sustainable Development Goals (SDGs).

To ensure adequate wages and permanently close any gaps, Brenntag works together with the WageIndicator Foundation, which provides living wage data for the countries in which Brenntag operates. In addition to wage data, the data provided by WageIndicator also include data on the hours in a standard local working week, which in no country is more than 48 working hours a week in accordance with the standards of the International Labour Organization (ILO).

The existing Global Living Wage Policy uses quarterly average data to calculate the living wage for each country. These reflect typical household costs based on fluctuating employment and fertility rates. To reduce the data volatility in calculating living wages that results from the use of the quarterly average, WageIndicator has introduced what it calls 'guidance data'. Reducing volatility is crucial, as large fluctuations in living wages and the wage adjustments derived from them are not sustainable.

WageIndicator recommends using the guidance data in implementing living wages. In 2024, the existing policy had to be amended in order to take account of this development. In the course of its revision, a provision was also included that enables feasible adjustments to be implemented as soon as possible in exceptional situations. The revised policy also allows the employees' actual country of residence to be taken into account. Overall, this revision was aimed at further improving fair wage practices in the different regions by incorporating new findings.

Targets and metrics

Brenntag reached the original target, that 100% of Brenntag employees receive a living wage in accordance with the Global Living Wage Policy, for the first time at the end of 2023. To ensure continued compliance with this target going forward, an annual process identifies and aims to close gaps between the remuneration of Brenntag employees and the WageIndicator data. Under the Global Living Wage Policy, interns, apprentices, freelancers and contractors are excluded from the gap analysis.

Fixed remuneration and allowances were generally used to compare employee remuneration with the WageIndicator data, provided that such allowances are freely available in cash and usually monthly. Variable remuneration or overtime pay, on the other hand, was disregarded. As a result of this comparison, the living wage gaps were identified in a gap analysis.

The gap analysis in the reporting period revealed 114 employees in 15 countries whose wage would have to be adjusted (2023: 165 cases in 15 countries). No adjustments can be made for an entity in Singapore (15 of the 114 cases; this equates to around 3% of employees in Singapore), as under the acquisition agreement this acquisition from 2023 is subject to legal restrictions on salary adjustments for three years. Adjustments were made for the remaining 98 employees, provided that the review by the local HR departments did not show that an adjustment is inappropriate. An adjustment was identified as inappropriate in the event of an ongoing process to sell the employer company, terminations or the finding that the actual salary package was already above the living wage.

All gaps detected by the gap analysis and actually required to be closed following a local review were closed at the latest with effect from the end of the reporting period by making appropriate salary adjustments.

Employees by contract type and gender

	2024		2023[1]	
Contract type	abs.	%	abs.	%
Permanent employment contracts	**18,133**	**98.4**	**17,620**	**98.1**
Women	6,353	35.0	6,154	34.9
Men	11,777	65.0	11,466	65.1
Not specified	3	0.0	0	0.0
Temporary employment contracts	**304**	**1.6**	**346**	**1.9**
Women	127	41.8	154	44.5
Men	176	57.9	192	55.5
Not specified	1	0.3	0	0.0
Brenntag Group	**18,437**	**100.0**	**17,966**	**100.0**

2.49 Employees by contract type and gender

[1] The prior-year figures were recalculated on the basis of the definitions under ESRS (see also the section General disclosures).

Accounting principles

Brenntag captures and analyzes HR metrics using the People platform. A distinction is made between permanent employment contracts, which are concluded for an indefinite period, and temporary employment contracts, which are limited to a specific period and terminate automatically. Apprentice employees are included under temporary employment contracts. Brenntag reports both by contract type and gender, providing the total number of employees as well as their percentage distribution. Since only binary gender options are available in the People platform, the 'Other' category is not used in data collection. Employees for whom no gender information is available in the People platform are shown as 'Not specified'. The HR metrics include all employees with an employment contract with Brenntag as of the reporting date.

Social dialog and employee involvement

Policies and actions

Brenntag believes that open communication and opportunities to participate are key factors contributing to employee motivation and employee loyalty to the Group. Providing employees with important information on a regular basis and in full is a significant element of the corporate culture. Social dialog and employee involvement in decision-making processes create transparency, appreciation and a feeling of shared responsibility. These factors play a decisive role in reducing dissatisfaction and fostering a productive, dedicated work culture.

Depending on country-specific legislation, employees can contact the persons representing their interests on elected codetermination bodies. Brenntag thus respects its employees' right to freedom of coalition and association, and does not take or tolerate any actions that could restrict those rights. This is set down both in the Code of Business Conduct and Ethics and in the Policy Statement on Human Rights.[1)]

Instead of a global framework agreement with employee representatives, Brenntag follows a decentralized approach to ensure human rights and good working conditions. This is supported by various guidelines, such as the Code of Business Conduct and Ethics and the Policy Statement on Human Rights, as well as by international obligations.

To ensure that all employees are kept abreast of important developments and decisions, Brenntag organizes ad hoc and regular global management town hall meetings. These events offer the workforce the opportunity to communicate directly with the management, ask questions and keep up to date with the Group's strategic direction. This builds trust and reduces uncertainty, which are often the cause of dissatisfaction.

Annual, individual employee appraisals are also conducted and serve as a central element of organizational and cultural development. These appraisals improve the feedback culture and foster open interaction between employees and managers. Particular emphasis is placed on constructive feedback and setting individual development goals. The appraisals also enable problems to be identified and resolved at an early stage before they lead to dissatisfaction.

Cross-site information provision, communication and collaboration among Brenntag employees are supported and fostered by the internal online portal ShareON@Brenntag. The platform facilitates networking and knowledge transfer, while enabling information, experiences and best practices to be shared across different units. At many levels, Brenntag also has in place ideas management systems and platforms through which employees can become actively involved and submit their suggestions and ideas for improving organizational aspects, processes and operations. This can increase identification with corporate objectives and reduce the likelihood of frustration.

Targets

Beyond the actions described above, Brenntag's target was to increase employee satisfaction, engagement and motivation through annual employee surveys on the basis of the employee Net Promoter Score (eNPS). Brenntag achieved this target in 2024. Through the voluntary online survey, which is aimed at all employees and was conducted for the first time in the reporting period, the Group hopes to gain valuable insights into the needs and concerns of the workforce so that it can take targeted actions to improve working conditions. There are also quarterly eNPS sentiment checks. These short surveys entitled '2 questions – 2 seconds' enable the Group to record employees' opinions on individual topics and issues more frequently and adapt to their needs more swiftly. The surveys described were also conducted in the reporting period.

Working time and work-life balance

Policies and actions

Brenntag places emphasis on agile and flexible working throughout the Group and is open to opportunities to make work more flexible around the globe. The framework 'New Work – Towards Greater Flex' was developed by Global HR together with the regional and local human resources departments at the international sites and provides the basis for this. It includes guiding principles for a flexible work environment in all Brenntag regions, business units and functions, bearing in mind local differences.

Various countries have implemented flexible working time models based on this framework. This includes introducing flextime and offering part-time jobs. Brenntag has also introduced arrangements for working from home and mobile working. Flexible working hours and home working promote mental health and improve work-life balance by reducing stress, enabling relaxation and strengthening autonomy. Employees are better able to tailor their daily routine to personal needs, which improves work-life balance and wellbeing. Time saved by not commuting and the opportunity to more easily fulfill private obligations promote satisfaction, health and productivity.

[1)] Further information on the Code of Business Conduct and Ethics can be found in the section Business conduct, and further information on the Policy Statement on Human Rights in the section Workers in the value chain.

Targets and metrics

The actions to enhance flexibility are intended to help make working conditions at Brenntag as safe and fair as possible and counteract employee turnover. Beyond that, there are no further targets in accordance with ESRS.

Employee turnover rates

	2024		2023[1]	
Departure category	abs.	%	abs.	%
Voluntary employee turnover	1,508	7.4	1,553	7.7
Involuntary employee turnover	848	4.2	843	4.2
Natural employee turnover	259	1.3	239	1.2

2.50 Employee turnover rates

[1] The prior-year figures were recalculated on the basis of the definitions under ESRS (see also the section General disclosures).

Accounting principles

Headcount and the number of new hires and departures are calculated for the reporting period on the basis of the data on joining and leaving employees recorded in the People platform. The turnover rates are calculated based on the recorded reasons for leaving. Brenntag classifies departures into three categories: Voluntary turnover includes resignations by employees, involuntary turnover refers to terminations initiated by the employer, and natural turnover encompasses departures that are beyond the control of either the employee or the employer, such as retirement, disability, or death. Brenntag reports both the total number of employees who left the company during the reporting period and the turnover rates as percentages. These turnover rates are calculated using the Schlüter formula, where the total number of departures per category is compared to the number of employees at the beginning of the reporting period and the organic new hires during the reporting year. Turnover rates are recorded centrally for each Brenntag company on a quarterly basis and reported to HR Management. Due to regional and country-specific differences, the figures are analyzed at a decentralized level to identify any areas requiring action.

Training and skills development

Policies and actions

Training and skills development have positive impacts on employees and are also reflected in Brenntag's business success. At the same time, targeted continuing education and training options counteract decreasing motivation and increasing dissatisfaction. Brenntag therefore supports its employees' continuous personal and professional development. The Global Development Framework with its 70-20-10 development framework provides the structure for all internal and external development opportunities. This means that 70% of development comes from practical experience in the workplace, through daily tasks, challenges and problem-solving. Social learning contributes 20%; that is, collaboration with colleagues, which also includes coaching and mentoring. The last 10% of development takes the form of formal training, i. e. courses, seminars, online and hybrid learning programs. This framework is being further developed by drawing on several local policies and guidelines that take local laws into account.

Brenntag supports its own employees' development with regard to their own visibility, their skills and their career interests through regular interaction between employees and line managers. Feedback plays a significant role here. Managers and leaders are regularly trained in how to identify talent and succession candidates or make themselves visible as such.

The fact that Brenntag employees come from different countries, work in different roles and have different experience shows the diversity of the Brenntag workforce and thus their individual development needs. In order to meet individual development needs, Brenntag strongly encourages its employees to make use of this diverse range of internal development opportunities. The company asks them to put in place an individual development plan in accordance with the 70-20-10 approach on an annual basis in consultation with their direct superior. This is intended to prevent employees from missing out on development opportunities by helping them to set their professional goals and work toward them in a focused manner.

Brenntag offers several learning programs aimed at different target groups. All participant numbers stated in the following were captured on the basis of the global Workday platform.

- Connecting Potential: This six-month program is aimed at employees at the start of their career who could take on a leadership role at Brenntag in the future. In 2024, 60 employees took part in the program (2023: 48 employees).
- Leading with Impact: This program is tailored to employees with an intermediate level of leadership experience who wish to rise through the Group ranks. In 2024, 23 employees took part in the program (2023: 24 employees).
- New Leader Transition: In 2024, 51 employees worldwide took part in this six-month coaching program for prospective and new managers (2023: 55 employees).
- Women at Brenntag: This six-month coaching program for women recorded 43 participants in the reporting period (2023: 64 participants).
- Inspire and Grow: 31 employees took part in this nine-month mentoring program specifically for women in the reporting period (2023: 33 employees).

- Catalyst: Using basic self- and employee-management tools, this multi-phase six-month program prepares prospective managers to move up from individual expert to manager (acting through others). In the reporting period, 98 employees from North America, South America and EMEA took part in the new program.
- Belimitless: This project-based learning program was offered to more than 400 pilot participants.

One option for Brenntag alumni is a quarterly coffee-learn-and-network event combining brief learning content with global cross-function and cross-level networking opportunities. In the reporting period, 500 employees took part in the program.

Other options on offer, such as language courses with one-on-one tuition (145 participants in the reporting period) and through an online language-learning portal, coaching based on individual needs (14 participants in the reporting period) and mandatory training such as compliance training, are aimed at employees at all levels of the hierarchy (completed by 95% of employees in 2024).[1] To take account of regional differences and distances, Brenntag offers online and virtual learning options in multiple languages that can be taken anytime, anywhere. Brenntag has also established a regular Global Learning newsletter to flag up specific content on the company's own learning platform.

In addition, a monthly learning time has been introduced, which all employees can use for self-directed learning. This further fosters the culture of learning within the Group. During the working day, employees and managers have the opportunity to discuss and document their skills and professional interests in a structured manner. This generates individual development needs, which the employee can formalize and concentrate on. Brenntag fosters a feedback culture through feedback and coordination meetings between managers and employees covering development, performance, objectives and career discussions.

A global talent and succession calibration process identifies key talent. In consultation with managers, Brenntag follows a structured approach for these talented individuals aimed at their final nomination for the development measures carried out at global level. There are also local initiatives to support individual employees in their development.

Once employees have been selected for a program, they are asked to explicitly confirm their interest and their willingness to take the time to participate and learn. Both the program participant and the manager are closely supported by Global Talent & Learning in order to enable the employee to undertake the program successfully and effectively. Feedback meetings with the direct superior are integrated into the program, as are requests for information about added value and practicability following individual elements of the program. The outcome of all this is that the employee not only takes part in the learning activities (10% of learning comes from training), but also implements the principal tools and learning content in a focused manner (70% of learning comes from experience).

Not least of all, Brenntag follows a structured feedback process. In addition to the regular interaction between program participants and program directors, the company also evaluates effectiveness on the basis of manager and participant input. Moreover, Brenntag has invested in the analytics and planning software application Workday in order to make skills and competency improvement more transparent. The aim is to set up Workday dashboards for employees, managers and HR which facilitate both decision-making and self-directed development. Beyond that, there are no targets in accordance with ESRS.

Diversity

Policies and actions

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

Brenntag also works to ensure equal opportunities for its employees and applicants. Ensuring equality of opportunity is a matter of course for Brenntag, as is acting to counter and prevent any form of discrimination and harassment. Employees are recruited, remunerated and developed solely on the basis of their qualifications and skills. Under no circumstances will Brenntag discriminate against employees, business partners or third parties. Equally, the Group expects all employees to embrace this principle, not discriminate against their colleagues and treat one another with respect. This is set down in Brenntag's Code of Business Conduct and Ethics.

[1] Further information on compliance training can be found in the section Business conduct.

The diversity policy for the Board of Management is also intended to continuously increase its diversity. Through this policy, Brenntag wishes to ensure targeted, diverse management development and successful long-term succession planning, bearing in mind age, gender, education, professional background and international experience. The Supervisory Board should also be diverse. The diversity policy for this body requires a line-up that is likewise 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, thereby counteracting a lack of women in management positions at Board of Management level, too.

Brenntag has implemented various measures to systematically identify possible cases of discrimination and foster diversity within the Group. It is pressing ahead with the diversity management structure in order to further develop diversity and inclusion throughout the workforce. In doing so, it is taking into consideration both the realignment of the business model and its global growth strategy. The goal of creating a global organizational diversity, equity and inclusion (DE&I) structure has already been substantially achieved, for example by establishing the role of Global DE&I Director. This role is intended to combine established structures with suitable processes (communication, training, etc.) so as to ensure consistency and efficiency in expanding the DE&I organization.

The Global DE&I Director will set out, organize and manage Brenntag's global diversity, equity and inclusion initiatives and coordinate regional input at company level. He will foster a respectful, inclusive culture, develop a global DE&I strategy, deliver training to raise awareness of unconscious bias and ensure equality of opportunity in talent management. He will also measure progress using metrics and scorecards, report to management and stakeholders, and represent the company in dealings with external partners, associations, conferences and NGOs.

The support provided by Employee Resource Groups (ERGs) is an important element of this approach. Led by employees, these groups are intended to make a significant contribution to an integrative and inclusive workplace by offering networking opportunities for employees, raising awareness of diversity issues, giving feedback and playing a part in devising actions related to DE&I.

The Employee Resource Groups (ERGs) at Brenntag can offer employees a platform for networking, sharing knowledge and fostering diversity and inclusion. They can help women in particular to build networks and raise their visibility with a view to increasing the percentage of women in management positions over the long term. ERGs can bring together employees with similar interests and backgrounds, foster an inclusive working environment and, through feedback and input, help to develop diversity-sensitive HR guidelines and initiatives. Moreover, through events and communication, they can raise awareness of DE&I and position Brenntag as an inclusive employer both internally and externally.

On its career pages too, Brenntag emphasizes the fact that it sees diversity as a strength: In job advertisements, it is pointed 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. Job advertisements are also designed to be inclusive. 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.

In the fourth quarter of 2024, Brenntag delivered its first training course on unconscious bias. The aim of unconscious bias training is to reflect on unconscious bias and thought patterns that may influence a person's perceptions, decisions and actions without them being aware. This training is intended to raise participant awareness of the existence of such unconscious bias and discriminatory behavior, and convey strategies to recognize and prevent it. The main aim is to foster a more inclusive and fairer working environment at Brenntag by appreciating diversity, preventing discrimination and ensuring equal opportunities for all. Managers and HR officers in particular are also made aware of gender stereotypes, which often put women at a disadvantage in their career development and promotion to management positions. Further content will be added to the training in 2025. The target group includes employees on the Global Leadership Team, all managers with disciplinary management responsibility for at least one employed person and all HR managers.

Targets and metrics

Brenntag has set several targets in order to increase gender equality and diversity:

- The goal of developing and delivering a mandatory course to raise awareness of unconscious bias among leaders, managers and HR officers by 2025 was achieved in this reporting period. As described above, the course took place in the fourth quarter of 2024. Other actions around this topic are to take place in 2025; in particular, a further training provider is to be identified and approached in 2025.
- Likewise, a goal was set to establish a global organizational diversity, equity and inclusion structure by 2024 and was achieved by establishing the role of Global DE&I Director.
- Brenntag strives for diversity at all levels of the Group and to increase the percentage of women in management positions. 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%. The table below shows the progress toward that target.

Employees in leadership positions according to management level and gender

	2024		2023[1]	
Management level	abs.	%	abs.	%
Level L1	**41**	**1.3**	**38**	**1.2**
Women	15	36.6	9	23.7
Men	26	63.4	29	76.3
Level L2	**189**	**5.8**	**228**	**7.3**
Women	64	33.9	75	32.9
Men	125	66.1	153	67.1
Level L3	**577**	**17.7**	**622**	**19.9**
Women	224	38.8	218	35.0
Men	353	61.2	404	65.0
Level L4	**1,007**	**30.9**	**1,040**	**33.3**
Women	377	37.4	379	36.4
Men	630	62.6	661	63.6
Level L5+	**1,442**	**44.3**	**1,194**	**38.3**
Women	376	26.1	296	24.8
Men	1,066	73.9	898	75.2
Brenntag Group	**3,256**	**100.0**	**3,122**	**100.0**
Women	1,056	32.4	977	31.3
Men	2,200	67.6	2,145	68.7

2.51 Employees in leadership positions according to management level and gender

[1] The prior-year figures were recalculated on the basis of the definitions under ESRS (see also the section General disclosures). The recalculation had no effect on the results of employees in management positions.

Accounting principles

Management positions include all roles with at least one direct subordinate, excluding apprentices and interns. Using position management in the People platform, the management levels are determined based on the global organizational chart, starting from the Board of Management of Brenntag SE. Management level L1 consists of employees who report directly to the Board of Management of Brenntag SE, while L2 includes employees who report directly to L1, and so on. The metrics for L5 and the following management levels are aggregated reported under the designation L5+.

Age structure

	2024		2023[1]	
Age group	abs.	%	abs.	%
<30	1,812	9.8	1,804	10.0
30-50	10,665	57.9	10,419	58.0
>50	5,953	32.3	5,742	32.0
Not specified	7	0.0	1	0.0
Brenntag Group	**18,437**	**100.0**	**17,966**	**100.0**

2.52 Age structure

[1] The prior-year figures were recalculated on the basis of the definitions under ESRS (see also the section General disclosures).

Accounting principles

The age of each employee at the reporting date is calculated in the People platform using their date of birth. Based on age, data is reported on the total number of employees and their percentage distribution across the age groups defined in the ESRS. Employees for whom no date of birth information is available in the People platform are reported as ‘Not specified’.

Incidents, complaints and severe human rights impacts

As described above, promoting diversity, inclusion and gender equality is a significant element of the corporate culture at Brenntag. This dedication to diversity and gender equality goes hand in hand with Brenntag’s commitment to transparency and integrity in all its business activities.

Throughout the Group, Brenntag has established processes to put these values into practice and ensure that they are embedded in all areas of the company. These enable employees and external partners to confidentially report indications or suspicions of possible violations of laws, regulations or internal guidelines, especially the Code of Business Conduct and Ethics. Brenntag attaches particular importance to respect for human rights and has put in place specific procedures to receive and address possible complaints in this regard. Through these actions, Brenntag fosters an open culture of communication and ensures that ethical conduct and compliance are firmly embedded in day-to-day activities. [1]

[1] Further information on the grievance/complaints mechanism and the protection of whistleblowers can be found in the section Business conduct, and information on human rights due diligence in the section Workers in the value chain.

Number of complaints related to discrimination and human rights

Number of complaints related to discrimination and human rights	**2024**
Total number of reported incidents of discrimination	6
Number of complaints filed through channels for employees to raise concerns	62
Total amount of fines, penalties and compensation	EUR 0
Number of severe human rights incidents	0

2.53 Number of complaints related to discrimination and human rights

Accounting principles

Brenntag operates a whistleblowing system that is available to both employees and external stakeholders (e.g. suppliers, customers, other business partners). This enables violations of statutory provisions and internal regulations to be reported, in particular violations of the Code of Conduct. This also includes human rights violations and incidents related to discrimination. If reports are received through the electronic whistleblowing system, they are captured and documented centrally. In addition to this whistleblowing channel, employees can also report cases of discrimination, harassment or other human rights concerns through their line manager, the human resources (HR) department or the compliance function. This information is collected by the departments responsible, examined and forwarded to the central compliance function, where it is recorded. As part of the annual sustainability and non-financial reporting, Brenntag analyzes these data and publishes aggregated metrics in corresponding reports. In doing so, the Group transparently discloses how many reports relating to human rights violations were received, how they were addressed and what remedial and other preventive actions were taken.

Workers in the value chain

Material impacts, risks and opportunities related to value chain workers

Brenntag actively works to design its operations such that the human rights of workers across the value chain – both upstream and downstream – are respected and protected. In doing so, potential impacts on employees are systematically integrated into company decision-making processes. The human rights risk analysis in accordance with the German Supply Chain Due Diligence Act (LkSG) is a central element. The results of this analysis play a decisive role in the strategic alignment of internal business units and in supplier selection and management. They also serve as a basis for optimizing internal and external guidelines, adapting training programs and optimizing company processes. As part of this analysis, the topics of environmental protection, health and safety were identified as the main potential risks in the chemical supply chain. The risk assessment also includes industry and country risks, where certain combinations have an increased potential for child and forced labor. To ensure that human rights risks are taken systematically into account in procurement decisions, internal stakeholders receive comprehensive information on supplier risk assessments, both in direct and in indirect procurement.

In the course of the materiality assessment performed, the following impacts of Brenntag's business activities on value chain workers were identified as material: [1]

Material sub-(sub-)topic	Impacts, risks or opportunities	Value chain	Time horizon	Description
Working conditions; Other work-related rights	Impact (negative)	Upstream	Constant	Advancing negative impacts on human rights/accepting potential human rights violations in the event that risks are ignored or given insufficient consideration (in particular child labor/forced labor/inadequate wages/working time and working conditions)
Other work-related rights	Impact (positive)	Along the value chain	Constant	More transparency and therefore a greater probability of human rights compliance (raising awareness throughout the supply chain); TfS audits and EcoVadis assessments
Working conditions	Impact (positive)	Along the value chain	Constant	Involvement in industry associations enables higher health and safety standards to be set (Responsible Care/Responsible Distribution)[2]

[2] Further information on this can be found in the section Own workforce, sub-section Occupational health and safety.

2.54 Material impacts related to value chain workers

[1] Further information on this is contained in the section General disclosures, sub-section Double materiality assessment.

Policies and actions

Brenntag has developed comprehensive policies and targeted actions to specifically counteract the impacts described above. Even before establishing a business relationship, Brenntag communicates clear expectations to its suppliers. The Supplier Code of Conduct is a central element of this and requests that suppliers play an active part in protecting human rights within their organization and throughout their supply chains. Moreover, in the Policy Statement on Human Rights, Brenntag confirms its commitment to complying with applicable laws and international human rights and environmental standards. These values and expectations apply equally to all Brenntag employees, suppliers and other business partners. The Policy Statement and the Code of Conduct were developed before the financial year on the basis of the human rights risk analysis conducted and have been adopted by the Board of Management. Both documents are publicly available on the company website.

The Policy Statement and the Supplier Code of Conduct are based on internationally applicable standards and guidelines, such as the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGP), and the conventions and recommendations of the International Labour Organization (ILO) on labor and social standards. Derived from those, the Policy Statement includes core principles such as protecting freedom of association, the right to collective bargaining, ensuring adequate working conditions, and comprehensive health and safety measures in the workplace. The prohibition of child and forced labor is also a central element of the Policy Statement. In addition to human rights, working conditions and environmental protection, the Code of Conduct also addresses issues such as corruption, bribery, conflicts of interest and money laundering.

Brenntag has taken numerous targeted actions to successfully implement and embed these policies aimed at preventing human rights violations and promoting work-related rights and working conditions throughout its operations and along the supply chain. Since as far back as 2016, Brenntag has been a member of Together for Sustainability (TfS), an industry initiative which, among other things, specializes in audits and online assessments of suppliers in the chemical industry. The aim is to create synergies and reduce the effort for suppliers by making the results of a conducted assessment available to all TfS members. This engagement promotes standardization with regard to determining the situation of value chain workers, while also contributing to transparency over working conditions. Here, Brenntag works together with EcoVadis, a leading provider of sustainability assessments. EcoVadis assesses companies on the environment, labor and human rights, ethics and sustainable procurement. The results, which are illustrated on a scale from 0 to 100, offer not only an evaluation of sustainability performance, but also specific suggestions for improvement. A high score indicates good performance, while an assessment with a low score or no assessment at all signals potential human rights or environmental risks. Based on these assessments, Brenntag specifically asks its suppliers to make improvements.

Brenntag gains a more detailed picture of sustainability performance by conducting on-site sustainability audits based on a catalog of requirements developed by TfS covering sustainability management, the environment, health and safety, employee and human rights, and corporate governance. Brenntag also accepts audits conducted in accordance with SQAS, SMETA and PSCI standards. Depending on the audit results, corrective actions are agreed and their implementation is tracked.

Further preventive and remedial actions are derived from human rights risk management, which Brenntag has integrated into an innovative IT solution. Risk management is carried out continuously. This system captures all Tier 1 suppliers and classifies them into one of four risk categories – critical, high, medium or low – on the basis of various risk parameters, including site, sector, sales, AI-supported 360-degree media screening and results from EcoVadis and TfS audits. Depending on the risk category, appropriate preventive actions are initiated, such as training, assessments or audits, which suppliers are required to implement within a set period. Risk management is the responsibility of the Human Rights Officer, who monitors it and refines it on an ad hoc basis. In the reporting period, Brenntag did not receive any reports of human rights violations within the company that resulted in the need to specify and initiate remedial actions. For this reason, no remedial actions were initiated.

Brenntag checks all implemented actions on both an annual and an ad hoc basis in order to ensure effectiveness. At the same time, employees from the HR, QSHE (Quality, Safety, Health, Environment), Legal, Compliance and Procurement departments have continuous access to training courses that explain Brenntag's processes and values. In future, suppliers are to receive more intense training on sustainability matters. For this, greater use will be made of resources such as the TfS Academy and e-learning platforms.

In order to detect possible irregularities at an early stage, Brenntag has also set up a whistleblowing channel that is available to both employees and external third parties on the Brenntag website. Concerns and reports can be submitted anonymously through the whistleblowing channel.[1] Concerns or reports regarding potential human rights violations can also be e-mailed to the department of the Human Rights Officer. Brenntag's suppliers are required to protect employees who submit reports in good faith against retaliation.

If violations, including negative impacts of child and forced labor, are thus reported or actually identified within Brenntag's supply chain, Brenntag undertakes to put in place adequate preventive and remedial measures. Brenntag has established an appropriate process for this purpose: First, all relevant information is gathered and examined by experts applying the dual control principle. Based on an assessment of the severity of the (potential) incident (severity assessment), a specific action plan is developed, implemented and tracked together with the business partner. This engagement follows the principle of 'enablement before withdrawal'. Following completion of the action plan, a check is carried out to determine whether the incident has been fully remedied. Only once attempts at correction have been unsuccessful does Brenntag reserve the right to terminate the business relationship.

Targets

Brenntag's target, derived from its successfully implemented human rights risk management, is to systematically capture all active suppliers managed in the global ERP system and mitigate risks from financial year 2024 onwards. This target was achieved in the reporting year and will be continuously pursued in the coming years. It had already been communicated, prepared and partially implemented in the previous year. Capturing suppliers in the ERP system enables Brenntag to determine the risks in the relevant IT solution used for risk management. The target was set out by the specialists responsible, including the Human Rights Officer, and established by them with the involvement of the Brenntag Board of Management and management. The specialists act as representatives of the interests of stakeholders along the value chain.

The target is documented and continually tracked during the year within an ESG scorecard. This scorecard is agreed with the Human Rights Officer on a regular basis and also reported to Brenntag's Board of Management.

Brenntag plans to further optimize the content of the targets over the medium term and expand it on a more detailed level.

[1] Further information on the rights of complainants can be found in the section Business conduct.

Governance

Business conduct

Material business conduct-related impacts, risks and opportunities

Brenntag attaches great importance to responsible, future-oriented and sustainable business conduct. In that vein, the Group continuously refines its compliance management system. In the context of the assessment to determine the material impacts, risks and opportunities relating to business conduct, Brenntag's global business activities as a chemical distributor were considered holistically, regardless of locations and divisions, and are summarized in the following overview :[1]

Material sub-(sub-)topic	Impacts, risks or opportunities	Value chain	Time horizon	Description
Corporate culture	Impact (positive)	Along the value chain	Constant	Positive influence on the distribution market through the corporate culture and business conduct, including beliefs, mission statements and values (care, trust, excellence, safety, clarity), and as a result of clearly communicating expectations and promoting ethical standards across the value chain
	Risk	n/a	Constant	Failure to adhere to an ethical and legally compliant corporate culture/ethical and legally compliant business conduct poses reputational risks that could result in the loss of business, for example because business partners refuse to continue to work with the company
	Risk	n/a	Constant	Fall in the share price (governance ratings, reputation, loss of investors) if an ethical and legally compliant corporate culture/ethical and legally compliant business conduct is not adhered to
Corruption and bribery	Impact (negative)	Along the value chain	Constant	Harm (price, lower demand, less competition) to important stakeholder groups such as customers and suppliers due to inadequate prevention and detection of corruption and bribery
	Risk	n/a	Constant	Fines and penalties due to inadequate prevention and detection of corruption and bribery
Protection of whistleblowers	Risk	n/a	Constant	Fines and penalties due to inadequate protection of whistleblowers; reputational damage if confidentiality is not maintained toward whistleblowers

2.55 Material business conduct-related impacts and risks

[1] Further information on this is contained in the section General disclosures, sub-section Double materiality assessment.

Corporate culture and business conduct

Policies and actions

Brenntag's business partners and other stakeholders expect the highest level of quality, reliability and efficient, innovative solutions. In order to meet this standard, Brenntag uses five core values to systematically guide its actions. These values – care, trust, clarity, excellence and safety – shape all business activities and business relationships, and support positive development across the value chain.

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.

2.56 Values of Brenntag SE

The Code of Business Conduct and Ethics reflects these values and sets out additional principles of conduct which are expected of all Brenntag employees. Managers are expected to set an example by living these values in their leadership role and to help their teams in the best possible way to implement them in their everyday working life. Through various digital and analog options, employees are encouraged to consciously engage with the corporate values and use them to guide their actions. This begins during the new employee recruitment process, which is shaped by the Brenntag values, and continues during human resources development. It encompasses interaction both among employees and with external partners. For example, meetings involving more than three people should always start with a 'Safety Moment' or 'Culture Moment', where different safety- or culture-related topics can be addressed.

In addition to the Code of Business Conduct and Ethics, of which all employees are reminded through annual training, there are other relevant compliance guidelines, (online) training courses and a whistleblowing system that serve to cement and further develop the corporate culture.

The comprehensive Code of Business Conduct and Ethics specifies that all employees are expected to adhere to laws, provisions and regulations. The Code also addresses topics such as the prevention of bribery and corruption, antitrust and competition law, and dealing with conflicts of interest, and provides information on data protection and information security. Additional Group compliance guidelines help to further strengthen legally compliant conduct. These include guidelines on anti-corruption, gifts and invitations, conflicts of interest, competition and antitrust law, and compliance with foreign trade provisions. These internal regulations offer employees guidance on legal and ethical issues in everyday working life and govern interaction with colleagues, business partners and the public. Any infringement of the rules of conduct may lead to disciplinary action and have further consequences under employment law or criminal law. The compliance-related guidelines – especially the Code of Business Conduct and Ethics – apply to all employees at every level of the company. The decision to implement these guidelines is the responsibility of the Board of Management. The internal audit department reviews adherence to compliance with these guidelines on a regular basis.

In addition, Brenntag uses a Supplier Code of Conduct. Among other things, this requires suppliers to adhere to all applicable laws and provisions, and to follow principles of responsible business conduct. Brenntag thus establishes a standard and a corporate culture across its own supply chain.[1]

The Group guidelines can be accessed by all employees on the intranet. The Code of Business Conduct and Ethics and the Supplier Code of Conduct are also published on the Brenntag Group's external website and are available in various languages.

[1] Further information on this can be found in the section Workers in the value chain, sub-section Policies and actions.

Prevention and detection of corruption and bribery

Policies and actions

Brenntag has established a global compliance management system in order to prevent corruption and bribery. In particular, the guidelines mentioned in the section above, the established training courses, the processes for whistleblowers, regular compliance communications and internal reporting are actions suited to effectively countering corruption and bribery risks.

Annual, mandatory compliance training ensures that employees' knowledge is always kept up to date. The Group-wide e-learning platform in particular is used for this. The online training course on the Code of Business Conduct and Ethics is mandatory for employees once a year. Also on an annual basis, Brenntag offers mandatory in-depth, target group-oriented training on topics such as anti-corruption.

Throughout the company, Brenntag has established processes to receive and handle internal and external complaints and compliance notifications. Brenntag employees can discuss such reports confidentially with their line manager, notify the compliance department or communicate them through central or regional whistleblowing systems and channels. Reports can also be submitted through the whistleblowing system anonymously and by external people. All reports or suspicions of possible violations of laws, regulations or internal guidelines, especially the Code of Business Conduct and Ethics, are registered by the compliance department and entered in the case management system. Relevant cases are forwarded to the internal audit department for investigation. The head of the compliance department reports directly to the Board of Management in this regard. In addition, Brenntag has set up an Investigation & Remediation Council to investigate significant reports. When investigating incoming reports, care is always taken to ensure that investigators are independent. The management chain involved in the matter is always separated from the investigating committee and does not function as the investigator.

The whistleblowing system can be reached through the Brenntag Group's website. The information received is always treated as strictly confidential. Relevant incoming reports are examined internally. In the event of a compliance violation, appropriate countermeasures are initiated.

Brenntag informs its employees about the existence of the various whistleblowing channels and the Whistleblowing Guideline. In addition, posters pointing out the various whistleblowing channels have been hung up at Brenntag sites around the globe. Among other things under the compliance department's year-round communication plan, Brenntag conducted an internal Tone-from-the-Top communication campaign on World Whistleblowers Day in the reporting period. In particular, this reiterated the importance of whistleblowing as well as the existence of the various whistleblowing channels and outlined the commitment and support afforded to this topic by the Board of Management. Information on using whistleblowing channels is also provided in the regular training on the Code of Business Conduct and Ethics.

Brenntag regularly invites selected suppliers to a sustainability assessment or audit so as to ascertain that the values and principles set out in the Supplier Code are also being put into practice along the value chain.[1)]

Targets and metrics

Brenntag's target for 2024 was to refine the regular reporting to regional, divisional and global management on the development of the compliance management system for 2024. In particular in this context, the compliance and whistleblowing cases reported on a regular basis were distinguished by division in the reporting period. This provided the CEOs of Brenntag Specialties and Brenntag Essentials with a detailed overview of the cases relevant to their division. The target is monitored as part of the quarterly reporting on compliance matters to the Board of Management and Supervisory Board by the Senior Vice President (SVP) Compliance Brenntag SE. The further refinement of the compliance management system will continue in 2025 and will follow the organizational developments of the company.

Compliance training

As outlined in the section above, Brenntag offers regular and mandatory training to keep its employees' knowledge of compliance topics and guidelines up to date. Some training courses, in particular on corruption prevention and antitrust and competition law, are directed specifically at employees in at-risk functions, which are defined especially by their direct relation to the business and business partners, as well as at all managers. Regular compliance training is also conducted for all Board of Management members.

Compliance training is delivered through an online training platform that also documents the number of participants.

1) Further information on this can be found in the section Workers in the value chain.

Details of the different compliance courses in the 2024 reporting period are listed below:

	Code of Conduct training 2024	Anti-corruption training	Antitrust training
Extent of employee training			
Note regarding extent of employee training	This training is directed at all relevant employees.	This training is directed specifically at relevant employees in at-risk functions.	This training is directed specifically at relevant employees in at-risk functions.
Completed training courses (%)	95%	99%	98%
Frequency of training			
How often is this training mandatory?	Annually	Annually	Annually
Delivery method and training content			
Delivery method	Online and face-to-face training	Online training	Online training
Duration of training	35 minutes	30 minutes	30 minutes
Training content	The course features information on the topics set out in the Code of Business Conduct and Ethics: corruption prevention; prevention of money laundering; correct bookkeeping and financial reporting; competition and antitrust law; conflicts of interest; confidentiality; data protection and information security; foreign trade compliance; fraud prevention; insider trading; handling and safeguarding of Brenntag property; health, safety and environmental protection; human rights and labor practices.	The training provides practical, case-based insight into the basics of corruption prevention. Employees learn to recognize conduct that entails risk and how to respond appropriately in order to prevent it. In particular, the training covers practical situations related to gifts and invitations, avoiding facilitation payments and dealing with business partners in connection with these situations.	The training provides practical, case-based insight into the basics of antitrust law. Employees learn what conduct is prohibited, such as forming a cartel, and what sanctions might be imposed. They are also given guidance on how to deal carefully with competitors, suppliers and customers. Employees learn to recognize conduct that entails risk and how to respond appropriately in order to prevent it.

2.57 Training table

Accounting principles

Brenntag collects and analyzes the key figures for completed compliance training courses via the HR platform. All Brenntag employees with an e-mail address and PC access currently have access to the online training courses via the platform. The rate of completed compliance training courses is calculated on the basis of this population. The training on the Code of Conduct and Business Ethics is assigned to all employees of this population. In addition, employees in at-risk functions receive in-depth online training on antitrust law and anti-corruption. For this purpose, a selection of these employees is made in the People platform based on their job profile and function. Furthermore, Brenntag will offer face-to-face training on the Code of Conduct for offline employees without an e-mail address and PC access at global level. A relevant training course was developed and successfully implemented in a pilot project in Latin America.

In 2024, all Board of Management members participated in all above-mentioned mandatory compliance training and received comprehensive instruction on corruption and bribery. The training comprised e-learning courses on the Code of Business Conduct and Ethics (Conduct of Conduct) and on anti-corruption.[1)]

Confirmed incidents of corruption and bribery

In 2024, there were no convictions as a result of violations of anti-corruption and anti-bribery laws and therefore no fines.

1) Documentary evidence of courses of instruction and training taken by the Supervisory Board members can be found in the Corporate governance statement, sub-section Working practices of the Supervisory Board, and the Report of the Supervisory Board.

Appendix

Statement on due diligence

Core elements of due diligence	Reference to sustainability statement	Pages
Embedding due diligence in governance, strategy and business model	Corresponding information in the corporate governance statement and in the section General disclosures, sub-section Business model, value chain and strategy	74, 83, 95-98
Engaging with affected stakeholders in all key steps of the due diligence	Corresponding description in the section General disclosures, sub-section Interests and views of stakeholders, and in Own workforce, sub-section Social dialog and employee involvement	99, 101, 138-139
Identifying and assessing adverse impacts	Description of the process to identify and assess material impacts, risks and opportunities in the section General disclosures, sub-section Double materiality assessment	99-102
	Detailed list of material adverse impacts in the topic-specific sections	103, 106-107, 113, 117, 119, 133, 145, 148
Taking actions to address those adverse impacts	Description of actions in the respective topic-specific sections	103-107, 110, 113-117, 122, 135-136, 138-144, 146-147, 149-151
Tracking the effectiveness of these efforts and communicating	Tracking of effectiveness through targets (ESG scorecard) and description of further management actions in the respective topic-specific sections	97, 108-112, 114-117, 122, 136, 138-143, 146-147, 150-151

2.58 Statement on due diligence

Disclosure requirements covered by the sustainability statement

ESRS	Title	Section	Pages
ESRS 2	**General disclosures**		
BP-1	General basis for preparation of the sustainability statement	GSS[1]	93
BP-2	Disclosures in relation to specific circumstances	GSS	94, 112, 115-116, 118, 121-123, 134, 137-138, 140, 143-144, 151
GOV-1	The role of the administrative, management and supervisory bodies	GSS CGS[2]	94 73-74, 76, 78-83, 86-88, 91
GOV-2	Information provided to and sustainability matters addressed by Brenntag's administrative, management and supervisory bodies	CGS	74, 78
GOV-3	Integration of sustainability-related performance in incentive schemes	GSS	94-95
GOV-4	Statement on due diligence	GSS	152
GOV-5	Risk management and internal controls over sustainability reporting	GSS RR[3]	95 55-60, 62, 64-66
SBM-1	Strategy, business model and value chain	GSS GO[4]	95-98, 134 31-32
SBM-2	Interests and views of stakeholders	GSS	99, 136, 138-139
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	GSS	99-100, 103, 106-107, 113, 117, 119, 133, 145, 148

[1] GSS – Group sustainability statement
[2] CGS – Corporate governance statement
[3] RR – Report on expected developments, opportunities and risks
[4] GO – Group overview

E5-3	Targets related to resource use and circular economy	GSS	120-122
E5-4	Resource inflows	GSS	120-122
E5-6	Resource outflows	GSS	120, 122-123
S1	**Own workforce**		
ESRS 2 SBM-2	Interests and views of stakeholders	GSS	99, 136, 138-139
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	GSS	99-102, 133-134
S1-1	Policies related to own workforce	GSS	134-142, 144, 146-147
S1-2	Processes for engaging with own workers and workers' representatives about impacts	GSS	99, 136, 138-139
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	GSS	135-136, 138-144, 146-147, 150
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	GSS	134-144, 146-147
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	GSS	134, 136, 138-141, 143
S1-6	Characteristics of the undertaking's employees	GSS	134, 138, 140
S1-9	Diversity metrics	GSS	143-144
S1-10	Adequate wages	GSS	138
S1-14	Health and safety metrics	GSS	136-137
S1-17	Incidents, complaints and severe human rights impacts	GSS	144
S2	**Workers in the value chain**		
ESRS 2 SBM-2	Interests and views of stakeholders	GSS	99, 145-147
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	GSS	99-102, 145
S2-1	Policies related to value chain workers	GSS	135-136, 146-147
S2-2	Processes for engaging with value chain workers about impacts	GSS	99, 101, 145-147
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	GSS	146-147, 150
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	GSS	135-136, 146-147
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	GSS	136, 147
G1	**Governance**		
ESRS 2 GOV 1	The role of the administrative, management and supervisory bodies	GSS CGS	94, 151 74, 82-83
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	GSS	99-102, 148
G1-1	Business conduct policies and corporate culture	GSS	149-151
G1-3	Prevention and detection of corruption and bribery	GSS CGS	150-151 81
G1-4	Incidents of corruption or bribery	GSS	151

2.59 Disclosure requirements covered by the sustainability statement

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Section	Pages
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator no. 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		CGS	86
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		CGS	91
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator no. 10 Table #3 of Annex 1				GSS	152
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator no. 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Non-material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator no. 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Non-material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator no. 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II		Non-material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II		Non-material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	GSS	103-104
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		GSS	104
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator no. 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		GSS	108-110
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator no. 5 Table #1 and Indicator no. 5 Table #2 of Annex 1				GSS	110
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator no. 5 Table #1 of Annex 1				GSS	110

ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator no. 6 Table #1 of Annex 1				GSS	110
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators no. 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		GSS	111
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator no. 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		GSS	111
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	GSS	105
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Phase-in	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase-in	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator no. 8 Table #1 of Annex 1 Indicator no. 2 Table #2 of Annex 1 Indicator no. 1 Table #2 of Annex 1 Indicator no. 3 Table #2 of Annex 1				GSS	114-115
ESRS E3-1 Water and marine resources paragraph 9	Indicator no. 7 Table #2 of Annex 1				GSS	117-118
ESRS E3-1 Dedicated policy paragraph 13	Indicator no. 8 Table #2 of Annex 1				GSS	117

ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator no. 12 Table #2 of Annex 1				Non-material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator no. 6.2 Table #2 of Annex 1				Non-material	
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator no. 6.1 Table #2 of Annex 1				GSS	118
ESRS 2 – SBM-3 – E4 paragraph 16 (a) i	Indicator no. 7 Table #1 of Annex 1				Non-material	
ESRS 2 – SBM-3 – E4 paragraph 16 (b)	Indicator no. 10 Table #2 of Annex 1				Non-material	
ESRS 2 – SBM-3 – E4 paragraph 16 (c)	Indicator no. 14 Table #2 of Annex 1				Non-material	
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	Indicator no. 11 Table #2 of Annex 1				Non-material	
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Indicator no. 12 Table #2 of Annex 1				Non-material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator no. 15 Table #2 of Annex 1				Non-material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator no. 13 Table #2 of Annex 1				GSS	122
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator no. 9 Table #1 of Annex 1				GSS	122
ESRS 2 SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator no. 13 Table #3 of Annex I				GSS	134
ESRS 2 SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator no. 12 Table #3 of Annex I				GSS	134
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator no. 9 Table #3 and Indicator no. 11 Table #1 of Annex I				GSS	134, 146
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		GSS	146
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator no. 11 Table #3 of Annex I				Non-material	
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator no. 1 Table #3 of Annex I				GSS	135-136
ESRS S1 - 3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator no. 5 Table #3 of Annex I				GSS	144, 147, 150
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator no. 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		GSS	136

ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator no. 3 Table #3 of Annex I				GSS	136
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator no. 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Non-material	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator no. 8 Table #3 of Annex I				Non-material	
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator no. 7 Table #3 of Annex I				GSS	144
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	Indicator no. 10 Table #1 and Indicator no. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		GSS	144
ESRS 2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators no. 12 and 13 Table #3 of Annex I				GSS	145
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator no. 9 Table #3 and Indicator no. 11 Table #1 of Annex 1				GSS	146-147
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators no. 11 and 4 Table #3 of Annex 1				GSS	146-147
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 19	Indicator no. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		GSS	146
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		GSS	146
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator no. 14 Table #3 of Annex 1				GSS	146
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator no. 9 Table #3 and Indicator no. 11 Table #1 of Annex 1				Non-material	
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator no. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		Non-material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator no. 14 Table #3 of Annex 1				Non-material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator no. 9 Table #3 and Indicator no. 11 Table #1 of Annex 1				Non-material	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator no. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		Non-material	

ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator no. 14 Table #3 of Annex 1				Non-material	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator no. 15 Table #3 of Annex 1				GSS	149-150
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator no. 6 Table #3 of Annex 1				GSS	150
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator no. 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		GSS	151
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator no. 16 Table #3 of Annex 1				GSS	149-151

2.60 List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Assurance Report

Assurance Report of the Independent German Public Auditor on an assurance engagement to obtain limited and reasonable assurance in relation to the Group Sustainability Statement included in the Combined Management Report

To Brenntag SE, Essen/Germany

Assurance Conclusion and Opinion

We have conducted a limited assurance engagement on the group sustainability statement of Brenntag SE, Essen/Germany, for the financial year from January 1 to December 31, 2024, included in section "Group sustainability statement" of the combined management report for the parent and the group, including individual disclosures in section "Corporate governance statement", to which reference is made in the group sustainability statement to the remaining combined management report. In addition, we have performed a reasonable assurance engagement on the disclosures on the indicator "Reduction of greenhouse gas emissions (Scope 1 and 2)", on the indicator "Further increase in occupational safety (Total Recordable Injury Frequency Rate (TRIR) reduction)" as well as on the indicator "Increase in the proportion of female employees at various management levels" included in the Group sustainability statement. The Group sustainability statement was prepared to fulfill the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 and Sections 315b and 315c German Commercial Code (HGB) for a consolidated non-financial statement.

Not subject to our assurance engagement are

- all prior year's disclosures with the exception of greenhouse gas emissions (Scope 1 and 2 emissions), occupational safety (Total Recordable Injury Frequency Rate (TRIR) reduction) and proportion of female employees at various management levels, and
- the references to information of the Company outside of the combined management report marked as unassured.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Group sustainability statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a consolidated non-financial statement, and the specifying criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe

- that the accompanying group sustainability statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Group sustainability statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section Double materiality assessment of the Group sustainability statement, or
- that the disclosures in the Group sustainability statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

In addition, based on the procedures performed and the evidence obtained, the disclosures subject to a reasonable assurance engagement comply, in all respects material to the Group sustainability statement, with the requirements of the CSRD and Sections 315b and 315c HGB for a consolidated non-financial statement, and the specifying criteria presented by the executive directors of the Company.

We do not express an assurance conclusion or assurance opinion on individual disclosures.

Furthermore, we do not express an assurance conclusion or assurance opinion on the above-mentioned parts of the Group sustainability statement that were not covered by our assurance engagement.

Basis for the Assurance Conclusion and Opinion

We conducted our assurance engagement 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 International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in section "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements of the IDW Quality Management Standards and of the International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion and opinion.

Responsibilities of the Executive Directors and the Supervisory Board for the Group Sustainability Statement

The executive directors are responsible for the preparation of the Group sustainability statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the specifying criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control as they have considered necessary to enable the preparation of a Group sustainability statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent reporting in the Group sustainability statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group sustainability statement as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Group sustainability statement.

Inherent Limitations in Preparing the Group Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. The executive directors have made interpretations of such wording and terms in the Group sustainability statement. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain. The quantification of non-financial performance indicators disclosed in the Group sustainability statement is also subject to inherent uncertainties.

These inherent limitations also affect the assurance engagement on the Group sustainability statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group sustainability statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the specifying criteria presented by the executive directors of the Company.

In addition, our objective is to express a reasonable assurance opinion based on the assurance engagement we have conducted, on whether the concerned disclosures of the Group sustainability statement are prepared, in all respects material to the Group sustainability statement, in accordance with the CSRD, the applicable German legal and other European requirements and the specifying criteria presented by the executive directors of the Company.

Furthermore, our objective is to issue an assurance report that includes our assurance conclusion and opinion on the Group sustainability statement.

As part of a limited and reasonable assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also

- obtain an understanding of the process used to prepare the Group sustainability statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group sustainability statement. In respect of the disclosures subject to a reasonable assurance engagement, we also obtain an understanding of the controls that are relevant for preparing these disclosures.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. In respect of the disclosures subject to a reasonable assurance engagement, we identify and assess the risks of material misstatement due to fraud or error, and design and perform procedures to address these risks and obtain reasonable assurance for our assurance opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited and reasonable assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group sustainability statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Group sustainability statement about the preparation process, including the materiality assessment processes carried out by the entity to identify the disclosures to be reported in the Group sustainability statement, and about the internal controls related to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group sustainability statement.
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
- performed analytical procedures or tests of details and made inquiries in relation to selected information in the Group sustainability statement.
- considered the presentation of the information in the Group sustainability statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group sustainability statement.

In performing our reasonable assurance engagement, we also

- obtained an understanding of internal controls also for control activities and monitoring of internal controls.
- evaluated the concept and implementation of the systems and processes for determining, processing and monitoring the disclosures on the indicators.
- evaluated risks.
- conducted tests of details on the basis of samples.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated January 1, 2024 of the Institut der Wirtschaftsprüfer (IDW)). 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. Consequently, it may not be suitable for any other than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties as a basis for making (financial) decisions based on it.

Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion and opinion are not modified in this respect.

Düsseldorf/Germany, March 7, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
André Bedenbecker	Daniel Oehlmann
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Consolidated

3 Financial Statements

Consolidated income statement

in EUR m	Note	2024	2023
Sales	1.)	16,237.4	16,815.1
Cost of materials	2.)	–12,210.9	–12,795.0
Gross profit		**4,026.5**	**4,020.1**
Other operating income	3.)	102.9	133.2
Personnel expenses	4.)	–1,446.4	–1,391.9
Depreciation and impairment of property, plant and equipment, and amortization and impairment of intangible assets	18.) / 19.) / 20.)	–444.1	–388.0
Impairment losses on trade receivables and other receivables	13.)	–1.6	–3.2
Other operating expenses	5.)	–1,321.9	–1,247.5
Operating profit		**915.4**	**1,122.7**
Share of profit or loss of equity-accounted investments	21.)	–0.1	0.9
Interest income		19.0	18.9
Interest expense	6.)	–152.7	–122.8
Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss	7.)	–14.0	26.4
Loss on the net monetary position	8.)	–4.2	–16.0
Other net finance costs	9.)	–20.8	–27.3
Net finance costs		**–172.8**	**–119.9**
Profit before tax		**742.6**	**1,002.8**
Income tax expense	10.)	–198.9	–281.7
Profit after tax		**543.7**	**721.1**
Attributable to:			
Shareholders of Brenntag SE		536.2	714.9
Non-controlling interests		7.5	6.2
Basic earnings per share in euro	11.)	**3.71**	**4.73**
Diluted earnings per share in euro	11.)	**3.71**	**4.73**

3.01 Consolidated income statement

Consolidated statement of comprehensive income

in EUR m	Note	2024	2023
Profit after tax		**543.7**	**721.1**
Remeasurements of defined benefit pension plans	26.)	3.3	–9.5
Deferred tax relating to remeasurements of defined benefit pension plans	26.)	–1.3	2.7
Items that will not be reclassified to profit or loss		**2.0**	**–6.8**
Change in exchange rate differences on translation of consolidated companies	28.)	162.8	–102.6
Change in exchange rate differences on translation of equity-accounted investments		0.1	–0.1
Change in net investment hedge reserve	32.)	–4.9	6.1
Remeasurement of cross-currency interest rate swaps	32.)	–20.3	21.2
Reclassification to profit or loss of hedging losses	32.)	36.9	–8.0
Costs of hedging	32.)	–3.6	–2.6
Reclassification to profit or loss of costs of hedging	32.)	–0.8	–0.8
Deferred tax relating to those items	32.)	–3.1	–
Items that may be reclassified subsequently to profit or loss		**167.1**	**–86.8**
Other comprehensive income, net of tax		**169.1**	**–93.6**
Total comprehensive income		**712.8**	**627.5**
Attributable to:			
Shareholders of Brenntag SE		704.8	625.5
Non-controlling interests	28.)	8.0	2.0

3.02 Consolidated statement of comprehensive income

Consolidated balance sheet

Assets

in EUR m	Note	Dec. 31, 2024	Dec. 31, 2023
Current assets			
Cash and cash equivalents	12.)	763.3	576.9
Trade receivables	13.)	2,282.5	2,263.1
Other receivables	14.)	222.9	275.4
Other financial assets	15.)	20.7	13.9
Current tax assets		174.0	104.4
Inventories	16.)	1,518.4	1,376.4
		4,981.8	**4,610.1**
Non-current assets held for sale	17.)	107.1	2.5
		5,088.9	**4,612.6**
Non-current assets			
Property, plant and equipment	18.)	1,695.1	1,505.2
Intangible assets	19.)	4,044.8	3,573.0
Right-of-use assets	20.)	596.2	438.2
Equity-accounted investments	21.)	5.0	6.0
Other receivables	14.)	67.5	52.0
Other financial assets	15.)	21.3	16.7
Deferred tax assets	10.)	149.2	134.1
		6,579.1	**5,725.2**
Total assets		**11,668.0**	**10,337.8**

Liabilities and equity

in EUR m	Note	Dec. 31, 2024	Dec. 31, 2023
Current liabilities			
Trade payables	22.)	1,661.6	1,633.7
Financial liabilities	23.)	812.5	439.9
Lease liabilities	20.)	136.9	122.8
Other liabilities	24.)	567.4	567.3
Other provisions	25.)	94.8	103.1
Liabilities relating to acquisition of non-controlling interests	27.)	–	57.4
Current tax liabilities		120.7	96.8
		3,393.9	**3,021.0**
Liabilities associated with assets held for sale	17.)	84.3	–
		3,478.2	**3,021.0**
Non-current liabilities			
Financial liabilities	23.)	2,126.5	1,874.0
Lease liabilities	20.)	480.4	327.0
Other liabilities	24.)	2.3	2.3
Other provisions	25.)	260.2	264.4
Provisions for pensions and other post-employment benefits	26.)	135.1	134.0
Liabilities relating to acquisition of non-controlling interests	27.)	64.5	60.0
Deferred tax liabilities	10.)	358.8	298.4
		3,427.8	**2,960.1**
Equity	28.)		
Subscribed capital		144.4	147.5
Additional paid-in capital		755.2	1,002.2
Retained earnings		3,675.8	3,419.0
Accumulated other comprehensive income		151.3	–14.0
Treasury shares		–	–250.0
Equity attributable to shareholders of Brenntag SE		**4,726.7**	**4,304.7**
Equity attributable to non-controlling interests		35.3	52.0
		4,762.0	**4,356.7**
Total liabilities and equity		**11,668.0**	**10,337.8**

3.03 Consolidated balance sheet

Consolidated statement of changes in equity

in EUR m	Subscribed capital	Additional paid-in capital	Retained earnings	Exchange rate differences	Net investment hedge reserve
Dec. 31, 2022	**154.5**	**1,491.4**	**3,035.0**	**86.0**	**–4.4**
Dividends	–	–	–304.7	–	–
Business combinations	–	–	–36.8	–	–
Transactions with owners	–	–	17.4	–3.0	–
Treasury shares canceled / acquired	–7.0	–489.2	–	–	–
Profit after tax	–	–	714.9	–	–
Other comprehensive income, net of tax	–	–	–6.8	–98.5	6.1
Total comprehensive income for the period	**–**	**–**	**708.1**	**–98.5**	**6.1**
Dec. 31, 2023	**147.5**	**1,002.2**	**3,419.0**	**–15.5**	**1.7**
Dividends	–	–	–303.2	–	–
Business combinations	–	–	–	–	–
Transactions with owners	–	–	21.8	–1.3	–
Treasury shares canceled / acquired	–3.1	–247.0	–	–	–
Profit after tax	–	–	536.2	–	–
Other comprehensive income, net of tax	–	–	2.0	162.4	–4.9
Total comprehensive income for the period	**–**	**–**	**538.2**	**162.4**	**–4.9**
Dec. 31, 2024	**144.4**	**755.2**	**3,675.8**	**145.6**	**-3.2**

in EUR m	Cash flow hedge reserve	Treasury shares	Deferred tax relating to cash flow hedge reserve	Equity attributable to share-holders of Brenntag SE	Equity attributable to non-controlling interests	**Equity**
Dec. 31, 2022	**-10.0**	**–**	**–**	**4,752.5**	**50.2**	**4,802.7**
Dividends	–	–	–	-304.7	-2.0	-306.7
Business combinations	–	–	–	-36.8	16.2	-20.6
Transactions with owners	–	–	–	14.4	-14.4	–
Treasury shares canceled / acquired	–	-250.0	–	-746.2	–	-746.2
Profit after tax	–	–	–	714.9	6.2	721.1
Other comprehensive income, net of tax	9.8	–	–	-89.4	-4.2	-93.6
Total comprehensive income for the period	**9.8**	**–**	**–**	**625.5**	**2.0**	**627.5**
Dec. 31, 2023	**-0.2**	**-250.0**	**–**	**4,304.7**	**52.0**	**4,356.7**
Dividends	–	–	–	-303.2	-1.8	-305.0
Business combinations	–	–	–	–	-2.4	-2.4
Transactions with owners	–	–	–	20.5	-20.5	–
Treasury shares canceled / acquired	–	250.0	–	-0.1	–	-0.1
Profit after tax	–	–	–	536.2	7.5	543.7
Other comprehensive income, net of tax	12.2	–	-3.1	168.6	0.5	169.1
Total comprehensive income for the period	**12.2**	**–**	**-3.1**	**704.8**	**8.0**	**712.8**
Dec. 31, 2024	**12.0**	**–**	**-3.1**	**4,726.7**	**35.3**	**4,762.0**

3.04 Consolidated statement of changes in equity

Consolidated cash flow statement

in EUR m	Note	2024	2023
	29.)		
Profit after tax		**543.7**	**721.1**
Loss on the net monetary position		4.2	16.0
Depreciation and amortization	18.) / 19.) / 20.)	444.1	388.0
Income tax expense	10.)	198.9	281.7
Income taxes paid		–229.6	–249.1
Net interest expense	6.)	133.7	103.9
Interest paid		–118.0	–117.0
(of which interest paid for leases)	20.)	(–23.4)	(–17.0)
Interest received		18.8	18.6
Dividends received		1.0	0.3
Inventories		–78.4	404.1
Trade receivables		76.9	436.0
Trade payables		–44.3	–231.4
Changes in working capital		–45.8	608.7
Changes in other assets and liabilities		–33.4	–111.6
Changes in provisions		–29.5	46.4
Non-cash change in liabilities relating to acquisition of non-controlling interests	7.)	14.0	–26.4
Other non-cash items and reclassifications		4.5	–16.7
Net cash provided by operating activities		**906.6**	**1,663.9**
Proceeds from the disposal of consolidated subsidiaries and other business units less costs to sell		–	8.1
Proceeds from the disposal of other financial assets		0.4	0.4
Proceeds from the disposal of intangible assets and property, plant and equipment		29.2	31.6
Payments to acquire consolidated subsidiaries and other business units	29.)	–436.1	–277.3
Payments to acquire other financial assets		–0.3	–
Payments to acquire intangible assets and property, plant and equipment		–342.2	–321.1
Net cash used in investing activities		**–749.0**	**–558.3**
Payments to acquire treasury shares		–250.1	–496.2
Payments to acquire non-controlling interests		–76.1	–12.0
Proceeds from non-controlling interests		–	1.7
Dividends paid to Brenntag shareholders		–303.2	–304.7
Profits distributed to non-controlling interests		–4.1	–4.5
Proceeds from borrowings	29.)	1,262.5	348.1
Repayments of lease liabilities		–152.8	–143.2
Repayments of borrowings		–453.2	–943.0
Net cash provided by/used in financing activities		**23.0**	**–1,553.8**
Change in cash and cash equivalents		**180.6**	**–448.2**
Effect of exchange rate changes on cash and cash equivalents		11.5	–22.4
Reclassification into non-current assets held for sale		–5.7	1.4
Cash and cash equivalents at beginning of period	12.)	576.9	1,046.1
Cash and cash equivalents at end of period	12.)	**763.3**	**576.9**

3.05 Consolidated cash flow statement

Notes

General information

As one of the world's leading chemical distributors, Brenntag offers its customers and suppliers an extensive range of services, global supply chain management and a highly developed chemical distribution network in EMEA, North and Latin America as well as in Asia Pacific.

Brenntag SE has its registered office at Messeallee 11, 45131 Essen, Germany, and is entered in the commercial register at the Essen Local Court under commercial register number HRB 31943.

These consolidated financial statements of Brenntag SE were prepared by the Board of Management of Brenntag SE on March 6, 2025, authorized for publication and submitted to the Supervisory Board for approval at its meeting on March 10, 2025.

The consolidated financial statements of Brenntag SE are denominated in euros (EUR). Unless stated otherwise, the amounts are in millions of euros (EUR million). For arithmetic reasons, rounding differences of ± one unit after the decimal point (EUR, %, etc.) may occur.

Consolidation policies and methods

Standards applied

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards, as adopted in the EU.

The IFRS Accounting Standards comprise the standards (International Financial Reporting Standards and International Accounting Standards) issued by the International Accounting Standards Board (IASB) and the IFRS® Interpretations by the IFRS Interpretations Committee (IFRS IC) and the former Standing Interpretations Committee (SIC).

The accounting policies applied comply with all the standards and interpretations existing and adopted by the EU as at December 31, 2024 whose application is mandatory. In addition, the German commercial law provisions to be applied in accordance with Section 315e, para. 1 of the German Commercial Code (HGB) were taken into account.

The following revised and new standards issued by the International Accounting Standards Board (IASB) have been applied by the Brenntag Group for the first time:

First-time adoption in 2024

- Amendments to IAS 1: regarding the classification of liabilities as current or non-current as well as non-current liabilities with covenants required to be complied with – effective date January 1, 2024
- Amendments to IFRS 16: regarding the lease liability in a sale and leaseback – effective date January 1, 2024
- Amendments to IAS 7 and IFRS 7: reverse factoring arrangements

The narrow-scope amendment to IAS 1 clarifies that liabilities are classified as current or non-current based on the entity's rights in existence at the end of the reporting period. Under the amendment, liabilities are classified as non-current if, at the end of the reporting period, the entity has a substantive right to defer settlement of the liability for at least twelve months after the reporting date. In assessing whether a (substantive) right exists, the entity does not consider whether it will exercise its right. Classification is unaffected by management's intentions in this regard.

Moreover, the amendments to IAS 1 now specify that conditions contained in loan arrangements with which an entity must comply within twelve months after the reporting period do not affect whether an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, i.e. such conditions do not affect a liability's classification as current or non-current. Whether an entity has the right at the end of the reporting period to defer settlement of a liability arising from a loan arrangement for at least twelve months after the reporting period is determined based solely on those conditions with which an entity must comply on or before the end of the reporting period.

Under the amendments to IFRS 16, an entity is required to subsequently measure the lease liability in such a way that it does not recognize any gain or loss that relates to the right of use it retains.

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures primarily concern additional disclosure requirements in connection with reverse factoring arrangements. The disclosures required by the amendments are not required for interim financial statements in the year in which the entity first applies the amendments.

The aforementioned new and revised standards do not have a material impact on the presentation of the Group's net assets, financial position and results of operations.

First-time adoption in 2025

- Amendments to IAS 21: Lack of Exchangeability

The amendments to IAS 21 issued by the IASB specify whether a currency is exchangeable or not, and set out how an entity determines the exchange rate to be applied when a currency is not exchangeable. Moreover, IAS 21 is extended to include a provision requiring the disclosure of additional information when a currency is not exchangeable.

First-time adoption in 2026

- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

The amendments clarify that a financial liability is generally derecognized on the settlement date. If the liability is settled using an electronic payment system, it may in certain circumstances be derecognized before the settlement date.

In addition, the application guidance on how an entity assesses the contractual cash flow characteristics criterion in determining the measurement categories of financial assets has been extended, and further disclosures have been introduced for financial instruments with contingent cash flows and equity instruments measured at fair value through other comprehensive income.

- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity

The changes affect the following:

Own use exemption: The exemption will be extended for contracts for the physical delivery of nature-dependent electricity, provided certain conditions are met, particularly in relation to sales of unused electricity.

Hedge accounting: It will also be possible to include variable volumes of expected purchases and sales of nature-dependent electricity in the hedged item, provided certain conditions are met.

Disclosures: Extended disclosure requirements are provided for contracts within the scope of these amendments.

- Annual Improvements to IFRSs Volume 11

The annual improvements to IFRSs contain a number of minor amendments to various standards that are intended to clarify the content of the standards and eliminate any existing inconsistencies.

First-time adoption in 2027

- IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1, the standard required to be applied thus far. The objective in developing IFRS 18 was to improve the reporting on an entity's financial performance with a focus on the income statement. The main changes include the introduction of predefined subtotals and the classification of income and expenses in the income statement, provisions to improve the aggregation and disaggregation of items and the introduction of disclosures on certain management-defined performance measures.

- IFRS 19: Subsidiaries without Public Accountability: Disclosures

IFRS 19 enables subsidiaries without public accountability to apply the full IFRSs, but with reduced disclosure requirements.

Brenntag is currently examining the effects of the amended standards on the presentation of the net assets, financial position and results of operations. From a present perspective, they do not have a material impact on the presentation of the Group's net assets, financial position and results of operations.

Scope of consolidation

As at December 31, 2024, the consolidated financial statements include Brenntag SE and in addition 25 (Dec. 31, 2023: 27) domestic and 216 (Dec. 31, 2023: 195) foreign consolidated subsidiaries including structured entities.

The table below shows the changes in the number of consolidated companies including structured entities:

	Dec. 31, 2023	Additions	Disposals	Dec. 31, 2024
Domestic consolidated companies	28	–	2	26
Foreign consolidated companies	195	26	5	216
Total consolidated companies	**223**	**26**	**7**	**242**

3.06 Changes in scope of consolidation

The additions relate to entities acquired in business combinations under IFRS 3 and two entities established. The disposals are the result of mergers of companies no longer operating and liquidations.

Four (Dec. 31, 2023: four) associates are accounted for using the equity method.

A full list of shareholdings for the Brenntag Group in accordance with Section 313, para. 2 of the German Commercial Code (HGB) can be found in the Annex to the Notes.

In the case of two (Dec. 31, 2023: two) subsidiaries where Brenntag does not hold the majority of the voting rights, it nevertheless exercises its power to direct the relevant activities. The structured entities individually listed in the list of shareholdings in accordance with Section 313, para. 2 of the German Commercial Code (HGB) are a leasing company and a sales company.

In financial year 2022, the Board of Management of Brenntag SE decided to halt the business operations of all Brenntag companies in Russia and Belarus until further notice due to the war in Ukraine. In the second quarter of 2023, Brenntag sold all shares in OOO Brenntag based in Moscow, Russia. As at December 31, 2024, Brenntag still reported cash and cash equivalents of EUR 7.3 million in Russia (of which EUR 0.2 million in rubles and EUR 7.1 million in US dollars) which were only available to Brenntag for cross-border transfers subject to the applicable restrictions on foreign exchange transactions. As at December 31, 2023, the cash and cash equivalents of the Brenntag companies in Russia amounted to EUR 7.6 million.

Business combinations in accordance with IFRS 3

At the beginning of June 2024, Brenntag closed the acquisition of 100% of the shares in the Solventis Group, a glycols and solvents distributor based in Antwerp, Belgium, and the UK. The site in Antwerp will extend Brenntag's regional access and warehousing capacity, while opening up the potential for interregional optimization.

At the end of October 2024, Brenntag acquired 100% of the shares in Química Delta based in Teoloyucan, Mexico. Química Delta is a leading distributor of industrial chemicals and has a dense service network in central Mexico with access to tollgate infrastructure in Mexico.

In addition, Brenntag made the following smaller acquisitions.

At the end of March 2024, Brenntag acquired all shares in Lawrence Industries Ltd. based in Tamworth, UK. The company supplies high-quality additives, minerals and catalysts to a wide range of markets across the UK and Ireland. This acquisition strengthens Brenntag's position in the Material Science segment.

At the beginning of July 2024, Brenntag acquired the site and business operations of Industrial Chemicals Corporation (ICC) in Denver, Colorado, USA. ICC operates a centrally located chemical distribution facility and a transport hub. The transaction strengthens strategically important capacity for last-mile service operations in North America, especially in the Colorado area.

At the beginning of August 2024, Brenntag acquired all shares in Monarch Chemicals based in Sheerness, UK, one of the UK's leading distributors of commodity and agricultural chemicals with its own liquid and powder blending facilities. The transaction includes two sites in the southeast of England

and Scotland and expands Brenntag's local service offering in the UK.

At the end of October, Brenntag acquired all shares in PIC Química e Farmacêutica Ltda. (PIC) and PharmaSpecial Especialidades Químicas e Farmacêuticas Ltda. (PharmaSpecial) in Brazil. This acquisition expands Brenntag Specialties' position in Brazil's growing life science market significantly.

The purchase price, net assets and goodwill relating to these business combinations break down as follows:

in EUR m	Solventis Group	Química Delta	Other entities	**Total**
Purchase price	**224.0**	**216.0**	**141.5**	**581.5**
of which consideration contingent on earnings targets	–	–	0.6	0.6
Assets				
Cash and cash equivalents	37.1	33.7	8.6	79.4
Trade receivables, other financial assets and other receivables	36.2	72.7	19.5	128.4
Other current assets	37.1	24.6	16.7	78.4
Non-current assets	160.2	125.0	81.3	366.5
Liabilities				
Current liabilities	31.9	56.0	11.9	99.8
Non-current liabilities	85.4	61.2	15.9	162.5
Net assets	**153.3**	**138.8**	**98.3**	**390.4**
of which Brenntag's share	153.3	138.8	98.3	390.4
of which non-controlling interests	–	–	–	–
Goodwill	**70.7**	**77.2**	**43.2**	**191.1**
of which deductible for tax purposes	–	–	8.3	8.3

3.07 Net assets acquired in 2024

Assets acquired and liabilities assumed in business combinations are normally recognized at their fair value at the date of acquisition. The multi-period excess earnings method was used to measure customer relationships. In particular, the estimate of the useful lives of customer relationships can affect their fair value.

For reasons of time, measurement of the assets acquired and liabilities assumed (among others customer relationships and deferred taxes) of the entities acquired in financial year 2024 has not yet been completed. There are no material differences between the gross amount and the carrying amount of the receivables. The main factors determining the goodwill are the above-mentioned reasons for the acquisitions where not included in other assets (e.g. customer relationships and similar rights).

Acquisition-related costs in the amount of EUR 2.7 million were recognized under other operating expenses.

Since their acquisition by Brenntag, the business units acquired in financial year 2024 have generated the following sales and the following profit after tax:

in EUR m	Solventis Group	Química Delta	Other entities	**2024**
Sales	174.6	46.0	87.7	308.3
Profit after tax	4.4	5.1	7.0	16.5

3.08 Sales and profit after tax of the businesses acquired since acquisition

If the above-mentioned business combinations had taken place with effect from January 1, 2024, sales of about EUR 16,688 million would have been reported for the Brenntag Group in the reporting period. Profit after tax would have been about EUR 559 million.

The carrying amounts and amortization of the intangible assets held by the business units acquired in 2024 and contained in non-current assets, in each case at the exchange rate at the acquisition date, are as follows:

in EUR m	Solventis Group	Química Delta	Other entities	**Provisional fair value**
Customer relationships and similar rights				
Customer relationships	66.2	69.3	44.1	179.6
Annual amortization	4.8	5.0	4.2	14.0
Trademark	12.5	13.1	4.1	29.7
Annual amortization	0.9	1.0	2.1	4.0

3.09 Intangible assets acquired

Measurement of the assets and liabilities from the acquisition in financial year 2023 of the Aik Moh Group (Aik Moh) based in Singapore has been completed.

The purchase price, net assets acquired and goodwill were adjusted as follows in the measurement period:

in EUR m	Provisional fair value	Adjustments	**Final fair value**
Purchase price	**60.7**	**2.4**	**63.1**
of which consideration contingent on earnings targets	–	–	–
Assets			
Cash and cash equivalents	10.3	–	10.3
Trade receivables, other financial assets and other receivables	13.6	–	13.6
Other current assets	6.4	–	6.4
Non-current assets	43.7	1.5	45.2
Liabilities			
Current liabilities	11.3	–	11.3
Non-current liabilities	7.4	5.0	12.4
Contingent liabilities	–	–	–
Net assets	**55.3**	**-3.5**	**51.8**
of which Brenntag's share	55.3	-3.5	51.8
of which non-controlling interests	–	–	–
Goodwill	**5.4**	**5.9**	**11.3**
of which deductible for tax purposes	–	–	–

3.10 Net assets acquired in 2023: Aik Moh

Measurement of the assets and liabilities from the acquisition in financial year 2023 of 70% of the shares in Shanghai Saifu Chemical Development Co., Ltd. (Saifu) headquartered in Shanghai, China, has been completed.

The purchase price, net assets acquired and goodwill were adjusted as follows in the measurement period:

in EUR m	Provisional fair value	Adjustments	**Final fair value**
Purchase price	**60.5**	**–**	**60.5**
of which consideration contingent on earnings targets	–	–	–
Assets			
Cash and cash equivalents	2.9	–	2.9
Trade receivables, other financial assets and other receivables	13.9	–	13.9
Other current assets	17.1	–	17.1
Non-current assets	42.0	–10.5	31.5
Liabilities			
Current liabilities	10.5	–	10.5
Non-current liabilities	11.3	–2.6	8.7
Net assets	**54.1**	**–7.9**	**46.2**
of which Brenntag’s share	37.9	–5.5	32.4
of which non-controlling interests	16.2	–2.4	13.8
Goodwill	**22.6**	**5.5**	**28.1**
of which deductible for tax purposes	–	–	–

3.11 Net assets acquired in 2023: Saifu

Measurement of the assets and liabilities from the acquisition in financial year 2023 of Colony Gums, Inc. and Harvest Moon Holdings, LLC, based in Monroe, North Carolina, USA, (Colony Gums) has been completed.

The purchase price, net assets acquired and goodwill were adjusted as follows in the measurement period:

in EUR m	Provisional fair value	Adjustments	**Final fair value**
Purchase price	**119.9**	**–1.1**	**118.8**
of which consideration contingent on earnings targets	–	–	–
Assets			
Cash and cash equivalents	3.2	–	3.2
Trade receivables, other financial assets and other receivables	3.4	0.2	3.6
Other current assets	3.8	–1.2	2.6
Non-current assets	6.4	50.6	57.0
Liabilities			
Current liabilities	0.3	–	0.3
Non-current liabilities	–	–	–
Net assets	**16.5**	**49.6**	**66.1**
of which Brenntag’s share	16.5	49.6	66.1
of which non-controlling interests	–	–	–
Goodwill	**103.4**	**–50.7**	**52.7**
of which deductible for tax purposes	103.4	–50.7	52.7

3.12 Net assets acquired in 2023: Colony Gums

Measurement of the assets and liabilities from the acquisition in financial year 2023 of Old World Specialty Chemicals, LLC and Old World Logistics, LLC, headquartered in Northbrook, Illinois, USA, (OWI Chlor Alkali) has been completed.

The purchase price, net assets acquired and goodwill were adjusted as follows in the measurement period:

in EUR m	Provisional fair value	Adjustments	**Final fair value**
Purchase price	**55.3**	**-4.5**	**50.8**
of which consideration contingent on earnings targets	–	–	–
Assets			
Cash and cash equivalents	–	–	–
Trade receivables, other financial assets and other receivables	34.3	-0.1	34.2
Other current assets	18.0	-0.1	17.9
Non-current assets	17.5	17.6	35.1
Liabilities			
Current liabilities	25.2	0.2	25.4
Non-current liabilities	13.9	–	13.9
Net assets	**30.7**	**17.2**	**47.9**
of which Brenntag's share	30.7	17.2	47.9
of which non-controlling interests	–	–	–
Goodwill	**24.6**	**-21.5**	**3.1**
of which deductible for tax purposes	24.6	-21.5	3.1

3.13 Net assets acquired in 2023: OWI Chlor Alkali

Measurement of the assets and liabilities of the other entities and businesses acquired in financial year 2023 (Al-Azzaz Chemicals Company, based in Al-Khobar Dammam, Saudi Arabia, and Avebe Nişasta Sanayii ve Ticaret Limited Şirketi, based in Izmir, Turkey) has been completed.

The purchase price, net assets acquired and goodwill were adjusted as follows in the measurement period:

in EUR m	Provisional fair value	Adjustments	**Final fair value**
Purchase price	**38.8**	**-0.2**	**38.6**
of which consideration contingent on earnings targets	–	–	–
Assets			
Cash and cash equivalents	3.0	–	3.0
Trade receivables, other financial assets and other receivables	14.7	–	14.7
Other current assets	7.3	–	7.3
Non-current assets	12.5	–	12.5
Liabilities			
Current liabilities	4.5	–	4.5
Non-current liabilities	4.2	–	4.2
Net assets	**28.8**	**–**	**28.8**
of which Brenntag's share	28.8	–	28.8
of which non-controlling interests	–	–	–
Goodwill	**10.0**	**-0.2**	**9.8**
of which deductible for tax purposes	–	–	–

3.14 Net assets acquired in 2023: Other business combinations

Goodwill from the business combinations carried out in financial years 2023 and 2024 changed as follows:

in EUR m	Aik Moh	Saifu	Colony Gums	OWI Chlor Alkali	Solventis Group	Química Delta	Other	Goodwill
Dec. 31, 2023	**5.5**	**22.4**	**99.1**	**23.7**	**–**	**–**	**9.7**	**160.4**
Exchange rate differences	0.4	1.0	5.3	1.0	–	0.9	0.8	9.4
Business combinations in 2024	–	–	–	–	70.7	77.2	43.2	191.1
Adjustments in the measurement period	5.9	5.5	–50.7	–21.5	–	–	–0.2	–61.0
Dec. 31, 2024	**11.8**	**28.9**	**53.7**	**3.2**	**70.7**	**78.1**	**53.5**	**299.9**

3.15 Change in goodwill

Consolidation methods

The consolidated financial statements include the single-entity financial statements – prepared according to uniform accounting policies – of Brenntag SE and all entities controlled by Brenntag. This is the case when the following conditions are met:

- Brenntag has decision-making power over the relevant activities of the other entity.
- Brenntag has exposure, or rights, to variable returns from its involvement with the other entity.
- Brenntag has the ability to use its decision-making power over the relevant activities of the other entity to affect the amount of the variable returns of the other entity.

Control may be based on voting rights or arise from other contractual arrangements. Accordingly, the scope of consolidation includes, in addition to entities in which Brenntag SE directly or indirectly controls the majority of voting rights, structured entities which are controlled as a result of contractual arrangements.

Inclusion in the consolidated financial statements commences at the date on which control is obtained and ends when control is lost.

Acquisitions are accounted for using the acquisition method in accordance with IFRS 3. The cost of an acquired business unit is considered to be the fair value of the assets given. Acquisition-related costs are recognized as an expense. Contingent consideration is recognized as a liability at the acquisition-date fair value when determining the cost. If Brenntag gains control but does not acquire 100% of the shares, the corresponding non-controlling interest is recognized.

Identifiable assets, liabilities and contingent liabilities of an acquiree that are eligible for recognition are generally measured at their fair value at the transaction date, irrespective of the share of any non-controlling interests. Any remaining differences between cost and the share of the net assets acquired are recognized as goodwill.

In the event of an acquisition in stages which leads to control of a company being obtained, or in the event of a share sale involving a loss of control, the shares already held in the first case or the remaining shares in the second case are measured at fair value through profit or loss. Acquisitions or disposals of shares which have no effect on existing control are recognized in equity.

Receivables, liabilities, expenses, income and intercompany profits or losses within the Brenntag Group are eliminated.

Associates of the Brenntag Group where Brenntag has significant influence are accounted for using the equity method. Significant influence is generally considered to exist when Brenntag SE holds between 20% and 50% of the voting rights either directly or indirectly. The same consolidation policies apply to companies accounted for using the equity method as to consolidated companies, whereby recognized goodwill is contained in the carrying amount of investments accounted for using the equity method. Brenntag's share of the profit/loss after tax of the companies accounted for using the equity method is recognized in the income statement. The accounting policies of the companies accounted for using the equity method were, as far as necessary, adjusted in line with the accounting policies of Brenntag.

Currency translation

Foreign currency receivables and liabilities in the single-entity financial statements are stated on initial recognition at the spot exchange rate at the date of the transaction. At the reporting or settlement date, foreign currency receivables and liabilities are translated at the closing rate. The resulting differences are recognized in profit or loss.

The items contained in the financial statements of a Group company are measured on the basis of the currency of the relevant primary economic environment in which the company operates (functional currency). The presentation currency of the Brenntag Group is the euro.

The single-entity financial statements of the companies whose functional currency is not the euro are translated into euros as follows:

Assets and liabilities are translated at the closing rate, income and expense at the annual average rate. This notwithstanding, income and expense of Brenntag Kimya Ticared Limited Sirketi are also translated at the closing rate due to the classification of Turkey as a hyperinflationary economy. Any differences resulting from currency translation are recognized in other comprehensive income. Goodwill and fair value adjustments resulting from the acquisition of foreign companies are assigned to the foreign company and also translated at the closing rate.

For some companies in Latin America and in the Asia Pacific region, the functional currency is the US dollar and not the local currency. Non-monetary items, primarily property, plant and equipment, goodwill and other intangible assets as well as environmental provisions, are translated from the local currency into US dollars using the exchange rate at the transaction date. Monetary items are translated at the closing rate. All income and expenses are translated at the average exchange rate for the reporting period with the exception of depreciation and amortization, impairment losses and reversals of impairment losses as well as income and expenses incurred in connection with environmental provisions. These are translated at the same exchange rates as the underlying assets and liabilities. The resulting foreign currency differences are recognized in profit or loss. After translation of the items in the single-entity financial statements into the functional currency, the US dollar, the same method is used for translation from US dollars into the Group currency, the euro, as for companies whose functional currency is the local currency.

The single-entity financial statements of foreign companies accounted for using the equity method are translated using the same principles.

The euro exchange rates of major currencies changed as follows:

	Closing rate		Average rate	
EUR 1 = currencies	**Dec. 31, 2024**	Dec. 31, 2023	**2024**	2023
Brazilian real (BRL)	6.4253	5.3618	5.8283	5.4010
Canadian dollar (CAD)	1.4948	1.4642	1.4821	1.4595
Swiss franc (CHF)	0.9412	0.9260	0.9526	0.9718
Chinese yuan renminbi (CNY)	7.5833	7.8509	7.7875	7.6600
Danish krone (DKK)	7.4578	7.4529	7.4589	7.4509
Pound sterling (GBP)	0.8292	0.8691	0.8466	0.8698
Polish zloty (PLN)	4.2750	4.3395	4.3058	4.5420
Russian ruble (RUB)	113.8116	99.7293	100.3354	92.1155
Swedish krona (SEK)	11.4590	11.0960	11.4325	11.4788
Turkish lira (TRY)	36.7372	32.6531	35.5734	25.7597
US dollar (USD)	1.0389	1.1050	1.0824	1.0813

3.16 Exchange rates of major currencies

Accounting and measurement policies

Revenue recognition

Revenue from contracts with customers is recognized using a five-step model in accordance with IFRS 15:

1. Identify the contract(s) with a customer
2. Identify the separate performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the separate performance obligations
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognized in the amount of consideration to which Brenntag expects to be entitled in exchange for goods or services. Variable consideration, such as cash discounts, discounts and rebates, is estimated and taken into account when determining the transaction price.

Revenue from the sale of goods or services is recognized when control of the goods or services transfers to the customer. Control transfers when the customer obtains control of the agreed goods or services and can obtain benefits from them. In a sale of goods, control usually transfers when the goods are collected by the customer or dispatched by Brenntag or a third party. In this case, revenue is recognized at a point in time. Revenue from services is recognized over time.

There are currently no significant financing components in the Brenntag Group. Payment terms are negotiated locally and reflect standard market practice. As there are no long-term performance obligations, the amount and timing of allocated transaction prices are not required to be disclosed for performance obligations that are unsatisfied as of the reporting date (practical expedient in IFRS 15.121).

Interest income is recognized as the interest accrues using the effective interest method.

Dividend income is recognized when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques and deposits held with banks with an original term of three months or less. They are measured at amortized cost.

Trade receivables, other receivables and other financial assets

Trade receivables that do not contain a significant financing component are initially recognized at the transaction price in accordance with IFRS 15. All other financial assets are measured on initial recognition at fair value (if applicable, including transaction costs). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For the purpose of subsequent measurement, financial assets are classified into one of three categories, depending on the business model for managing the financial assets and the contractual cash flow characteristics:

- Measured at amortized cost: Assets held in order to collect contractual cash flows, where those cash flows are solely payments of principal and interest
- Measured at fair value through other comprehensive income: Assets held in order to collect contractual cash flows and sell the assets, where those cash flows are solely payments of principal and interest
- Measured at fair value through profit or loss: Assets that do not meet the criteria of the two aforementioned categories

Trade receivables, other receivables and receivables included in other financial assets are measured at amortized cost. There are no financial instruments measured at fair value through other comprehensive income. Securities and shares in entities where Brenntag does not have at least significant influence are measured at fair value through profit or loss, as are derivative financial instruments.

For fair value measurement, IFRS 13 provides a three-level hierarchy that reflects the extent to which the inputs used to determine fair value are market-based:

- Level 1: Fair value determined using quoted or market prices in an active market
- Level 2: Fair value determined using quoted or market prices in an active market for similar financial assets or liabilities, or other measurement methods for which significant inputs used are based on observable market data
- Level 3: Fair value determined using measurement methods for which significant inputs used are not based on observable market data.

Trade receivables are subsequently measured using provision matrices under the simplified impairment model. Based on historical credit losses and forward-looking estimates, the country-specific valuation allowances expected over the lifetime of the trade receivables are determined for receivables in the same credit risk class (e.g. customer industries) (stage 2 of the impairment model). In this context, credit risk is assessed primarily on the basis of the extent to which the receivables are past due.

For other receivables and financial assets subsequently measured at amortized cost, the lifetime expected losses resulting from default events within the next twelve months are recognized in profit or loss on initial recognition and subsequent measurement (stage 1 of the impairment model). In the event of a significant increase in credit risk, the total losses expected over the lifetime of the assets are reflected (stage 2 of the impairment model).

If there is objective evidence that trade receivables or other financial assets measured at amortized cost should be considered impaired, e.g. because they are more than 180 days past due or because insolvency or similar proceedings are opened, a specific valuation allowance reflecting the credit risk in question is recognized in profit or loss. The valuation allowances are posted to an allowance account in the balance sheet. If a receivable is uncollectible, the gross amount and the valuation allowance are both derecognized. Uncollectibility is determined on a case-by-case basis, based on appropriate indicators.

A regular way purchase or sale of non-derivative financial assets is recognized at the settlement date. Derivative financial instruments are recognized in the balance sheet when Brenntag becomes a party to the contractual provisions of that instrument.

Financial assets are derecognized if the contractual rights to the cash flows from the financial asset have expired or Brenntag has transferred substantially all the risks and rewards of ownership of the financial asset.

Inventories

Inventories mainly comprise merchandise. They are initially recognized at cost. Production costs for the inventories produced through further processing are also capitalized.

Inventories are subsequently measured in accordance with IAS 2 at the lower of cost (on the basis of the average cost formula) and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value also reflects effects of obsolescence or reduced marketability. Earlier valuation allowances on inventories are reversed if the net realizable value of the inventories increases again.

Property, plant and equipment

Property, plant and equipment is carried at cost of acquisition or construction and, except for land, depreciated over its estimated useful life on a straight-line basis. If major components of an item of property, plant and equipment have different useful lives, these components are accounted for separately and depreciated over their respective useful lives.

Acquisition costs include all expenditure directly attributable to the acquisition.

In accordance with IAS 16, future costs for any restoration obligation are recognized as an increase in the cost of acquisition or construction of the respective asset and a corresponding provision is established at the time of acquisition or construction of the item of property, plant and equipment.

In accordance with IAS 20, government grants and assistance for investments are deducted from the related asset.

The charges on property, plant and equipment include both depreciation charges and impairment losses.

When items of property, plant and equipment are sold, the difference between the net proceeds and the carrying amount of the respective asset is recognized as a gain or loss in other operating income or expenses.

Assets are depreciated over the following useful lives:

	Useful life
Land rights	40 to 50 years
Buildings	15 to 50 years
Installations and building improvements	8 to 20 years
Technical equipment and machinery	3 to 20 years
Vehicles	5 to 8 years
Other equipment, operating and office equipment	2 to 10 years

3.17 Useful lives of property, plant and equipment

Intangible assets

Intangible assets include customer relationships and similar rights purchased, the "Brenntag" trademark, other trademarks, software, concessions and similar rights as well as goodwill from the acquisition of consolidated subsidiaries.

Intangible assets acquired through business combinations are measured on initial recognition at their acquisition-date fair value.

Separately acquired intangible assets are carried at cost.

Acquired software licenses are recognized at cost plus directly attributable costs incurred to acquire and bring to use the specific software.

For the purposes of accounting for cloud computing arrangements, the individual contract components, such as the software used in the context of such arrangements, are assessed separately. Software applications provided by cloud service providers are assessed as to whether they are an intangible asset under IAS 38. This assessment considers the following aspects among others:

- hosting is performed by an independent third party engaged by the user,
- the user has substantive rights to download the software and run it locally on its own hardware or on that of a third-party provider, and
- the user has an exclusive right to use the software or owns the intellectual property in the software.

The accounting for implementation costs arising in cloud computing arrangements follows the accounting for the related software component. If the related software component is an intangible asset under IAS 38, the criteria for recognizing acquisition-related costs as part of the cost of an intangible asset apply. If, on the other hand, the software component is a service contract, the implementation costs are accounted for based on the IFRS IC's 2021 agenda decision "Configuration or Customization Costs in a Cloud Computing Arrangement".

In addition to goodwill, the "Brenntag" trademark also has an indefinite useful life as, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The other intangible assets are amortized on a straight-line basis over their estimated useful lives. The following useful lives are assumed:

	Useful life
Concessions, industrial and similar rights as well as software and trademarks with definite useful lives	3 to 10 years
Customer relationships and similar rights	3 to 15 years

3.18 Useful lives of intangible assets

The charges on intangible assets include both amortization charges and impairment losses.

Leases

The leases at Brenntag relate mainly to land and buildings (warehouse and office space), vehicles and other plant and equipment. Leases are entered into for fixed terms of more than one year to 70 years in limited cases, but may also contain extension options.

For leases where Brenntag is lessee, a lease liability is generally recognized along with a corresponding right-of-use asset, if applicable taking into account any further cost components. This excludes short-term leases with a term of one year or less and leases of low-value and intangible assets, for which expenditure is recognized as an expense over the term.

On initial recognition, the lease liability is measured at the present value of the lease payments not yet paid at that date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, Brenntag uses the incremental borrowing rate. The incremental borrowing rates were determined on the basis of a base rate plus a risk premium. The base rates in major currencies and countries were derived from interest rate swaps (if available) or government bond yields for a period of up to twenty years. For countries or currencies for which there were no reliable data available on which to base the determination, the euro base rate was adjusted to reflect a country risk premium.

Lease payments are not separated into payments for lease components and payments for non-lease components (e.g. payments for maintenance or servicing costs).

In subsequent periods, the right-of-use asset is generally depreciated on a straight-line basis. The lease liability is adjusted using the effective interest method.

Impairment testing of non-current non-financial assets

In accordance with IAS 36, non-current non-financial assets (property, plant and equipment, intangible assets and right-of-use assets) are tested for impairment whenever there is an objective indication that the carrying amount may not be recoverable.

Intangible assets that have an indefinite useful life and are, therefore, not subject to amortization are also tested for impairment at least annually.

Impairment exists when the carrying amount of an asset exceeds the estimated recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset. If the carrying amount is higher than the recoverable amount, the asset is written down to the recoverable amount.

If the recoverable amount of an individual asset cannot be determined, the recoverable amount of the cash-generating unit (CGU) or group of cash-generating units to which this asset belongs is determined and compared with the carrying amount of the CGU or group of CGUs.

Impairments, except for impairments of goodwill, are reversed as soon as the reasons for the impairment no longer exist.

Goodwill is tested for impairment regularly, at least annually, after completion of the annual budget process by comparing the carrying amount of the relevant group of CGUs with its recoverable amount.

If the carrying amount of a group of CGUs exceeds the recoverable amount, an impairment exists in the amount of the difference. In this case, the goodwill of the relevant group of CGUs would first be written down. Any remaining impairment would be allocated to the assets of the group of CGUs in proportion to the net carrying amounts of the assets at the reporting date. The carrying amount of an individual asset must not be less than the highest of fair value less costs of disposal, value in use (in each case in as far as they can be determined) and zero.

Other provisions

In accordance with IAS 37, other provisions are recognized when the Group has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Non-current provisions are recognized at the present value of the expected outflow and their discounting is unwound over the period until their expected utilization. For provisions for long-service anniversary bonuses and pre-retirement part-time working arrangements, this is carried out bearing in mind actuarial principles or by obtaining external appraisals.

If the amount of an obligation declines as a result of a change in an estimate, the provision is reversed by the corresponding amount. Reversals of provisions for personnel expenses are recognized in personnel expenses. Provisions recognized as other operating expenses are reversed as other operating income.

Provisions are recognized for share-based payments in accordance with IFRS 2. The long-term incentive programs and the expiring long-term, virtual share-based remuneration program for the members of the Board of Management and the Long-Term Incentive Plans for executives and senior managers are classified as cash-settled share-based payments. Provisions are established for the resulting obligations. The obligations are measured at fair value. They are recognized as personnel expenses over the vesting period during which the beneficiaries acquire a vested right (unconditional right). The fair value is remeasured at each reporting date and at the settlement date.

Provisions for pensions and other post-employment benefits

The Group's pension obligations comprise both defined contribution and defined benefit pension plans.

The contributions to be paid into defined contribution pension plans are recognized directly as expense. Provisions for pension obligations are not established as, in these cases, Brenntag has no additional obligation apart from the obligation to pay the premiums.

In accordance with IAS 19, provisions are established for defined benefit plans, unless the plans are multi-employer pension funds for which insufficient information is available. The obligations arising from these defined benefit plans are determined using the projected unit credit method, under which the expected benefits to be paid after retirement are determined taking dynamic measurement inputs into account and spread over the entire length of service of the employees participating in the plan. For this purpose, an actuarial valuation is obtained every year. The actuarial assumptions for the discount rate, salary increase rate, pension trend, life expectancy and cost increases for medical care used to calculate the defined benefit obligation are established on the basis of the respective economic circumstances. The plan assets measured at fair value are deducted from the present value of the defined benefit obligation (gross pension obligation). Plan assets are assets where the claim to said assets has, in principle, been assigned to the beneficiaries. This results in the net liability required to be recognized or the net asset required to be recognized.

The discount rate is determined by reference to market yields at the end of the reporting period on fixed-rate senior corporate bonds. The currency and term of the corporate bonds taken as a basis are consistent with the currency and estimated term of the post-employment benefit obligations.

Life expectancy is determined using the latest mortality tables. Pension costs are made up of three components:

Component	Constituents	Recognized in
Service cost	– Current service cost – Past service cost incl. gains and losses from plan curtailments – Gains and losses from plan settlements	Personnel expenses
Net interest expense	– Unwinding of discounting of defined pension obligation (DBO) – Interest income from plan assets	Interest expense
Remeasurements	– Actuarial gains and losses on DBO from experience adjustments and from changes in measurement inputs – Changes in value of plan assets not already contained in net interest expense	Other comprehensive income, net of tax

3.19 Pension cost components

As a result of the recognition of the remeasurement components in other comprehensive income, the balance sheet shows the full extent of the net obligation avoiding volatility in profit or loss that may result in particular from changes in the measurement inputs.

Multi-employer defined benefit plans are treated as defined contribution plans when insufficient information is available.

Trade payables, financial liabilities and other liabilities

Trade payables, financial liabilities (excluding derivative financial instruments and contingent purchase prices payable in business combinations) and other liabilities are classified as at amortized cost. They are initially recognized at their fair value net of transaction costs incurred and subsequently carried at amortized cost using the effective interest method.

Derivative financial instruments and contingent purchase prices payable in business combinations are initially recognized at fair value and subsequently measured at fair value through profit or loss.

Liabilities relating to acquisition of non-controlling interests

Liabilities relating to the acquisition of non-controlling interests include forwards and combined call/put options relating to the acquisition of non-controlling interests as well as liabilities arising from limited partners' rights to repayment of contributions.

On initial recognition, forwards, symmetric call/put options, written put options and liabilities arising from limited partners' rights to repayment of contributions are recognized outside profit or loss as a synthetic liability at the present value of the settlement amount. Until the forwards and options are exercised, non-controlling interests are presented in consolidated equity. These items are subsequently measured at amortized cost. Unwinding of discounting and changes in estimates are recognized in profit or loss. Liabilities arising from limited partners' rights to repayment of contributions are recognized in profit or loss at amortized cost, in the amount of the expected right to repayment of contributions.

Exchange rate effects are recognized in profit or loss or, in the case of net investment hedges, directly in equity.

Call options without a symmetric put option are initially recognized at fair value outside profit or loss and subsequently measured at fair value through profit or loss.

Deferred taxes and current income taxes

Current income taxes for current and prior periods are recognized at the amount expected to be paid to or recovered from the taxation authorities.

Deferred taxes are determined in accordance with IAS 12 (Income Taxes). They arise from temporary differences between the carrying amounts of assets and liabilities in the IFRS balance sheet and their tax base, from consolidation adjustments and from tax loss carryforwards that are expected to be utilized.

Deferred tax assets are recognized to the extent that there are sufficient taxable differences available for utilization and it is likely that future taxable profit will be available against which the temporary differences and unutilized loss carryforwards can be utilized.

No deferred taxes are recognized for the difference between the net assets and the tax base of subsidiaries (outside basis differences) provided Brenntag is able to control the timing of the reversal of the temporary difference and it is unlikely that the temporary difference will reverse in the foreseeable future.

Deferred taxes for domestic companies are calculated on the basis of the combined income tax rate of the German consolidated tax group of Brenntag SE of 32% (2023: 32%) for corporate income tax, solidarity surcharge and trade income tax, and for foreign companies, at local tax rates. These are tax rates which can be expected to apply on the basis of laws in the different countries that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are netted against each other if they relate to the same taxation authority, the company has a legally enforceable right to set them off against each other and they mature in the same period.

Brenntag falls within the scope of the OECD's Pillar Two model rules. As the Pillar Two legislation became applicable on January 1, 2024, the Group will be exposed to a higher tax liability under Pillar Two. The legislation requires the Group to pay a top-up tax per country in the amount of the difference between the GloBE effective tax rate and the minimum tax rate of 15%. The OECD model rules provide for simplifications (safe harbors) to enable compliance with Pillar Two. Brenntag has made use of the safe harbors where relevant.

Taking into account the safe harbors, Brenntag concludes that only a very small number of countries fall below the average effective tax rate of 15% based on the IFRS results. These countries include Switzerland, Mauritius and Ireland, for example.

Additional tax of EUR 2.7 million for the countries identified was included in the consolidated financial statements in the form of a provision. The Group has applied the temporary exception issued by the IASB in May 2023 to the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The final tax liability under Pillar Two will not be fully known until the minimum tax report for 2024 is submitted. The minimum tax report for 2024 must be submitted to the Federal Central Tax Office by June 30, 2026.

Subscribed capital

The subscribed capital is carried at its nominal value.

Assumptions and estimates

Preparation of the consolidated financial statements requires the use of assumptions and estimates which may affect the amount and presentation of assets and liabilities and income and expenses. These assumptions and estimates mainly relate to the following:

- the calculation and discounting of cash flows when impairment tests are performed;
- probability of occurrence, interest rates and other measurement inputs used to measure provisions, particularly for environmental risks and defined benefit pension obligations;
- the amount of liabilities relating to the acquisition of non-controlling interests and the determination of interest rates;
- the assessment of whether purchase and extension options will be exercised when accounting for right-of-use assets in accordance with IFRS 16 (Leases);
- assumptions as to the realization of future tax benefits from tax loss carryforwards and to the useful lives of intangible assets and property, plant and equipment.

As in previous years, Brenntag's market environment was made difficult again by geopolitical conflicts such as the war in Ukraine and the Middle East conflict. These tensions affected business activities across various sectors. Brenntag's business performance and the assumptions about its future free cash flow performance therefore remain subject to uncertainties which may affect the recognition and amount of assets and liabilities stated in the balance sheet, particularly goodwill.

If the free cash flow taken as a basis for goodwill impairment testing, which is influenced mainly by gross profit performance, had been 10% lower, with all other conditions remaining the same, a goodwill impairment loss of EUR 28.0 million would have arisen in the group of CGUs Essentials Latin America. A 20% lower growth rate over the entire planning period would likewise have resulted in an impairment loss of EUR 8.6 million in the group of CGUs Essentials Latin America. An increase of 1.0 percentage points in the WACC (weighted average cost of capital after taxes) taken as a basis for goodwill impairment testing would have resulted in an impairment loss of EUR 26.8 million in the group of CGUs Essentials Latin America. No impairment loss would have arisen in the other groups of CGUs. In the previous year, a goodwill impairment loss of EUR 16.0 million and EUR 10.1 million, respectively, arose in the group of CGUs China Hong Kong (BES) during the aforementioned sensitivity analyses of the growth rate and the WACC.

If the discount rates used to determine the environmental provisions had been one percentage point higher or lower and all other conditions had remained the same, the provision would have decreased by EUR 5.8 million (Dec. 31, 2023: EUR 5.7 million) or increased by EUR 6.6 million (Dec. 31, 2023: EUR 6.3 million), respectively.

Sensitivity analyses of defined benefit pension obligations are described in the section "Provisions for pensions and other post-employment benefits".

Due to purchase prices being contingent on earnings, liabilities relating to the acquisition of non-controlling interests are subject to estimation uncertainty over the amount of the purchase prices payable.

In the case of right-of-use assets under IFRS 16 (Leases), purchase and extension options are recognized if they are reasonably certain to be exercised. In this respect, the assessment is subject to a high degree of judgment. If circumstances change, the assessment of whether an option is reasonably certain to be exercised must be made anew.

When measuring deferred tax assets for tax loss carryforwards, the future taxable profit available is based on a planning horizon of five years. The useful lives of items of property, plant and equipment and intangible assets are shown in the sections Property, plant and equipment and Intangible assets. The actual amounts may differ from the assumptions and estimates in individual cases. Adjustments are recognized when estimates are revised.

The global fight against climate change will lead not only to structural, regulatory and technological changes, but also to increased costs as a result of preventive technologies or government carbon taxes. Climate change mitigation plays a particularly important role within Brenntag's sustainability strategy, as the entire value chain is affected. Moreover, climate change mitigation is important to many of Brenntag's customers. In financial year 2024, Brenntag fully reviewed and adapted its climate change mitigation targets, which now cover Scope 1, Scope 2 and Scope 3 emissions. Both climate change and Brenntag's climate change mitigation actions could potentially impact on Brenntag's net assets, financial position and results of operations. In financial year 2024, there were neither any discernible specific indications of impairment losses on non-current assets or a material change in the remaining useful lives of assets, nor any discernable effects on existing or potentially new environmental or restoration obligations. Moreover, there were no effects on the estimates and assumptions made.

Cash flow statement

The cash flow statement classifies cash flows by operating, investing and financing activities. The cash provided by operating activities is determined using the indirect method on the basis of the profit / loss after tax. Interest payments made and received, tax payments and dividends received are presented as components of cash provided by operating activities. The effects of acquisitions of consolidated subsidiaries and other business units as defined by IFRS 3 (Business Combinations) are eliminated from the individual items of the cash flow statement and combined under cash flow from investing activities. Under IFRS 16 (Leases), lease payments made are included in cash used in financing activities as repayments of borrowings and in cash provided by operating activities as interest paid. Payments under short-term leases or leases of low-value assets are a component of cash flow from operating activities. Cash and cash equivalents in the cash flow statement correspond to the cash and cash equivalents in the balance sheet. The effect of exchange rate changes on cash and cash equivalents is shown separately.

Hyperinflation

As of June 30, 2022, Turkey has been required to be classified as a hyperinflationary economy in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies). This standard requires non-monetary assets and liabilities, the statement of comprehensive income and equity to be restated at the end of each reporting period by applying the price index applicable at the end of the reporting period. The balance of those adjustments is presented in profit or loss as a loss on the net monetary position. IAS 29 must be applied as if Turkey had always been hyperinflationary. Brenntag used the consumer price index published by the Turkish Statistical Institute (Dec. 31, 2023: 1,859 index points; Dec. 31, 2024: 2,685 index points). All items are translated at the closing rate due to hyperinflation. Inflation resulted in a loss on the net monetary position of EUR 4.2 million for 2024 (2023: EUR 16.0 million).

Segment reporting

The Brenntag Group is managed through two global divisions, Brenntag Specialties and Brenntag Essentials, which were previously each managed through geographically structured segments. In 2023, the Board of Management of Brenntag SE took the decision to cease managing the Brenntag Specialties division regionally and to instead manage it globally through the Life Science, Material Science and Specialties Other segments effective January 1, 2024. The Life Science segment focuses on selling ingredients and value-added services in the global focus industries Nutrition, Pharma and Beauty & Care. The Material Science segment mainly encompasses business activities in the CASE (Coatings, Adhesives, Sealants, Elastomers), Construction, Polymers and Rubber industries. To a small extent, the Brenntag Specialties portfolio is also augmented by other business activities outside Life Science and Material Science.

Brenntag Essentials markets a broad portfolio of process chemicals across a wide range of industries and applications. The global Brenntag Essentials division continues to include the reportable segments EMEA, North America, Latin America and APAC. In the new management structure, the international operations of BRENNTAG International Chemicals GmbH (BIC), which buys and sells chemicals in bulk on an international scale, are now managed in the Brenntag Essentials division. This results in a further reportable segment in this division, “Transregional” (previously shown under “All other Segments”).

“Group and Regional Services” mainly include the central functions for the entire Group, the regional service functions and the activities with regard to the digitalization of our business.

The following table shows the reconciliation of the global divisions to the Group:

Period from January 1 to December 31 in EUR m	Brenntag Specialties	Brenntag Essentials	Group and Regional Services	Group
External sales[1]				
2024	5,229.7	11,007.7	–	16,237.4
2023	5,453.7	11,361.4	–	16,815.1
fx. adj. change in %	–3.5	–3.1	–	–3.2
Cost of materials				
2024	–4,056.5	–8,155.5	–	–12,212.0
2023	–4,255.8	–8,517.5	–	–12,773.3
fx. adj. change in %	–4.2	–4.1	–	–4.2
Operating gross profit[1]				
2024	1,173.2	2,852.2	–	4,025.4
2023	1,197.9	2,843.9	–	4,041.8
fx. adj. change in %	–1.2	0.2	–	–0.2
Depreciation and impairment of property, plant and equipment and right-of-use assets[1]				
2024	33.6	310.8	10.5	354.9
2023	30.2	278.0	11.4	319.6
fx. adj. change in %	12.4	11.7	–7.9	11.0
Operating EBITA (segment result)[1]				
2024	446.9	780.7	–125.7	1,101.9
2023	514.4	906.9	–156.3	1,265.0
fx. adj. change in %	–11.9	–14.1	–19.6	–12.5

3.20 Reconciliation of the global divisions to the Group 2024/2023

[1] The prior-year figures were adjusted to reflect the current portfolio allocation.

The following table shows the segment information for the reportable segments of the global **Brenntag Specialties** division:

Period from January 1 to December 31 in EUR m	Life Science	Material Science	Specialties Other	Central activities[1]	**Brenntag Specialties**
External sales[2]					
2024	3,482.9	1,687.9	58.9	–	5,229.7
2023	3,709.9	1,666.1	77.7	–	5,453.7
fx. adj. change in %	–5.4	1.6	–21.5	–	–3.5
Cost of materials					
2024	–2,653.0	–1,362.5	–41.0	–	–4,056.5
2023	–2,866.6	–1,337.4	–51.8	–	–4,255.8
fx. adj. change in %	–6.8	2.2	–18.3	–	–4.1
Operating gross profit[2]					
2024	829.9	325.4	17.9	–	1,173.2
2023	843.3	328.7	25.9	–	1,197.9
fx. adj. change in %	–0.7	–0.6	–27.8	–	–1.2
Depreciation and impairment of property, plant and equipment and right-of-use assets[2][3]					
2024	4.6	4.2	24.8	–	33.6
2023	3.6	2.6	24.0	–	30.2
fx. adj. change in %	35.3	55.6	4.2	–	12.4
Operating EBITA (segment result)[2][4]					
2024	340.7	115.5	–1.8	–7.5	446.9
2023	379.5	126.9	9.5	–1.5	514.4
fx. adj. change in %	–9.0	–8.4	–121.4	400.0	–11.9

3.21 Segment reporting on the global Specialties division 2024/2023

[1] Central activities which are part of Brenntag Specialties but not directly attributable to any one segment.
[2] The prior-year figures were adjusted to reflect the current portfolio allocation.
[3] Certain items of property, plant and equipment and right-of-use assets are not separable and support both divisions jointly. They have been allocated to a division (depending on the region) and are depreciated there. They are charged to the other division on the basis of fixed and variable monthly amounts.
[4] Segment operating EBITA is calculated as segment EBITA adjusted for holding charges and special items.

The following table shows the segment information for the reportable segments of the global **Brenntag Essentials** division:

Period from January 1 to December 31 in EUR m	EMEA[1]	North America	Latin America	APAC[2]	Trans-regional	Central activities[3]	**Brenntag Essentials**
External sales[4]							
2024	3,741.2	5,162.6	763.4	1,005.5	335.0	–	11,007.7
2023	3,865.3	5,270.5	758.8	943.9	522.9	–	11,361.4
fx. adj. change in %	–3.9	–1.8	0.8	8.4	–35.9	–	–3.1
Cost of materials							
2024	–2,746.5	–3,625.8	–596.8	–863.9	–322.5	–	–8,155.5
2023	–2,878.9	–3,737.6	–596.3	–810.4	–494.3	–	–8,517.5
fx. adj. change in %	–5.3	–2.8	0.2	8.5	–34.8	–	–4.2
Operating gross profit[4]							
2024	994.7	1,536.8	166.6	141.6	12.5	–	2,852.2
2023	986.4	1,532.9	162.5	133.5	28.6	–	2,843.9
fx. adj. change in %	0.1	0.5	3.0	7.7	–56.3	–	0.2
Depreciation and impairment of property, plant and equipment and right-of-use assets[4][5]							
2024	123.7	154.3	19.1	10.5	3.2	–	310.8
2023	108.6	138.7	16.9	10.5	3.3	–	278.0
fx. adj. change in %	13.1	11.3	14.4	1.9	–3.0	–	11.7
Operating EBITA (segment result)[4][6]							
2024	276.5	469.3	14.1	17.3	6.4	–2.9	780.7
2023	313.2	522.7	29.6	20.0	21.5	–0.1	906.9
fx. adj. change in %	–12.6	–10.0	–53.0	–12.2	–70.2	2,800.0	–14.1

3.22 Segment reporting on the global Essentials division 2024/2023

[1] Europe, Middle East & Africa.
[2] In the new management structure in effect since January 1, 2024, the China and Hong Kong region is no longer managed separately; instead, it is managed together with the Asia Pacific region and they thus form a single operating segment. Previously, the China and Hong Kong segments were aggregated with the Asia Pacific segment in accordance with IFRS 8.12.
[3] Central activities which are part of Brenntag Essentials but not directly attributable to any one segment.
[4] The prior-year figures were adjusted to reflect the current portfolio allocation.
[5] Certain items of property, plant and equipment and right-of-use assets are not separable and support both divisions jointly. They have been allocated to a division (depending on the region) and are depreciated there. They are charged to the other division on the basis of fixed and variable monthly amounts.
[6] Segment operating EBITA is calculated as segment EBITA adjusted for holding charges and special items.

The following table shows the reconciliation to profit before tax:

in EUR m	2024	2023
Operating EBITA (segment result)[1)]	**1,101.9**	**1,265.0**
Net expense from special items	–111.4	–78.3
(of which loss on the initiated sale of Raj Petro)	(–42.1)	(–)
(of which expenses for strategy projects)	(–49.7)	(–10.5)
(of which expenses for legal risks)	(–42.6)	(–31.4)
(of which reversal of provisions for excise duties)	(10.6)	(–1.2)
(of which major fires at warehouse sites in Canada and Turkey)	(15.4)	(–29.4)
(of which other special items)	(–3.0)	(–5.8)
EBITA	**990.5**	**1,186.7**
Amortization of intangible assets[2)]	–63.8	–64.0
Impairment of intangible assets	–11.3	–
EBIT	**915.4**	**1,122.7**
Net finance costs	–172.8	–119.9
Profit before tax	**742.6**	**1,002.8**

3.23 Reconciliation of operating EBITA to profit before tax

[1)] Operating EBITA of the reportable segments amounts to EUR 1,227.6 million (2023: EUR 1,421.3 million) and operating EBITA of the central activities of Brenntag Specialties and Brenntag Essentials as well as Group and Regional Services to EUR –125.7 million (2023: EUR –156.3 million).
[2)] This figure includes amortization of customer relationships in the amount of EUR 37.8 million (2023: EUR 40.9 million).

Special items are income and expenses outside ordinary activities that have a special and material effect on the results of operations.

A loss of EUR 53.4 million was recognized due to the initiated sale of Raj Petro. Of this amount, an impairment loss on property, plant and equipment and net working capital accounts for EUR 42.1 million recognized within net expense from special items, and an impairment loss on intangible assets for EUR 11.3 million.

Expenses for strategy projects amounted to EUR 49.7 million in financial year 2024. They mainly include severance and advisory expenses which will help to achieve the cost-reduction targets and which relate to the selective planning for the legal and operational disentanglement of the two divisions, Brenntag Specialties and Brenntag Essentials.

In financial year 2024, expenses of EUR 42.6 million were recognized for legal risks arising from the sale of talc and similar products in North America due to the number of actions brought.

Tax returns were submitted in relation to provisions recognized in 2023 for excise duty risks in Sweden. These led to a lower-than-expected tax liability. The reversal of the relevant provisions resulted in other operating income of EUR 10.6 million in financial year 2024.

For expenses in connection with the major fires at warehouse sites in Canada and Turkey in financial year 2023, income of EUR 15.4 million arose in financial year 2024 due predominantly to insurance payouts.

The other special items relate to expenses in connection with social security charges paid in previous years in Brazil.

Geographical information

Non-current assets comprise property, plant and equipment, right-of-use assets and intangible assets. Non-current assets are allocated to the different countries as follows:

	Property, plant and equipment		Right-of-use assets		Intangible assets[1]	
in EUR m	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Germany	105.5	99.4	50.8	53.9	31.9	26.1
USA	632.3	457.0	214.4	162.1	80.9	32.9
France	101.1	95.2	9.0	8.5	0.3	0.3
Canada	97.9	87.7	18.4	13.3	0.5	0.9
United Kingdom	86.7	67.8	42.8	40.0	102.4	8.2
Singapore	80.1	82.2	19.4	18.1	13.3	15.4
China	78.7	80.7	6.8	5.0	29.7	41.0
Italy	73.0	58.9	28.0	29.5	0.1	0.1
Spain	51.7	49.5	9.5	8.9	0.3	0.1
Poland	47.3	43.4	8.9	10.0	0.1	0.1
Others	340.8	383.4	188.2	88.9	101.8	30.0
Total	**1,695.1**	**1,505.2**	**596.2**	**438.2**	**361.3**	**155.1**

3.24 Non-current assets by country

[1] Intangible assets excluding goodwill and “Brenntag” trademark.

The allocation of external sales to the different countries is shown in the following table:

	External sales	
in EUR m	2024	2023
Germany	1,198.3	1,460.1
USA	5,793.8	6,038.4
United Kingdom	825.6	760.8
China	736.8	640.2
Canada	633.8	662.3
Italy	593.8	616.7
Poland	550.6	606.7
France	522.8	549.1
Others	5,381.9	5,480.8
Total	**16,237.4**	**16,815.1**

3.25 External sales by country

Consolidated income statement disclosures

1.) Sales

Sales of EUR 16,237.4 million (2023: EUR 16,815.1 million) are almost entirely attributable to contracts with customers as defined by IFRS 15. Sales of EUR 1.8 million (2023: EUR 1.5 million) were generated with related parties.

Sales of EUR 16,158.4 million (2023: EUR 16,739.9 million) relate to the sale of goods and sales of EUR 79.2 million (2023: EUR 75.5 million) to the provision of services.

Of the sales revenues from the sale of goods, EUR 16,076.5 million (2023: EUR 16,643.3 million) are attributable to warehousing or direct business. Of the other revenues from the sale of goods in the amount of EUR 81.9 million (2023: EUR 96.6 million), EUR 81.0 million (2023: EUR 95.4 million) relate to consignment business.

For a breakdown of sales by operating segment, please refer to the “Segment reporting” section of these notes to the consolidated financial statements.

Trade receivables reported in the amount of EUR 2,282.5 million (Dec. 31, 2023: EUR 2,263.1 million) are entirely attributable to contracts with customers. No contract assets are currently recognized in the Brenntag Group.

Liabilities from contracts with customers break down as follows:

in EUR m	Dec. 31, 2024	Dec. 31, 2023
Contract liabilities under credit notes	12.3	12.7
Refund liabilities	24.8	24.6
Prepayments received	7.0	14.6
Total	**44.1**	**51.9**

3.26 Current contract liabilities from contracts with customers

2.) Cost of materials

Cost of materials amounts to EUR 12,210.9 million (2023: EUR 12,795.0 million) and comprises the cost of purchased goods and services. It includes expenses in the amount of EUR 0.6 million (2023: EUR 16.9 million) from valuation allowances on inventories.

3.) Other operating income

in EUR m	2024	2023
Income from the disposal of property, plant and equipment	21.2	17.8
Income from the reversal of liabilities and provisions no longer required	29.1	43.0
Income from compensation	15.0	19.7
Income from divestments	5.3	9.6
Income from other taxes	0.2	8.8
Miscellaneous operating income	32.1	34.3
Total	**102.9**	**133.2**

3.27 Other operating income

4.) Personnel expenses

Personnel expenses amount to EUR 1,446.4 million in total (2023: EUR 1,391.9 million). This line item includes wages and salaries totaling EUR 1,142.9 million (2023: EUR 1,117.2 million), social security costs of EUR 176.2 million (2023: EUR 149.9 million) and pension costs of EUR 127.3 million (2023: EUR 124.8 million). Net interest expense from defined benefit plans is not included in personnel expenses but presented within net finance costs under interest expense.

The average number of employees breaks down as follows:

	2024	2023[1]
Brenntag Specialties	3,539	3,586
Brenntag Essentials	12,072	11,955
Group and Regional Services	2,319	2,225
Total	**17,930**	**17,766**

3.28 Employees by division

[1] The prior-year figures were adjusted to reflect the current portfolio allocation.

As at December 31, 2024, the Brenntag Group had a workforce of 18,122 (Dec. 31, 2023: 17,709). Of this figure, 1,685 (Dec. 31, 2023: 1,692) were employed in Germany.

5.) Other operating expenses

in EUR m	2024	2023
Carriage outwards	-329.8	-295.5
Property-related and other taxes	-39.5	-51.3
Maintenance and energy costs	-220.8	-248.3
Expenses for advisory, auditing and other services (including IT)	-239.4	-214.0
Lease expenses	-98.3	-78.1
Insurance expenses	-50.4	-41.9
Legal risks arising from the sale of talc	-42.6	-34.7
Miscellaneous operating expenses	-301.1	-283.7
Total	**-1,321.9**	**-1,247.5**

3.29 Other operating expenses

6.) Interest expense

in EUR m	2024	2023
Interest expense on liabilities to third parties	-112.7	-90.2
Expense from the fair value measurement of the cross-currency interest rate swap	-7.3	-7.5
Net interest expense on defined benefit pension plans	-4.1	-4.1
Interest expense on other provisions	-4.0	-3.2
Interest expense on leases	-24.6	-17.8
Total	**-152.7**	**-122.8**

3.30 Interest expense

7.) Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss

in EUR m	2024	2023
Change in call option and liabilities relating to acquisition of non-controlling interests recognized in profit or loss	-12.0	28.9
Change in liabilities recognized in profit or loss arising from limited partners' rights to repayment of contributions	-2.0	-2.5
Total	**-14.0**	**26.4**

3.31 Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss

For further information, please refer to Note 27).

8.) Loss on the net monetary position

The inflation effect on non-monetary items, the statement of comprehensive income and equity resulted in a loss on the net monetary position of EUR 4.2 million for financial year 2024 (2023: EUR 16.0 million).

9.) Other net finance costs

in EUR m	2024	2023
Exchange rate loss on foreign currency receivables and liabilities	-26.0	-37.1
Exchange rate gain on foreign currency derivatives	10.5	9.2
Miscellaneous other net finance costs	-5.3	0.6
Total	**-20.8**	**-27.3**

3.32 Other net finance costs

10.) Income tax expense

in EUR m	2024	2023
Current income taxes	–220.7	–259.0
(of which BEPS Pillar II)	-2.7	–
Deferred taxes	21.8	–22.7
(of which for temporary differences)	(–21.9)	(–17.4)
(of which for tax loss carryforwards)	(43.7)	(–5.3)
Total	**-198.9**	**-281.7**

3.33 Income tax expense

The effective tax expense of EUR 198.9 million (2023: EUR 281.7 million) differs by EUR -38.8 million (2023: EUR – 39.2 million) from the expected tax expense of EUR 237.7 million (2023: EUR 320.9 million). The expected tax expense results from applying Brenntag SE's tax rate of 32% (Dec. 31, 2023: 32%) to profit before tax.

The reasons for the difference between the expected and the effective tax expense are as follows:

in EUR m	2024	2023
Profit before tax	742.6	1,002.8
Expected income tax expense (32%, 2023: 32%)	-237.7	-320.9
Difference due to tax base (trade tax adjustments in Germany)	–4.4	–2.7
Effect of different tax rates arising on the inclusion of foreign and domestic subsidiaries	62.7	84.7
Changes in valuation allowances on deferred tax assets / losses for which deferred taxes are not recognized / utilization of loss carryforwards	37.0	–21.8
Changes in the tax rate and tax laws	0.3	0.2
Expenses not deductible for tax purposes	–28.7	–31.1
Loss on the initiated sale of Raj Petro	–13.3	–
Tax-free income	1.5	2.7
Share of profit or loss of equity-accounted investments	–0.6	0.2
Prior-period tax expense	1.8	3.1
Deferred taxes for temporary differences from investments in subsidiaries	–6.6	–
Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss	–3.5	6.7
Effects of BEPS Pillar II	–2.7	–
Other effects	–4.7	–2.8
Effective tax expense	**-198.9**	**-281.7**

3.34 Tax expense reconciliation

Deferred taxes result from the individual balance sheet items and other items as follows:

in EUR m	Dec. 31, 2024 Deferred tax assets	Dec. 31, 2024 Deferred tax liabilities	Dec. 31, 2023 Deferred tax assets	Dec. 31, 2023 Deferred tax liabilities
Current assets				
Financial assets	18.4	12.4	18.2	9.2
Inventories	23.8	1.0	25.5	0.6
Non-current assets				
Property, plant and equipment and right-of-use assets	7.8	262.6	5.9	180.1
Intangible assets	18.9	273.6	20.2	210.6
Financial assets	11.2	20.6	14.1	14.1
Current liabilities				
Other provisions	16.6	1.1	17.8	0.8
Liabilities	89.3	6.4	81.7	11.6
Non-current liabilities				
Provisions for pensions	16.9	7.2	18.3	8.1
Other provisions	14.7	2.4	16.2	2.1
Liabilities	127.0	5.9	63.4	12.3
Local tax reserves	–	5.7	–	4.2
Loss carryforwards	58.6	–	15.5	–
Valuation allowances on balance sheet items	–	–	–	–
Outside basis differences	–	13.9	–	7.4
Offsetting	–254.0	–254.0	–162.7	–162.7
Deferred taxes	**149.2**	**358.8**	**134.1**	**298.4**
Deferred tax liabilities (net)	**–**	**209.6**	**–**	**164.3**

3.35 Deferred tax assets and liabilities

Deferred tax assets and liabilities break down by maturity as follows:

in EUR m	Dec. 31, 2024	Dec. 31, 2023
Deferred tax assets to be recovered after more than 12 months	14.2	6.5
Deferred tax assets to be recovered within 12 months	135.0	127.6
Deferred tax assets	**149.2**	**134.1**
Deferred tax liabilities to be recovered after more than 12 months	354.7	294.0
Deferred tax liabilities to be recovered within 12 months	4.1	4.4
Deferred tax liabilities	**358.8**	**298.4**
Deferred tax liabilities (net)	**209.6**	**164.3**

3.36 Deferred tax by maturity

Deferred tax liabilities (net) changed as follows:

in EUR m	2024	2023
Deferred tax liabilities (net) at Jan. 1	**164.3**	**133.3**
Exchange rate differences	7.6	–1.5
Income / expense in profit or loss	–21.8	22.7
Income taxes recognized in other comprehensive income	4.4	–2.7
Business combinations	55.2	12.5
Reclassification of deferred tax liabilities into non-current assets held for sale	–0.1	–
Deferred tax liabilities (net) at Dec. 31	**209.6**	**164.3**

3.37 Change in deferred tax liabilities (net)

The existing tax loss carryforwards can be utilized as follows:

in EUR m	**Dec. 31, 2024** Loss carryforwards	**Dec. 31, 2024** of which loss carryforwards for which deferred taxes are not recognized	Dec. 31, 2023 Loss carryforwards	Dec. 31, 2023 of which loss carryforwards for which deferred taxes are not recognized
Within one year	8.3	(7.1)	8.0	(7.5)
2 to 5 years	61.1	(48.0)	24.9	(23.5)
6 to 9 years[1)]	14.3	(11.4)	5.4	(–)
More than 9 years	274.3	(232.0)	273.9	(204.5)
Unlimited	514.6	(241.8)	500.9	(474.0)
Total	**872.6**	**540.3**	**813.1**	**709.5**

3.38 Tax loss carryforwards

[1)] This includes loss carryforwards of EUR 6.5 million which cannot be utilized and are attributable to equity investments classified as assets held for sale.

When measuring deferred tax on loss carryforwards, deferred tax assets are recognized to the extent that sufficient taxable differences are available for utilization and it is probable that future taxable profit will be available against which the temporary differences and unused tax loss carryforwards can be utilized. The expected taxable income is derived from the current mid-term planning, allowing for restrictions on loss carryforwards and their utilization (minimum taxation).

Deferred taxes of EUR 58.6 million (Dec. 31, 2023: EUR 15.5 million) were recognized for loss carryforwards of EUR 332.3 million (Dec. 31, 2023: EUR 103.6 million) which are likely to be utilized. They include deferred taxes of EUR 8.2 million (Dec. 31, 2023: EUR 3.7 million) from current-period tax losses. Loss carryforwards which are likely to be utilized also include German corporate income tax and trade tax loss carryforwards totaling EUR 243.5 million (Dec. 31, 2023: EUR 0.0 million) and US subsidiaries' loss carryforwards for state taxes totaling EUR 36.3 million (tax rate between 6% and 8%) (Dec. 31, 2023: EUR 56.8 million) and for federal taxes (tax rate 21%) totaling EUR 5.3 million (Dec. 31, 2023: EUR 12.6 million).

No deferred taxes were recognized for loss carryforwards of EUR 540.3 million (Dec. 31, 2023: EUR 709.5 million) which are not likely to be utilized. This figure includes domestic corporation tax and trade tax loss carryforwards totaling EUR 181.8 million (Dec. 31, 2023: EUR 448.4 million) as well as US subsidiaries' loss carryforwards for state taxes totaling EUR 229.5 million (tax rate between 6% and 8%) (Dec. 31, 2023: EUR 203.9 million).

No deferred taxes were recognized for interest carryforwards of EUR 42.8 million (Dec. 31, 2023: EUR 14.5 million) which are not likely to be utilized.

Temporary differences in connection with investments in subsidiaries for which no deferred tax liabilities were recognized amount to EUR 613.5 million (Dec. 31, 2023: EUR 609.8 million).

11.) Earnings per share

Basic earnings per share in the amount of EUR 3.71 (2023: EUR 4.73) are determined by dividing the share of profit after tax of EUR 536.2 million (2023: EUR 714.9 million) attributable to the shareholders of Brenntag SE by the number of shares outstanding (2024: 144.7 million; 2023: 151.1 million shares).

As part of the second tranche of the share buyback program launched in January 2024, Brenntag acquired around 3.1 million Brenntag SE shares on the stock market in the first quarter of 2024 and canceled those shares upon completion of the program in March 2024. The average weighted number of outstanding shares was 144.7 million in financial year 2024 (2023: 151.1 million).

Diluted earnings per share are the same as basic earnings per share.

in EUR m	**2024**	**2023**
Share of profit after tax attributable to Brenntag SE shareholders	536.2	714.9
Number of Brenntag SE shares	144.7	151.1
Basic earnings per share	**3.71**	**4.73**
Diluted earnings per share	**3.71**	**4.73**

3.39 Diluted earnings per share

Consolidated balance sheet disclosures

12.) Cash and cash equivalents

in EUR m	Dec. 31, 2024	Dec. 31, 2023
Bank deposits	721.1	556.2
Cheques and cash on hand	42.2	20.7
Total	**763.3**	**576.9**

3.40 Cash and cash equivalents

13.) Trade receivables

in EUR m	Dec. 31, 2024	Dec. 31, 2023
Trade receivables from third parties	2,282.5	2,263.1
Trade receivables from related parties	–	–
Total	**2,282.5**	**2,263.1**

3.41 Trade receivables

Trade receivables at the reporting date were past due and impaired within the following time bands:

in EUR m	not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	more than 180 days	Dec. 31, 2024
Loss given default (%)	0.4	1.1	6.7	11.5	11.7	84.3	
Gross amount of trade receivables	2,023.7	210.8	36.0	11.3	10.3	37.5	**2,329.6**
Valuation allowance	8.2	2.4	2.4	1.3	1.2	31.6	**47.1**

3.42 Loss given default on trade receivables / Dec. 31, 2024

in EUR m	not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	more than 180 days	Dec. 31, 2023
Loss given default (%)	0.3	1.3	9.7	17.2	9.2	80.6	
Gross amount of trade receivables	1,996.8	213.9	31.8	14.5	14.1	42.2	**2,313.3**
Valuation allowance	6.6	2.7	3.1	2.5	1.3	34.0	**50.2**

3.43 Loss given default on trade receivables / Dec. 31, 2023

Of the trade receivables, EUR 725.5 million (Dec. 31, 2023: EUR 688.4 million) are secured by trade credit insurance.

In EMEA and Latin America, most of the trade receivables are secured by trade credit insurance. In Asia Pacific, there is trade credit insurance for most of the receivables in certain countries. In North America as well as in some countries in EMEA, Latin America and Asia Pacific, either there is no trade credit insurance or only a relatively small proportion of the trade receivables are secured by trade credit insurance.

Impairment losses on trade receivables changed as follows:

	Accumulated impairment losses on trade receivables	
in EUR m	2024	2023
Jan. 1	**50.2**	**56.1**
Exchange rate differences / other	–0.8	–0.2
Added	7.9	7.8
Reversed	–5.3	–6.0
Utilized	–4.9	–7.5
Dec. 31	**47.1**	**50.2**

3.44 Change in impairment losses on trade receivables

14.) Other receivables

	Dec. 31, 2024		Dec. 31, 2023	
in EUR m		of which current		of which current
Other receivables in scope of IFRS 7:				
Receivables from packaging	8.0	(8.0)	8.7	(8.7)
Reimbursement claims – environment	7.9	(–)	6.7	(–)
Suppliers with debit balances	10.6	(10.6)	10.2	(10.2)
Receivables from insurance claims	4.9	(4.9)	12.2	(12.2)
Deposits	7.2	(7.2)	8.4	(8.4)
Receivables from commissions and rebates	13.1	(13.1)	24.0	(24.0)
Miscellaneous other receivables	50.1	(27.4)	43.3	(33.3)
Other receivables in scope of IFRS 7 total	**101.8**	**(71.2)**	**113.5**	**(96.8)**
Other receivables out of scope of IFRS 7:				
Prepayments	25.5	(25.5)	20.6	(20.6)
Value-added tax receivables	93.3	(66.8)	104.6	(80.1)
Receivables from other taxes	8.1	(8.0)	6.6	(6.6)
Non-current income tax receivables	3.1	(–)	3.4	(–)
Plan assets not netted with provisions for pensions	5.4	(–)	6.4	(–)
Prepaid expenses	53.2	(51.4)	72.3	(71.3)
Other receivables out of scope of IFRS 7 total	**188.6**	**(151.7)**	**213.9**	**(178.6)**
Total other receivables	**290.4**	**(222.9)**	**327.4**	**(275.4)**

3.45 Other receivables

15.) Other financial assets

	Remaining term		
in EUR m	1 year or less	more than 1 year	**Dec. 31, 2024**
Financial receivables from third parties	15.2	5.6	20.8
Derivative financial instruments at fair value through profit or loss	5.5	14.3	19.8
Debt instruments at fair value through profit or loss	–	1.4	1.4
Total	**20.7**	**21.3**	**42.0**

3.46 Other financial assets / Dec. 31, 2024

	Remaining term		
in EUR m	1 year or less	more than 1 year	**Dec. 31, 2023**
Financial receivables from third parties	11.3	8.0	19.3
Derivative financial instruments at fair value through profit or loss	2.6	7.3	9.9
Debt instruments at fair value through profit or loss	–	1.4	1.4
Total	**13.9**	**16.7**	**30.6**

3.47 Other financial assets / Dec. 31, 2023

Financial receivables from third parties of EUR 20.8 million (Dec. 31, 2023: EUR 19.3 million) consist mainly of funds deposited in trustee accounts in connection with business combinations.

16.) Inventories

Inventories break down as follows:

in EUR m	Dec. 31, 2024	Dec. 31, 2023
Merchandise	1,418.5	1,302.9
Finished goods	60.1	24.1
Work in progress	0.2	1.6
Raw materials and supplies	39.6	47.8
Total	**1,518.4**	**1,376.4**

3.48 Inventories

17.) Assets held for sale and liabilities associated with those assets

In a further step to focus the Essentials division's portfolio on its core activities in chemical distribution, Brenntag initiated the sale of Indian company Raj Petro Specialties Pvt. Ltd. and its subsidiary Raj Petro Specialties DMCC based in Dubai (Raj) and accordingly classified the assets and liabilities of these entities as a disposal group. The sale is expected to take place within twelve months.

On the basis of the estimated sales price, goodwill of EUR 11.1 million in the group of CGUs Essentials APAC and property, plant and equipment and other intangible assets of Raj totaling EUR 13.1 million were written down for impairment and reclassified into assets held for sale. Measurement of the disposal group at the lower of carrying amount and fair value (sale price) less costs to sell in accordance with IFRS 5 results in an expense of EUR 29.2 million.

In addition, assets held for sale include property, plant and equipment held for sale totaling EUR 1.5 million (Dec. 31, 2023: EUR 2.5 million).

The assets and liabilities break down as follows:

in EUR m	Dec. 31, 2024	Dec. 31, 2023
Cash and cash equivalents	5.0	–
Trade receivables and other receivables	81.4	–
Current tax assets and deferred taxes	2.2	–
Inventories	46.3	–
Property, plant and equipment and intangible assets	14.5	2.5
Impairment	–42.3	–
Assets held for sale	**107.1**	**2.5**
Trade payables, other liabilities and provisions	82.6	–
Current tax assets and deferred taxes	1.7	–
Liabilities associated with assets held for sale	**84.3**	**–**

3.49 Assets held for sale and liabilities associated with those assets

18.) Property, plant and equipment

in EUR m	Land, land rights and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Prepayments and assets under construction	Total
Cost					
Dec. 31, 2022	**1,169.2**	**932.0**	**435.4**	**129.0**	**2,665.6**
Exchange rate differences	–11.2	–15.9	–3.1	–1.1	–31.3
Business combinations	21.5	3.9	3.3	–	28.7
Other additions	20.0	38.2	77.4	168.8	304.4
Reclassification into non-current assets held for sale	–1.5	–0.5	0.3	–	–1.7
Disposals	–8.7	–16.1	–37.5	–3.0	–65.3
Transfers	42.7	75.0	44.0	–140.0	21.7
Dec. 31, 2023	**1,232.0**	**1,016.6**	**519.8**	**153.7**	**2,922.1**
Exchange rate differences	27.4	34.9	13.8	2.3	78.4
Business combinations	22.6	20.3	3.7	–	46.6
Other additions	16.5	46.6	75.5	184.6	323.2
Reclassification into non-current assets held for sale	–6.6	–10.8	–1.1	–0.7	–19.2
Disposals	–8.5	–23.8	–33.6	–2.5	–68.4
Transfers	59.5	109.8	20.7	–181.7	8.3
Dec. 31, 2024	**1,342.9**	**1,193.6**	**598.8**	**155.7**	**3,291.0**
Accumulated depreciation and impairment					
Dec. 31, 2022	**397.3**	**605.1**	**305.1**	**–**	**1,307.5**
Exchange rate differences	–1.7	–9.8	–1.6	–	–13.1
Depreciation	38.0	75.6	60.8	–	174.4
Impairment	2.3	1.3	–	0.5	4.1
Reclassification into non-current assets held for sale	–0.9	–0.5	0.3	–	–1.1
Disposals	–7.3	–14.4	–34.8	–0.5	–57.0
Transfers	–0.2	0.8	1.5	–	2.1
Dec. 31, 2023	**427.5**	**658.1**	**331.3**	**–**	**1,416.9**
Exchange rate differences	9.7	22.7	8.4	–	40.8
Depreciation	41.1	91.6	65.1	–	197.8
Impairment	6.5	4.8	0.4	0.2	11.9
Reclassification into non-current assets held for sale	–6.6	–10.8	–1.1	–0.2	–18.7
Disposals	–7.1	–19.5	–29.3	–	–55.9
Transfers	–0.3	3.7	–0.3	–	3.1
Dec. 31, 2024	**470.8**	**750.6**	**374.5**	**–**	**1,595.9**
Carrying amounts at Dec. 31, 2023	804.5	358.5	188.5	153.7	1,505.2
Carrying amounts at Dec. 31, 2024	**872.1**	**443.0**	**224.3**	**155.7**	**1,695.1**

3.50 Property, plant and equipment

Impairment losses of EUR 10.8 million relate to the property, plant and equipment of Raj Petro Specialties Pvt. Ltd., an Indian entity held for sale in the BES APAC segment. In the previous year, impairment losses of EUR 3.6 million related to the major fire at a warehouse site in Canada in the BSP Americas segment.

Assets under construction total EUR 151.2 million (Dec. 31, 2023: EUR 146.6 million). They increased mainly as a result of investments of EUR 179.9 million made during the financial year (Dec. 31, 2023: EUR 161.8 million) and decreased due to transfers of EUR 175.5 million (Dec. 31, 2023: EUR 134.5 million).

19.) Intangible assets

in EUR m	Goodwill	Trademarks	Customer relationships and similar rights	Software, licenses and similar rights	**Total**
Cost					
Dec. 31, 2022	**3,149.6**	**237.6**	**203.7**	**221.1**	**3,812.0**
Exchange rate differences	–71.7	–1.6	–4.6	–2.7	–80.6
Business combinations	175.7	6.5	59.4	1.7	243.3
Other additions	–	–	–	15.5	15.5
Disposals	–3.2	–0.9	–88.6	–2.0	–94.7
Dec. 31, 2023	**3,250.4**	**241.6**	**169.9**	**233.6**	**3,895.5**
Exchange rate differences	114.9	2.2	9.5	3.9	130.5
Business combinations	130.2	36.3	234.6	1.5	402.6
Other additions	–	–	2.8	18.8	21.6
Reclassification into non-current assets held for sale	–	–4.1	–	–0.8	–4.9
Disposals	–2.4	–	–39.5	–1.2	–43.1
Dec. 31, 2024	**3,493.1**	**276.0**	**377.3**	**255.8**	**4,402.2**
Accumulated amortization and impairment					
Dec. 31, 2022	**38.1**	**29.3**	**120.4**	**164.9**	**352.7**
Exchange rate differences	1.5	–1.2	–2.3	–1.7	–3.7
Amortization	–	7.3	40.9	15.8	64.0
Disposals	–	–0.9	–88.4	–1.2	–90.5
Dec. 31, 2023	**39.6**	**34.5**	**70.6**	**177.8**	**322.5**
Exchange rate differences	–3.6	1.6	3.3	3.1	4.4
Amortization	–	6.5	37.8	19.5	63.8
Impairment	11.1	–	–	0.2	11.3
Reclassification into non-current assets held for sale	–	–4.1	–	–0.8	–4.9
Disposals	–	–	–39.5	–0.2	–39.7
Dec. 31, 2024	**47.1**	**38.5**	**72.2**	**199.6**	**357.4**
Carrying amounts at Dec. 31, 2023	3,210.8	207.1	99.3	55.8	3,573.0
Carrying amounts at Dec. 31, 2024	**3,446.0**	**237.5**	**305.1**	**56.2**	**4,044.8**

3.51 Intangible assets

The goodwill and the "Brenntag" trademark are assets with an indefinite useful life. They are tested regularly, at least annually, for impairment after completion of the annual budget process. The carrying amount of the "Brenntag" trademark is EUR 196.9 million as in the previous year.

The Brenntag Group is managed through two global divisions, Brenntag Specialties (BSP) and Brenntag Essentials (BES). In 2023, the Board of Management of Brenntag SE took the decision to cease managing the Brenntag Specialties division regionally and to instead manage it globally through the Life Science, Material Science and Specialties Other segments effective January 1, 2024. In this context, Nutrition, Pharma, Beauty & Care, Material Science and Specialties Other were identified as groups of CGUs for the goodwill impairment test. Goodwill was reallocated to the groups of CGUs as at January 1, 2024.

in EUR m	Dec. 31, 2024
Essentials EMEA	454.5
Essentials North America	1,071.2
Essentials Latin America	77.4
Essentials APAC	59.1
Essentials Transregional	26.7
Specialties Nutrition	733.0
Specialties Pharma	254.0
Specialties Beauty & Care	308.9
Specialties Material Science	445.4
Specialties Other	15.8
Group	**3,446.0**

3.52 Goodwill by group of CGUs / 2024

in EUR m	Dec. 31, 2023
EMEA (BSP)	588.6
Americas (BSP)	768.5
APAC (BSP)	322.8
EMEA (BES)	454.1
North America (BES)	955.6
Latin America (BES)	0.2
APAC excluding China and Hong Kong (BES)	53.6
China and Hong Kong (BES)	41.6
All other Segments	25.8
Group	**3,210.8**

3.53 Goodwill by group of CGUs / 2023

The carrying amounts of the groups of CGUs include right-of-use assets recognized under IFRS 16 (Leases). Fair value less costs of disposal is taken as the recoverable amount. This amount is determined on the basis of a recognized company valuation model. The company valuation model is based on cash flow plans, which are in turn based on the five-year plan approved by the Board of Management and applicable at the date of the performance of the impairment test, taking into account IFRS 16 (Leases). The five-year plan consists of a mid-term plan for the first four years prepared by management in collaboration with the subsidiaries and an extrapolation for one further year performed by management. The fair value thus determined is required to be classified into Level 3 of the IFRS 13 measurement hierarchy.

The cash flow forecasts for the impairment test of the financial year ended December 31, 2024 were derived from the budget for 2025 and the plan years 2026 to 2029. The growth rates are based on management's past experience, Brenntag-specific changes in quantities and sales prices, the resulting gross profit and the trend in costs based on external macroeconomic data. These forecasts are in each case based on country-specific assumptions about the trend in key macroeconomic variables, such as gross domestic product, consumer prices, interest rate levels and nominal wages, and are derived on the basis of economic and financial studies.

In the detailed planning period from 2025 to 2029, the average gross profit growth rates (CAGR) of the cash-generating units of Brenntag Specialties and Brenntag Essentials are between 2.1% and 11.0% (Dec. 31, 2023: between 2.9% and 10.0%).

After the, in some cases, much higher growth rates in the years 2025 to 2029 (detailed planning period), the planned growth rates for the period from 2030 (2023: from 2029) onwards are as follows:

Growth rates in %	2024
Essentials EMEA	1.25
Essentials North America	1.25
Essentials Latin America	1.75
Essentials APAC	1.75
Essentials Transregional	1.25
Specialties Nutrition	1.25
Specialties Pharma	1.25
Specialties Beauty & Care	1.25
Specialties Material Science	1.25
Specialties Other	1.25

3.54 Growth rates by group of CGUs / 2024

Growth rates in %	2023
EMEA (BSP)	1.00
Americas (BSP)	1.25
APAC (BSP)	2.00
EMEA (BES)	1.00
North America (BES)	1.25
Latin America (BES)	2.25
APAC excluding China and Hong Kong (BES)	2.00
China and Hong Kong (BES)	2.00

3.55 Growth rates by group of CGUs / 2023

The WACC of the groups of CGUs used to discount the cash flows thus determined is based on a risk-free interest rate of 2.60% (2023: 2.75%) and a market risk premium of 6.75% (2023: 6.50%). The estimates of daily yield curves published by the German central bank, the Bundesbank, are taken as a basis for determining the risk-free interest rate. The beta factor used and the capital structure are derived from a peer group. Furthermore, region-specific tax rates and country risk premiums are used.

WACC in %	**2024**
Essentials EMEA	8.1
Essentials North America	8.0
Essentials Latin America	10.2
Essentials APAC	8.2
Essentials Transregional	7.9
Specialties Nutrition	8.3
Specialties Pharma	8.1
Specialties Beauty & Care	8.3
Specialties Material Science	8.3
Specialties Other	8.2
Group	**8.1**

3.56 WACC by group of CGUs / 2024

WACC in %	**2023**
EMEA (BSP)	8.7
Americas (BSP)	8.4
APAC (BSP)	8.7
EMEA (BES)	8.4
North America (BES)	8.4
Latin America (BES)	10.5
APAC excluding China and Hong Kong (BES)	8.5
China and Hong Kong (BES)	8.4
All other Segments	8.4
Group	**8.5**

3.57 WACC by group of CGUs / 2023

Sensitivity analyses for cash flow forecasts, growth rates and the WACC taken as a basis are outlined in the section Assumptions and estimates.

20.) Leases

Right-of-use assets arising from leases changed as follows:

in EUR m	Rights to use land and buildings	Rights to use vehicles	Other right-of-use assets	Total
Cost				
Dec. 31, 2022	**445.6**	**260.2**	**62.9**	**768.7**
Exchange rate differences	–8.7	–6.3	0.3	–14.7
Business combinations	5.3	–	16.6	21.9
Other additions	84.0	78.2	14.9	177.1
Reclassification into non-current assets held for sale	0.1	–	–	0.1
Disposals	–48.6	–46.7	–6.6	–101.9
Transfers	0.1	–21.7	–0.1	–21.7
Dec. 31, 2023	**477.8**	**263.7**	**88.0**	**829.5**
Exchange rate differences	17.6	13.2	1.1	31.9
Business combinations	42.2	1.0	61.4	104.6
Other additions	91.3	111.8	18.5	221.6
Reclassification into non-current assets held for sale	–2.2	–	–2.5	–4.7
Disposals	–38.3	–69.1	–9.6	–117.0
Transfers	13.0	0.3	–21.6	–8.3
Dec. 31, 2024	**601.4**	**320.9**	**135.3**	**1,057.6**
Accumulated depreciation and impairment				
Dec. 31, 2022	**177.9**	**134.2**	**30.3**	**342.4**
Exchange rate differences	–4.4	–2.9	0.5	–6.8
Depreciation	68.6	59.3	16.8	144.7
Impairment	0.8	–	–	0.8
Disposals	–37.6	–44.7	–5.4	–87.7
Transfers	–	–2.1	–	–2.1
Dec. 31, 2023	**205.3**	**143.8**	**42.2**	**391.3**
Exchange rate differences	8.9	6.0	0.4	15.3
Depreciation	73.7	62.5	21.0	157.2
Impairment	0.2	–	1.8	2.0
Reclassification into non-current assets held for sale	–2.2	–	–2.5	–4.7
Disposals	–27.9	–60.0	–8.7	–96.6
Transfers	2.3	–2.5	–2.9	–3.1
Dec. 31, 2024	**260.3**	**149.8**	**51.3**	**461.4**
Carrying amounts at Dec. 31, 2023	272.5	119.9	45.8	438.2
Carrying amounts at Dec. 31, 2024	**341.1**	**171.1**	**84.0**	**596.2**

3.58 Right-of-use assets

Extension options in the amount of EUR 83.9 million (Dec. 31, 2023: EUR 88.5 million) and purchase options in the amount of EUR 1.3 million (Dec. 31, 2023: EUR 3.9 million) were not included in the measurement of the right-of-use assets and lease liabilities, as it is not reasonably certain at the present time that they will be exercised. The extension options relate mainly to rights to use land and buildings, and the purchase options mainly to rights to use vehicles.

The following lease expenses were recognized in profit or loss:

in EUR m	2024	2023
Lease expense relating to short-term leases	–38.7	–32.7
Lease expense relating to variable lease payments	–13.4	–11.3
Lease expense relating to leases of low-value assets	–1.4	–1.0
Lease expense - not within the scope of IFRS 16	–15.7	–13.3
Lease expense - intangible assets	–29.1	–19.8
Total	**–98.3**	**–78.1**

3.59 Lease expenses

As at December 31, 2024, future lease commitments for short-term leases amounted to EUR 18.0 million (Dec. 31, 2023: EUR 13.7 million), for variable lease payments to EUR 13.9 million (Dec. 31, 2023: EUR 9.8 million) and for leases entered into but not yet commenced to EUR 3.7 million (Dec. 31, 2023: EUR 3.6 million).

Interest expense on lease liabilities amounts to EUR 24.6 million (Dec. 31, 2023: EUR 17.8 million). Total payments for leases amounted to EUR 229.6 million in 2024 (Dec. 31, 2023: EUR 205.7 million). Further information on lease liabilities is provided in the sections Financial liabilities and Reporting of financial instruments.

Impairment losses of EUR 2.0 million relate to the property, plant and equipment of Raj Petro Specialties Pvt. Ltd., an Indian entity held for sale in the BES APAC segment. In the previous year, impairment losses of EUR 0.8 million related to the major fire at a warehouse of an external provider in Turkey in the BSP EMEA segment.

21.) Equity-accounted investments

Equity-accounted investments changed as follows:

in EUR m	Investments in associates
Dec. 31, 2022	**5.4**
Exchange rate differences	–0.1
Net income from equity-accounted investments	0.9
Total comprehensive income	**0.8**
Dividends received	–0.2
Dec. 31, 2023	**6.0**
Exchange rate differences	0.1
Net income from equity-accounted investments	–0.1
Total comprehensive income	**-**
Dividends received	–1.0
Dec. 31, 2024	**5.0**

3.60 Change in equity-accounted investments

The financial year of the investments accounted for using the equity method is the calendar year.

22.) Trade payables

Trade payables of EUR 1,661.6 million (Dec. 31, 2023: EUR 1,633.7 million) include accruals of EUR 255.4 million (Dec. 31, 2023: EUR 265.7 million) for outstanding invoices.

23.) Financial liabilities

	Remaining term		
in EUR m	1 year or less	more than 1 year	Dec. 31, 2024
Other liabilities to banks	91.1	41.7	132.8
Promissory notes (Schuldschein)	5.4	502.7	508.1
Bond 2025	601.1	–	601.1
Bond 2028	12.9	497.5	510.4
Bond 2029	0.6	497.8	498.4
Bond 2032	13.3	494.5	507.8
Derivative financial instruments	3.1	41.3	44.4
Other financial liabilities	85.0	51.0	136.0
Total	**812.5**	**2,126.5**	**2,939.0**
Lease liabilities	136.9	480.4	617.3
Cash and cash equivalents			763.3
Net financial liabilities			**2,793.0**

3.61 Financial liabilities / Dec. 31, 2024

	Remaining term		
in EUR m	1 year or less	more than 1 year	Dec. 31, 2023
Liabilities under syndicated loan	0.1	45.5	45.6
Other liabilities to banks	145.9	36.2	182.1
Promissory notes (Schuldschein)	7.2	615.3	622.5
Bond 2025	1.8	598.3	600.1
Bond 2029	0.6	497.4	498.0
Derivative financial instruments	4.4	24.6	29.0
Liabilities relating to acquisition of treasury shares	250.0	0.0	250.0
Other financial liabilities	29.9	56.7	86.6
Total	**439.9**	**1,874.0**	**2,313.9**
Lease liabilities	122.8	327.0	449.8
Cash and cash equivalents			576.9
Net financial liabilities			**2,186.8**

3.62 Financial liabilities / Dec. 31, 2023

The most important component in Brenntag's financing structure is the Group-wide syndicated loan agreement. As at December 31, 2024, this totaled the equivalent of EUR 1.5 billion. The syndicated loan originally had a term running until February 2028, which at the beginning of 2024 was initially extended until February 2029 and at the end of 2024 was extended until February 2030 through two extension options.

It is based on variable interest rates with margins depending on the credit rating, and is divided into two revolving credit facilities – one credit facility in the amount of EUR 1 billion and a USD credit facility in the amount of USD 525.0 million, which equated to EUR 505.3 million as at December 31, 2024 (equivalent in euros as at Dec. 31, 2023: EUR 475.1 million). The margin is also linked to the achievement of certain Brenntag Group sustainability targets.

As at December 31, 2024, Brenntag had no outstanding liabilities under the syndicated loan. A very small amount of the EUR 1 billion credit facility had been drawn down for bank guarantees. The USD credit facility was entirely unutilized as at December 31, 2024. Both credit facilities are available for further drawdowns at any time. As at December 31, 2024, other liabilities to banks included accrued transaction costs on the syndicated loan amounting to EUR 3.9 million

While some subsidiaries are direct borrowers under the loan, others obtain their financing from intra-Group loans. The syndicated loan is guaranteed by Brenntag SE.

At the end of August 2022, Brenntag SE placed promissory notes with a nominal value of around EUR 640.0 million. These were issued at the nominal amount.

Alongside five euro-denominated tranches with a total nominal value of EUR 390.0 million, the company also issued two US dollar-denominated tranches with a total nominal value of around EUR 250.0 million. The seven tranches have original tenors of three, five and seven years and are due for repayment on August 29 and 30 of the respective year.

The two floating-rate tranches in the amount of EUR 60.0 million and USD 70.0 million (equivalent in euros at the repayment date: EUR 64.5 million) maturing in 2025 were repaid ahead of schedule in 2024.

Three tranches carry floating interest rates, while two (euro) tranches have a fixed interest rate over the respective term. Interest payments are made quarterly for the floating-rate tranches in US dollars, semi-annually for the floating-rate euro-denominated tranches, and annually for the fixed-rate euro-denominated tranches.

The liabilities under the promissory notes break down as follows:

in EUR m	Remaining term	Interest rate p.a. above EURIBOR / SOFR or fixed rate	**Dec. 31, 2024**
Currency			
EUR	Aug. 30, 2027	+1.00 pc points	175.0
	Aug. 30, 2027	2.648%	75.0
	Aug. 30, 2029	+1.15 pc points	50.0
	Aug. 30, 2029	2.889%	30.0
Total			**330.0**
USD	Aug. 30, 2027	+1.50 pc points	173.2
Total			**173.2**
Accrued interest			5.4
Transaction costs			–0.5
Liabilities under promissory notes			**508.1**

3.63 Liabilities under promissory notes / Dec. 31, 2024

in EUR m	Remaining term	Interest rate p.a. above EURIBOR / SOFR or fixed rate	**Dec. 31, 2023**
Currency			
EUR	Aug. 29, 2025	+0.75 pc points	60.0
	Aug. 30, 2027	+1.00 pc points	175.0
	Aug. 30, 2027	2.648%	75.0
	Aug. 30, 2029	+1.15 pc points	50.0
	Aug. 30, 2029	2.889%	30.0
Total			**390.0**
USD	Aug. 29, 2025	+1.25 pc points	63.3
	Aug. 30, 2027	+1.50 pc points	162.9
Total			**226.2**
Accrued interest			7.2
Transaction costs			–0.9
Liabilities under promissory notes			**622.5**

3.64 Liabilities under promissory notes / Dec. 31, 2023

The Bond 2025 issued in September 2017 in the amount of EUR 600.0 million matures in 2025 and carries an annual coupon of 1.125%.

The Bond 2028 issued in April 2024 in the amount of EUR 500.0 million matures in 2028 and carries an annual coupon of 3.750%.

The Bond 2029 issued in October 2021 in the amount of EUR 500.0 million matures in 2029 and carries an annual coupon of 0.50%.

The Bond 2032 also issued in April 2024 in the amount of EUR 500.0 million matures in 2032 and carries an annual coupon of 3.875%.

All bonds were issued by the Group company Brenntag Finance B.V., Amsterdam, Netherlands.

The Bonds 2028, 2029 and 2032 were issued under the debt issuance program established in 2021.

Other financial liabilities of EUR 136.0 million (Dec. 31, 2023: EUR 86.6 million) consist mainly of liabilities in connection with business combinations.

24.) Other liabilities

	Dec. 31, 2024		Dec. 31, 2023	
in EUR m		of which current		of which current
Other liabilities in scope of IFRS 7:				
Liabilities from packaging	65.4	(65.4)	64.7	(64.7)
Customers with credit balances	32.3	(32.3)	31.3	(31.3)
Liabilities to insurance companies	3.3	(3.3)	3.6	(3.6)
Liabilities from sales deductions, rebates	24.8	(24.8)	24.6	(24.6)
Liabilities from the acquisition of assets	14.9	(14.9)	21.5	(21.5)
Miscellaneous other liabilities	113.4	(111.1)	99.3	(97.0)
Other liabilities in scope of IFRS 7 total	**254.1**	**(251.8)**	**245.0**	**(242.7)**
Other liabilities out of scope of IFRS 7:				
Liabilities to employees	170.6	(170.6)	195.7	(195.7)
Liabilities from value-added tax	85.7	(85.7)	74.2	(74.2)
Liabilities from other taxes	35.2	(35.2)	34.5	(34.5)
Deferred income	3.9	(3.9)	2.4	(2.4)
Liabilities from social insurance contributions	17.5	(17.5)	15.7	(15.7)
Miscellaneous other liabilities	2.7	(2.7)	2.1	(2.1)
Other liabilities out of scope of IFRS 7 total	**315.6**	**(315.6)**	**324.6**	**(324.6)**
Total other liabilities	**569.7**	**(567.4)**	**569.6**	**(567.3)**

3.65 Other liabilities

Other liabilities include accruals of EUR 74.1 million (Dec. 31, 2023: EUR 75.8 million).

25.) Other provisions

Other provisions changed as follows in financial year 2024:

in EUR m	Environmental provisions	Provisions for personnel expenses	Miscellaneous provisions	Total
Jan. 1, 2024	**107.5**	**71.7**	**188.3**	**367.5**
Exchange rate differences	2.6	0.7	5.8	9.1
Additions from business combinations	3.8	0.4	0.3	4.5
Unwinding of discounting	3.7	0.1	0.2	4.0
Utilized	–7.6	–38.2	–30.4	–76.2
Reversed	–2.3	–10.1	–18.5	–30.9
Added	6.6	17.7	52.9	77.2
Transferred	–0.1	–0.2	0.1	–0.2
Dec. 31, 2024	**114.2**	**42.1**	**198.7**	**355.0**

3.66 Change in other provisions

Other provisions have the following maturities:

in EUR m	Environ-mental provisions	Provisions for personnel expenses	Miscella-neous provisions	Dec. 31, 2024	Environ-mental provisions	Provisions for personnel expenses	Miscella-neous provisions	Dec. 31, 2023
1 year or less	13.5	27.5	53.8	94.8	12.8	38.9	51.4	103.1
1 to 5 years	41.7	8.2	116.7	166.6	39.5	28.7	91.8	160.0
more than 5 years	59.0	6.4	28.2	93.6	55.2	4.1	45.1	104.4
Total	**114.2**	**42.1**	**198.7**	**355.0**	**107.5**	**71.7**	**188.3**	**367.5**

3.67 Maturity of other provisions

Environmental provisions

The recognition and measurement of environmental provisions are coordinated centrally by external independent experts. The provision amounts are determined on the basis of individual cost estimates for each case. Allowance is made not only for the nature and severity of pollution but also for the conditions at the respective sites and the sovereign territories in which these sites are located.

Environmental provisions are stated at their present values. They are discounted at maturity-dependent, risk-free interest rates for the respective functional currencies. Increases in the future expenditure due to inflation are allowed for. The discount rates for environmental provisions range from 0.2% to 14.1%, depending on the currency (Dec. 31, 2023: from 1.3% to 11.1%).

As at December 31, 2024, environmental provisions total EUR 114.2 million (Dec. 31, 2023: EUR 107.5 million). They mainly relate to the rehabilitation of soil and ground water for current and former, owned and leased sites but also cover costs for further and accompanying measures such as necessary environmental inspections and observations. The provisions include EUR 22.2 million (Dec. 31, 2023: EUR 19.4 million) for contingencies for which a cash outflow is not likely but nevertheless possible. In line with the requirements of IFRS 3, these contingencies have entered the balance sheet largely through the purchase price allocation in connection with the acquisition of the Brenntag Group by funds advised by BC Partners Limited, Bain Capital, Ltd. and subsidiaries of Goldman Sachs International at the end of the third quarter of 2006.

Due to the nature and the large number of parameters which have to be considered when determining environmental provisions, there are uncertainties in their measurement. This applies both to the amount and the timing of future expenditure. However, based on the information available at the time of preparation of the financial statements, it can be assumed that the environmental provisions are reasonable and any additional amounts incurred would not have any material effect on the net assets, financial position and results of operations of the Group.

In some cases, special agreements have been reached which ensure that the cost of any future environmental work necessary will be borne by third parties. If receipt of payment from the third party is virtually certain provided Brenntag meets its obligations, these claims to reimbursement are recognized. They are generally measured in the same way as the corresponding provisions. The amount recognized does not exceed the amount of the provision. The claims to reimbursement recognized at December 31, 2024 amount to EUR 7.9 million (Dec. 31, 2023: EUR 6.7 million).

Provisions for personnel expenses

Provisions for personnel expenses primarily contain obligations arising from future variable and individual one-time payments, payments in connection with employee long-service anniversary bonuses, early retirement regulations and pre-retirement part-time work compensation. Provisions for virtual share-based remuneration programs are also presented under this item. These programs are long-term bonus systems for members of the Board of Management of Brenntag SE, on the one hand, and for executives and senior managers of the Brenntag Group, on the other.

Long-term virtual share-based remuneration programs for the members of the Board of Management and Long-Term Incentive Plans for Executives and Senior Managers (LTI Plans)

Details of the long-term, variable remuneration for the members of the Board of Management are provided in the section "Related parties".

For the period from 2013 to 2020, an LTI Plan was offered to a group of managers which is to be redefined every year by the Board of Management of Brenntag SE. The term of the program is divided into a one-year performance period and a general vesting period of three years. The total bonus pool amount available for one annual tranche of the LTI Plan basically depends on the change in operating EBITDA in the performance period; further amounts can be assigned to the bonus pool at the discretion of the Board of Management. Restrictions exist to the extent that the bonus pool may not exceed 0.675% of the actual operating EBITDA. On the basis of this bonus pool, the number of virtual shares is determined for each plan participant pro rata based on the average price of the Brenntag shares and the annual salary of the participant in relation to the total annual salaries of all participants. After expiry of the vesting period, the plan participants receive remuneration resulting from the virtual shares allocated multiplied by the average Brenntag share price, adjusted for dividends, capital transactions and stock splits. Payment per virtual share must not exceed 250% of the average share price, on the basis of which the number of virtual shares was determined.

In 2021, a further LTI Plan was set up for selected members of the Brenntag Group's Global Leadership Team (GLT). This special long-term incentive program is aimed at retaining GLT members and motivating them to ensure and share in the long-term success of "Project Brenntag" and therefore the Brenntag Group. These selected GLT members are conditionally entitled to bonus payments based on two components. The first component is dependent on the respective LTI target bonus and the achievement of a defined EBITDA target for financial year 2023. 50% of this is paid out in cash. The other 50% flows into the second component in the form of virtual shares in Brenntag SE. After a holding period of one year and depending on Brenntag SE's average share price performance in financial year 2024, a further cash payment will be made. Both components are recognized uniformly as a provision for share-based remuneration, even though the first component is to be regarded as other long-term employee benefits (IAS 19).

In 2024, a new LTI Plan was set up for selected executives and senior managers of the Brenntag Group. This comprises long-term variable remuneration in the form of virtual shares (performance share units). The number of virtual shares may increase or decrease, depending on Brenntag's long-term performance measured over a three-year performance period. The performance share plan is structured as follows:

The number of virtual shares initially awarded is calculated by dividing the individual and contractually agreed target amount by the arithmetic mean of the Brenntag share closing prices in the Xetra trading system during the last three months before the start of the performance period. If the service agreement begins or ends during a financial year, the target amount for that financial year is calculated on a pro rata temporis basis.

The number of virtual shares finally awarded to the plan member is linked to three financial performance criteria and, via an ESG multiplier, to ESG targets. The three financial performance criteria are Brenntag's total shareholder return (TSR) compared with a global peer group (weighting: 50%), return on capital employed (ROCE) (weighting: 25%) and organic operating EBITA (25%). The sum total of the weighted share awards for each performance criterion is multiplied by the achievement figure of specific ESG targets using an ESG multiplier that may be between 0.8 and 1.2. The resulting total share award is then multiplied by the number of virtual shares initially awarded, giving the number of virtual shares finally awarded to the plan member at the end of the three-year performance period. The number of virtual shares finally awarded is capped at 200%. The payout amount depends on Brenntag's absolute share price performance in the three-year performance period and is calculated by multiplying the number of virtual shares finally awarded by the arithmetic mean of the Brenntag share closing prices in the Xetra trading system during the last three months before the end of the performance period, plus dividend payments during the performance period. The payout amount is capped at a maximum of 250% of the individual and contractually agreed target amount (Cap).

Income of EUR 0.9 million was recognized within personnel expenses for the virtual share-based remuneration programs (2023: personnel expenses of EUR 19.5 million).

Provisions for share-based remuneration total EUR 21.1 million as at December 31, 2024 (Dec. 31, 2023: EUR 52.6 million) and disaggregate into the following maturities:

in EUR m	Dec. 31, 2024	Dec. 31, 2023
1 year or less	18.7	30.5
1 to 5 years	2.4	22.1
Total	**21.1**	**52.6**

3.68 Provisions for share-based remuneration

Miscellaneous provisions

Miscellaneous provisions primarily include provisions for compensation payable and for legal proceedings and disputes in the amount of EUR 162.4 million (Dec. 31, 2023: EUR 139.1 million).

Provisions for current and likely litigation are established in those cases where reasonable estimates are possible. These provisions contain all estimated legal costs as well as the possible settlement costs. The amounts are based on information and cost estimates provided by lawyers (for details, please see the section “Legal proceedings and disputes”).

26.) Provisions for pensions and other post-employment benefits

There are both defined contribution and defined benefit pension plans for the employees of the Brenntag Group. The pension obligations vary depending on the legal, tax and economic circumstances in the respective country and the employee’s years of service with the company and pay grade.

Defined contribution plans

A large number of the employees of the Brenntag Group will receive benefits from the statutory social insurance fund, into which the contributions are paid as part of their salary. In addition, various other pension fund commitments exist at the companies of the Brenntag Group. As the company has no further obligations after payment of the retirement pension contributions to the state social insurance fund and private insurance companies, these plans are treated as defined contribution plans. Current pension contribution payments are recognized as expense for the relevant period. In financial year 2024, pension expenses in the Brenntag Group for employer contributions to the statutory pension insurance fund and for non-statutory defined contribution plans amounted to a total of EUR 116.6 million (2023: EUR 115.7 million).

In the USA, subsidiaries of the Brenntag Group pay into defined benefit plans maintained by more than one employer (termed multi-employer plans). These multi-employer defined benefit plans are accounted for in the consolidated financial statements as defined contribution plans because the information required to use defined benefit accounting is not available in a timely manner and in sufficient detail. Furthermore, there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual participating employers, which is necessary for accounting for defined benefit plans in accordance with IAS 19.

If other participating employers do not meet their payment obligations, Brenntag may be liable for the obligations of those employers. Any potential withdrawal from the plans by an entity may lead to that entity having to offset the potential shortfall relating to its share of the plan. The funding level of the individual plans ranged from about 15% to 100% as at December 31, 2024 (about 14% to 99% as at December 31, 2023). Brenntag Group subsidiaries account for approximately 0.05% to 2.39% of the total contributions (2023: approximately 0.06% to 1.4%), depending on the plan. Withdrawal from all plans at the present time would lead to an estimated one-time expense of approximately EUR 49 million or approximately USD 53 million (2023: approximately EUR 49 million or approximately USD 53 million). It is not intended to withdraw from any of these plans at this time.

In financial year 2024, contributions of EUR 2.9 million or USD 3.1 million (2023: EUR 2.8 million or USD 3.0 million) were paid. The contributions are included in the above-mentioned contributions for non-statutory defined contribution plans. In 2025, the contributions are expected to amount to approximately EUR 2.9 million.

Defined benefit plans

The defined benefit plans of the Brenntag Group are funded by provisions and largely covered by assets. The principal obligations (over 90% of the total volume) are in Switzerland, Germany, Canada and the Netherlands. The remaining obligations are spread over another eleven countries in the EMEA, Latin America and Asia Pacific segments.

Switzerland

In Switzerland, every employer is obliged by national law to set up a company retirement pension scheme. When determining the pension benefits, the minimum requirements of the Federal Law on Occupational Retirement, Surviving Dependents' and Disability Pensions (Bundesgesetz über die beruflichen Alters-, Hinterlassenen- und Invalidenvorsorge (BVG)) and the corresponding regulations are required to be observed.

The Swiss group company maintains a funded pension plan for its employees. The assets of this plan are held in two autonomous foundations. The foundation board is made up of equal numbers of employer and employee representatives. It is responsible for setting the investment strategy, for changes in the plan rules and in particular also for determining the financing of the pension benefits.

The pension benefits are based on the retirement assets accrued. The annual retirement credits and interest are credited to these retirement assets. On retirement, the insured person is obliged to take 30% of the accrued retirement assets in the form of a lump-sum payment and may choose whether to take the remaining 70% of the accrued retirement assets in the form of a life-long pension or another lump-sum payment. In addition to the retirement benefits, the pension benefits also include disability and surviving dependents' pensions. The insured person may also dispose of parts of their accrued retirement assets prematurely if this serves to improve their pension situation (for owner-occupied residential property). If there is a change of employer, the retirement assets are transferred to the pension scheme of the new employer.

The employee and employer contributions are set by the foundation board. According to the BVG, the employer pays at least 50% of the necessary contributions. In the case of Brenntag Schweizerhall AG, the employer pays some 70% of the contributions in accordance with the rules of the plan.

As the contributions to the pension plan that the employees in Switzerland pay are based on formal rules, the risk distribution between employee and employer is taken into account when measuring the obligation. In the case of Brenntag Schweizerhall AG, this leads to an only minor reduction in the present value of the benefit obligation.

Germany

The German group companies have retirement pension plans which are based on contractual provisions or works agreements.

The Employee Pension Plan 2000/2012 (Mitarbeiter Vorsorgeplan 2000/2012) is a pension plan funded by the employer. The employer awards an annual pension contribution of between EUR 250 and EUR 500 depending on length of service, which is converted into pension modules. The amount of the benefits depends on the pension modules accrued before retirement.

The Pension Scheme 2000/2012 for Executives (Leistungsordnung 2000/2012 für Führungskräfte) of the German Brenntag companies is a pension plan for executives funded by the employer in the form of individual commitments. The annual pension contribution depends on the pensionable remuneration (basis of assessment). The annual basis of assessment is the sum total of the fixed remuneration, Christmas and vacation allowances and bonuses but no more than three times the contribution assessment limit for the statutory pension system. The pension contribution is a maximum of 4% of the basis of assessment up to the contribution assessment limit plus a maximum of 10% for parts exceeding the contribution assessment limit. The annual pension contributions are converted into pension modules. The amount of the benefits depends on the pension modules accrued before retirement.

All employees have the option to convert pay components into an entitlement to pension benefits within the meaning of the German Company Pension Act (Betriebsrentengesetz (BetrAVG)) by participating in the Pension Plan Through Employee-funded Pension Commitments (Vorsorgeplan über mitarbeiterfinanzierte Versorgungszusagen). The annual pension contribution for participating employees is between at least EUR 250 and a maximum of 4% of the contribution assessment limit for the statutory pension system (Section 1a

BetrAVG). The company also pays an additional pension allowance of 15% to the converted amount provided that the pension contribution comes from remuneration subject to statutory pension insurance contributions. Furthermore, through the Deferred Compensation Plan (DCP), employees have the option to convert pay components into an entitlement to pension benefits. The converted employee contributions are protected by pension liability insurance pledged to the employee who is entitled to the pension. With both employee-funded plans, the employees must decide every year on the pension contribution they wish to make.

In addition to the retirement benefits, the pension benefits also include surviving dependents' pensions and – except in the case of the Deferred Compensation Plan (DCP) – disability benefits.

The Pension Scheme 2000/2012 for Executives (Leistungsordnung 2000/2012 für Führungskräfte) is a pure retirement pension plan with a monthly life-long pension. With the other pension plans, the pension benefit is paid out as a lump sum or as an annual capital instalment spread over a maximum of five years or as a life-long pension.

Furthermore, in Germany, Brenntag still has isolated retirement and disability pension commitments under pension plans set up in the past. These commitments depend on the years of service and the pay grades of the respective employees. They are mainly commitments involving monthly pension payments.

Canada

In Canada, Brenntag maintains an employer-funded pension plan with a life-long monthly pension for employees who joined the company before December 31, 2011. The basis of assessment for calculating the annual pension is 1% of the average salary of the three highest annual salaries of the beneficiary multiplied by the number of years of service. In addition to the retirement benefits, the pension benefits include disability and surviving dependents' pensions.

The plan participants in the employer-funded pension plan who are under 50 or who have less than 15 years of service or less than 55 points (sum of age and years of service) must pay into a defined contribution plan newly set up in 2014 in order to continue to build up their retirement pension. Employer and employee pay equal portions of the contributions. The entitlements accrued up to the date of transition remain in place.

For employees in Canada who joined the company up to and including May 31, 2013, there is an employer-funded supplementary medical cost plan in retirement as well as a life insurance payout of CAD 5,000 on retirement. As this plan has the characteristics of a pension, it is classified under pensions and other post-employment benefits.

Netherlands

Company pension systems play a prominent role in the Netherlands as the pay-as-you-go statutory pension scheme only provides a basic pension.

The companies maintain a funded retirement plan for their employees. When there is a change of employer, the credit balance from the plan assets can be transferred to the pension scheme of the new employer or remains in the previous company's pension scheme. About 20% of the retirement pension plan is funded by the employee and about 80% by the employer. Depending on the employer's commitment, the basis of assessment for calculating the annual pension is the last salary before the employee reaches retirement age or the average salary over the employee's active career before reaching retirement age. The amount calculated from the basis of assessment is multiplied by the years of service. The retirement pension plan is a pure pension plan with a life-long monthly pension. In addition to the retirement benefits, the pension benefits include disability and surviving dependents' pensions.

Risks arising from defined benefit pension plans

Brenntag is exposed to risks arising from the plans. An increase in life expectancy, an increase in salaries and the adjustment of pensions in line with inflation as required by law in Germany, or an increase in medical costs in Canada, would lead to higher cash outflows and, in combination with falling discount rates, in each case to higher present values of the defined benefit obligation. There is investment risk in Switzerland primarily with regard to the proportion of the plan assets invested in shares. There is no investment risk in Germany or the Netherlands as the plan assets consist solely of insurance policies. In Canada, the plan assets consisting of external fund shares are in principle exposed to investment risk. In order to minimize this risk, the plan assets in Canada are subject by law to an audit every three years to establish whether the assets invested are sufficient to fund the pension obligations.

Actuarial parameters applied
The plan assets are measured at fair value. The calculation of the present value of the benefit obligations is based on the following main actuarial parameters. When several countries are grouped together, the values are average values weighted by the present value of the respective benefit obligation:

in %		Switzerland	Germany	Canada	Netherlands	Other countries	**Weighted**
Discount rate	**2024**	**0.95**	**3.40**	**4.70**	**3.40**	**4.11**	**2.85**
	2023	1.50	3.20	4.70	3.20	4.35	2.98
Expected salary trend	**2024**	**1.35**	**2.50**	**3.25**	**2.00**	**3.93**	**2.27**
	2023	1.50	2.50	3.25	2.00	3.91	2.33
Expected pension trend	**2024**	**0.35**	**2.00**	**2.00**	**2.00**	**2.61**	**1.51**
	2023	0.50	2.00	2.00	2.00	2.52	1.57
Medical cost trend	**2024**			**5.21**			**5.21**
	2023			5.27			5.27

3.69 Actuarial parameters applied

As inflation has actually been much higher since the last pension adjustment dates, for pensioners in Germany for whom adjustments are made in line with the changes in the consumer price index, an additional valuation premium of 2.32% (Dec. 31, 2023: 5.43%) is included for the above-average pension adjustments for the coming years that have accrued but not yet been made. The effects of applying the premium to reflect the pension adjustment status amounted to EUR 0.2 million as at December 31, 2024 (Dec. 31, 2023: EUR 0.9 million).

With respect to life expectancy, the Heubeck 2018 G mortality tables (generational tables) are taken as a basis in Germany. The BVG 2020 generational mortality tables are used in Switzerland. We use the “Prognosetafel AG2024” (2023: “Prognosetafel AG2022”) table in the Netherlands and the “CPM-2014Priv generational mortality table” in Canada.

Provisions for pensions and other post-employment benefits by country

in EUR m	Switzerland	Germany	Canada	Netherlands	Other countries	Dec. 31, 2024
Present value of the defined benefit obligation	124.7	124.4	57.5	53.2	26.6	386.4
Fair value of plan assets	–134.7	–26.4	–52.2	–47.9	–5.5	–266.7
Effect of the asset ceiling	10.0	–	–	–	–	10.0
Provisions for pensions and other post-employment benefits – net	**–**	**98.0**	**5.3**	**5.3**	**21.1**	**129.7**
of which assets recognized	–	–	5.4	–	–	5.4
Provisions for pensions and other post-employment benefits recognized in the balance sheet	**–**	**98.0**	**10.7**	**5.3**	**21.1**	**135.1**

3.70 Provisions for pensions and other post-employment benefits by country / Dec. 31, 2024

in EUR m	Switzerland	Germany	Canada	Netherlands	Other countries	Dec. 31, 2023
Present value of the defined benefit obligation	117.6	124.7	57.6	53.8	26.1	379.8
Fair value of plan assets	–132.3	–26.7	–53.5	–48.5	–5.9	–266.9
Effect of asset ceiling	14.7	–	–	–	–	14.7
Provisions for pensions and other post-employment benefits – net	**–**	**98.0**	**4.1**	**5.3**	**20.2**	**127.6**
of which assets recognized	–	–	6.4	–	–	6.4
Provisions for pensions and other post-employment benefits recognized in the balance sheet	**–**	**98.0**	**10.5**	**5.3**	**20.2**	**134.0**

3.71 Provisions for pensions and other post-employment benefits by country / Dec. 31, 2023

Pension obligations, plan assets and provisions for pensions and other post-employment benefits recognized in the balance sheet changed as follows:

Change in the present value of the defined benefit obligations

in EUR m	2024	2023
Present value of pension obligations at the beginning of the period	379.8	344.2
Exchange rate differences	–2.4	5.6
Business combinations	1.8	2.3
Transfers	–1.1	–
Utilized	–15.4	–14.4
Service cost		
Current service cost	10.3	9.0
Past service cost	–0.1	–0.3
Employee contributions	1.7	1.7
Interest expense on the present value of the obligation	10.8	12.0
Settlements	–0.1	–
Remeasurement components		
Change in economic assumptions	2.5	25.8
Change in demographic assumptions	–	–0.8
Experience adjustments	–1.4	–5.3
Present value of pension obligations at the end of the period	**386.4**	**379.8**

3.72 Change in the present value of the defined benefit obligations

The present value of pension obligations totaling EUR 386.4 million (Dec. 31, 2023: EUR 379.8 million) includes pension obligations for members of the Board of Management amounting to EUR 0.0 million (Dec. 31, 2023: EUR 1.8 million) and for former members of the Board of Management amounting to EUR 8.0 million (Dec. 31, 2023: EUR 8.5 million).

The increase in pension obligations attributable to the change in economic assumptions of EUR 2.5 million is due mainly to the discount rates being slightly lower than at December 31, 2023 in all currency areas, whilst a slightly higher discount rate in the euro zone has an opposite effect. The rates can be found in the table “Actuarial parameters applied”.

Change in the fair value of plan assets

in EUR m	2024	2023
Fair value of plan assets at the beginning of the period	266.9	248.7
Exchange rate differences	–3.0	6.8
Transfers	–0.8	–
Utilized	–10.1	–10.4
Employer contributions	6.0	7.0
Administrative costs for plan assets	–0.4	–0.6
Employee contributions	1.7	1.7
Interest income on plan assets	6.7	7.9
Settlements	–0.2	–
Remeasurement components	–0.1	5.8
Fair value of plan assets at the end of the period	**266.7**	**266.9**

3.73 Change in the fair value of plan assets

Change in the effect of the asset ceiling

in EUR m	2024	2023
Asset ceiling at the beginning of the period	14.7	18.3
Exchange rate differences	–0.2	0.9
Remeasurement components	–4.5	–4.5
Asset ceiling at the end of the period	**10.0**	**14.7**

3.74 Change in the effect of the asset ceiling

The asset ceiling is the result of a surplus in the plans in Switzerland, which does not give rise to any economic benefits in the form of refunds or reductions in future contributions.

Change in provisions for pensions and other post-employment benefits recognized in the balance sheet

in EUR m	2024	2023
Provisions for pensions and other post-employment benefits at the beginning of the period	127.6	113.8
Exchange rate differences	0.4	–0.4
Business combinations	1.8	2.3
Transfers	–0.3	–
Utilized	–5.3	–4.0
Employer contributions	–6.0	–7.0
Current service cost	10.3	9.0
Past service cost	–0.1	–0.3
Administrative costs for plan assets	0.4	0.6
Net interest expense	4.1	4.1
Settlements	0.1	–
Remeasurement components	–3.3	9.5
Provisions for pensions and other post-employment benefits at the end of the period – net	**129.7**	**127.6**
of which assets recognized	5.4	6.4
Provisions for pensions and other post-employment benefits recognized in the balance sheet at the end of the period	**135.1**	**134.0**

3.75 Change in provisions for pensions and other post-employment benefits recognized in the balance sheet

Recognized provisions for pensions include EUR 10.7 million (Dec. 31, 2023: EUR 10.6 million) for the supplemental medical cost plan in Canada. Pension costs recognized in the income statement for obligations under defined benefit plans total EUR 14.7 million (2023: EUR 13.4 million). Net interest expense is presented within net finance costs. Current service cost and administrative costs for plan assets are presented within personnel expenses, where the amounts of past service cost and the amounts from settlements are also recognized.

The present values of the defined benefit obligations break down as follows into active members, former employees with vested rights and pensioners, split according to the payout method, resulting in the following weighted average duration of the defined benefit obligations:

in EUR m	2024	2023
Present value of the pension obligations funded by plan assets, of which:	**277.8**	**273.0**
Active members with lump-sum payment	15.5	15.9
Active members with monthly pension	97.8	96.3
Active members with option to choose	10.3	15.2
Former employees with vested rights to lump-sum payment	9.7	9.8
Former employees with vested rights to monthly pension	3.2	3.1
Former employees with vested rights with option to choose	14.9	15.9
Pensioners with monthly pension	126.4	116.8
Present value of the pension obligations not funded by plan assets, of which:	**97.9**	**96.2**
Active members with lump-sum payment	29.5	27.7
Active members with monthly pension	15.5	19.2
Former employees with vested rights to lump-sum payment	8.5	8.1
Former employees with vested rights to monthly pension	10.8	9.8
Pensioners with monthly pension	33.6	31.4
Medical cost plan	**10.7**	**10.6**
Present value of the pension obligations at the end of the period	**386.4**	**379.8**
Weighted average duration of the pension obligations in years	**14**	**14**

3.76 Breakdown of the present values of defined benefit obligations by members

The pension payments to be made by the company directly amount to EUR 5.3 million in 2024 (2023: EUR 4.0 million). From a present perspective, the cash outflow resulting from pension payments made by the company directly will remain at a level of EUR 5 to 6 million over the long term. The pension payments expected to be made by the company directly in 2025 total EUR 5.9 million.

The fair value of the plan assets disaggregates into the following asset classes:

in EUR m	Switzerland	Germany	Canada	Netherlands	Other countries	Dec. 31, 2024
Shares	22.0	–	8.0	–	4.5	34.5
Fixed-interest securities	14.2	–	43.8	–	0.7	58.7
Insurance policies	98.6	26.4	–	47.9	0.2	173.1
Cash and cash equivalents	–	–	0.4	–	–	0.4
Fair value of plan assets	**134.8**	**26.4**	**52.2**	**47.9**	**5.4**	**266.7**

3.77 Fair value of the plan assets by asset class / Dec. 31, 2024

in EUR m	Switzerland	Germany	Canada	Netherlands	Other countries	Dec. 31, 2023
Shares	20.8	–	8.1	–	4.3	33.2
Fixed-interest securities	13.6	–	44.8	–	0.7	59.1
Insurance policies	97.9	26.7	–	48.5	0.9	174.0
Cash and cash equivalents	–	–	0.6	–	–	0.6
Fair value of plan assets	**132.3**	**26.7**	**53.5**	**48.5**	**5.9**	**266.9**

3.78 Fair value of the plan assets by asset class / Dec. 31, 2023

The plan assets are solely for fulfilling the defined benefit obligations and constitute protection for pension entitlements, which is a legal requirement in some countries and is voluntary in other countries.

The structure of the plan assets is reviewed at regular intervals. All assets, which, in Brenntag's case, mainly consist of insurance policies, are tailored long-term to the amount and maturity of the pension commitments, taking investment risks and statutory regulations governing the investment of retirement assets into account.

Owing to the composition of the plan assets, investment risk at Brenntag is limited to securities traded in active markets (shares and fixed-interest securities). This part (2024: 34.9% of plan assets; 2023: 34.6% of plan assets) is subject to market fluctuations. All other assets are not traded in an active market.

The annual payments made into the plan assets, which, according to the plan rules, consist almost exclusively of obligatory payments, amount to EUR 6.0 million (2023: EUR 7.0 million). From a present perspective, the cash outflow resulting from contributions made by the company will remain at a level of EUR 6 million to EUR 7 million over the long term. Payments into plan assets for financial year 2025 are expected to total EUR 7.4 million.

The sensitivity analysis of the present value of the defined benefit obligation takes into account in each case the change in an assumption and the resulting effects on the defined benefit obligations, the other assumptions remaining the same as in the original calculation.

in EUR m	2024	2023
Discount rate		
Increase by 0.5 percentage points	–27.2	–22.5
Decrease by 0.5 percentage points	29.7	25.2
Expected salary trend		
Increase by 0.5 percentage points	4.5	1.8
Decrease by 0.5 percentage points	–4.3	–1.7
Expected pension trend		
Increase by 0.5 percentage points	11.3	10.9
Decrease by 0.5 percentage points	–10.7	–10.4
Medical cost trend		
Increase by 0.5 percentage points	0.7	0.7
Decrease by 0.5 percentage points	–0.7	–0.7

3.79 Sensitivity analysis of the present value of the defined benefit obligation

A 10% decrease in the mortality rates leads to an increase in life expectancy, depending on the individual age of each beneficiary. That means, for example, that the life expectancy of a 63-year-old employee as at December 31, 2024 increases by about one year. In order to determine the sensitivity of longevity, the mortality rates for the beneficiaries were reduced by 10%. If the mortality rates decreased by 10%, the present value of the defined benefit obligation would increase by EUR 9.8 million (2023: EUR 9.5 million).

27.) Liabilities relating to acquisition of non-controlling interests

Liabilities relating to the acquisition of non-controlling interests break down as follows:

in EUR m	Dec. 31, 2024	Dec. 31, 2023
Liabilities relating to acquisition of non-controlling interests	62.4	115.0
Liabilities arising from limited partners' rights to repayment of contributions	2.1	2.4
Total	**64.5**	**117.4**

3.80 Liabilities relating to acquisition of non-controlling interests

Liabilities relating to the acquisition of non-controlling interests consist mainly of liabilities of EUR 24.7 million (Dec. 31, 2023: EUR 36.2 million) relating to the acquisition of the remaining 30% of the shares in Shanghai Saifu Chemical Development Co., Ltd., which was acquired in financial year 2023. The remaining 33% of the shares in Zhongbai Xingye Food Technology (Beijing) Co., Ltd were acquired in the financial year.

EUR 24.7 million (Dec. 31, 2023: EUR 93.6 million) of liabilities relating to the acquisition of non-controlling interests have been included in net investment hedge accounting. Exchange rate-related changes in the liabilities included in net investment hedge accounting are recognized within equity in the net investment hedge reserve. Of the liabilities relating to the acquisition of non-controlling interests, EUR 0.0 million (Dec. 31, 2023: EUR 57.4 million) are current.

The effects of the change in liabilities relating to the acquisition of non-controlling interests recognized in profit or loss are presented in Note 7.).

28.) Equity

Capital management

The aim of capital management at Brenntag is to optimally deploy the resources used to ensure the company's continued existence and, at the same time, to generate a reasonable return on capital – measured by ROCE – for the shareholders in line with market conditions.

In 2024, the Group generated ROCE of 15.6% (2023: 18.9%).

in EUR m	2024	2023
Operating EBITA	1,101.9	1,265.0
Average carrying amount of equity	4,499.1	4,499.5
Average carrying amount of financial liabilities and lease liabilities	3,211.1	2,921.8
Average carrying amount of cash and cash equivalents	–648.4	–727.7
ROCE[1]	**15.6%**	**18.9%**
ROCE[1] after special items	**14.0%**	**17.7%**

3.81 Determination of ROCE

[1] ROCE stands for return on capital employed and is defined as EBITA / (the average carrying amount of equity plus the average carrying amount of financial liabilities less the average carrying amount of cash and cash equivalents). The average carrying amounts in the denominator are defined for a particular year as the arithmetic average of the amounts at each of the following five dates: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year.

Brenntag monitors the appropriateness of borrowings inter alia through the ratio of net financial liabilities to operating EBITDA (leverage). Brenntag generally considers leverage of approximately 2x to be appropriate. At 1.9x as at December 31, 2024, the ratio was slightly below the target level. The increase compared with the prior-year ratio (1.4x) is due mainly to the EUR 303.2 million dividend payment in financial year 2024 as well as to payments for acquisitions.

in EUR m	2024	2023
Non-current financial liabilities and lease liabilities	2,606.9	2,201.0
Current financial liabilities and lease liabilities	949.4	562.7
Cash and cash equivalents	–763.3	–576.9
Net financial liabilities	2,793.0	2,186.8
Operating EBITDA	1,456.8	1,584.6
Net financial liabilities / operating EBITDA	**1.9x**	**1.4x**

3.82 Net financial liabilities/operating EBITDA

Share buyback program

In March 2023, Brenntag launched a share buyback program of up to EUR 750 million. The first tranche of the share buyback program, in the amount of EUR 500 million, was completed in October 2023, the share capital was reduced by a nominal amount of around EUR 7 million by canceling the shares and the excess amount was eliminated against additional paid-in capital. The company's share capital therefore amounted to around EUR 147.5 million as at December 31, 2023. In the course of the second tranche in the first quarter of 2024, a further 3.1 million Brenntag SE shares were acquired on the stock market for a total purchase price of around EUR 250 million. As set out in Article 4, para. 2 lit. (b) of Commission Delegated Regulation (EU) 2016/1052, the buyback program was lead-managed by a credit institution engaged by Brenntag SE which made its trading decisions concerning the timing of the purchases of the shares independently of Brenntag. The share capital was reduced by a nominal amount of EUR 3.1 million by canceling the shares and the excess amount was eliminated against additional paid-in capital. The company's share capital therefore amounted to around EUR 144.4 million as at December 31, 2024.

Subscribed capital

As at December 31, 2024, the subscribed capital of Brenntag SE totaled EUR 144,385,372. The share capital is divided into 144,385,372 no-par value registered shares, each with a notional value of EUR 1.00.

According to article 7, para. 3 of the Articles of Association of Brenntag SE, any right of shareholders to certification of their shares is excluded to the extent permitted by law and that certification is not required under the rules of any stock exchange on which the share is admitted to trading. The company is entitled to issue share certificates embodying several shares (consolidated certificates). Pursuant to Section 67, para. 2 of the German Stock Corporation Act (AktG) in conjunction with Article 9, para. 1 (c) (ii) of Council Regulation (EC) No 2157/2001 on the Statute for a European company ("the SE Regulation"), only those persons recorded in the company's share register will be recognized as shareholders of Brenntag SE. For purposes of recording the shares in the company's share register, shareholders are required to submit to Brenntag SE the number of shares held by them, and, in the case of individuals, their name, address and date of birth, or in the case of legal entities, their company name, business address and registered offices. All shares confer the same rights and obligations. At the Annual General Meeting, each share has one vote and accounts for the shareholders' proportionate share in the net income of Brenntag SE. Excepted from this rule are any treasury shares held by Brenntag SE that do not entitle Brenntag SE to any membership rights. Brenntag SE does not currently have any treasury shares. The shareholders' rights and obligations are governed by the provisions of the German Stock Corporation Act (which apply to an SE as a European stock corporation by way of the reference to other relevant provisions contained in Article 9 of the SE Regulation), in particular by Sections 12, 53a ff., 118 ff. and 186 of the German Stock Corporation Act.

Additional paid-in capital

The additional paid-in capital amounted to EUR 1,002.2 million as at December 31, 2024 (Dec. 31, 2023: EUR 1,491.4 million).

Retained earnings

Retained earnings include cumulative profit after tax and the remeasurement component of the defined benefit pension plans including deferred taxes. Transactions with owners are also recognized here. The latter are effects of share purchases and sales which have no influence on existing control and are recognized in retained earnings.

As proposed by the Board of Management and the Supervisory Board, the Annual General Meeting of Brenntag SE on May 23, 2024 passed a resolution to pay a dividend of EUR 303,209,281.20 (2023: EUR 304,700,000.00). Based on 144.4 million shares, that is a dividend of EUR 2.10 (2023: EUR 2.00) per no-par value share entitled to a dividend.

At the Annual General Meeting on May 22, 2025, the Board of Management and the Supervisory Board will propose that the distributable profit of Brenntag SE amounting to EUR 303,209,281.20 be used to pay a dividend of EUR 2.10 per no-par value share entitled to a dividend.

Other components of equity / Non-controlling interests

Exchange rate differences include the inflation effect on equity of EUR 9.1 million in financial year 2024 (2023: EUR 18.3 million) arising on the application of IAS 29 (hyperinflation) in Turkey.

Other components of equity comprise the cumulative gain/loss from exchange rate differences, the net investment hedge reserve and the cash flow hedge reserve.

The cumulative gain/loss from exchange rate differences contains the differences from the translation of the financial statements of foreign companies into the Group currency (euro), which are recognized in other comprehensive income. The foreign exchange gains of EUR 161.5 million recognized here in financial year 2024 (2023: foreign exchange losses of EUR 98.5 million) resulted primarily from the appreciation of the US dollar against the euro.

Exchange rate differences from liabilities included in net investment hedge accounting are recognized within equity in the net investment hedge reserve.

The cash flow hedge reserve contains the effective portion of the cumulative fair value changes in derivative financial instruments included in cash flow hedge accounting.

Non-controlling interests comprise the shares of non-Group shareholders in the equity of consolidated entities. Non-controlling interests changed as follows:

in EUR m	Subscribed capital, retained earnings and additional paid-in capital	Exchange rate differences	Non-controlling interests
Dec. 31, 2022	**50.8**	**–0.6**	**50.2**
Dividends	–2.0	–	–2.0
Business combinations	16.2	–	16.2
Transactions with owners	–17.4	3.0	–14.4
Profit after tax	6.2	–	6.2
Other comprehensive income, net of tax	–	–4.2	–4.2
Total comprehensive income for the period	**6.2**	**–4.2**	**2.0**
Dec. 31, 2023	**53.8**	**–1.8**	**52.0**
Dividends	–1.8	–	–1.8
Business combinations	–2.4	–	–2.4
Transactions with owners	–21.8	1.3	–20.5
Profit after tax	7.5	–	7.5
Other comprehensive income, net of tax	–	0.5	0.5
Total comprehensive income for the period	**7.5**	**0.5**	**8.0**
Dec. 31, 2024	**35.3**	**–**	**35.3**

3.83 Change in non-controlling interests

Non-controlling interests consist mainly of non-controlling interests in Shanghai Saifu Chemical Development Co., Ltd (30%). Non-controlling interests decreased by EUR 20.5 million due to the acquisition of the remaining shares in Zhongbai Xingye (33%) at the end of financial year 2024.

The assets, liabilities, sales and profit after tax (100%) are shown below:

in EUR m	Saifu
Assets	
Current assets	34.7
Non-current assets	60.3
Liabilities	
Current liabilities	7.4
Non-current liabilities	8.6
Net assets	**79.0**
Income statement	
Sales	63.4
Profit after tax	2.3

3.84 Subsidiaries with non-controlling interests / 2024

in EUR m	Zhongbai Xingye	Saifu
Assets		
Current assets	124.7	28.8
Non-current assets	5.1	40.6
Liabilities		
Current liabilities	81.1	6.4
Non-current liabilities	3.3	10.1
Net assets	**45.4**	**52.9**
Income statement		
Sales	219.5	17.9
Profit after tax	6.9	–0.7

3.85 Subsidiaries with non-controlling interests / 2023

Powers of the Board of Management to issue or repurchase shares

Authorization to create authorized capital

By resolution of the Annual General Meeting on June 9, 2022, the Board of Management was authorized, with the approval of the Supervisory Board, to increase the share capital of Brenntag SE on one or more occasions in the period to June 8, 2027 by a total of up to EUR 35,000,000 by issuing up to 35,000,000 new registered ordinary shares in return for cash contributions or contributions in kind. The shareholders shall generally be granted a subscription right. However, in certain cases the Board of Management is authorized, with the approval of the Supervisory Board, to exclude the shareholders' statutory subscription rights for one or more capital increases under the authorized capital. This shall apply, for example, if the capital increase is effected against cash contributions and the issue price of the new shares is not significantly lower than the stock market price of the shares of the same class and carrying the same rights already traded on the stock market at the time of final determination of the issue price within the meaning of Section 203, para. 1 and para. 2 and Section 186, para. 3, sentence 4 of the German Stock Corporation Act and the total pro rata amount of registered share capital represented by the new shares issued in accordance with this paragraph with exclusion of subscription rights pursuant to Section 186, para. 3, sentence 4 of the German Stock Corporation Act is not less than 10% of the registered share capital (simplified exclusion of subscription rights). The 10% threshold will be determined based on the share capital at the time the authorization becomes effective. If the share capital is lower at the time this authorization is exercised, that lower amount will apply.

The Board of Management shall decide on the further content of the share rights and the conditions of the issuance of shares with the approval of the Supervisory Board.

Authorization to acquire and use treasury shares in accordance with Section 71, para. 1, no. 8 of the German Stock Corporation Act

By resolution of the Annual General Meeting on May 23, 2024, the Board of Management was authorized, with the approval of the Supervisory Board, to acquire treasury shares up to a total of 10% of the share capital. The shares acquired on the basis of this authorization, together with other shares in the company which Brenntag SE has already acquired and still holds, may at no time account for more than 10% of the respective registered share capital. The authorization may be exercised in whole or in part, once or several times. It took effect at the close of the Annual General Meeting on May 23, 2024 and shall be valid until May 22, 2029. If the shares are purchased on the stock exchange or through a multilateral trading facility within the meaning of Section 2, para. 6 of the German Stock Exchange Act (MTF), the purchase price (excluding incidental costs) may not be more than 10% higher or lower than the arithmetic mean of the share prices (closing auction prices of Brenntag SE shares in Xetra trading or a comparable successor system) on the Frankfurt Stock Exchange on the last five trading days prior to the purchase or the entering into an obligation to purchase. In the case of acquisition by means of a public purchase offer, Brenntag SE may either publish a formal offer or issue a public invitation to submit offers for sale. The purchase price offered (excluding incidental costs) or the limits of the purchase price range per share determined by Brenntag SE (excluding incidental costs) may not exceed or fall below the arithmetic mean of the share prices on the Frankfurt Stock Exchange on the last five trading days prior to the publication of the purchase offer or the invitation to submit offers by more than 10%. The authorization may be exercised for any purpose permitted by law. The Board of Management was authorized, with the approval of the Supervisory Board, to cancel the treasury shares acquired on the basis of the authorization pursuant to Section 71, para. 1, no. 8 of the German Stock Corporation Act without any further resolution by the Annual General Meeting. The cancelation may be limited to a portion of the shares acquired. The authorization to cancel shares may be exercised more than once. The cancelation of shares generally leads to a reduction in registered share capital. In derogation of this, the Board of Management may determine that the registered share capital shall remain unchanged and that instead the cancelation shall increase the proportion of the registered share capital represented by the remaining shares in accordance with Section 8, para. 3 of the German Stock Corporation Act. In this case, the Board of Management is authorized to adjust the indication of the corresponding number in the Articles of Association. Treasury shares may, under certain circumstances, also be used subject to exclusion of the shareholders' subscription rights existing in principle and in particular by way of simplified exclusion of subscription rights as specified above.

On March 7, 2023, the Board of Management of Brenntag SE resolved on a share buyback program of up to EUR 750 million with the approval of the Supervisory Board and exercising the authorization granted at the Annual General Meeting held on June 9, 2022. In the course of the second tranche in the period to March 6, 2024, Brenntag SE acquired 3,068,465 no-par value shares, each with a notional value of EUR 1.00 (EUR 249,999,944.46 in total). The shares were acquired on the electronic trading platform of the Frankfurt Stock Exchange (Xetra). Exercising the above-mentioned authorization to cancel treasury shares acquired pursuant to Section 71, para. 1, no. 8 of the German Stock Corporation Act, the company's share capital was reduced from EUR 147,453,837.00 – by EUR 3,068,465 – by canceling 3,068,465 no-par value registered shares, each with a notional value of EUR 1.00, which the company acquired in the period to March 6, 2024. The 3,068,465 no-par value shares held by the company and acquired under the share buyback program were canceled.

Authorization to issue bonds and to create conditional capital

By resolution of the Annual General Meeting on June 9, 2022, the Board of Management was authorized ("Authorization 2022"), with the approval of the Supervisory Board, to issue holder or registered convertible bonds or bonds with warrants as well as profit participation rights or profit participating bonds with option or conversion rights on one or more occasions up to June 8, 2027 for a total nominal amount of up to EUR 2,000,000,000 with or without limited term ("Bonds") and to grant the holders or creditors of the Bonds option or conversion rights to up to 15,450,000 new Brenntag SE shares with a pro rata total amount of the registered share capital of up to EUR 15,450,000 in accordance with the respective option or convertible bond conditions or profit participation right or participating bond conditions ("Conditions") to be determined by the Board of Management. In order to grant shares to the holders or creditors of Bonds, the registered share capital was conditionally increased at the Annual General Meeting on June 9, 2022 by up to 15,450,000 no-par value registered shares conferring profit-sharing rights from the beginning of the financial year in which they were issued ("Conditional Capital 2022"); this equates to an increase in the registered share capital of up to EUR 15,450,000. The Bonds may, in addition to euros, also be issued in a foreign legal currency, subject to a limit of the corresponding equivalent value in euros, and by companies dependent on Brenntag SE or in which it holds a majority interest; in this case, the Board of Management was authorized, with the approval of the Supervisory Board, to assume the guarantee for the Bonds on behalf of Brenntag SE and to grant the holders of such Bonds option or conversion rights to Brenntag SE shares and to make other declarations and take other actions necessary for a successful issue. The issues of Bonds may be divided into partial Bonds each having equal rights. Bonds may only be issued against contribution in kind, provided that the value of the contribution in kind corresponds to the issue price and that this price is not significantly lower than the theoretical market value of the Bonds determined in accordance with recognized methods of financial mathematics. The Board of Management is authorized, under certain circumstances and with the approval of the Supervisory Board, to exclude shareholders' subscription rights to the Bonds. However, with regard to the exclusion of subscription rights against cash payment, this authorization shall apply only provided that the shares issued to fulfil the option or conversion rights and/or in the case of fulfilment of the conversion obligation represent no more than 10% of the registered share capital (simplified exclusion of subscription rights). The 10% threshold will be determined based on the share capital at the time the authorization becomes effective. If the share capital is lower at the time this authorization is exercised, that lower amount will apply.

When convertible bonds, profit participation rights or profit participating bonds with conversion rights are issued, the holders are granted the right to exchange their Bonds for new Brenntag SE shares in accordance with the more detailed Conditions.

When bonds with warrants, profit participation rights or profit participating bonds with option rights are issued, one or more warrants shall be attached to each partial bond or each profit participation right or each participating bond, entitling the holder to subscribe for Brenntag SE shares in accordance with the more detailed Conditions.

New shares are issued at the option or conversion price to be set in accordance with the aforementioned resolution granting authorization.

29.) Consolidated cash flow statement disclosures

Net cash provided by operating activities of EUR 906.6 million (2023: EUR 1,663.9 million) was influenced by the increase in working capital of EUR 45.8 million (2023: decrease of EUR 608.7 million).

Of the net cash of EUR 749.0 million used in investing activities (2023: EUR 558.3 million), EUR 342.2 million comprised payments to acquire intangible assets and property, plant and equipment. Payments to acquire consolidated subsidiaries and other business units, in the amount of EUR 436.1 million, consisted mainly of payments to acquire all shares in the Solventis Group based in Belgium and the UK, Química Delta S.A. de C.V based in Teoloyucan, Mexico, Lawrence Industries Ltd. headquartered in Tamworth, UK, Monarch Chemicals with two sites in the southeast of England and Scotland, and the site and business operations of Industrial Chemicals Corporation (ICC) in Denver, Colorado, USA.

The net cash outflow in 2024 resulting from business combinations has been determined as follows:

in EUR m	
Purchase price	**581.5**
Less cash and cash equivalents acquired	79.4
Plus purchase price payments reclaimed	1.2
Less purchase prices payable	64.1
Plus purchase price payments related to prior-year acquisitions	–0.7
Payments to acquire consolidated subsidiaries and other business units	**436.1**

3.86 Reconciliation of acquisition costs to payments to acquire consolidated subsidiaries and other business units

The main driver of the net cash of EUR 23.0 million provided by financing activities (2023: net cash of EUR 1,553.8 million used in financing activities) was the total cash inflows of EUR 1.0 billion from the bonds issued. In addition to bank loans taken out and repaid as well as lease liabilities repaid, EUR 250.1 million were used to acquire treasury shares and a further EUR 303.2 million for the dividend payment to Brenntag shareholders.

Financial liabilities changed as follows:

in EUR m	Dec. 31, 2023	Net cash provided by financing activities	Recognized in equity	Non-cash changes in lease liabilities	Business combinations in accordance with IFRS 3	Exchange rate differences	Other	Dec. 31, 2024
Liabilities under syndicated loan	45.6	–50.0	–	–	–	–	4.4	–
Other liabilities to banks	182.1	0.1	–	–	–	–3.5	–45.9	132.8
Liabilities under promissory notes	622.5	–124.5	–	–	–	11.5	–1.4	508.1
Bond 2025	600.1	–	–	–	–	–	1.0	601.1
Bond 2028	–	498.9	–	–	–	–	11.5	510.4
Bond 2029	498.0	–	–	–	–	–	0.4	498.4
Bond 2032	–	496.0	–	–	–	–	11.8	507.8
Liabilities relating to acquisition of treasury shares	250.0	–250.1	0.1	–	–	–	–	–
Derivative financial instruments	29.0	–	–	–	–	–	15.4	44.4
Other financial liabilities	86.6	–11.2	–	–	60.1	–3.5	4.0	136.0
Financial liabilities	**2,313.9**	**559.2**	**0.1**	**–**	**60.1**	**4.5**	**1.2**	**2,939.0**
Lease liabilities	449.8	–152.8	–	201.3	107.1	13.0	–1.1	617.3
Total	**2,763.7**	**406.4**	**0.1**	**201.3**	**167.2**	**17.5**	**0.1**	**3,556.3**
Dividends paid to Brenntag shareholders		–303.2						
Profits distributed to non-controlling interests		–4.1						
Payments to acquire non-controlling interests		–76.1						
Net cash provided by financing activities		**23.0**						

3.87 Change in financial liabilities in 2024

in EUR m	Dec. 31, 2022	Net cash used in financing activities	Recognized in equity	Non-cash changes in lease liabilities	Business combina-tions in accordance with IFRS 3	Exchange rate differences	Other	Dec. 31, 2023
Liabilities under syndicated loan	551.9	–495.5	–	–	–	–7.3	–3.5	45.6
Other liabilities to banks	217.9	–47.4	–	–	6.7	–12.5	17.4	182.1
Liabilities under promissory notes	627.1	–	–	–	–	–8.1	3.5	622.5
Bond 2025	599.2	–	–	–	–	–	0.9	600.1
Bond 2029	497.5	–	–	–	–	–	0.5	498.0
Liabilities relating to acquisi-tion of treasury shares	–	–	250.0	–	–	–	–	250.0
Derivative financial instru-ments	56.9	–	–	–	–	–0.1	–27.8	29.0
Other financial liabilities	111.0	–52.0	–	–	9.0	–2.0	20.6	86.6
Financial liabilities	**2,661.5**	**–594.9**	**250.0**	**–**	**15.7**	**–30.0**	**11.6**	**2,313.9**
Lease liabilities	434.3	–143.2	–	144.3	21.7	–7.3	–	449.8
Total	**3,095.8**	**–738.1**	**250.0**	**144.3**	**37.4**	**–37.3**	**11.6**	**2,763.7**
Dividends paid to Brenntag shareholders		–304.7						
Profits distributed to non-controlling interests		–4.5						
Payments to acquire non-controlling interests		–12.0						
Proceeds from non-con-trolling interests		1.7						
Payments to acquire treasury shares		–496.2						
Net cash used in financing activities		**–1,553.8**						

3.88 Change in financial liabilities in 2023

30.) Other financial obligations and contingent liabilities

As at December 31, 2024, purchase commitments in respect of property, plant and equipment amounted to EUR 3.1 million (Dec. 31, 2023: EUR 0.4 million) and, as in the previous year, had a remaining term of one year or less. Information on lease obligations as at December 31, 2024 can be found in the sections “Leases” and “Reporting of financial instruments”.

In connection with the elimination of environmental damage, as at December 31, 2024, there were contingent liabilities with a fair value of EUR 6.4 million (Dec. 31, 2023: EUR 5.0 million).

31.) Legal proceedings and disputes

Brenntag SE and individual subsidiaries have been named as defendants in various legal actions and proceedings arising in connection with their activities as a global group. Sometimes, Brenntag is also the subject of investigations by the authorities. Brenntag cooperates with the relevant authorities and, where appropriate, conducts internal investigations regarding alleged wrongdoings with the assistance of in-house and external counsel.

The decision issued by the French Competition Authority in 2013 in relation to the allocation of customers and coordination of prices was set aside by a court of appeal due to procedural errors at the request of our French subsidiary BRENNTAG SA in February 2017. In December 2020, the court imposed a fine of EUR 47 million, which was payable immediately. BRENNTAG SA lodged an appeal against the decision, whereupon the paid fine was reimbursed in November 2023 and the proceedings referred back by the Cour de cassation (Court of cassation) for a further decision. With further steps expected to be taken by the French authorities responsible, a provision was recognized in the amount of the EUR 47 million reimbursement. Regarding the investigation also ongoing at the French Competition Authority concerning whether BRENNTAG SA has illegally made use of its market position, a decision by the Authority is still pending. Based on current knowledge, Brenntag assumes that claims for civil liability arising from the above-mentioned proceedings are not sufficiently substantiated.

Given the number of legal disputes and other proceedings that Brenntag is involved in, it is possible that a ruling may be made against Brenntag in some of these proceedings. The company contests actions and proceedings where it considers it appropriate. Provisions are established for ongoing legal disputes on the basis of the estimated risk and, if necessary, with the help of external consultants. It is very difficult to predict the outcome of such matters, particularly in cases in which claimants seek indeterminate compensation. Any adverse decisions rendered in such cases may have material effects on Brenntag’s net assets, financial position and results of operations for a reporting period. However, Brenntag currently does not expect its net assets, financial position and results of operations to be materially affected.

In connection with the sale of talc and similar products, actions have been brought against our North American subsidiaries, against which the Brenntag Group is actively defending itself. The number of actions brought increased significantly compared with the previous year, although the pace slowed over the course of 2024. Taking into account legal advisory costs, the expense amounted to approximately EUR 43 million. In addition, Brenntag has taken measures to mitigate any risks and is asserting claims for compensation from third parties. Nevertheless, the possibility that these legal disputes will result in significant adverse effects on the results of operations cannot be ruled out.

In the course of the central review, the estimate of the effect was changed from “medium” to “high” bearing in mind experience over the course of the year, as a result of which the overall risk increased from “medium” to “high”.

As a global company, Brenntag has to comply with the country-specific tax laws and regulations in each jurisdiction. Tax exposures could result in particular from current and future tax audits of German and foreign subsidiaries. We counter the risks by continuously improving the tax compliance management system bearing in mind auditing standard IDW PS 980 and gradually rolling out this system to other Group companies in Germany and abroad. These risks are generally reflected in the balance sheet by recognizing provisions. We currently see nothing to indicate that we should expect significant new findings from the tax authorities or customs authorities that could lead to additional tax expenses.

32.) Reporting of financial instruments

Carrying amounts and fair values by measurement category

The financial assets recognized in the balance sheet were allocated to the IFRS 9 measurement categories as follows:

in EUR m	Dec. 31, 2024			
Classes of financial assets:	At amortized cost	FVTPL[1]	Total carrying amount	Fair value
Cash and cash equivalents	763.3	–	763.3	763.3
Trade receivables	2,282.5	–	2,282.5	2,282.5
Other receivables	101.0	–	101.0	101.0
Other financial assets	20.8	21.2	42.0	42.0
Total	**3,167.6**	**21.2**	**3,188.8**	**3,188.8**

3.89 Classification of financial assets by measurement category / Dec. 31, 2024

[1] Financial assets at fair value through profit or loss.

in EUR m	Dec. 31, 2023			
Classes of financial assets:	At amortized cost	FVTPL[1]	Total carrying amount	Fair value
Cash and cash equivalents	576.9	–	576.9	576.9
Trade receivables	2,263.1	–	2,263.1	2,263.1
Other receivables	113.5	–	113.5	113.5
Other financial assets	19.2	11.4	30.6	30.6
Total	**2,972.7**	**11.4**	**2,984.1**	**2,984.1**

3.90 Classification of financial assets by measurement category / Dec. 31, 2023

[1] Financial assets at fair value through profit or loss.

The majority of the financial assets measured at amortized cost have remaining terms of one year or less. Their carrying amounts at the reporting date approximate their fair values.

Of the other receivables recognized in the balance sheet, EUR 188.7 million (Dec. 31, 2023: EUR 213.9 million) are excluded from the scope of IFRS 7. They are mainly receivables from value-added tax and other taxes, prepaid expenses and prepayments.

The classification and measurement of the financial liabilities recognized in the balance sheet are shown in the table below:

in EUR m	Dec. 31, 2024			
Classes of financial liabilities:	At amortized cost	FVTPL[1]	Total carrying amount	Fair value
Trade payables	1,661.6	–	1,661.6	1,661.6
Other liabilities	254.0	–	254.0	254.0
Liabilities relating to acquisition of non-controlling interests	64.5	–	64.5	70.3
Financial liabilities	2,893.1	45.9	2,939.0	2,874.7
Total	**4,873.2**	**45.9**	**4,919.1**	**4,860.6**

3.91 Classification of financial liabilities by measurement category / Dec. 31, 2024

[1] Financial liabilities at fair value through profit or loss.

in EUR m	Dec. 31, 2023			
Classes of financial liabilities:	At amortized cost	FVTPL[1]	Total carrying amount	Fair value
Trade payables	1,633.7	–	1,633.7	1,633.7
Other liabilities	245.0	–	245.0	245.0
Liabilities relating to acquisition of non-controlling interests	117.4	–	117.4	116.9
Financial liabilities	2,279.5	34.4	2,313.9	2,218.5
Total	**4,275.6**	**34.4**	**4,310.0**	**4,214.1**

3.92 Classification of financial liabilities by measurement category / Dec. 31, 2023

[1] Financial liabilities at fair value through profit or loss.

The majority of the trade payables and other liabilities measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the reporting date therefore approximate their fair values. The fair values of the bonds measured at amortized cost under financial liabilities were determined using quoted or market prices in an active market (Level 1 of the fair value hierarchy). The fair values of the other financial liabilities measured at amortized cost were determined using the discounted cash flow method on the basis of inputs observable on the market (Level 2 of the fair value hierarchy). The fair values of the synthetic liabilities relating to the acquisition of non-controlling interests carried at amortized cost were determined on the basis of recognized company valuation models. The company valuation models are based on cash flow plans (Level 3 of the fair value hierarchy). The fair values of foreign exchange forwards and foreign exchange swaps are determined by comparing forward rates and discounted to present value (Level 2 of the fair value hierarchy).

The fair value of the cross-currency interest rate swaps is determined in two steps. First, the expected future cash flows are discounted using maturity-matched market interest rates according to the currency. In the second step, the cash flows discounted in foreign currency (US dollar) are then translated into the reporting currency (EUR) at market exchange rates (Level 2 of the fair value hierarchy).

The fair value of a call option to acquire non-controlling interests is calculated from the intrinsic value and the time value of the option. The intrinsic value of the call option is calculated as the difference between the enterprise value and the strike price. The time value reflects the optionality of movements in the future strike price and the future enterprise value of the non-controlling interests. This is illustrated by way of a Monte Carlo simulation and the fair value of the option then determined (Level 3 of the fair value hierarchy).

Of the other liabilities recognized in the balance sheet, EUR 315.7 million (Dec. 31, 2023: EUR 324.6 million) are excluded from the scope of IFRS 7. They are mainly liabilities to employees, liabilities from value-added tax and other taxes, as well as deferred income.

The allocation of the financial assets and liabilities recognized in the balance sheet at fair value to the levels of the IFRS 13 fair value hierarchy is shown in the table below:

in EUR m

Hierarchy level	Level 1	Level 2	Level 3	Dec. 31, 2024
Financial assets at fair value through profit or loss	1.4	5.5	14.3	21.2
Financial liabilities at fair value through profit or loss	–	44.5	1.4	45.9

3.93 Financial instruments according to fair value hierarchy / Dec. 31, 2024

in EUR m

Hierarchy level	Level 1	Level 2	Level 3	Dec. 31, 2023
Financial assets at fair value through profit or loss	1.4	2.7	7.3	11.4
Financial liabilities at fair value through profit or loss	–	29.0	5.4	34.4

3.94 Financial instruments according to fair value hierarchy / Dec. 31, 2023

Liabilities resulting from contingent consideration arrangements of EUR 1.4 million (Dec. 31, 2023: EUR 5.4 million) relate to liabilities for contingent purchase prices payable in business combinations. The amount of the contingent purchase price component required to be recognized at fair value is contingent on the earnings achieved by the acquired business and is limited in both the lower (EUR 0.0 million) and the upper (EUR 83.6 million) range.

Liabilities resulting from contingent consideration arrangements changed as follows:

in EUR m	2024	2023
Jan. 1	**5.4**	**29.3**
Exchange rate differences	–0.1	–0.4
Reversed	–	–1.8
Business combinations	1.4	–
Purchase price payments	–5.3	–21.7
Dec. 31	**1.4**	**5.4**

3.95 Change in liabilities resulting from contingent consideration arrangements

The call option to acquire non-controlling interests was recognized in the amount of EUR 14.3 million (Dec. 31, 2023: EUR 7.3 million) on the basis of the mean of the Monte Carlo simulations. The minimum is EUR 0.0 million (Dec. 31, 2023: EUR 0.0 million) and the maximum EUR 51.8 million (Dec. 31, 2023: EUR 23.5 million).

The net gains/losses from financial assets and liabilities broken down into measurement categories are as follows:

in EUR m	2024								
	Interest			At fair value		Currency translation			
Measurement category:	Income	Expense	Change in liabilities relating to acquisition of non-controlling interests and call option recognized in profit or loss	Gains	Losses	Gains	Losses	Impairments, net	**Net gain/ loss**
Financial assets measured at amortized cost	19.0	–	–	–	–	125.2	–108.2	–1.6	34.4
Financial liabilities measured at amortized cost	–	–110.8	–21.0	–	–	64.0	–107.1	–	–174.9
FVTPL[1]	–	–7.3	7.0	51.5	–41.1	–	–	–	10.1
Total	**19.0**	**–118.1**	**–14.0**	**51.5**	**–41.1**	**189.2**	**–215.3**	**–1.6**	**–130.4**

3.96 Net gains/losses from financial assets and liabilities / 2024

[1] Financial assets and liabilities at fair value through profit or loss.

in EUR m	2023								
	Interest			At fair value		Currency translation			
Measurement category:	Income	Expense	Change in liabilities relating to acquisition of non-controlling interests and call option recognized in profit or loss	Gains	Losses	Gains	Losses	Impairments, net	**Net gain/ loss**
Financial assets measured at amortized cost	18.9	–	–	–	–	106.1	–132.9	–3.2	–11.1
Financial liabilities measured at amortized cost	–	–88.3	28.3	–	–	72.9	–83.3	–	–70.4
FVTPL[1]	–	–7.5	–1.9	76.1	–66.8	–	–	–	–0.1
Total	**18.9**	**–95.8**	**26.4**	**76.1**	**–66.8**	**179.0**	**–216.2**	**–3.2**	**–81.6**

3.97 Net gains/losses from financial assets and liabilities / 2023

[1] Financial assets and liabilities at fair value through profit or loss.

Of the interest expense on liabilities to third parties contained in interest expense, EUR 1.9 million (2023: EUR 2.0 million) is interest expense which is not part of the effective interest on financial liabilities measured at amortized cost.

With the exception of valuation allowances on trade receivables and other receivables, net gains and losses on subsequent measurement are presented within net finance costs.

Offsetting of financial assets and liabilities

The gross amounts of financial assets and liabilities are offset on the basis of netting arrangements in the balance sheet as follows or they are subject to enforceable master netting arrangements or similar agreements that do not meet the requirements for offsetting in the balance sheet:

in EUR m	Gross amounts of financial assets and liabilities	Offsetting	Carrying amounts in the balance sheet	Enforceable master netting arrangements and similar arrangements	**Dec. 31, 2024 Net amount**
Trade receivables	2,290.8	–8.3	2,282.5	–3.3	2,279.2
Other financial assets	42.2	–0.2	42.0	–0.8	41.2
Trade payables	1,665.8	–4.2	1,661.6	–3.3	1,658.3
Other liabilities	574.0	–4.3	569.7	–	569.7
Financial liabilities	2,939.0	–	2,939.0	–0.8	2,938.2

3.98 Offsetting of financial assets and liabilities / Dec. 31, 2024

in EUR m	Gross amounts of financial assets and liabilities	Offsetting	Carrying amounts in the balance sheet	Enforceable master netting arrangements and similar arrangements	**Dec. 31, 2023 Net amount**
Trade receivables	2,287.2	–24.1	2,263.1	–5.9	2,257.2
Other financial assets	30.8	–0.2	30.6	–0.4	30.2
Trade payables	1,639.1	–5.4	1,633.7	–5.9	1,627.8
Other liabilities	588.5	–18.9	569.6	–	569.6
Financial liabilities	2,313.9	–	2,313.9	–0.4	2,313.5

3.99 Offsetting of financial assets and liabilities / Dec. 31, 2023

Nature and extent of risks arising from financial instruments

According to IFRS 7, risks arising from financial instruments can typically be divided into currency risk, interest rate risk, credit risk and liquidity risk.

Currency risk

Currency risks arise particularly when monetary items or contracted future transactions are in a currency other than the functional currency of a company. Overall, this results in a surplus of (partly intra-Group) monetary assets over liabilities of EUR 431.5 million as at December 31, 2024 (Dec. 31, 2023: EUR 268.4 million). Foreign exchange forwards, foreign exchange swaps and cross-currency interest rate swaps are used as hedging instruments. The notional amount of the hedges used was EUR –350.5 million as at December 31, 2024 (Dec. 31, 2023: EUR –132.0 million). The foreign exchange forwards and foreign exchange swaps used have maturities of less than one year and are not included in hedge accounting.

If the euro had been worth 10% more or less against all currencies as at December 31, 2024, translation of monetary items in foreign currency into the Group currency, the euro, allowing for the foreign exchange forward transactions and foreign exchange swaps still open on December 31, 2024, would have resulted in the following changes in net finance costs:

	2024		2023	
in EUR m	+10%	–10%	+10%	–10%
USD	–5.1	6.3	–4.9	6.0
GBP	0.4	–0.5	–3.9	4.7
PLN	–1.5	1.8	–2.7	3.3
Other currencies	1.1	–1.4	4.5	–5.5
Total	**–5.1**	**6.2**	**–7.0**	**8.5**

3.100 Sensitivity analysis currency risk

The liability relating to the acquisition of non-controlling interests in Saifu is included in a net investment hedge in accordance with IFRS 9.6.5.2 (c). The hedged item is the share of the net assets of Saifu attributable to Brenntag. Exchange rate-related changes in the liabilities are recognized within equity in the net investment hedge reserve. An economic relationship exists in each case, as the hedging instrument and the hedged item have values that move in the opposite direction because of a change in the hedged currency risk. Any increase (decrease) in the Chinese yuan renminbi (CNY) against the euro leads to an increase (decrease) in the net assets and an increase (decrease) in the CNY-denominated liabilities. The effectiveness of the hedging relationships was determined at inception of the hedging relationships and is regularly determined on a retrospective basis to ensure that there is an economic relationship between the hedged item and the hedging instrument. There was no hedge ineffectiveness as at December 31, 2024. If the euro had been worth 10% more or less against the Chinese yuan renminbi (CNY) as at December 31, 2024, the net investment hedge reserve would have increased by EUR 2.5 million (Dec. 31, 2023: EUR 9.4 million) or decreased by EUR 2.5 million (Dec. 31, 2023: EUR 9.4 million).

Net investment hedges at Dec. 31, 2024	Saifu
Carrying amount of the portion of the liability relating to the acquisition of non-controlling interests included in the net investment hedge in EUR m	24.7
Carrying amount of the portion of the liability relating to the acquisition of non-controlling interests included in the net investment hedge in local currency (CNY m)	187.0
Hedge ratio	1:1
Hedge rate EUR/CNY	7.8509
Change in carrying amount (in net investment hedge reserve)	–0.9
Change in value of hedged item used to determine hedge effectiveness	0.9

3.101 Net investment hedges Dec. 31, 2024

Net investment hedges at Dec. 31, 2023	Saifu	Zhongbai Xingye
Carrying amount of the portion of the liability relating to the acquisition of non-controlling interests included in the net investment hedge in EUR m	36.2	57.4
Carrying amount of the portion of the liability relating to the acquisition of non-controlling interests included in the net investment hedge in local currency (CNY m)	284.2	450.4
Hedge ratio	1:1	1:1
Hedge rate EUR/CNY	7.6989	7.3582
Change in carrying amount (in net investment hedge reserve)	0.7	5.2
Change in value of hedged item used to determine hedge effectiveness	–0.7	–5.2

3.102 Net investment hedges Dec. 31, 2023

In October 2021, Brenntag Finance B.V., Amsterdam, Netherlands, issued a EUR 500 million bond (Bond 2029). Brenntag Finance B.V. swapped most of the proceeds from the Bond 2029 for US dollars by way of cross-currency interest rate swaps and passed them on to Brenntag North America, Inc., Reading, USA, as an intra-Group loan. The intra-Group loan and the cross-currency interest rate swaps were included in cash flow hedge accounting so as to limit currency and interest rate risk in the consolidated financial statements.

Critical terms matching is used to assess the effectiveness of the hedging relationship. The economic relationship between hedged items and hedging instruments results from closely aligned terms. The cross-currency basis is not part of the hedging relationship and is recognized in a separate component of equity as a reserve for costs of hedging. The ineffective portions of the hedging relationship are determined using the hypothetical derivative method. They result mainly from counterparty risk and, if necessary, are recognized in profit or loss within net interest expense. In financial year 2024, this did not give rise to any effects in profit or loss (2023: no effects in profit or loss).

The following table shows the changes in equity resulting from the hedging relationship:

in EUR m	Cash flow hedge reserve	Reserve for costs of hedging	Total	Deferred tax	**Total cash flow hedge reserve**
Dec. 31, 2022	**–17.7**	**7.7**	**–10.0**	**–**	**–10.0**
Changes in the fair value of hedging instruments and hedging costs	21.2	–2.6	18.6	–	18.6
Reclassification to profit or loss	–8.0	–0.8	–8.8	–	–8.8
Dec. 31, 2023	**–4.5**	**4.3**	**–0.2**	**–**	**–0.2**
Changes in the fair value of hedging instruments and hedging costs	–20.3	–3.6	–23.9	–	–23.9
Reclassification to profit or loss	36.9	–0.8	36.1	–	36.1
Deferred tax relating to those items	–	–	–	–3.1	–3.1
Dec. 31, 2024	**12.1**	**–0.1**	**12.0**	**–3.1**	**8.9**

3.103 Change in cash flow hedge reserve

One significant component in the fair value measurement of the cross-currency interest rate swaps is the exchange rate of the underlying currencies (EUR/USD). As the exchange rate component – moving in the opposite direction to the hedged item – is designated as part of the hedging relationship, ceteris paribus, an assumed change in the exchange rate leads only to a change in the cash flow hedge reserve. If the euro had been worth 10% more or less against the US dollar as at December 31, 2024, the cash flow hedge reserve would have decreased by EUR 3.6 million or EUR 0.9 million (Dec. 31, 2023: decreased by EUR 3.3 million or increased by EUR 4.1 million).

Interest rate risk

Interest rate risks can occur due to changes in market interest rates. The risks result from changes in the fair values of fixed-rate financial instruments or from changes in the cash flows of variable-rate financial instruments.

Due to the four fixed-rate bonds and the partly fixed-rate promissory notes, approximately 80% of the Brenntag Group's financial liabilities were hedged against the risk of interest rate increases as at December 31, 2024 (Dec. 31, 2023: 60%).

If the market interest rate as at December 31, 2024 had been 300 basis points (2023: 300 basis points) higher or lower (relative to the total amount of variable-rate financial liabilities as at December 31, 2024), the negative impact on net finance costs would have been EUR 16.0 million or the positive impact EUR 16.0 million (2023: negative impact of EUR 21.0 million or positive impact of EUR 21.0 million).

Interest rate-related fair value changes in the cross-currency interest rate swaps have no impact on net income for the financial year due to the agreed swap rates and hedge accounting. Conversely, the current difference between the euro market interest rate and the US dollar market interest rate has a significant impact on the amount of the cash flow hedge reserve; as at December 31, 2024, the USD market interest rate was above the euro market interest rate. If the euro market interest rate as at December 31, 2024 had been 25 basis points higher or lower with the US dollar market interest rate remaining unchanged, the cash flow hedge reserve would have decreased by EUR 4.7 million to EUR 7.4 million or increased by EUR 4.7 million to EUR 16.8 million (December 31, 2023: decreased by EUR 5.5 million to EUR –5.7 million or increased by EUR 5.5 million to EUR 5.3 million).

Credit risk

Credit risk on non-derivative financial instruments is the risk that the contracting parties concerned will fail to make contractually agreed payments. The maximum credit risk on non-derivative financial instruments is their carrying amount. The expected credit risk from individual receivables is allowed for by recognizing write-downs of the assets (see also Note 13.).

With the derivative financial instruments used, the maximum credit risk is the total of all positive fair values of these instruments as, in the event of non-performance by the contracting parties, losses on assets would be restricted to this amount.

Liquidity risk

Liquidity risk is the risk that the Brenntag Group may in future not be able to meet its contractual payment obligations. Due to the fact that the Brenntag Group's business is not subject to any pronounced seasonal fluctuations, there is relatively little fluctuation in liquidity during the financial year.

To ensure that the Brenntag Group can pay at all times, it not only has appropriate liquidity reserves in the form of cash and cash equivalents but also credit lines under the syndicated loan which can be utilized as needed.

In order to identify the liquidity risks, the Group has a multi-annual liquidity plan which is regularly reviewed and adjusted if necessary.

Of the other liabilities to banks, EUR 60.1 million (Dec. 31, 2023: EUR 44.9 million) are secured by non-current assets totaling EUR 59.4 million (Dec. 31, 2023: EUR 45.9 million).

As at December 31, 2024, reverse factoring arrangements of Raj Petro Specialties Private Limited, which in the previous year had been reported as other liabilities to banks, were included in liabilities associated with assets held for sale, as the entity has been classified as a disposal group.

In certain countries (e.g. China EUR 18.9 million (2023: EUR 30.2 million), Russia EUR 7.3 million (2023: EUR 7.6 million), South Africa EUR 3.3 million (2023: EUR 24.5 million) and India EUR 2.5 million (2023: EUR 8.2 million)), Brenntag has local cash and cash equivalents at its disposal for cross-border transfers only subject to the applicable restrictions on foreign exchange transactions.

The undiscounted cash flows resulting from financial liabilities are shown in the following table:

in EUR m	Carrying amount Dec. 31, 2024	Cash flows 2025–2030 ff. 2025	2026	2027	2028	2029	2030 ff.
Trade payables	1,661.6	1,661.6	–	–	–	–	–
Other liabilities	569.7	561.4	–	0.2	–	0.3	1.8
Liabilities relating to acquisition of non-controlling interests	64.5	–	26.3	–	35.4	–	12.0
Liabilities under syndicated loan	–	–	–	–	–	–	–
Other liabilities to banks	132.8	91.1	12.1	7.3	6.7	16.3	–
Promissory notes (Schuldschein)	508.1	22.5	21.4	407.3	2.8	77.2	–
Bond 2025	601.1	606.8	–	–	–	–	–
Bond 2028	510.4	18.8	18.8	18.8	518.8	–	–
Bond 2029	498.4	2.5	2.5	2.5	2.5	502.5	–
Bond 2032	507.8	19.4	19.4	19.4	19.4	19.4	558.1
Lease liabilities	617.3	161.8	125.6	96.4	70.8	58.9	233.9
Liabilities relating to acquisition of treasury shares	–	–	–	–	–	–	–
Derivative financial instruments	44.4						–
of which cash inflows		678.8	–	–	–	–	–
of which cash outflows		684.4	–	–	–	–	41.3
Other financial liabilities	136.0	85.1	26.9	16.0	5.1	1.1	1.9
Total	**5,852.1**	**3,236.6**	**253.0**	**567.9**	**661.5**	**675.7**	**849.0**

3.104 Future cash flows from financial liabilities / Dec. 31, 2024

in EUR m	Carrying amount Dec. 31, 2023	Cash flows 2024–2029 ff. 2024	2025	2026	2027	2028	2029 ff.
Trade payables	1,633.7	1,633.7	–	–	–	–	–
Other liabilities	569.6	567.3	–	–	0.3	2.0	–
Liabilities relating to acquisition of non-controlling interests	117.4	58.8	–	39.9	20.3	–	5.7
Liabilities under syndicated loan	45.6	0.1	–	–	–	45.5	–
Other liabilities to banks	182.1	145.9	0.5	0.2	35.5	–	–
Promissory notes (Schuldschein)	622.5	32.0	155.6	25.3	438.2	3.4	83.4
Bond 2025	600.1	6.8	606.8	–	–	–	–
Bond 2029	498.0	2.5	2.5	2.5	2.5	2.5	502.5
Lease liabilities	449.8	139.3	95.5	66.5	48.8	34.8	144.3
Liabilities relating to acquisition of treasury shares	250.0	250.0	–	–	–	–	–
Derivative financial instruments	29.0						–
of which cash inflows		453.5	2.1	2.1	2.1	2.1	431.8
of which cash outflows		466.3	9.3	9.3	9.3	9.3	461.8
Other financial liabilities	86.6	25.5	19.9	35.4	–	5.8	–
Total	**5,084.4**	**2,874.7**	**880.8**	**169.8**	**545.6**	**94.0**	**735.9**

3.105 Future cash flows from financial liabilities / Dec. 31, 2023

Derivative financial instruments

The notional amount and fair values of derivative financial instruments are shown in the table below:

in EUR m	Dec. 31, 2024 Notional amount	Dec. 31, 2024 Positive fair value	Dec. 31, 2024 Negative fair value	Dec. 31, 2023 Notional amount	Dec. 31, 2023 Positive fair value	Dec. 31, 2023 Negative fair value
Foreign exchange forward transactions and foreign exchange swaps not included in hedge accounting	1,204.6	5.5	3.2	770.9	2.7	4.4
Cross-currency interest rate swaps included in hedge accounting	429.7	–	41.3	429.7	–	24.6
Call option	43.5	14.3	–	28.3	7.3	–

3.106 Derivative financial instruments

33.) Related parties

In the course of its normal business activities, Brenntag SE also obtains services from and provides services for related entities. These related entities are the subsidiaries included in the consolidated financial statements as well as associates accounted for using the equity method and their subsidiaries. Transactions with related entities are performed on arm's length terms. The transactions of Brenntag SE with subsidiaries included in the consolidated financial statements as well as between included subsidiaries have been eliminated.

Transactions with associates and their subsidiaries were as follows:

in EUR m	2024	2023
Sales from transactions with associates	1.8	1.5
Goods delivered and services rendered by associates	0.6	1.1

3.107 Transactions with related parties

in EUR m	Dec. 31, 2024	Dec. 31, 2023
Trade receivables from associates	0.2	0.2
Trade payables to associates	–	0.5

3.108 Receivables from and payables to related parties

Related persons are the members of the Board of Management and the Supervisory Board of Brenntag SE and members of their families.

Remuneration of the Board of Management

The total remuneration of the Board of Management consists of three components: a fixed annual base salary, short-term, capped variable cash remuneration (annual bonus) and long-term, capped variable remuneration (long-term incentive bonus). In addition to the above-mentioned remuneration components, the members of the Board of Management receive pension benefits, contractually agreed benefits in kind and other benefits.

The annual base salary is payable in twelve equal monthly instalments. If the service agreement begins or ends during a financial year, the annual base salary for that financial year is payable on a pro rata temporis basis.

The annual bonus depends on Brenntag's business success in the past financial year. It is calculated based on achievement of the targets set for specific key performance indicators for the financial year. Under the Remuneration System 2023, the key performance indicators are organic EBITA (60%), working capital turnover (20%) and earnings per share (20%). An individual performance multiplier is also used to assess the performance of the Board of Management members. The individual performance multiplier for the Remuneration System 2023 is set by the Supervisory Board after each financial year within a range from 0.8 to 1.2. In doing so, the Supervisory Board takes into account the individual financial and non-financial performance. The individual performance aspects may be based on three dimensions: growth, people and risk management. They may include not only strategic and operational, but also non-financial aspects. The final payout amount is capped at a maximum of 200% of the individual and contractually agreed target amount (Cap).

The Board of Management members also receive long-term variable remuneration. Different remuneration systems apply, depending on the year of award and individual contractual arrangements.

Since 2023, the new remuneration system has applied to serving Board of Management members Dr. Christian Kohlpaintner (CEO), Dr. Kristin Neumann, Michael Friede and Ewout van Jarwaarde. Among other components, this includes long-term variable remuneration in the form of virtual shares (Performance Share Units). The number of virtual shares may increase or decrease, depending on Brenntag's long-term performance measured over a four-year performance period. The performance share plan is structured as follows.

The number of virtual shares initially awarded is calculated by dividing the individual and contractually agreed target amount by the arithmetic mean of the Brenntag share closing prices in the Xetra trading system during the last three months before the start of the performance period. If the service agreement begins or ends during a financial year, the target amount for that financial year is calculated on a pro rata temporis basis.

The number of virtual shares finally awarded to the Board of Management member is linked to two financial performance criteria and, via an ESG multiplier, to ESG targets. The two financial performance criteria are Brenntag's total shareholder return (TSR) compared with a global peer group (weighting: 70%) and return on capital employed (ROCE) (weighting: 30%). The sum total of the weighted share awards for each performance criterion is multiplied by the achievement figure of specific ESG targets using an ESG multiplier that may be between 0.8 and 1.2. The resulting total share award is then multiplied by the number of virtual shares initially awarded, giving the number of virtual shares finally awarded to the Board of Management member at the end of the four-year performance period. The number of virtual shares finally awarded is capped at 200%.

The payout amount depends on Brenntag's absolute share price performance over the four-year performance period and is calculated by multiplying the number of virtual shares finally awarded by the arithmetic mean of the Brenntag share closing prices in the Xetra trading system during the last three months before the end of the performance period, plus dividend payments during the performance period. The payout amount is capped at a maximum of 250% of the individual and contractually agreed target amount (Cap).

The Remuneration System 2020 still applies to Henri Nejade and Steven Terwindt, who stepped down as Board of Management members in 2023. It is also applied to the tranches that were awarded to the serving Board of Management members in previous years and for which the performance period has not yet ended.

The amount of the payout for long-term variable remuneration under the Remuneration System 2020 depends on the relative performance of the Brenntag share compared with two peer groups and the absolute change in the Brenntag share price over a four-year performance period. The virtual shares are awarded in annual tranches. Payout is made following completion of the performance period.

The annual virtual shares are awarded on January 1 of each financial year. The number of shares to be awarded initially is calculated by dividing the individual and contractually agreed grant amount by the arithmetic mean of the Brenntag share closing prices in the Xetra trading system during the last three months before the start of the performance period. If the service agreement begins or ends during a financial year, the grant amount for that financial year shall be calculated on a pro rata temporis basis.

The number of virtual shares finally awarded at the end of the four-year performance period depends on two performance criteria that are each weighted at 50%: the outperformance of the total shareholder return (TSR) of the Brenntag share compared with the performance of the MDAX, or since the 2022 tranche compared with the performance of the DAX, and the average TSR of a selectively compiled peer group of global competitors.

Target achievement of each performance criterion is calculated by subtracting the performance of the MDAX/DAX or the average TSR of the selected peer group from the TSR of the Brenntag share. If the performance of the MDAX/DAX or the average TSR of the selected peer group equals the TSR of the Brenntag share, target achievement is 100%. If the TSR of the Brenntag share outperforms the MDAX/DAX or the average TSR of the selected peer group by 25% or more percentage points, target achievement is 150%. If the TSR of the Brenntag share underperforms the MDAX/DAX or the average TSR of the selected peer group by 25% or more percentage points, target achievement is 0%. Values in-between are determined by linear interpolation. Overall target achievement is calculated by multiplying the target achievement figures of the two performance criteria by their respective weightings and then adding together these two weighted target achievement figures.

The number of virtual shares finally awarded at the end of the four-year performance period is calculated by multiplying the number of virtual shares initially awarded by the overall target achievement.

The payout amount is determined by multiplying the number of virtual shares finally awarded by the arithmetic mean of the Brenntag share closing prices in the Xetra trading system during the last three months prior to the end of the performance period, plus dividend payments during the performance period. The payout amount is capped at a maximum of 200% of the individual and contractually set target grant amount (Cap).

In addition, a different remuneration system was in effect for the last time in financial year 2023 for former Board of Management members Henri Nejade and Georg Müller. Among other components, this likewise included a long-term share-based remuneration program (Long-Term Incentive Plan). In this case, the long-term variable remuneration was awarded every year and was partly based on the performance of the Brenntag share. On the basis of a contractually set Annual Target Amount, this remuneration component was subject to a vesting period of in each case three years. 50% of the Target Amount was contingent on the change in the value of the company's shares during these three years (External LTI Portion) and 50% was contingent on the long-term development of specific Group-wide KPIs (Internal LTI Portion).

50% of the External LTI Portion was measured by the absolute change in the total shareholder return for the company's shares during the vesting period (Absolute External LTI Portion), while the other 50% of the External LTI Portion was measured using the relative change in the total shareholder return for the company's shares in comparison to the performance of the MDAX or, since the 2021 tranche, the DAX during the vesting period (Relative External LTI Portion). For every percentage point by which the average share price on the last trade day of the vesting period exceeded or fell short of the average share price on the last trade day before the vesting period, the Absolute External LTI Portion was increased or decreased by 2%. For every percentage point by which the MDAX was over- or underperformed in the vesting period, the Relative External LTI Portion was increased or decreased by 3%. The overall External LTI Portion at the end of the relevant vesting period equaled the sum of the Absolute External LTI Portion and Relative External LTI Portion. The Absolute External LTI Portion and Relative External LTI Portion could not be less than EUR 0. The External LTI Portion was capped overall at 200% of the contractually set Target Amount for the External LTI Portion.

The Internal LTI Portion is measured by the following KPI targets, which are agreed at the end of each financial year for the following vesting period in an LTI Bonus Plan: EBITDA, ROCE and earnings per share. At the end of each financial year during a vesting period, the achievement of the KPI targets in the particular financial year is calculated for a share of 1/3 of the Internal LTI Portion. For every percentage point by which the targets of a given KPI are over- or underperformed in the particular financial year, the Annual Internal LTI Portion is increased or decreased by 3%. This may also lead to a negative Annual Internal LTI Portion. The overall Internal LTI Portion at the end of the relevant vesting period equals the sum of the Annual Internal LTI Portions. The Internal LTI Portion is also capped at 200% of the contractually set Target Amount for the Internal LTI Portion. The overall Internal LTI Portion for a vesting period may not be less than EUR 0. The Long-Term Incentive Bonus for each financial year equals the sum of the External and Internal LTI Portions.

The Long-Term Incentive Bonus for each financial year was also capped at 200% of the Target Amount (LTI Cap).

The serving members of the Board of Management receive a fixed annual amount for the purpose of building up pension entitlements. For this purpose, one member of the Board of Management receives an annual amount of EUR 300,000 and may decide at their own discretion how to use this money. The annual amount made available is paid in twelve equal monthly instalments, in each case at the end of the month. If the service agreement begins or ends during a financial year, the annual amount for that financial year will be granted on a pro rata temporis basis. For the purpose of building up pension entitlements, the other members of the Board of Management receive an annual amount of 13.5% of their annual base salary and the short-term variable remuneration (on 100% target achievement, i.e. irrespective of the actual targets achieved), rounded up to the next EUR 1,000. They may decide at their own discretion how to use the corresponding amount for the purpose of building up pension entitlements. In financial year 2023, one member of the Board of Management had the option either to use this amount in whole or in part for contributions to his French social insurance or to also pay it annually into the Deferred Compensation Contingency Plan of Brenntag SE.

The members of the Board of Management also receive benefits in kind and other benefits, such as a flat-rate mobility allowance and benefits for health care and long-term care insurance.

The following table shows the recognition of the Board of Management remuneration for the Board of Management members serving in each financial year:

in EUR m	Dec. 31, 2024	Dec. 31, 2023
Short-term benefits	0.6	0.5
Post-employment benefits	–	0.8
Share-based remuneration	4.3	10.2
Total	**4.9**	**11.5**

3.109 Liabilities recognized for Board of Management remuneration in accordance with IFRSs

There are no defined benefit obligations for the Board of Management members serving in financial year 2024. In the previous year, the present value of defined benefit obligations was EUR 1.8 million and the fair value of plan assets EUR 1.0 million. In this context, the capitalized surrender value of pension liability insurance was EUR 1.0 million as at December 31, 2023.

The service agreements of the Board of Management members end automatically on specified dates without any notice of termination being required. The employment of Board of Management members may only be terminated prematurely for good cause or by mutual agreement. If employment is terminated prematurely, the service agreement limits any severance pay to the value of twice the total annual remuneration, but no more than the amount of remuneration that would be paid until the end of the term of the service agreement. As at December 31, 2024, the maximum amount of severance payable would have been EUR 19.4 million (Dec. 31, 2023: EUR 32.6 million). A post-contractual non-compete clause has been agreed with the Board of Management members who are incentivized under the Remuneration System 2023. The post-contractual non-compete clause generally applies for a period of 24 months after the termination of the service agreement. During this period, these Board of Management members receive a continuous payment amounting to 75% of their annual base salary. Any earnings pursuant to Section 74c of the German Commercial Code (HGB) are deducted from this payment. There are no separate change-of-control arrangements.

For former members of the Board of Management, the present value of defined benefit obligations is EUR 14.2 million (Dec. 31, 2023: EUR 12.9 million) and the fair value of plan assets EUR 10.7 million (Dec. 31, 2023: EUR 9.7 million). In this context, the capitalized surrender value of pension liability insurance is EUR 10.7 million (Dec. 31, 2023: EUR 9.7 million). In financial year 2024, expenses recognized for pension commitments (defined benefit plans) to former members of the Board of Management amounted to EUR 0.0 million (2023: EUR 0.0 million).

In accordance with the German Commercial Code (HGB), the total remuneration of the Board of Management members serving in financial year 2024 amounts to EUR 7.1 million (2023: EUR 10.0 million).

Of the total remuneration, an amount of EUR 2.9 million (2023: EUR 4.9 million, in each case the fair value at the grant date) is attributable to share-based remuneration programs. The number of virtual shares in this context is 37,262.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board comprises purely fixed remuneration.

The members of the Supervisory Board each receive annual fixed remuneration in the amount of EUR 130.0k (Dec. 31, 2023: EUR 130.0k) in addition to reimbursement of their expenses. The Chair of the Supervisory Board receives base remuneration of EUR 325.0k (Dec. 31, 2023: EUR 325.0k) and the Deputy Chair EUR 162.5k (Dec. 31, 2023: EUR 162.5k) per year. The Chair of each of the committees established receives an additional EUR 125.0k per year and every other member an additional EUR 50.0k per year.

The total remuneration of the members of the Supervisory Board due in the short term amounts to EUR 1.7 million for financial year 2024 (2023: EUR 1.7 million).

The Supervisory Board remuneration system and the remuneration of each member of the Supervisory Board are detailed in the remuneration report.

The following table contains the remuneration of the Board of Management and Supervisory Board members serving in financial year 2024:

in EUR m	2024	2023
Short-term benefits	5.8	7.0
Post-employment benefits (excluding interest expense)	–	–
Share-based remuneration	–0.4	7.1
Total	**5.4**	**14.1**

3.110 Board of Management and Supervisory Board remuneration expense in accordance with IFRSs

Apart from the aforementioned, there were no significant transactions with related persons.

34.) Fees for the auditors of the consolidated financial statements

The following fees for the services of the auditors of the consolidated financial statements, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, and companies in Deloitte's global network were recognized as expenses:

in EUR m	2024	2023
Financial statement audit services	9.4	7.6
(of which in Germany)	(2.3)	(1.9)
Other assurance services	0.6	0.3
(of which in Germany)	(0.6)	(0.3)
Tax advisory services	–	–
(of which in Germany)	(–)	(–)
Other services	–	–
(of which in Germany)	(–)	(–)
Total	**10.0**	**7.9**
(of which in Germany)	(2.9)	(2.2)

3.111 Fees for the auditors of the consolidated financial statements

Fees for financial statement audit services for financial year 2024 consist mainly of payments for the statutory audit of the consolidated financial statements, the review of the quarterly reporting and the statutory audit of the annual financial statements of Brenntag SE and its domestic and foreign subsidiaries.

Fees for other assurance services in financial year 2024 relate in particular to the engagement to provide assurance on the Group sustainability statement, assurance services related to Brenntag SE's Board of Management remuneration and the comfort letter related to the extension of the debt issuance program (DIP).

35.) Exemptions pursuant to Section 264, para. 3 / Section 264b of the German Commercial Code

For financial year 2024, the following subsidiaries of Brenntag SE are making use of the exemptions pursuant to Section 264, para. 3 and Section 264b of the German Commercial Code:

- Brenntag Holding GmbH, Essen
- Brenntag Germany Holding GmbH, Essen
- Brenntag Foreign Holding GmbH, Essen
- Brenntag Beteiligungs GmbH, Essen
- BRENNTAG GmbH, Duisburg
- BRENNTAG International Chemicals GmbH, Essen
- Brenntag Real Estate GmbH, Essen
- BCD Chemie GmbH, Hamburg
- CLG Lagerhaus GmbH & Co. KG, Essen
- Brenntag European Services GmbH & Co. KG, Zossen (merged on June 30, 2024)
- CM Komplementär 03-018 GmbH & Co. KG, Essen
- CM Komplementär 03-019 GmbH & Co. KG, Essen
- CM Komplementär 03-020 GmbH & Co. KG, Essen
- ACU PHARMA und CHEMIE GmbH, Apolda
- Brenntag Global Services GmbH, Zossen

36.) Declaration of conformity with the German Corporate Governance Code

On December 17, 2024, the Board of Management and Supervisory Board issued the declaration of conformity with the recommendations of the Government Commission "German Corporate Governance Code" for financial year 2024 as required by Section 161 of the German Stock Corporation Act. The declaration of conformity can be found in in the corporate governance statement of the combined management report in Brenntag SE's annual report and can also be viewed at any time on the Brenntag SE website:

https://corporate.brenntag.com/en/about/corporate-governance/corporate-governance-code/

Essen, March 6, 2025

Brenntag SE
BOARD OF MANAGEMENT

Dr. Christian Kohlpaintner	Michael Friede
Dr. Kristin Neumann	Ewout van Jarwaarde

Annex

List of shareholdings in accordance with Section 313, para. 2 of the German Commercial Code as at December 31, 2024

No.	Company	Domicile	Held directly % [1]	Held indirectly % [1]	Effective net holding % [1]	Via no.
1	Brenntag SE	Essen				

Consolidated subsidiaries

No.	Company	Domicile	Held directly % [1]	Held indirectly % [1]	Effective net holding % [1]	Via no.
Algeria						
2	Alliance Chimie Algerie SPA	Algiers	0.00	100.00	99.94	77
3	SARL ALLIANCE INGREDIENTS	Rouiba (Algiers)	0.00	100.00	99.94	2
4	SARL ALLIANCE PHYTOSANITAIRE	Rouiba (Algiers)	0.00	100.00	99.94	2
Argentina						
5	Brenntag Argentina S.A.	Buenos Aires	0.00	90.00	100.00	126
				10.00		134
Australia						
6	Brenntag Australia Pty. Ltd.	Mulgrave	0.00	100.00	100.00	162
7	RAVENSWOOD INGREDIENTS PTY. LTD.	Mulgrave	0.00	100.00	100.00	6
Bangladesh						
8	BRENNTAG BANGLADESH FORMULATION LTD.	Dhaka	0.00	100.00	100.00	126
9	BRENNTAG BANGLADESH LTD.	Dhaka	0.00	100.00	100.00	126
10	BRENNTAG BANGLADESH SERVICES LTD.	Dhaka	0.00	100.00	100.00	9
Belgium						
11	Antwerp Distillation Company NV	Beveren	0.00	75.00	100.00[2]	12
				25.00		14
12	BRENNTAG NV	Deerlijk	0.00	99.99	100.00	76
				0.01		53
13	European Polymers and Chemicals Distribution BVBA	Deerlijk	0.00	100.00	100.00	141
14	Industrial Investment Company BV	Zoersel	0.00	100.00	100.00[2]	12
15	Kilfrost Europe NV	Antwerp	0.00	100.00	100.00[2]	12
16	Solventis BV	Antwerp	0.00	100.00	100.00[2]	12
17	Solventis Europe NV	Antwerp	0.00	100.00	100.00[2]	12
Bolivia						
18	Brenntag Bolivia S.R.L.	Santa Cruz	0.00	90.00	100.00	126
				10.00		133
Brazil						
19	Brenntag Quimica Brasil Ltda.	Guarulhos, Estado de Sao Paulo	0.00	100.00	100.00	126
				0.00		133
20	PHARMASPECIAL ESPECIALIDADES QUIMICAS E FARMACEUTICAS LTDA.	Itapevi, State of Sao Paulo	0.00	100.00	100.00[2]	126
21	PIC PHARMA NUTRACÊUTICOS LTDA.	Itapevi, State of Sao Paulo	0.00	100.00	100.00[2]	126
22	PIC QUIMICA E FARMACEUTICA LTDA.	Itapevi, State of Sao Paulo	0.00	100.00	100.00[2]	126
23	Quimilog Transportes e Logística Ltda.	Brusque	0.00	100.00	100.00	19

Bulgaria						
24	BRENNTAG BULGARIA EOOD	Sofia	0.00	100.00	100.00	126
Chile						
25	Brenntag Chile Comercial e Industrial Limitada	Santiago	0.00	95.00	100.00	126
				5.00		133
China						
26	Brenntag (Shanghai) Enterprise Management Co., Ltd.	Shanghai	0.00	100.00	100.00	126
27	Brenntag (Zhangjiagang) Chemical Co., Ltd	Zhangjiagang	0.00	100.00	100.00	89
28	Brenntag Cangzhou Chemical Co., Ltd	Cangzhou	0.00	79.40	100.00	37
				20.60		89
29	Guangzhou Fan Ya Jia Rong Trading Co., Ltd.	Guangzhou	0.00	60.00	100.00	32
				40.00		36
30	Guangzhou Saifu Chemical Co., Ltd.	Guangzhou	0.00	100.00	70.00	33
31	Guangzhou Wellstar Trading Co., Ltd.	Guangzhou	0.00	100.00	100.00	88
32	Shanghai Jia Rong Trading Co., Ltd.	Shanghai	0.00	100.00	100.00	37
33	Shanghai Saifu Chemical Development Co., Ltd.	Shanghai	0.00	70.00	70.00	126
34	Shanghai Wellstar Trading Co., Ltd.	Shanghai	0.00	100.00	100.00	88
35	Shenzhen Wellstar Trading Co., Ltd.	Shenzhen	0.00	100.00	100.00	88
36	Tianjin Tai Rong Chemical Trading Co., Ltd.	Tianjin	0.00	100.00	100.00	32
37	Tianjin Zhong Yung Chemical Warehousing Co., Ltd.	Tianjin	0.00	100.00	100.00	89
38	ZhongYung (GuangDong) Chemical Distribution Service Co., Ltd	Dongguan	0.00	100.00	100.00	87
39	Zhongbai Food Technology (Shanghai) Co., Ltd	Shanghai	0.00	100.00	100.00	40
40	Zhongbai Xingye Food Technology (Beijing) Co., Ltd	Beijing	0.00	100.00	100.00	126
Costa Rica						
41	Brenntag Business Services Sociedad de Responsabili-dad Limit	La Ribera, Belén, Heredia	0.00	100.00	100.00	126
42	Quimicos Holanda Costa Rica S.A.	San José	0.00	100.00	100.00	126
Denmark						
43	Aktieselskabet af 1. Januar 1987	Ballerup	0.00	100.00	100.00	44
44	Brenntag Nordic A/S	Ballerup	0.00	100.00	100.00	126
Germany						
45	ACU PHARMA und CHEMIE GmbH	Apolda	0.00	100.00	100.00	55
46	BBG - Berlin-Brandenburger Lager- und	Hoppegarten	0.00	50.00	100.00	55
	Distributionsgesellschaft Biesterfeld Brenntag mbH			50.00		47
47	BCD Chemie GmbH	Hamburg	0.00	100.00	100.00	55
48	BRENNTAG GmbH	Duisburg	0.00	100.00	100.00	55
49	BRENNTAG International Chemicals GmbH	Essen	0.00	100.00	100.00	55
50	Blitz 03-1161 GmbH	Mülheim an der Ruhr	0.00	100.00	100.00	54
51	Blitz 03-1162 GmbH	Mülheim an der Ruhr	0.00	100.00	100.00	61
52	Blitz 03-1163 GmbH	Mülheim an der Ruhr	0.00	100.00	100.00	62
53	Brenntag Beteiligungs GmbH	Essen	0.00	100.00	100.00	57
54	Brenntag Foreign Holding GmbH	Essen	0.00	100.00	100.00	53
55	Brenntag Germany Holding GmbH	Essen	0.00	100.00	100.00	53
56	Brenntag Global Services GmbH	Zossen	0.00	100.00	100.00	53
57	Brenntag Holding GmbH	Essen	100.00	0.00	100.00	1
58	Brenntag Real Estate GmbH	Essen	0.00	100.00	100.00	53
59	CLG Lagerhaus GmbH	Duisburg	0.00	100.00	100.00	55
60	CLG Lagerhaus GmbH & Co. KG	Essen	0.00	100.00	100.00	55
				0.00		59
61	CM Komplementär 03-018 GmbH & Co. KG	Essen	0.00	100.00	100.00	50
				0.00		54

62	CM Komplementär 03-019 GmbH & Co. KG	Essen	0.00	100.00	100.00	51
				0.00		61
63	CM Komplementär 03-020 GmbH & Co. KG	Essen	0.00	100.00	100.00	52
				0.00		62
64	CVB Albert Carl GmbH & Co. KG Berlin	Berlin	0.00	100.00	51.00	65
				0.00		68
65	CVH Chemie-Vertrieb GmbH & Co. Hannover KG	Hanover	0.00	51.00	51.00	55
				0.00		66
66	CVH Chemie-Vertrieb Verwaltungsgesellschaft mbH	Hanover	0.00	51.00	51.00	55
67	CVM Chemie-Vertrieb Magdeburg GmbH & Co. KG	Magdeburg	0.00	100.00	51.00	65
				0.00		68
68	CVP Chemie-Vertrieb Berlin GmbH	Berlin	0.00	100.00	51.00	65
69	ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hüttenheim KG	Düsseldorf	0.00	94.00	94.00[3]	55
Dominican Republic						
70	BRENNTAG CARIBE S.R.L.	Santo Domingo	0.00	100.00	100.00	126
				0.00		134
Ecuador						
71	BRENNTAG ECUADOR S.A.	Guayaquil	0.00	100.00	100.00	126
				0.00		134
El Salvador						
72	BRENNTAG EL SALVADOR, S.A. DE C.V.	Soyapango	0.00	100.00	100.00	126
				0.00		133
Finland						
73	Brenntag Nordic OY	Vantaa	0.00	100.00	100.00	126
France						
74	BRACHEM FRANCE HOLDING SAS	Chassieu	0.00	100.00	100.00	57
75	BRENNTAG EXPORT SARL	Vitrolles	0.00	100.00	99.94	78
76	BRENNTAG FRANCE HOLDING SAS	Chassieu	0.00	100.00	100.00	74
77	BRENNTAG MAGHREB SAS	Vitrolles	0.00	100.00	99.94	75
78	BRENNTAG SA	Chassieu	0.00	99.94	99.94	76
79	Multisol France SAS	Villebon sur Yvette	0.00	100.00	100.00	76
80	Multisol International Services SAS	Sotteville Les Rouen	0.00	80.00	100.00	76
				20.00		79
Ghana						
81	Brenntag Ghana Limited	Tema	0.00	100.00	100.00	126
Greece						
82	Brenntag Hellas Chimika Monoprosopi EPE	Penteli	0.00	100.00	100.00	139
Guatemala						
83	BRENNTAG GUATEMALA S.A.	Guatemala City	0.00	100.00	100.00	126
				0.00		134
Guyana						
84	ALPHA CHEMICAL GUYANA INC.	Georgetown	0.00	100.00	100.00	126
Honduras						
85	BRENNTAG HONDURAS, S.A.	San Pedro Sula	0.00	98.51	100.00	126
				1.49		134
Hong Kong						
86	Brenntag Chemicals (HK) Pte Limited	Hong Kong	0.00	100.00	100.00	162
87	Hong Kong Dongguan Zhongrong Investment Co Limited	Hong Kong	0.00	100.00	100.00	89
88	WELLSTAR ENTERPRISES (HONG KONG) COMPANY LIMITED	Hong Kong	0.00	100.00	100.00	126
89	Zhong Yung (International) Chemical Co., Limited	Hong Kong	0.00	100.00	100.00	126

India						
90	Brenntag Ingredients (India) Private Limited	Mumbai	0.00	100.00	100.00	162
91	RAJ PETRO SPECIALITIES PRIVATE LIMITED	Mumbai	0.00	100.00	100.00	126
Indonesia						
92	PT Aik Moh Chemicals Indonesia	Batam	0.00	99.93	100.00	160
				0.07		161
93	PT Staris Chemicals	Tangerang Selatan	0.00	100.00	100.00	160
				0.00		161
94	PT. Brenntag	Jakarta Selatan	0.00	100.00	100.00	162
95	PT. Dharmala HCI i. L.	Jakarta	0.00	91.14	91.14	126
Ireland						
96	Brenntag Chemicals Distribution (Ireland) Limited	Dublin	0.00	100.00	100.00	221
97	Monarch Chemicals Ireland Limited	Dublin	0.00	100.00	100.00[2)]	231
Israel						
98	Biochem Trading 2011 Ltd.	Be'er Ya'akov	0.00	100.00	100.00	99
99	Brenntag Israel Ltd.	Be'er Ya'akov	0.00	100.00	100.00	126
Italy						
100	AQUADEPUR SRL	Cogliate	0.00	100.00	100.00	101
101	BRENNTAG S.P.A.	Assago	0.00	100.00	100.00	126
Japan						
102	Brenntag Japan Godo Kaisha	Tokyo	0.00	100.00	100.00	126
Canada						
103	BRENNTAG CANADA INC.	Toronto	0.00	100.00	100.00	136
Kenya						
104	Brenntag Kenya Limited	Nairobi	0.00	100.00	100.00	126
Colombia						
105	BRENNTAG COLOMBIA S.A.	Bogotá D.C.	0.00	94.87	100.00	126
				4.15		133
				0.41		136
				0.38		134
				0.19		132
106	BRENNTAG COLOMBIA ZONA FRANCA S.A.S.	Barranquilla	0.00	100.00	100.00	105
107	CONQUIMICA SAS	Itagui	0.00	100.00	100.00	105
Croatia						
108	BRENNTAG HRVATSKA d.o.o.	Zagreb	0.00	100.00	100.00	139
Latvia						
109	SIA BRENNTAG LATVIA	Riga	0.00	100.00	100.00	149
110	SIA DIPOL BALTIJA	Riga	0.00	100.00	100.00	209
Lithuania						
111	UAB BRENNTAG LIETUVA	Kaunas	0.00	100.00	100.00	149
Malaysia						
112	BRENNTAG BUSINESS SERVICES SDN. BHD.	Kuala Lumpur	0.00	100.00	100.00	126
113	BRENNTAG MALAYSIA SDN. BHD.	Kuala Lumpur	0.00	100.00	100.00	126
114	BRENNTAG SDN. BHD.	Kuala Lumpur	0.00	100.00	100.00	162
115	Brenntag Chemicals Malaysia Sdn. Bhd.	Kuala Lumpur	0.00	30.00	30.00	126
Morocco						
116	ALCOCHIM MAROC S.A.R.L.	Casablanca	0.00	100.00	99.94	77
117	BRENNTAG MAROC S.A.R.L associé unique	Casablanca	0.00	100.00	99.94	77
Mauritius						
118	Brenntag Chemicals Mauritius Limited	Moka	0.00	100.00	100.00	126
119	Multisol Mauritius Limited	Moka	0.00	100.00	100.00	233

Mexico						
120	AMCO INTERNACIONAL S.A. DE C.V.	Mexico City	0.00	100.00	100.00	121
				0.00		122
121	BRENNTAG MÉXICO, S.A. DE C.V.	Cuautitlan Izcalli	0.00	100.00	100.00	126
				0.00		133
122	BRENNTAG PACIFIC, S. DE R.L. DE C.V.	Tijuana	0.00	99.00	100.00	203
				1.00		201
123	Química Delta S.A. de C.V.	Teoloyucan	0.00	99.91	100.00[2)]	121
				0.09		122
New Zealand						
124	BRENNTAG NEW ZEALAND LIMITED	Wellington	0.00	100.00	100.00	162
Nicaragua						
125	BRENNTAG NICARAGUA, S.A.	Managua	0.00	100.00	100.00	126
				0.00		134
Netherlands						
126	BRENNTAG (Holding) B.V.	Amsterdam	0.00	74.00	100.00	131
				26.00		54
127	BRENNTAG Coöperatief U.A.	Amsterdam	0.00	99.00	100.00	201
				1.00		199
128	BRENNTAG Dutch C.V.	Amsterdam	0.00	99.90	100.00	126
				0.10		133
129	Brenntag Amsterdam B.V.	Amsterdam	0.00	100.00	100.00	126
130	Brenntag Finance B.V.	Amsterdam	0.00	100.00	100.00	126
131	Brenntag HoldCo B.V.	Amsterdam	0.00	100.00	100.00	57
132	Brenntag Nederland B.V.	Dordrecht	0.00	100.00	100.00	126
133	H.C.I. Chemicals Nederland B.V.	Amsterdam	0.00	100.00	100.00	126
134	HCI Central Europe Holding B.V.	Amsterdam	0.00	100.00	100.00	126
135	HCI U.S.A. Holdings B.V.	Amsterdam	0.00	100.00	100.00	127
136	Holland Chemical International B.V.	Dordrecht	0.00	100.00	100.00	126
Nigeria						
137	Brenntag Chemicals Nigeria Limited	Matori-Lagos	0.00	90.00	100.00	126
				10.00		134
Norway						
138	BRENNTAG NORDIC AS	Grålum	0.00	100.00	100.00	158
Austria						
139	Brenntag Austria GmbH	Vienna	0.00	99.90	100.00	140
				0.10		53
140	Brenntag Austria Holding GmbH	Vienna	0.00	100.00	100.00	12
141	JLC-Chemie Handels GmbH	Wiener Neustadt	0.00	100.00	100.00	139
142	Provida GmbH	Vienna	0.00	100.00	100.00	139
Panama						
143	BRENNTAG PANAMA S.A.	Panama City	0.00	100.00	100.00	126
Peru						
144	BRENNTAG PERU S.A.C.	Lima	0.00	100.00	100.00	126
				0.00		134
Philippines						
145	A.P.C. Chemical Industries, Inc	Pasig City	0.00	100.00	100.00	160
146	BRENNTAG INGREDIENTS INC.	Muntinlupa City	0.00	100.00	100.00	126
Poland						
147	BCD POLYMERS Sp. z o.o.	Suchy Las	0.00	100.00	100.00	13
148	BCD Polska Sp. z o.o	Warsaw	0.00	100.00	100.00	13
149	BRENNTAG Polska sp. z o.o.	Kedzierzyn-Kozle	0.00	61.00	100.00	12
				39.00		139

150	Eurochem Service Polska sp. z o.o.	Warsaw	0.00	100.00	100.00	149
151	Fred Holmberg & Co Polska Sp.z o.o.	Warsaw	0.00	100.00	100.00	149
Portugal						
152	Brenntag Portugal - Produtos Quimicos, Lda.	Lordelo	0.00	73.95	100.00	54
				26.05		126
Puerto Rico						
153	Brenntag Puerto Rico, Inc.	Caguas	0.00	100.00	100.00	126
Republic of Serbia						
154	Brenntag d.o.o. Beograd-Savski Venac	Belgrade	0.00	100.00	100.00	126
Romania						
155	BRENNTAG S.R.L.	Chiajna	0.00	100.00	100.00	134
Russia						
156	OOO MULTISOL	Moscow	0.00	100.00	100.00	232
Saudi Arabia						
157	Brenntag Saudi Arabia Limited	Riad	0.00	75.00	38.25	217
Sweden						
158	Brenntag Nordic AB	Malmö	0.00	100.00	100.00	126
Switzerland						
159	Brenntag Schweizerhall AG	Basel	0.00	100.00	100.00	76
Singapore						
160	AIK MOH PAINTS & CHEMICALS PTE. LTD.	Singapore	0.00	100.00	100.00	126
161	BRENNTAG ASIA PACIFIC PTE. LTD.	Singapore	0.00	100.00	100.00	126
162	BRENNTAG PTE. LTD.	Singapore	0.00	100.00	100.00	161
163	TEE HAI CHEM PTE LTD	Singapore	0.00	100.00	100.00	126
Slovakia						
164	BRENNTAG SLOVAKIA s.r.o.	Pezinok	0.00	100.00	100.00	139
Slovenia						
165	BRENNTAG LJUBLJANA d.o.o.	Ljubljana	0.00	100.00	100.00	139
Spain						
166	BRENNTAG QUIMICA, S.A.U.	Dos Hermanas	0.00	100.00	100.00	76
167	Devon Chemicals S.A.	Barcelona	0.00	100.00	100.00	126
Sri Lanka						
168	BRENNTAG LANKA (PRIVATE) LIMITED	Rajagiriya	0.00	100.00	100.00	126
South Africa						
169	BRENNTAG SOUTH AFRICA (PTY) LTD	Midrand	0.00	100.00	100.00	126
170	Multisol South Africa (Proprietary) Limited	Cape Town	0.00	100.00	100.00	233
South Korea						
171	Brenntag Korea Co., Ltd.	Gwacheon-si	0.00	100.00	100.00	54
Taiwan						
172	Brenntag Taiwan Co., Ltd.	Taipeh	0.00	100.00	100.00	126
173	NEUTO CHEMICAL CORP.	Taipeh	0.00	100.00	100.00	126
Tanzania						
174	Brenntag Tanzania Limited	Dar es Salam	0.00	100.00	100.00	126
				0.00		134
Thailand						
175	Brenntag Enterprises (Thailand) Co., Ltd.	Bangkok	0.00	51.00	100.00	178
				49.00		126
176	Brenntag Ingredients (Thailand) Public Company Limited	Bangkok	0.00	51.00	100.00	175
				49.00		126
177	Brenntag Lubricants (Thailand) Co., Ltd.	Bangkok	0.00	98.00	100.00	126
				1.00		161
				1.00		162

178	Brenntag Service (Thailand) Co., Ltd.	Bangkok	0.00	51.01	100.00	175
				48.99		126
179	Thai-Dan Corporation Limited	Bangkok	0.00	99.90	100.00	176
				0.05		175
				0.05		178
Czech Republic						
180	Brenntag CR s.r.o.	Prague	0.00	100.00	100.00	139
Turkey						
181	BRENNTAG KIMYA TICARET LIMITED SIRKETI	Istanbul	0.00	100.00	100.00	139
Tunisia						
182	Brenntag Tunisie SARL	Fouchana	0.00	100.00	99.94	77
Uganda						
183	Brenntag Uganda Limited	Kampala	0.00	99.00	100.00	126
				1.00		134
Ukraine						
184	TOB BRENNTAG UKRAINE	Kyiv	0.00	100.00	100.00	209
185	TOB TRIDE	Kyiv	0.00	100.00	100.00	139
Hungary						
186	BCB Union Kft.	Budapest	0.00	96.67	100.00	126
				3.33		133
187	BRENNTAG Hungaria Kft.	Budapest	0.00	97.93	100.00	139
				2.07		134
Uruguay						
188	BRENNTAG SOURCING URUGUAY S.A.	Colonia del Sacramento	0.00	100.00	100.00	126
USA						
189	Alphamin Inc.	Austin/Texas	0.00	100.00	100.00	12
190	Altivia Louisiana, L.L.C.	St. Gabriel/Louisiana	0.00	100.00	100.00	205
191	BWEV, LLC	Wilmington/Delaware	0.00	100.00	100.00	197
192	Brenntag Global Marketing Logistics, LLC	Springfield/Illinois	0.00	100.00	100.00	194
193	Brenntag Global Marketing Specialty Chemicals, LLC	Springfield/Illinois	0.00	100.00	100.00	194
194	Brenntag Global Marketing, LLC	Wilmington/Delaware	0.00	100.00	100.00	201
195	Brenntag Great Lakes, LLC	Chicago/Illinois	0.00	100.00	100.00	135
196	Brenntag Latin America, Inc.	Wilmington/Delaware	0.00	100.00	100.00	201
197	Brenntag Lubricants, LLC	Wilmington/Delaware	0.00	100.00	100.00	201
198	Brenntag Mid-South, Inc.	Henderson/Kentucky	0.00	100.00	100.00	201
199	Brenntag North America Foreign Holding, LLC	Wilmington/Delaware	0.00	100.00	100.00	201
200	Brenntag North America LLC	Wilmington/Delaware	0.00	100.00	100.00	126
				0.00		133
201	Brenntag North America, Inc.	Wilmington/Delaware	0.00	100.00	100.00	126
202	Brenntag Northeast, LLC	Wilmington/Delaware	0.00	100.00	100.00	201
203	Brenntag Pacific, Inc.	Wilmington/Delaware	0.00	100.00	100.00	201
204	Brenntag Solutions and Services, LLC	Wilmington/Delaware	0.00	100.00	100.00	214
205	Brenntag Southwest, Inc.	Longview/Texas	0.00	100.00	100.00	201
206	Brenntag Specialties, LLC	Wilmington/Delaware	0.00	100.00	100.00	201
207	Coastal Chemical Co., L.L.C.	Baton Rouge/ Louisiana	0.00	100.00	100.00	135
208	Colony Gums LLC	Raleigh/ North Carolina	0.00	100.00	100.00	204
209	Dipol Chemical International, Inc.	New York/New York	0.00	100.00	100.00	139
210	Harvest Moon Holdings, LLC	Raleigh/ North Carolina	0.00	100.00	100.00	208

211	New Jersey Lube Oil, LLC	East Hartford/ Connecticut	0.00	100.00	100.00	197
212	Storm Chaser Holding Corporation	Wilmington/Delaware	0.00	100.00	100.00	206
213	Storm Chaser Intermediate Holding Corporation	Wilmington/Delaware	0.00	100.00	100.00	212
214	Storm Chaser Intermediate Holding II Corporation	Wilmington/Delaware	0.00	100.00	100.00	213
United Arab Emirates						
215	Al Shihab Al Thahabi Tech. TR. Co. LLC. SP	Sharjah	0.00	100.00	51.00	217
216	Raj Petro Specialties DMCC	Dubai	0.00	100.00	100.00	91
217	Trychem FZCO	Jebel Ali, Dubai	0.00	51.00	51.00	126
218	Trychem Trading L.L.C.	Port Saeed, Dubai	0.00	100.00	51.00	217
United Kingdom						
219	Brenntag Colours Limited	Leeds	0.00	100.00	100.00	221
220	Brenntag Inorganic Chemicals Limited	Leeds	0.00	100.00	100.00	221
221	Brenntag UK Holding Limited	Leeds	0.00	100.00	100.00	76
222	Brenntag UK Limited	Leeds	0.00	100.00	100.00	221
223	FCL Organisation Ltd	Leeds	0.00	100.00	100.00[2]	224
224	FCSL Holdco Ltd	Leeds	0.00	100.00	100.00[2]	238
225	Kilfrost Europe Ltd	Leeds	0.00	100.00	100.00[2]	238
226	Kluman and Balter Limited	Leeds	0.00	100.00	100.00	221
227	Lawrence Industries Holdings Limited	Tamworth	0.00	100.00	100.00[2]	221
228	Lawrence Industries Limited	Tamworth	0.00	100.00	100.00[2]	221
229	Monarch Chemicals (Holdings) Limited	Leeds	0.00	100.00	100.00[2]	231
230	Monarch Chemicals Limited	Leeds	0.00	100.00	100.00[2]	229
231	Monarch Group Limited	Leeds	0.00	100.00	100.00[2]	221
232	Multisol Europe Limited	Leeds	0.00	100.00	100.00	233
233	Multisol Group Limited	Leeds	0.00	100.00	100.00	234
234	Multisol Limited	Leeds	0.00	100.00	100.00	221
235	Murgatroyd's Salt & Chemical Company Limited	Leeds	0.00	100.00	100.00	220
236	Solvenox Ltd	Leeds	0.00	100.00	100.00[2]	238
237	Solventis Holdings Ltd	Leeds	0.00	100.00	100.00[2]	221
238	Solventis Ltd	Leeds	0.00	100.00	100.00[2]	221
239	Solventis Solutions Ltd	Leeds	0.00	100.00	100.00[2]	223
240	Solventis UK Ltd	Leeds	0.00	100.00	100.00[2]	237
Vietnam						
241	BRENNTAG VIETNAM COMPANY LIMITED	Ho Chi Minh City	0.00	100.00	100.00	162
242	NAM GIANG COMMERCIAL SERVICE CO., LTD	Ho Chi Minh City	0.00	0.00	0.00[3]	1

Associated subsidiaries

Denmark						
243	Borup Kemi I/S	Borup	0.00	33.33	33.33	43
Germany						
244	SOFT CHEM GmbH	Laatzen	0.00	33.40	17.03	66
Thailand						
245	Berli Asiatic Soda Co., Ltd.	Bangkok	0.00	50.00	50.00	176
United Kingdom						
246	PURE SODIUM HYPOCHLORITE BIOCIDAL PRODUCTS GROUP LTD.	London	0.00	25.00	25.00	222

1) Share in the capital of the company
2) Business combination in accordance with IFRS 3
3) Structured entity

4 Remuneration Report

Introduction

The remuneration report of Brenntag SE was prepared jointly by the company's Board of Management and the Supervisory Board and reports on the remuneration awarded and due to the current and former members of the Board of Management and the Supervisory Board in financial year 2024.

The remuneration report is intended to comply with the regulatory requirements of Section 162 of the German Stock Corporation Act (AktG) and the recommendations and suggestions of the German Corporate Governance Code (GCGC) as amended on April 28, 2022.

The remuneration report has been audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft. This audit went beyond the requirements of Section 162, para. 3 of the German Stock Corporation Act (AktG). The audit opinion is attached to the remuneration report.

Remuneration of the Board of Management

Business performance and target achievement in financial year 2024

In an overall challenging business environment, the financial results for financial year 2024 fell short of the targets the company had set itself. The Brenntag Group's profit after tax fell by 25% to EUR 543.7 million compared with the previous year's figure of EUR 721.1 million.

The payout amount of the annual bonus under the Remuneration System 2023, which is based on the philosophy of "Pay for Performance", reflects this development. For financial year 2024, the average annual bonus for the members of the Board of Management amounts to 24% of the target amount, reflecting the Brenntag Group's results, which were below expectations.

2024 also marked the end of the performance period for the second tranche of the long-term variable remuneration under the Remuneration System 2020. A total payout amount of 79% of the target amount was reached over the four-year performance period. This is based on measurement of the relative shareholder return and the change in the share price, which underlines the change in shareholder return between 2021 and 2024, both in absolute terms and in comparison to relevant global competitors and the German stock market. Further details are to be found in the section "Performance criteria for the variable remuneration".

Composition of the Board of Management

The Board of Management of Brenntag SE again consisted of four members without any personnel changes during financial year 2024: Dr. Christian Kohlpaintner (CEO Brenntag Group), Dr. Kristin Neumann (CFO Brenntag Group), Michael Friede (CEO Brenntag Specialties), and Ewout van Jarwaarde (CEO Brenntag Essentials).

Consideration of the resolution of the Annual General Meeting 2024

The remuneration report of Brenntag SE for financial year 2023 was approved by the Annual General Meeting on May 23, 2024 with a 93.63% share of the votes cast.

The investor and proxy adviser feedback received in connection with the approval of the Remuneration Report 2023 was also taken into account when preparing the Remuneration Report 2024.

Board of Management remuneration systems

The Supervisory Board is responsible for determining the remuneration of the Board of Management members. The Nomination and Remuneration Committee of the Supervisory Board discusses and reviews the remuneration system for the

Board of Management at regular intervals and prepares resolutions on any changes thereto. In its decisions on the setting of the remuneration system, the Supervisory Board takes into account the remuneration and employment conditions of the employees of Brenntag SE, in particular the senior managers.

In setting the remuneration, the Supervisory Board pays attention to an appropriate relationship between the tasks and performance of the Board of Management members and the situation of the company. In order to assess the appropriateness of the remuneration system and the individual remuneration of the members of the Board of Management, the Supervisory Board conducts a horizontal review of the remuneration levels and structure. The horizontal comparison is carried out with companies of comparable size at national level. Most recently, a national peer group consisting of companies listed in the DAX and MDAX was used for horizontal benchmarking. In addition, the Supervisory Board may conduct a horizontal review at international level, e.g. based on the respective composition of the global peer group for the performance share plan. Most recently, the global competitor peer group under the Remuneration System 2020 was used for horizontal benchmarking.

The Board of Management remuneration systems, in particular the Board of Management remuneration system that was introduced in 2023, are designed to be in line with the German Corporate Governance Code in the version of April 28, 2022 and the requirements of the amended German Stock Corporation Act. These systems are designed to be clear and comprehensible and support the Group's long-term performance by creating effective incentives for growth and increasing profitability. The aim of the remuneration systems is to create an incentive for successful and sustainable corporate development. The systems are therefore geared to transparent, performance-based remuneration that is strongly focused on the company's success and that depends, in particular, on long-term, but also operational targets, the performance of the Brenntag share price as well as sustainability targets.

Two different remuneration systems were applied in 2024. The Board of Management Remuneration System 2023 was resolved by the Supervisory Board on April 18, 2023 and approved by 94.11% of the votes cast at the Annual General Meeting on June 15, 2023. The Remuneration System 2023 applies to all Board of Management members of Brenntag SE

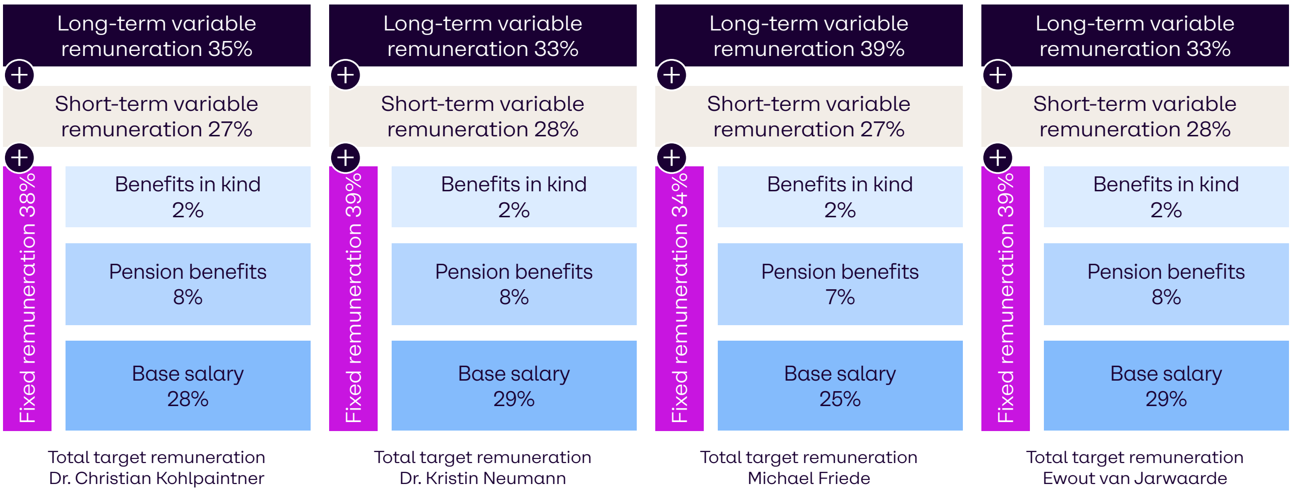
Fixed remuneration	▪ Base salary ▪ Benefits in kind ▪ Pension allowance
Short-term variable remuneration	▪ **Plan type:** Target bonus model ▪ **Financial performance criteria:** – 60% organic operating EBITA – 20% working capital turnover – 20% earnings per share – Individual performance multiplier (0.8–1.2) ▪ **Cap:** max. 200% of the target amount
Long-term variable remuneration	▪ **Plan type:** Virtual Performance Share Plan ▪ **Performance period:** Four years ▪ **Financial performance criteria:** – 70% percentile ranking of the total shareholder return (TSR) of the Brenntag share vs. peer group of global competitors – 30% ROCE – ESG multiplier (0.8–1.2) ▪ **Cap:** max. 250% of the target amount
Other remuneration components and contractual provisions	▪ **Malus & Clawback:** The Supervisory Board is contractually entitled – to retain variable remuneration (malus) – to reclaim variable remuneration (clawback) ▪ **Share Ownership Guideline** in the amount of the annual base salary: – Chair of the Board of Management: 200% – Other members of the Board of Management: 100% ▪ **Maximum remuneration** pursuant to the German Stock Corporation Act – Chair of the Board of Management: EUR 7,500,000 – Other members of the Board of Management: EUR 5,000,000

4.01 Remuneration components – Remuneration System 2023 currently in office. The Board of Management Remuneration System 2020 was adopted by the Supervisory Board on December 23, 2020 and approved by 91.62% of the votes cast at the Annual General Meeting on June 10, 2021. The Remuneration System 2020 applies to the tranches of long-term variable remuneration granted under its framework.

The annual base salary and the variable remuneration components are shown separately in the following. There then follows a description of benefits in kind and other contractual provisions that are structured in a comparable manner in both remuneration systems.

Board of Management Remuneration System 2023

The Board of Management Remuneration System 2023 applies to the following Board of Management members in 2024: Dr. Christian Kohlpaintner, Dr. Kristin Neumann, Michael Friede and Ewout van Jarwaarde. It is applied exactly within the framework of the Board of Management remuneration system adopted by the Supervisory Board and approved by the Annual General Meeting 2023.



4.02 Remuneration structure – Remuneration System 2023

The remuneration comprises fixed remuneration and variable remuneration. The fixed remuneration consists of a base salary, pension allowance and benefits in kind. The variable remuneration is made up of short-term and long-term variable remuneration components. Of the target total remuneration of the Board of Management members, fixed remuneration accounts for between 34% and 39%, short-term variable remuneration components for between 27% and 28% and long-term variable remuneration components for between 33% and 39%.

In addition to the above-mentioned remuneration components, the Board of Management members receive benefits in kind under their service agreements such as a mobility allowance or company car, also for private use, accident insurance cover, and benefits for health care and long-term care insurance.

The annual base salary is paid in twelve equal monthly instalments at the end of each month. If the service agreement begins or ends during a financial year, the annual base salary for that financial year is payable on a pro rata temporis basis.

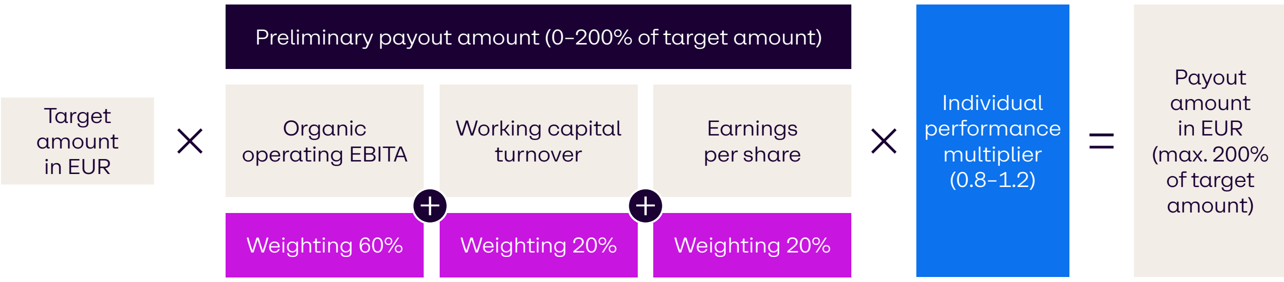
The variable remuneration consists of two components that support the performance of the Group by creating effective incentives for growth and increased profitability to ensure the successful and sustainable development of the company: short-term variable remuneration in the form of an annual bonus payment (annual bonus) and long-term variable remuneration in the form of virtual shares (performance share plan). The annual bonus provides an incentive to achieve the operational business objectives of the financial year, which in turn are derived from the business strategy and the annual budget plans. The performance share plan provides an incentive to ensure the long-term performance of the company.

Annual bonus under the Remuneration System 2023

The annual bonus depends both on Brenntag's overall performance and on the specific responsibilities and challenges of the Board of Management members. It is determined based on the achievement of certain targets set for the financial year, which include organic operating EBITA, working capital turnover and earnings per share.

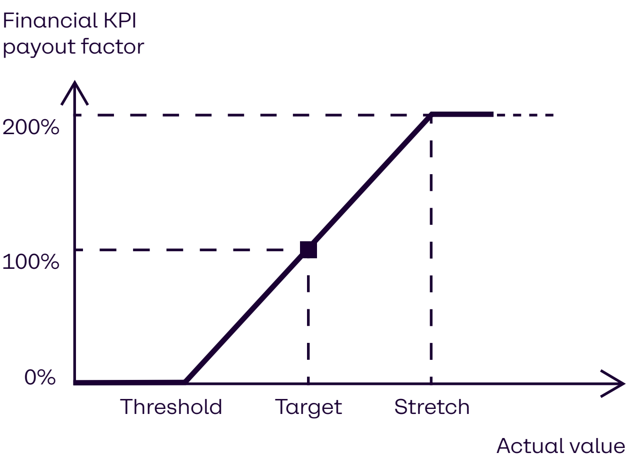
In 2024, the targets set for working capital turnover and earnings per share relate to Group level for all members of the Board of Management. For Dr. Christian Kohlpaintner and Dr. Kristin Neumann, the target for organic operating EBITA related to Group level. For Michael Friede and Ewout van Jarwaarde, 75% of the target for organic operating EBITA related to Group level and the remaining 25% to divisional level in order to align the targets with their particular divisional responsibilities.

Organic operating EBITA is the key performance indicator for the implementation of Brenntag's strategy. It can take into account different depreciation profiles and enable the differentiated strategic steering of Brenntag's divisions; this KPI is weighted at 60% in the bonus calculation. Working capital turnover is a key performance indicator for Brenntag to ensure efficient deployment of capital; the weighting is 20%. Earnings per share, as a parameter for measuring Brenntag's shareholder value, is also weighted at 20%. The payout factor for each key performance indicator lies within a range of 0% to 200%. Target, threshold and stretch values for the three key performance indicators are derived from the annual budget plans and are set annually by the Supervisory Board.



4.03 Structure of the annual bonus – Remuneration System 2023

If the defined target value for each performance criterion is achieved, this results in a payout factor of 100%. If the actual value for each performance criterion is equal to or below the threshold, this results in a payout factor of 0%. If the actual value for each performance criterion is equal to or above the stretch, this results in a maximum payout factor of 200%. If the actual values are between the respective target and threshold values or between the respective target and stretch values, the payout factor is determined by linear interpolation. The following is an example of a payout factor curve which is defined for each financial performance criterion:



4.04 Annual bonus payout factor curve – Remuneration System 2023

The overall payout factor is calculated by multiplying the payout factors of the three performance criteria by their respective weightings and then adding together these three weighted payout factors.

In order to determine the final payout amount, the overall payout factor is multiplied by the individual performance multiplier and by the target amount. The individual performance multiplier is set by the Supervisory Board after each financial year in a range between 0.8 and 1.2. In doing so, the Supervisory Board takes into account the individual financial and non-financial performance.

To measure the individual performance, the Supervisory Board defines individual performance aspects to evaluate the personal contribution of each member of the Board of Management. The individual performance aspects may be based on the three dimensions growth, people and risk management. They may include strategic and operational aspects as well as non-financial aspects as the Supervisory Board also sees these aspects as being important for the strategy and success of Brenntag and wishes to reward them.

The final payout amount is capped at max. 200% of the individual and contractually agreed target amount (Cap). If the overall payout factor for the financial performance criteria is already 200%, the individual performance multiplier cannot increase the annual bonus further.

If the service agreement begins or ends during a financial year, the target amount for that financial year applies on a pro rata temporis basis.

The annual bonus should be paid out within three months from approval of the consolidated financial statements by the Supervisory Board, but at the latest twelve months after the end of the financial year for which the annual bonus has been determined.

Long-term variable remuneration under the Remuneration System 2023

The long-term variable remuneration is granted in the form of virtual shares (performance share units). The number of virtual shares may increase or decrease depending on the long-term performance of Brenntag measured using specified performance criteria over a four-year performance period.

The number of virtual shares to be granted initially is calculated by dividing the individual and contractually agreed target amount by the arithmetic mean of the Brenntag share closing prices in the Xetra trading system during the last three months before the start of the performance period. If the service agreement begins or ends during a financial year, the target amount for that financial year shall be calculated on a pro rata temporis basis.

4.05 Structure of the performance share plan – Remuneration System 2023

The number of virtual shares finally awarded to the member of the Board of Management is linked to two financial performance criteria and to ESG targets by way of an ESG multiplier. The two financial performance criteria are Brenntag's total shareholder return (TSR) compared with a global peer group (weighting: 70%) and the return on capital employed (ROCE) (weighting: 30%). The sum of the respective weighted share awards for each performance criterion is then multiplied by the achievement of certain ESG targets by means of an ESG multiplier, which can range from 0.8 to 1.2. The resulting overall share award is then multiplied by the number of virtual shares initially granted, resulting in the number of virtual shares finally awarded to the member of the Board of Management at the end of the four-year performance period. The number of virtual shares finally awarded is limited to 200%.

The respective payout amount depends on the absolute change in the Brenntag share price over the four-year performance period and is determined by multiplying the number of virtual shares finally awarded by the arithmetic mean of the Brenntag share closing prices in the Xetra trading system during the last three months prior to the end of the performance period plus dividend payments during the performance period. The payout amount is capped at maximum 250% of the individual and contractually set target amount (Cap).

The payout amount shall be paid out within three months from approval of the consolidated financial statements by the Supervisory Board, but at the latest twelve months after the end of the financial year in which the performance period ends.

The TSR is a key performance indicator for our shareholders. The TSR reflects the change in the equity value and dividend distributions, i.e. the return of the Brenntag share. In addition to changes in share price and dividends, other capital measures are also considered. When comparing the TSR of the Brenntag share with the shareholder return of other companies, the advantages of an investment in the Brenntag share are measured compared with alternative investments in shares of other companies. It is of central importance for the long-term stability of the company that shareholders receive an attractive return on their investment in Brenntag shares.

The relative TSR is defined as the ranking of Brenntag's TSR performance compared with the TSR performance of a group of global peer companies. When selecting global peer companies, the Supervisory Board considers the chemical distribution market as well as the distribution business model and the underlying market of Brenntag. The global peer group can be adjusted by the Supervisory Board, if necessary, to maintain a meaningful composition of the peer group (e.g. mergers, acquisitions and delisting of companies in the peer group).

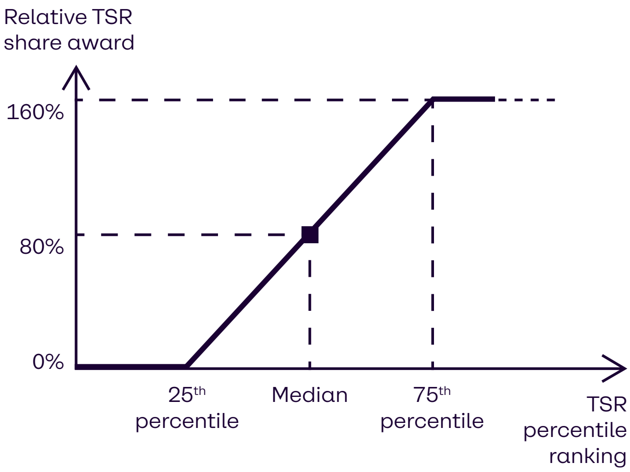
Univar Inc. was delisted on August 1, 2023 and the company is therefore no longer part of the peer group. The global peer group therefore now consists of the following companies:

Chemical distributors	Other distributors	Chemical producers
Azelis Group N.V.	Bossard Holding AG	Ashland Global Holdings Inc.
DKSH Holding AG	Bunzl plc	Croda International plc
IMCD N.V.	Rexel S.A.	Evonik Industries AG
	RS Group plc	DSM-Firmenich AG[1)]
	WW Grainger Inc.	LANXESS AG
		Solvay S.A.

4.06 Peer group of global competitors – Remuneration System 2023

1) Koninklijke DSM (DSM) was delisted on May 31, 2023 owing to its merger with Firmenich; it was therefore removed from the peer group. The shares of the merged company, DSM-Firmenich AG, were listed on the stock exchange on April 18, 2023. Koninklijke DSM N.V. is not part of the peer group for the LTIP tranche 2023–2026. DSM-Firmenich AG has been included in the peer group as of January 1, 2024.

The share award for the relative TSR is determined based on the percentile ranking method. If Brenntag's TSR percentile ranking is equal to the median (50th percentile), the share award for the relative TSR is 80%. If Brenntag's TSR percentile ranking is equal to or below the 25th percentile, the share award for the relative TSR is 0%. If Brenntag's TSR percentile ranking is equal to or exceeds the 75th percentile, the share award for the relative TSR is 160%. The range for relative TSR is defined as 0–160%, in contrast to the range for ROCE, to create a balanced risk-reward profile around the median through symmetry. Values in-between are determined by linear interpolation. This results in a share award curve as follows:



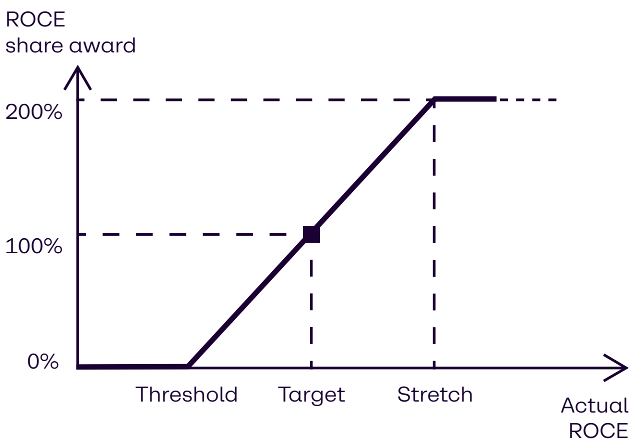
4.07 Relative TSR share award curve

In the Brenntag Group, return on capital is measured using the return on capital employed (ROCE) that is defined as:

$$\textbf{ROCE} = \frac{\textbf{Operating EBITA}}{\begin{array}{l}\textbf{(average carrying amount of equity}\\ + \textbf{ average carrying amount of financial and lease liabilities}\\ - \textbf{ average carrying amount of cash and cash equivalents)}\end{array}}$$

The average carrying amounts in the denominator are defined for a particular year as the arithmetic average of the amounts at each of the following five dates: the beginning of the year, the end of each of the first, second and third quarter, and the end of the year.

The Supervisory Board sets a threshold, target and stretch value for ROCE in the final year of the four-year performance period. If the defined target value for ROCE is achieved, this results in a share award of 100%. If the actual value for ROCE is equal to or below the threshold, this results in a share award of 0%. If the actual value for ROCE is equal to or above the stretch, this results in a maximum share award of 200%. If the actual values are between the respective target and threshold values or between the respective target and stretch values, the share award is determined by linear interpolation. The following is an example of a share award curve defined for ROCE:



4.08 ROCE share award curve

To ensure the sustainable and long-term success of Brenntag and its commitment to sustainable solutions in its own sector and the industries served, the Supervisory Board is required to define ambitious ESG targets based on Brenntag's sustainability strategy. Based on the relevance of the strategic ESG key areas, which are subject to continuous evolution, the Supervisory Board selects up to three performance criteria and defines target values to be achieved at the end of the performance period of the respective tranche and translating into a multiplier between 0.8 and 1.2 for each ESG target. The multipliers for each ESG target are weighted equally resulting in an overall ESG multiplier between 0.8 and 1.2.

The specific ESG targets for the 2023–2026, 2024–2027 and 2025–2028 tranches of the performance share plan are as follows:

- Reduction of greenhouse gas emissions (Scope 1 and Scope 2)
- Further increase in occupational safety (Total Recordable Injury Frequency Rate (TRIR) reduction)
- Increase in the proportion of female employees at various management levels

For the 2023–2026, 2024–2027 and 2025–2028 tranches, the target values for the TRIR and the increase in the percentage of female employees are aligned with the ESG targets for a syndicated credit facility. For the 2023–2026 and 2024–2027 tranches, the target values for the reduction in greenhouse gas emissions (Scope 1 and Scope 2) are likewise aligned with the ESG targets for a syndicated credit facility. For the 2025–2028 tranche, the target values for the reduction in greenhouse gas emissions (Scope 1 and Scope 2) are derived from the Group-wide reduction targets, which were successfully validated by the Science Based Targets initiative (SBTi) in January 2025.

The ESG targets of the performance share plan can be aligned with the topics of climate change, health and safety, and diversity, in line with the double materiality assessment as outlined by the CSRD. Further information, including details on strategies and actions, can be found in the Group sustainability statement.

Malus and clawback

The company is contractually entitled to withhold variable remuneration ("malus") in whole or in part if the members of the Board of Management breach their obligations under Section 93 of the German Stock Corporation Act or in case of breaches of duty which would justify a termination for cause (Section 626 German Civil Code (BGB)). Equally, the company is contractually entitled to correct the amount of variable remuneration determined if that determination was based on incorrect data. In addition, the company is contractually entitled to demand partial or complete repayment ("clawback") of variable remuneration if members of the Board of Management breach their obligations under Section 93 of the German Stock Corporation Act, or in case of breaches of duty which would justify a termination for cause (Section 626 German Civil Code), or payout of the variable remuneration was made on the basis of incorrect data. Malus and clawback events generally only have an effect on variable remuneration components for those financial years during which they actually occurred. Variable remuneration can be clawed back for a period of three years following payout.

In financial year 2024, no variable remuneration was retained or clawed back.

Caps and maximum remuneration

The Board of Management members' total remuneration is limited by a cap applying to each variable remuneration component and by maximum remuneration. Exceptional performance is required to achieve the cap of each variable remuneration component.

If the upper threshold for the financial key performance indicators of the annual bonus is achieved, a maximum preliminary payout amount of 200% of the target amount is reached. Even the application of the individual performance multiplier cannot increase the payout amount above this cap of 200%.

Under the performance share plan, the number of final virtual shares achievable is limited to 200% of the number of initial virtual shares granted. This maximum number of shares can only be reached if the Brenntag share performs better than 75% of the companies in the global peer group and if the upper thresholds for both ROCE and the ESG multiplier are reached. In addition, the payout amount depends on the performance of the Brenntag share price and dividend payments. The total payout under the performance share plan is limited to 250% of the initial target amount.

The maximum total remuneration comprises the annual base salary, maximum annual bonus remuneration, maximum performance share plan remuneration, the pension allowance and benefits in kind. The maximum total remuneration has been set at EUR 6,800,000 for Dr. Christian Kohlpaintner, at EUR 3,300,000 for Dr. Kristin Neumann and Ewout van Jarwaarde, and at EUR 3,900,000 for Michael Friede. If the service agreement begins or ends during a financial year, the remuneration cap for that financial year is adjusted on a pro rata temporis basis.

Share Ownership Guideline

In order to bring the interests of the Board of Management and shareholders more closely into line and to strengthen the Board of the Management members' ownership in the company, an obligation to accumulate and hold Brenntag shares (Share Ownership Guideline) applies. The chair of the Board of Management is obliged to accumulate and continue to hold shares to the value of 200% of their annual base salary for two years after the end of their service. Dr. Kristin Neumann, Michael Friede and Ewout van Jarwaarde are obliged to accumulate and continue to hold shares to the value of 100% of their annual base salaries for two years after the end of their services. They must accumulate the shares within four years at the latest. In each of these four years, shares equivalent to 25% of the holding obligation must be acquired. Compliance with the obligation to hold shares is checked once a year, as at December 31.

The last check as at December 31, 2023 showed that all Board of Management members subject to the obligation had met their obligation to hold shares in full. The next check as at December 31, 2024 is expected to take place in March 2025.

Board of Management Remuneration System 2020

The Board of Management Remuneration System 2020 applied to the 2021–2024 tranche of the performance share plan granted under this system, whose performance period ended in the reporting year.

Long-term variable remuneration under the Remuneration System 2020

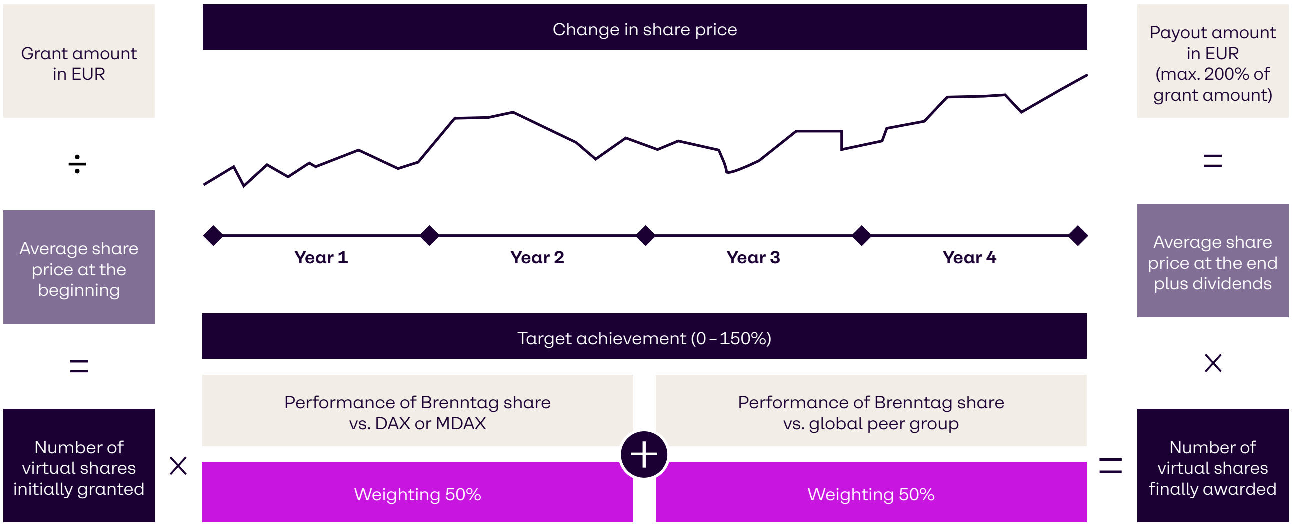
The long-term variable remuneration is in the form of virtual shares (performance share units). The value of the payout depends on the relative performance of the Brenntag share compared with two peer groups and the absolute change in the Brenntag share price over a four-year performance period.

The annual virtual shares are contingently granted on January 1 of each financial year. The number of shares initially granted is calculated by dividing the individual and contractually agreed grant amount by the arithmetic mean of the Brenntag share closing prices in the Xetra trading system during the last three months before the start of the performance period. If the service agreement begins or ends during a financial year, the amount for that financial year is granted on a pro rata temporis basis.

The number of virtual shares that a Board of Management member is finally granted at the end of the four-year performance period depends on two performance criteria that are set by the Supervisory Board and each weighted at 50%: the outperformance of the total shareholder return (TSR) of the Brenntag share compared with

- the TSR performance of the DAX or MDAX and
- the average TSR of a peer group of global competitors.

Due to the inclusion of Brenntag in the DAX, the national benchmark index was changed from the MDAX to the DAX in 2022. Furthermore, Azelis Group NV was added to the peer group of global competitors in 2022.



4.09 Structure of the performance share plan – Remuneration System 2020

The benchmark parameters for the performance criteria of the individual tranches are as follows:

Tranche	National benchmark index	Peer group of global competitors
2020	MDAX	Companies in Figure below excluding Azelis Group NV
2021		
2022	DAX	Companies in Figure below including Azelis Group NV
2023		

4.10 Overview of the benchmark parameters for each tranche – Remuneration System 2020

Univar Inc. was delisted on August 1, 2023 and the company is therefore no longer part of the peer group. The global peer group therefore now consists of the following companies:

Aalberts N.V.	Air Liquide S.A.	Ashland Global Holdings Inc.	Azelis Group NV
Bunzl plc	DKSH Holding Ltd.	RS Group plc[1]	Evonik Industries AG
Ferguson plc	IMCD N.V.	Linde plc	McKesson Corporation
Rexel S.A.	Travis Perkins plc	W.W. Grainger, Inc.	

4.11 Peer group of global competitors – Remuneration System 2020

[1] Note: RS Group plc. formerly traded under the name Electrocomponents plc.

Target achievement of each performance criterion is calculated by subtracting the performance of the DAX or MDAX or the average TSR of the global peer group from the TSR of the Brenntag share. If the performance of the DAX or MDAX or the average TSR of the global peer group equals the TSR of the Brenntag share, target achievement is 100%. If the TSR of the Brenntag share outperforms the DAX or MDAX or the average TSR of the global peer group by 25% or more percentage points, target achievement is 150%. If the TSR of the Brenntag share underperforms the DAX or MDAX or the average TSR of the global peer group by 25% or more percentage points, target achievement is 0%. Values in-between are determined by linear interpolation. Overall target achievement is calculated by multiplying the target achievement figures of the two performance criteria by their respective weightings and then adding together these two weighted target achievement figures.

The number of virtual shares that a Board of Management member is finally granted at the end of the four-year performance period is calculated by multiplying the number of virtual shares initially granted by the overall target achievement.

The payout amount is determined by multiplying the number of virtual shares finally granted by the arithmetic mean of the Brenntag share closing prices in the Xetra trading system during the last three months prior to the end of the performance period plus dividend payments during the performance period. The payout amount is capped at max. 200% of the individual and contractually set grant amount (Cap).

The payout amount shall be paid within three months from approval of the consolidated financial statements by the Supervisory Board, but at the latest twelve months after the end of the financial year in which the performance period ends.

Early payout of the tranches of the performance share plan is not possible under the Remuneration System 2020.

Malus and clawback

All variable remuneration components of a Board of Management member are only paid out after the end of the regular plan period. The Supervisory Board is contractually entitled to retain the variable remuneration (malus) in whole or in part if a Board of Management member violates their obligations under Section 93 of the German Stock Corporation Act. In addition, the Supervisory Board is contractually entitled to reclaim parts of the variable remuneration (clawback) if a Board of Management member violates their obligations under Section 93 of the German Stock Corporation Act, payout of the variable remuneration was made on the basis of incorrect data or the company's EBITDA decreases by at least 25% within two years and during the Board of Management member's service compared with the EBITDA for which the variable remuneration was paid. Clawback of variable remuneration is possible up to an amount of 25% of the total remuneration for the respective financial year.

In financial year 2024 no variable remuneration was retained or clawed back.

Further remuneration and contractual provisions

The following describes further remuneration and contractual provisions that are largely applicable under both remuneration systems.

For building up pension entitlements, Dr. Christian Kohlpaintner receives from the company an annual amount of EUR 300,000 and may decide at his own discretion how to use this money. The annual amount made available is paid in twelve equal monthly instalments, in each case at the end of the month. If the service agreement begins or ends during a financial year, the annual amount will be granted on a pro rata temporis basis for that financial year.

For building up pension entitlements, the other members of the Board of Management receive an annual amount of 13.5% (rounded to the next full EUR 1,000) of their annual base salary and the short-term variable remuneration (on 100% target achievement, i.e. irrespective of the actual targets achieved). Dr. Kristin Neumann, Michael Friede and Ewout van Jarwaarde are paid out the relevant amount for building up pension entitlements every year and may decide at their own discretion how to use this money.

Apart from that, no expenses or provisions for pension commitments were incurred or recognized for the members of the Board Management serving in financial year 2024, and they had no existing pension commitments.

Apart from the amounts explained above, which are made available to build up pension entitlements, no other arrangements for retirement and early retirement have been agreed.

In addition to the above-mentioned remuneration components, the Board of Management members receive benefits in kind and other benefits, such as a mobility allowance, and benefits for health care and long-term care insurance.

The benefits for health care and long-term care insurance are limited to max. 50% of the premium they pay into their health care and long-term care insurance. Should Ewout van Jarwaarde be subject to the statutory social security system in the Netherlands, Brenntag will pay the corresponding employer contributions to the Dutch social security system up to an amount of EUR 20,000 per year.

Furthermore, a group accident insurance has been taken out. In addition, the company has taken out Directors & Officers Insurance (damage liability insurance) for the Board of Management members. This provides for a deductible of 10% of the damages claimed in each case, but in each year limited to 150% of the annual base salary.

In the event of temporary disability due to illness, accident, or any other cause not due to the fault of a Board of Management member, said member is entitled to continued payment of the full annual base salary for a period of no more than nine months. For the first three months of such incapacity, full entitlement to the annual bonus and the target or grant amount of the long-term variable remuneration is also retained. In the event of the death of a Board of Management member, the base salary is paid to their surviving dependents for the month of their death and the six months following their death or until the date on which the service agreement would have been terminated without their death, whichever event occurs first.

Contract termination provisions

The service agreements of the Board of Management members end automatically on specified dates without any notice of termination being required. The employment of Board of Management members may only be terminated prematurely for good cause or by mutual agreement. If employment is terminated prematurely, the service agreement limits any severance pay to the value of twice the total annual remuneration, but no more than the amount of remuneration that would be paid until the end of the term of the service agreement.

A post-contractual non-compete clause has been agreed with Dr. Christian Kohlpaintner, Dr. Kristin Neumann, Michael Friede and Ewout van Jarwaarde. The post-contractual non-compete obligation applies for a period of 24 months after the termination of the service agreement. During this period, there is an entitlement to continued payment amounting to 75% of their annual base salary. Any earnings pursuant to Section 74c of the German Commercial Code (HGB) are deducted from this payment.

There are no separate change-of-control arrangements.

Target remuneration of Board of Management members serving in financial year 2024

In order to ensure transparent reporting of the Board of Management remuneration, the following table first shows the contractually agreed target amounts for the individual remuneration components for each serving Board of Management member plus the benefits in kind. As Michael Friede was appointed to the Board of Management during 2023 the target amounts indicated in the respective year are pro rata temporis amounts.

		Dr. Christian Kohlpaintner	Dr. Kristin Neumann	Michael Friede	Ewout van Jarwaarde
Term of service agreement as a Board of Management member		(until Dec. 31, 2025)	(until Mar. 31, 2025)	(until Mar. 31, 2026)	(until Dec. 31, 2028)
		in EUR k	in EUR k	in EUR k	in EUR k
Annual base salary	**2024**	**1,050**	**525**	**525**	**525**
	2023	1,050	525	394	500
Pension allowance	**2024**	**300**	**139**	**146**	**139**
	2023	300	139	109	132
Benefits in kind / other benefits	**2024**	**61**	**36**	**37**	**43**
	2023	60	35	277[1)]	42
Total non-performance-based remuneration	**2024**	**1,411**	**700**	**708**	**707**
	2023	1,410	699	780	674
Short-term variable remuneration	**2024**	**1,000**	**500**	**550**	**500**
	2023	1,000	500	413	475
Long-term variable remuneration	**2024**	**1,300**	**600**	**800**	**600**
	2023	1,300	600	600	575
Total performance-based remuneration	**2024**	**2,300**	**1,100**	**1,350**	**1,100**
	2023	2,300	1,100	1,013	1,050
Total remuneration	**2024**	**3,711**	**1,800**	**2,058**	**1,807**
	2023	3,710	1,799	1,793	1,724

4.12 Target remuneration of the Board of Management members serving in financial year 2024

1) Including a contractually agreed sign-on bonus in the amount of EUR 250k.

Performance criteria for the variable remuneration

As previously described, Dr. Christian Kohlpaintner, Dr. Kristin Neumann, Michael Friede and Ewout van Jarwaarde were incentivized under the Board of Management Remuneration System 2023.

The following table shows the respective targets and the results actually achieved for the annual bonus 2024. The respective target achievement is calculated from the two figures. The results of the organic operating EBITA were calculated based on constant exchange rates. Specifically, the exchange rates from the actual results achieved in 2023 were used, as they were predominantly applied in the calculation of the target values.

	Dr. Christian Kohlpaintner, Dr. Kristin Neumann, Michael Friede und Ewout van Jarwaarde				
2024	Threshold	Target	Cap	Result	Target achievement
Organic operating EBITA (in EUR m)					
Brenntag Group	1,191.7	1,324.1	1,456.5	1,074.9	–
Brenntag Specialties	465.9	517.7	569.5	440.8	–
Brenntag Essentials	850.9	945.4	1,040.0	760.0	–
Working capital turnover					
Brenntag Group	7.00 x	7.50 x	8.00 x	7.64 x	128.0%
Earnings per share (in EUR)					
Brenntag Group	3.90	4.33	4.76	3.71	–

4.13 Performance criteria for the annual bonus 2024 – Remuneration System 2023

The Supervisory Board and the Board of Management members have agreed individual performance aspects to measure individual performance. Each performance aspect is linked to specific sub-aspects which are used to assess achievement of the respective performance aspect. This approach enables a holistic view to be taken when determining the individual performance multipliers for 2024. These individual performance aspects include among others, the following topics:

- Developing and implementing measures to enhance safety, health, and environmental protection
- Designing and implementing division-specific initiatives to improve operational performance
- Finalizing programs and introducing new measures in risk management, compliance and ESG
- Executing the “Strategy to Win” on a division-specific basis
- Developing defined M&A programs for the divisions for 2024 and 2025, as well as optimizing the post-merger integration (PMI) process
- Implementing a quarterly report to evaluate the Digital.Data.Excellence Program
- Defining and executing measures for succession planning and the development of top talent

Taking a holistic view and using reasonable discretion, the Supervisory Board considers the expectations placed on the Board of Management members regarding progress in the individual performance aspects to have generally been met.

The link to ESG (environmental, social, governance) in the individual performance multiplier is established directly through the relevant performance aspects. In addition, there is a requirement for Dr. Christian Kohlpaintner, Michael Friede and Ewout van Jarwaarde that special weight is given to the avoidance of particularly serious HSE (health, safety, environment) incidents when assessing their individual performance. Dr. Christian Kohlpaintner and Dr. Kristin Neumann are subject to an additional requirement relating to the establishment of and compliance with state-of-the-art tax policies.

The individual performance multiplier was set by the Supervisory Board at 0.95 for Dr. Christian Kohlpaintner, Dr. Kristin Neumann, Michael Friede and Ewout van Jarwaarde.

The annual bonuses for 2024 are calculated on the basis of the performance criteria previously described and the individual performance multipliers as follows:

2024	Dr. Christian Kohlpaintner	Dr. Kristin Neumann	Michael Friede	Ewout van Jarwaarde
Target amount	**EUR 1,000k**	**EUR 500k**	**EUR 550k**	**EUR 500k**
Organic operating EBITA (weighting 60%)				
Brenntag Group				
Target achievement	–	–	–	–
Brenntag Specialties				
Target achievement	–	–	–	–
Brenntag Essentials				
Target achievement	–	–	–	–
EBITA overall target achievement	–	–	–	–
Working capital turnover (weighting 20%)				
Brenntag Group				
Target achievement	128.0%	128.0%	128.0%	128.0%
Earnings per share (weighting 20%)				
Brenntag Group				
Target achievement	–	–	–	–
Overall target achievement	25.6%	25.6%	25.6%	25.6%
Preliminary payout amount	EUR 256k	EUR 128k	EUR 141k	EUR 128k
Individual performance multiplier	0.95	0.95	0.95	0.95
Final payout amount	**EUR 243k**	**EUR 122k**	**EUR 134k**	**EUR 122k**

4.14 Calculation of the annual bonus for 2024 – Remuneration System 2023

The performance criteria for the 2021–2024 tranche of the performance share plan under the Board of Management Remuneration System 2020 were set at the end of 2020. Dr. Christian Kohlpaintner and Ewout van Jarwaarde, along with former Board of Management members Henri Nejade and Steven Terwindt, are among the recipients of this tranche. The performance period ran from January 1, 2021 to December 31, 2024 and the payout amounts are determined on the basis of the performance criteria previously described as follows:

2024	Dr. Christian Kohlpaintner	Ewout van Jarwaarde	Henri Nejade	Steven Terwindt
Grant amount	**EUR 1,200k**	**EUR 550k**	**EUR 600k**	**EUR 600k**
Average share price at the beginning of the performance period	EUR 59.83	EUR 59.83	EUR 59.83	EUR 59.83
Number of virtual shares initially granted	**20,057**	**9,193**	**10,028**	**10,028**
Brenntag TSR performance	12.3%	12.3%	12.3%	12.3%
Average TSR performance of the global peer group (weighting 50%)	71.1%	71.1%	71.1%	71.1%
TSR outperformance vs. global peer group	–58.8%	–58.8%	–58.8%	–58.8%
Target achievement	–	–	–	–
MDAX TSR performance (weighting 50%)	–6.7%	–6.7%	–6.7%	–6.7%
TSR outperformance vs. MDAX	19.0%	19.0%	19.0%	19.0%
Target achievement	137.9%	137.9%	137.9%	137.9%
Overall target achievement	69.0%	69.0%	69.0%	69.0%
Number of virtual shares finally awarded	**13,830**	**6,339**	**6,915**	**6,915**
Average share price at the end of the performance period plus dividend	EUR 68.25	EUR 68.25	EUR 68.25	EUR 68.25
Payout amount (max. 200% of grant amount)	**EUR 944k**	**EUR 433k**	**EUR 472k**	**EUR 472k**

4.15 Calculation of the 2021–2024 tranche of the performance share plan – Remuneration System 2020

Information on remuneration awarded and due to Board of Management members serving in financial year 2024 and former members in accordance with Section 162 AktG

In the Remuneration Report 2024, the second interpretation option acceptable to the Institute of Public Auditors in Germany is applied and remuneration is therefore deemed to have been "awarded and due in the financial year" if the underlying activity has been performed in full by the end of the financial year or the vesting period has been completed in full and the vesting requirements have been met.

Information on remuneration awarded and due to Board of Management members serving in financial year 2024 in accordance with Section 162 AktG

The total remuneration for the individual Board of Management members serving in financial year 2024 is as follows:

		Dr. Christian Kohlpaintner		Dr. Kristin Neumann		Michael Friede		Ewout van Jarwaarde	
Term of service agreement		(until Dec. 31, 2025)		(until Mar. 31, 2025)		(until Mar. 31, 2026)		(until Dec. 31, 2028)	
		in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %
Annual base salary	**2024**	**1,050**	**40.4**	**525**	**63.9**	**525**	**62.4**	**525**	**41.6**
	2023	1,050	27.5	525	75.1	394	50.5	500	70.7
Pension allowance	**2024**	**300**	**11.6**	**139**	**16.9**	**146**	**17.3**	**139**	**11.0**
	2023	300	7.9	139	19.9	109	14.0	132	18.6
Benefits in kind / other benefits	**2024**	**61**	**2.3**	**36**	**4.4**	**37**	**4.4**	**43**	**3.5**
	2023	60	1.6	35	5.0	277[1]	35.5	42	5.9
Total non-performance-based remuneration	**2024**	**1,411**	**54.3**	**700**	**85.2**	**708**	**84.1**	**707**	**56.1**
	2023	1,410	37.0	699	100.0	780	100.0	674	95.2
Short-term variable remuneration	**2024**	**243**	**9.4**	**122**	**14.8**	**134**	**15.9**	**122**	**9.6**
	2023	0	0.0	0	0.0	0	0.0	34	4.8
Long-term variable remuneration	**2024**	**944**	**36.3**	**–**	**–**	**–**	**–**	**433**	**34.3**
	2023	2,400	63.0	–	–	–	–	–	–
Total performance-based remuneration	**2024**	**1,187**	**45.7**	**122**	**14.8**	**134**	**15.9**	**554**	**43.9**
	2023	2,400	63.0	0	0.0	0	0.0	34	4.8
Total remuneration	**2024**	**2,598**	**100.0**	**822**	**100.0**	**842**	**100.0**	**1,262**	**100.0**
	2023	3,810	100.0	699	100.0	780	100.0	708	100.0

4.16 Remuneration awarded and due to Board of Management members serving in financial year 2024 in accordance with Section 162 AktG

[1] Including a contractually agreed sign-on bonus in the amount of EUR 250k.

Information on remuneration awarded and due to former Board of Management members in accordance with Section 162 of the German Stock Corporation Act (AktG)

In financial year 2024, EUR 311k was paid as part of a pension commitment to a former Board of Management member who retired before 2014.

Steven Terwindt received contractually agreed post-contractual non-compete compensation in the amount of EUR 230k for the period from January 1, 2024 to July 31, 2024 and EUR 164k for the period from August 1, 2023 to December 31, 2023.

Under the Remuneration System 2020, entitlements under the performance share plan will be paid to Henri Nejade and Steven Terwindt upon completion of the performance period for the 2021–2024 tranche. Details on the 2021–2024 tranche are provided in the section "Performance criteria for the variable remuneration."

Apart from these amounts, no remuneration was awarded or due to former Board of Management members in financial year 2024.

Therefore, the following table contains the remuneration awarded and due to former Board of Management members:

		Henri Nejade		Steven Terwindt	
		in EUR k	in %	in EUR k	in %
Annual base salary	**2024**	**–**	**–**	**–**	**–**
	2023	268	39.6	306	24.0
Pension allowance	**2024**	**–**	**–**	**–**	**–**
	2023	–	–	81	6.4
Benefits in kind / other benefits	**2024**	**–**	**–**	**230**	**32.7**
	2023	227	33.6	196	15.4
Total non-performance-based remuneration	**2024**	**–**	**–**	**230**	**32.7**
	2023	495	73.2	583	45.8
Short-term variable remuneration	**2024**	**–**	**–**	**–**	**–**
	2023	181	26.8	231	18.2
Long-term variable remuneration	**2024**	**472**	**100.0**	**472**	**67.3**
	2023	–	–	458	36.0
Total performance-based remuneration	**2024**	**472**	**100.0**	**472**	**67.3**
	2023	181	26.8	689	54.2
Total remuneration	**2024**	**472**	**100.0**	**702**	**100.0**
	2023	676	100.0	1,272	100.0

4.17 Remuneration awarded and due to former Board of Management members in accordance with Section 162 AktG

Information on shares granted in the financial year

Dr. Christian Kohlpaintner, Dr. Kristin Neumann, Michael Friede and Ewout van Jarwaarde have been contingently granted virtual Brenntag shares, so-called performance share units, as part of their long-term variable remuneration under both the Remuneration System 2020 and the Remuneration System 2023.

The performance share units are paid out after the end of the respective four-year performance period. The specific performance criteria previously defined for the relevant Board of Management remuneration system are taken into account.

	Dr. Christian Kohlpaintner	Dr. Kristin Neumann	Michael Friede	Ewout van Jarwaarde
2021 tranche [1]	20,057	–	–	9,193
2022 tranche [2]	15,072	6,280	–	6,908
2023 tranche [3]	21,124	9,750	9,750	9,344
2024 tranche [4]	17,349	8,007	10,676	8,007

4.18 Performance share units initially contingently granted

[1] The relevant Brenntag share price was EUR 59.83 at the beginning of the performance period and EUR 61.35 at the end of the performance period.
[2] Price of the Brenntag share applicable at the beginning of the performance period: EUR 79.62
[3] Price of the Brenntag share applicable at the beginning of the performance period: EUR 61.54
[4] Price of the Brenntag share applicable at the beginning of the performance period: EUR 74.93

Compliance with maximum remuneration

In order to comply with the maximum remuneration requirement, all remuneration components hitherto awarded and due for a financial year are listed and allocated to the financial years in which they were granted. These amounts are added up and compared with the maximum remuneration to be applied for that financial year.

Ultimately, it was determined that the maximum remuneration for each Board of Management member was not exceeded in 2021.

A final assessment for the years 2022, 2023, and 2024 can only be made once all remuneration components have been awarded or are due. In particular, entitlements under the long-term variable remuneration cannot be determined until after the end of the respective performance periods.

The following table gives a detailed breakdown of how the maximum remuneration requirement for financial year 2021 was observed:

in EUR k	Dr. Christian Kohlpaintner	Ewout van Jarwaarde	Henri Nejade	Steven Terwindt
Annual base salary	1,000	475	525	525
Pension allowance	300	125	–	139
Service cost	–	–	336	–
Benefits in kind / other benefits	37	37	428	29
Short-term variable remuneration	1,800	900	1,000	1,000
Long-term variable remuneration 2021–2024	944	433	472	472
Total remuneration realized in accordance with Sec. 87a, para. 1, sentence 2, no. 1 AktG	**4,081**	**1,970**	**2,761**	**2,165**
Maximum remuneration agreed	**5,650**	**2,700**	**3,400**	**3,000**

4.19 Compliance with the maximum remuneration requirement in 2021 – Remuneration System 2020

Remuneration of the Supervisory Board

The remuneration system for the Supervisory Board was approved by 95.32% of the votes cast at the Annual General Meeting of Brenntag SE on June 15, 2023.

The provisions of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code on remuneration for members of the Supervisory Board provide the regulatory framework for the remuneration system. The remuneration of the members of the Supervisory Board is purely fixed remuneration:

Fixed remuneration of the members of the Supervisory Board		
Chairperson of the Supervisory Board **EUR 325,000**	Deputy Chairperson of the Supervisory Board **EUR 162,500**	Member of the Supervisory Board **EUR 130,000**

Remuneration for committee memberships of the members of the Supervisory Board	
Chair Nomination and Remuneration Committee Audit and Compliance Committee Transformation and ESG Committee and any additional committee that may be established **each EUR 125,000**	Member Nomination and Remuneration Committee Audit and Compliance Committee Transformation and ESG Committee and any additional committee that may be established **each EUR 50,000**

Share ownership guidelines for the members of the Supervisory Board
Personal investment in shares of Brenntag SE (20% of gross fixed remuneration per year) with holding obligation for the duration of an appointment period.

4.20 Remuneration system for the members of the Supervisory Board

The remuneration levels take into account the functions and the respective responsibilities of the members of the Supervisory Board and are in an appropriate relationship to the situation of Brenntag. The remuneration of Supervisory Boards and committees in comparable national and international companies of the same industry is also considered.

The expertise of Supervisory Board members needed for constructive work in different committees and their time commitment are very similar for the committees. Therefore, the remuneration paid for committee memberships is standardized.

In line with international market practice, the members of the Supervisory Board shall invest part of their fixed remuneration in Brenntag shares in order to align with the interests of shareholders.

The following table shows the amounts due in 2024 to Supervisory Board members serving in financial year 2024 and former members:

in EUR k		Fixed remuneration	Remuneration for committee work	Total
Richard Ridinger Chair (since Jun. 15, 2023)	**2024**	**325**	**100**	**425**
	2023	236	100	336
Doreen Nowotne Chair (until Jun. 15, 2023)	**2024**	**–**	**–**	**–**
	2023	149	115	264
Dr. Andreas Rittstieg Deputy Chair	**2024**	**163**	**125**	**288**
	2023	163	91	253
Stefanie Berlinger	**2024**	**130**	**50**	**180**
	2023	130	50	180
Sujatha Chandrasekaran (since Jun. 15, 2023)	**2024**	**130**	**50**	**180**
	2023	70	27	98
Wijnand P. Donkers	**2024**	**130**	**175**	**305**
	2023	130	141	271
Ulrich M. Harnacke	**2024**	**130**	**175**	**305**
	2023	130	152	282
Total remuneration	**2024**	**1,008**	**675**	**1,683**
	2023	1,008	675	1,683

4.21 Remuneration awarded and due (vesting-based interpretation) to the Supervisory Board[1)]

[1)] Note: The remuneration of the Supervisory Board members is purely fixed remuneration.

The members of the Supervisory Board serving as at December 31, 2024 are obliged to invest 20% of the gross fixed remuneration for 2024 as a personal investment in Brenntag shares and to hold these shares in their ownership until the end of their term of office. The investment obligation comes into effect at the end of 2024 and must be met by the end of 2025. The check for compliance with this obligation as at December 31, 2025 is expected to be performed in March 2026 and a report will be made in the Remuneration Report 2026.

Furthermore, Directors & Officers insurance (damage liability insurance) has been taken out for the members of the Supervisory Board. Beyond this, Supervisory Board members received no further remuneration or benefits for personal services rendered, in particular advisory and mediatory services, in the reporting year. No loans or advances were granted to members of the Supervisory Board in the reporting year, nor were any guarantees or other commitments entered into in their favor.

Changes in earnings and remuneration over time

	Actual 2024	Actual 2023	Change in 2024 compared with 2023	Change in 2023 compared with 2022	Change in 2022 compared with 2021	Change in 2021 compared with 2020
Remuneration of current members of the Board of Management						
Dr. Christian Kohlpaintner (since Jan. 1, 2020)	EUR 2,598k	EUR 3,810 k	–31.8%	+21.4%	–	+0.5%
Dr. Kristin Neumann (since Mar. 1, 2022)	EUR 822k	EUR 699k	+17.6%	–50.7%	+100.0%	–
Michael Friede (since Apr. 1, 2023)	EUR 842k	EUR 780k	+8.0%	+100.0%	–	–
Ewout van Jarwaarde (since Jan. 1, 2021)	EUR 1,262k	EUR 708k	+78.3%	–53.9%	–0.1%	+100.0%
Remuneration of former members of the Board of Management						
Henri Nejade (until Jun. 30, 2023)	EUR 472k	EUR 676k	–30.2%	–65.8%	–30.8%	+24.7%
Steven Terwindt (until Aug. 31, 2023)	EUR 702k	EUR 1,272k	–44.8%	–25.5%	+0.9%	+481.8%
Karsten Beckmann	–	–	–	–100.0%	EUR +937k[1]	–100.3%
Markus Klähn	–	–	–	–	–100.0%	–0.3%
Georg Müller	–	–	–	–100.0%	+25.2%	+23.3%
Remuneration of current members of the Supervisory Board						
Richard Ridinger (since Jun. 10, 2020)	EUR 425k	EUR 336k	+26.5%	+97.4%	–	+112.5%
Ulrich M. Harnacke	EUR 305k	EUR 282k	+8.2%	+37.6%	–	–
Stefanie Berlinger	EUR 180k	EUR 180k	–	+24.1%	–	–
Wijnand P. Donkers	EUR 305k	EUR 271k	+12.5%	+59.2%	–	+30.8%
Dr. Andreas Rittstieg	EUR 288k	EUR 253k	+13.8%	+44.6%	–	+9.4%
Sujatha Chandrasekaran (since Jun. 15, 2023)	EUR 180k	EUR 98k	+83.7%	+100.0%	–	–
Remuneration of former members of the Supervisory Board						
Doreen Nowotne (until Jun. 15, 2023)	–	EUR 264k	–100.0%	–7.5%	–	+50.8%
Remuneration of employees						
Ø employee Brenntag SE	EUR 131k	EUR 120k	+9.2%	+9.1%	+8.9%	+6.5%
Change in earnings						
Profit after tax Brenntag Group	EUR 543.7m	EUR 721.1m	–24.6%	–20.1%	+95.6%	–2.6%
Profit after tax Brenntag SE	EUR 326.7m	EUR 120.6m	+170.9%	–51.9%	+3.8%	+8.8%

4.22 Changes in Board of Management, Supervisory Board and employee remuneration

[1] Since Karsten Beckmann repaid an amount of EUR 14k, the remuneration awarded and due to him in 2021 was negative. The corresponding change in 2022 compared with 2021 can therefore only be stated in absolute terms.

The above table shows the changes in the remuneration of the Board of Management, Supervisory Board and employees as well as the changes in the company's earnings.

Changes in remuneration and the company's earnings were shown for the first time from 2020 to 2021 and are now updated every year in the remuneration report. With serving and former Board of Management members, the total remuneration awarded and due is taken into account as described in the section "Information on remuneration awarded and due to Board of Management members serving in financial year 2024 and former members in accordance with Section 162 of the German Stock Corporation Act (AktG)". In the case of current and former Supervisory Board members, the total remuneration awarded and due is taken into account as described in the section "Remuneration of the Supervisory Board". Apart from apprentices, interns and pre-retirement part-time workers, all employees who had a valid employment contract with Brenntag SE in the respective financial year are included in the changes in average employee remuneration.

Part-time employment and entries and departures from the company during the year are extrapolated to the full-year, full-time equivalent. Base salary and short-term and long-term variable remuneration paid in the financial year are included in the calculation for employees. Benefits in kind and company pension schemes for employees are excluded from the calculation as these remuneration components are to a large extent purely administrative and are not subject to the classic, annual adjustment mechanism. In this analysis, we focus only on the employees of Brenntag SE in order to avoid a distorted picture in the future as a result of takeovers and different remuneration dynamics in other countries.

Report of the independent auditor

To Brenntag SE, Essen/Germany

We have audited the accompanying remuneration report of Brenntag SE, Essen/Germany, ("the Company") for the financial year from January 1 to December 31, 2024, including the related disclosures, which has been prepared to comply with Section 162 German Stock Corporation Act (AktG).

Responsibilities of the Executive Directors and of the Supervisory Board

The executive directors and the supervisory board of Brenntag SE, Essen/Germany, are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfill the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the remuneration report, including the related disclosures, is free from material misstatements.

An audit involves performing audit procedures in order to obtain audit evidence for the amounts stated in the remuneration report, including the related disclosures. The choice of the audit procedures is subject to the auditor's professional judgment. This includes assessing the risk of material misstatements, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the remuneration report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company's system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the executive directors and the supervisory board as well as an evaluation of the overall presentation of the remuneration report, including the related disclosures.

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

Audit Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1 to December 31, 2024, including the related disclosures, complies, in all material respects, with the accounting principles of Section 162 AktG.

Other Matter – Formal Audit of the Remuneration Report

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required under Section 162 (3) AktG including the issuance of a report on this audit. Since our audit opinion on the content audit is unmodified, this audit opinion includes that the disclosures required under Section 162 (1) and (2) AktG are contained, in all material respects, in the remuneration report.

Intended Use of the Report

We issue this report as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report is solely intended to inform the Company about the result of the audit.

Liability

This report is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to Brenntag SE, Essen/Germany, and our liability is also governed by the engagement letter dated October 2, 2024 agreed with the Company as well as the “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW) in the version dated January 1, 2024 (IDW-AAB). However, we do not accept or assume liability to third parties.

Düsseldorf / Germany, March 10, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
André Bedenbecker

Wirtschaftsprüfer
(German Public Auditor)

Signed:
Christian Siepe

Wirtschaftsprüfer
(German Public Auditor)

5 Further Information

Responsibility statement 2024

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Essen, March 6, 2025

Brenntag SE
Board of Management

Dr. Christian Kohlpaintner

Michael Friede

Dr. Kristin Neumann

Ewout van Jarwaarde

Independent auditor's report

To Brenntag SE, Essen / Germany

Report on the audit of the consolidated financial statements and of the combined management report

Audit Opinions

We have audited the consolidated financial statements of Brenntag SE, Essen / Germany, and its subsidiaries (the Group) which comprise the consolidated balance sheet as at December 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from January 1 to December 31, 2024, and the notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the combined management report for the parent and the group of Brenntag SE, Essen / Germany, for the financial year from January 1 to December 31, 2024. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement pursuant to Sections 289f and 315d German Commercial Code (HGB) – including the further reporting on corporate governance included therein – and the group sustainability statement, which are each included in the combined management report. In addition, we have not audited the content of the "Summary assessment of the internal control and risk management system" marked as extraneous to management reports, which is contained in section "Main elements of the internal control / risk management system" of the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2024 and of its financial performance for the financial year from January 1 to December 31, 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the statements referred to above and of the summary assessment extraneous to management reports referred to above.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISA). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. **Recoverability of goodwill**
2. **Accounting treatment of business acquisitions**
3. **Recognition and measurement of environmental provisions**

Our presentation of these key audit matters has been structured as follows:

a) description (including reference to corresponding information in the consolidated financial statements)
b) auditor's response

1. Recoverability of goodwill

a) Goodwill amounting to EUR 3.5 billion (30% of consolidated total assets) is reported under the "Intangible assets" item in the consolidated balance sheet of Brenntag SE.

Goodwill is tested for impairment by the Company once a year as of the end of the reporting period, or when there are indications of impairment. In conducting these tests, the Company allocates goodwill to the respective groups of cash-generating units. Based on the management and control structure applicable since January 1, 2024, the cash-generating units in the financial year for the division Brenntag Specialties were redelimited according to the Company's central focus industries instead of as before according to regions. Therefore, goodwill was reallocated to the cash-generating units under IAS 36.87 by reference to IAS 36.86 (b). The basis for the measurement is generally the present value of the future cash flows of the respective group of cash-generating units, which is calculated as fair value less costs of disposal and compared against the carrying amount of the respective group of cash-generating units, including goodwill. To carry out the impairment testing, the executive directors engaged an external advisor to determine the present values using a discounted cash flow model and to prepare an expert opinion.

The cash flow projections are based on the five-year planning prepared by the executive directors, approved by the supervisory board and applicable at the time the impairment test is carried out. The supervisory board's approval relates to the planning of the first four years in the detailed planning period. The planning also takes into account the executive directors' fundamental growth assumptions, which are specified in detail by the budget managers in the context of middle-up planning for the first four years and consolidated into medium-term business planning at segment level. The executive directors extrapolate them for another planning year taking into account information from the planning process. Discounting is based on the discount rate determined from the weighted average cost of capitals for the relevant group of cash-generating units.

The result of this measurement depends to a large extent on the executive directors' assessment of future cash flows, especially on the assumptions on which their forecast is based, and the discount rate used, and is therefore subject to major uncertainties. Against this background and in view of the complexity of the measurement of this high-value item, this matter was of particular significance in the context of our audit.

The executive directors' disclosures on goodwill are contained in section "19.) Intangible assets" of the notes to the consolidated financial statements.

b) As part of our audit, we obtained an understanding of the processes and controls established and reviewed the method used to perform the impairment tests, evaluated the determination of the discount rates and assessed the calculation method used in impairment testing by calling in our valuation experts. With respect to the projection of future cash flows, we assessed the planning reliability by reviewing the past adherence to planning. We assessed the appropriateness of the future cash flows considered in the calculation, among others, by comparing this information against the planning prepared by the executive directors and approved by the supervisory board, as well as by reconciling the assumptions on which such planning is based with general and sector-specific market expectations. With respect to the executive directors' reallocation of goodwill, we examined whether the allocation was appropriate. Additionally, we also reviewed whether the costs of group functions were properly included in the impairment tests on the respective cash-generating units.

Furthermore, we intensively dealt with the parameters used to determine the discount rates. The calculation model used was reviewed by us with respect to its methodological appropriateness and mathematical accuracy. Moreover, we assessed the external expert opinion taking into account the engaged advisor's competence, capabilities and objectivity, and used it as part of our audit, by evaluating the appropriateness of the raw data underlying the expert opinion, the assumptions made and methods used, including their consistency in comparison to prior periods, for reasonableness. Furthermore, we conducted a supplementary sensitivity analysis to assess a possible impairment risk in the event of a potential change in a material valuation assumption. In addition, we audited the completeness and correctness of the disclosures in the notes to the consolidated financial statements required to be made under IAS 36.

2. Accounting treatment of business acquisitions

a) In the financial year 2024, the Brenntag Group acquired the Lawrence Industries Group with a total of two companies and with registered office in Tamworth / United Kingdom, and the Solventis Group with a total of 13 companies with registered office in Zoersel, Beveren and Antwerp (all in Belgium) as well as in Leeds / United Kingdom. In addition, the Group acquired all shares in the Monarch Group with a total of five companies with registered office in Leeds / United Kingdom, and Dublin / Ireland, in the PIC Pharma Group with a total of three companies with registered office in Itapevi / Brazil, and in Química Delta S.A. de C.V. with registered office in Teoloyucan / Mexico. In addition, some smaller acquisitions were made as part of asset deals.

The assets, liabilities and contingent liabilities recognized at fair value arising from the acquisition are based on values from the preliminary purchase price allocations that were prepared by the executive directors of Brenntag SE, partly by calling in an external advisor. Taking into account net assets acquired of EUR 390.4 million attributable to Brenntag (in relation to 100%), the transactions generated EUR 191.1 million in goodwill acquired. In addition, the Group brought its valuation of the assets and liabilities resulting from prior-year acquisitions to a timely close in the reporting period with valuation adjustments relating to net assets acquired (EUR +55.4 million) and goodwill (EUR – 61.0 million). Given the material overall effect of the amounts involved in the acquisitions on the assets, liabilities, financial position and financial performance of the Brenntag Group and given the complexity of identifying assets and liabilities, including their valuation, the accounting treatment of business acquisitions was of particular significance in the context of our audit.

The executive directors' disclosures on business acquisitions are contained in section “Business combinations in accordance with IFRS 3” of the notes to the consolidated financial statements.

b) In reviewing the accounting treatment of the business acquisitions, we obtained an understanding of the acquisitions by dealing with the respective contractual agreements. We reconciled the purchase prices paid as consideration for the acquired business operations with the contractual agreements and the supporting payment documentation provided to us. In respect of the preliminary purchase price allocations, we evaluated the method used to identify the assets, liabilities and contingent liabilities acquired and the overall design of the valuation models used. We evaluated the advisor engaged for individual purchase price allocations regarding their competence, capabilities and objectivity, and assessed the usability of the external calculation results and the appropriateness of the underlying raw data and of the assumptions made and methods used by calling in our internal valuation experts from the Valuation Services department. We also assessed the valuation adjustments made to the assets and liabilities resulting from the prior-year business acquisitions. Furthermore, we evaluated whether the initial consolidation was appropriately accounted for and examined the completeness and correctness of disclosures required to be made under IFRS 3 by using checklists.

3. Recognition and measurement of environmental provisions

a) As of December 31, 2024, the environmental provisions recognized in the consolidated financial statements of Brenntag SE (primarily for the decontamination of soil and groundwater at current and former Company-owned or leased sites) amounted to EUR 114.2 million. The provisions also include contingent liabilities of EUR 22.2 million for which cash outflows are not likely but nonetheless possible. Due to purchase price allocations, these were reported in the consolidated balance sheet under acquisitions in accordance with IFRS 3. The recognition of environmental provisions at the subsidiaries was coordinated centrally by an external expert. In addition, another audit firm assisted the Group in measuring the provisions and summarized the results in an expert opinion. The environmental provisions were recognized at the present value of the expected expenditures, taking into account future inflation-related increases. The provisions were discounted using interest rates for risk-free assets with matching terms for each functional currency.

Due to the nature and large number of influencing factors that need to be taken into account when accounting for environmental provisions, the assessments required to be made in connection with their recognition and measurement are demanding and subject to accounting judgments and considerable uncertainties and, as such, this matter was of particular significance in the context of our audit.

The executive directors' disclosures on the measurement of environmental provisions are contained in the sections "25.) Other provisions" and "Assumptions and estimates" of the notes to the consolidated financial statements.

b) As part of our audit, we first obtained an understanding of the underlying processes for determining environmental provisions and assessed whether recognition criteria existed and whether the environmental provisions were measured appropriately under IAS 37. For this purpose, we evaluated, among others, the appropriateness of the measurement assumptions and models used as well as the underlying individual facts and the competence, capabilities and objectivity of the external experts engaged. We reviewed the future cash outflows expected by the group companies on a sample basis and made an additional evaluation of the plausibility of changes in individual future cash outflows against the estimate made at the end of the prior year. By calling in our valuation specialists, we also reviewed measurement parameters (in particular inflation rates, discount rates and currency translation from the functional to the reporting currency) used by the Company. Furthermore, we reviewed and assessed the mathematical accuracy of the calculations and the appropriateness of the calculations performed by the other auditing firm in its sensitivity analyses. Moreover, we examined the Company's disclosures on the measurement of environmental provisions in the sections "25.) Other provisions" and "Assumptions and estimates" of the notes to the consolidated financial statements.

Other Information

The executive directors and / or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the remuneration report pursuant to Section 162 German Stock Corporation Act (AktG) contained in the annual report,
- the corporate governance statement including further reporting on corporate governance included therein,
- the group sustainability statement which includes the disclosures of the consolidated non-financial reporting pursuant to Sections 315b and 315c in conjunction with 289c to 289e HGB,
- the "Summary assessment of the internal control / risk management system" contained in the combined management report and marked as extraneous to management reports,
- the executive directors' confirmations pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB regarding the consolidated financial statements and the combined management report, and
- all other parts of the annual report,
- but not the consolidated financial statements, not the audited content of the disclosures in the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement according to Section 161 German Stock Corporation Act (AktG) concerning the German Corporate Governance Code and the further reporting on corporate governance within the corporate governance statement as well as for the remuneration report. Otherwise the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the ISA will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or of the business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and inspection of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA 256 value fb6d5b1e6d82d9584637b 18976db72aeae7f792e6c7264e18403ce53e1a4eb31, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from January 1 to December 31, 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards (IDW QMS).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Parent are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.

- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the general meeting on May 23, 2024. We were engaged by the supervisory board on October 2, 2024. We have been the group auditor of Brenntag SE, Essen / Germany, without interruption since the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as with the audited ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is André Bedenbecker.

Düsseldorf / Germany, March 7, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

André Bedenbecker	Christian Siepe
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Segment reporting

Business performance of the Brenntag Group

			Change		
in EUR m	2024	2023	abs.	in %	in % (fx adj.)[1]
Sales	16,237.4	16,815.1	-577.7	-3.4	-3.2
Operating gross profit	4,025.4	4,041.8	-16.4	-0.4	-0.2
Operating expenses	-2,568.6	-2,457.2	-111.4	4.5	4.7
Operating EBITDA	1,456.8	1,584.6	-127.8	-8.1	-7.8
Adjusted depreciation and impairment of property, plant and equipment and right-of-use assets	-354.9	-319.6	-35.3	11.0	11.0
Operating EBITA (segment result)	**1,101.9**	**1,265.0**	**-163.1**	**-12.9**	**-12.5**
Net expense from special items	-111.4	-78.3	–	–	–
EBITA	990.5	1,186.7	–	–	–
Amortization of intangible assets	-75.1	-64.0	–	–	–
Net finance costs	-172.8	-119.9	–	–	–
Profit before tax	742.6	1,002.8	–	–	–
Income tax expense	-198.9	-281.7	–	–	–
Profit after tax	543.7	721.1	–	–	–

5.01 Business performance of the Brenntag Group 12M 2024 / 2023

[1] Change in % (fx. adj.) is the percentage change on a constant currency basis.

			Change		
in EUR m	Q4 2024	Q4 2023	abs.	in %	in % (fx adj.)[1]
Sales	3,989.7	3,943.1	46.6	1.2	0.2
Operating gross profit	993.9	974.8	19.1	2.0	0.9
Operating expenses	-635.5	-601.2	-34.3	-5.7	-4.9
Operating EBITDA	358.4	373.6	-15.2	-4.1	-5.5
Adjusted depreciation and impairment of property, plant and equipment and right-of-use assets	-94.4	-88.6	-5.8	6.5	5.5
Operating EBITA (segment result)	**264.0**	**285.0**	**-21.0**	**-7.4**	**-8.9**
Net expense from special items	-24.7	-42.0	–	–	–
EBITA	239.3	243.0	–	–	–
Amortization of intangible assets	-19.6	-14.1	–	–	–
Net finance costs	-47.7	-20.7	–	–	–
Profit before tax	172.0	208.2	–	–	–
Income tax expense	-43.3	-70.9	–	–	–
Profit after tax	128.7	137.3	–	–	–

5.02 Business performance of the Brenntag Group Q4 2024 / 2023

[1] Change in % (fx. adj.) is the percentage change on a constant currency basis.

Period from January 1 to December 31 in EUR m	Brenntag Specialties	Brenntag Essentials	Group and Regional Services	Group
External sales[1)]				
2024	5,229.7	11,007.7	–	16,237.4
2023	5,453.7	11,361.4	–	16,815.1
fx. adj. change in %	–3.5	–3.1	–	–3.2
Cost of materials				
2024	–4,056.5	–8,155.5	–	–12,212.0
2023	–4,255.8	–8,517.5	–	–12,773.3
fx. adj. change in %	–4.2	–4.1	–	–4.2
Operating gross profit[1)]				
2024	1,173.2	2,852.2	–	4,025.4
2023	1,197.9	2,843.9	–	4,041.8
fx. adj. change in %	–1.2	0.2	–	–0.2
Adjusted depreciation and impairment of property, plant and equipment and right-of-use assets[1)]				
2024	33.6	310.8	10.5	354.9
2023	30.2	278.0	11.4	319.6
fx. adj. change in %	12.4	11.7	–7.9	11.0
Operating EBITA (segment result)[1)]				
2024	446.9	780.7	–125.7	1,101.9
2023	514.4	906.9	–156.3	1,265.0
fx. adj. change in %	–11.9	–14.1	–19.6	–12.5

5.03 Reconciliation of the reportable segments to the Group 12M 2024 / 2023

[1)] Previous year's figures were adjusted to the current portfolio allocation.

Period from October 1 to December 31 in EUR m	Brenntag Specialties	Brenntag Essentials	Group and Regional Services	Group
External sales[1)]				
2024	1,281.7	2,708.0	–	3,989.7
2023	1,294.4	2,648.7	–	3,943.1
fx. adj. change in %	–2.9	1.7	–	0.2
Cost of materials				
2024	–993.1	–2,002.7	–	–2,995.8
2023	–1,015.2	–1,953.1	–	–2,968.3
fx. adj. change in %	2.0	–4.0	–	–0.1
Operating gross profit[1)]				
2024	288.6	705.3	–	993.9
2023	279.2	695.6	–	974.8
fx. adj. change in %	1.1	0.8	–	0.9
Adjusted depreciation and impairment of property, plant and equipment and right-of-use assets[1)]				
2024	8.9	83.1	2.4	94.4
2023	7.3	78.4	2.9	88.6
fx. adj. change in %	18.7	5.1	–17.2	5.5
Operating EBITA (segment result)[1)]				
2024	107.2	194.4	–37.6	264.0
2023	110.4	211.4	–36.8	285.0
fx. adj. change in %	–5.9	–8.6	2.2	–8.9

5.04 Reconciliation of the reportable segments to the Group Q4 2024 / 2023

[1)] Previous year's figures were adjusted to the current portfolio allocation.

Period from January 1 to December 31 in EUR m	Life Science	Material Science	Specialties Other	Central activities[1]	Brenntag Specialties
External sales[2]					
2024	3,482.9	1,687.9	58.9	–	5,229.7
2023	3,709.9	1,666.1	77.7	–	5,453.7
fx. adj. change in %	–5.4	1.6	–21.5	–	–3.5
Cost of materials					
2024	–2,653.0	–1,362.5	–41.0	–	–4,056.5
2023	–2,866.6	–1,337.4	–51.8	–	–4,255.8
fx. adj. change in %	–6.8	2.2	–18.3	–	–4.1
Operating gross profit[2]					
2024	829.9	325.4	17.9	–	1,173.2
2023	843.3	328.7	25.9	–	1,197.9
fx. adj. change in %	–0.7	–0.6	–27.8	–	–1.2
Adjusted depreciation and impairment of property, plant and equipment and right-of-use assets[2][3]					
2024	4.6	4.2	24.8	–	33.6
2023	3.6	2.6	24.0	–	30.2
fx. adj. change in %	35.3	55.6	4.2	–	12.4
Operating EBITA (segment result)[2][4]					
2024	340.7	115.5	–1.8	–7.5	446.9
2023	379.5	126.9	9.5	–1.5	514.4
fx. adj. change in %	–9.0	–8.4	–121.4	400.0	–11.9

5.05 Segment reporting on the global Specialities division 12M 2024/2023

[1] Central activities which are part of Brenntag Specialties but not directly attributable to any one segment.
[2] Previous year's figures were adjusted to the current portfolio allocation.
[3] Certain items of property, plant and equipment and right-of-use assets are not separable and support both divisions jointly. They have been allocated to a division (depending on the region) and are depreciated there. They are charged to the other division on the basis of fixed and variable monthly amounts.
[4] Segment operating EBITA is calculated as segment EBITA adjusted for holding charges and special items..

Period from October 1 to December 31 in EUR m	Life Science	Material Science	Specialties Other	Central activities[1]	**Brenntag Specialties**
External sales[2]					
2024	866.3	404.8	10.6	–	1,281.7
2023	900.6	376.4	17.4	–	1,294.4
fx. adj. change in %	–5.7	5.3	–37.1	–	–2.9
Cost of materials					
2024	–657.9	–327.2	–8.0	–	–993.1
2023	–701.4	–302.4	–11.4	–	–1,015.2
fx. adj. change in %	–8.0	6.0	–29.1	–	–4.0
Operating gross profit[2]					
2024	208.4	77.6	2.6	–	288.6
2023	199.2	74.0	6.0	–	279.2
fx. adj. change in %	2.2	2.4	–52.6	–	1.1
Adjusted depreciation and impairment of property, plant and equipment and right-of-use assets[2][3]					
2024	0.4	1.2	7.3	–	8.9
2023	1.0	0.8	5.5	–	7.3
fx. adj. change in %	–10.0	37.5	21.1	–	18.7
Operating EBITA (segment result)[2][4]					
2024	86.0	23.6	–0.1	–2.3	107.2
2023	80.1	28.7	3.7	–2.1	110.4
fx. adj. change in %	3.4	–20.4	–91.4	14.3	–5.9

5.06 Segment reporting on the global Specialities division Q4 2024 / 2023

[1] Central activities which are part of Brenntag Specialties but not directly attributable to any one segment.
[2] Previous year's figures were adjusted to the current portfolio allocation.
[3] Certain items of property, plant and equipment and right-of-use assets are not separable and support both divisions jointly. They have been allocated to a division (depending on the region) and are depreciated there. They are charged to the other division on the basis of fixed and variable monthly amounts.
[4] Segment operating EBITA is calculated as segment EBITA adjusted for holding charges and special items.

Period from January 1 to December 31 in EUR m	EMEA[1]	North America	Latin America	APAC[2]	Trans-regional	Central activities[3]	Brenntag Essentials
External sales[4]							
2024	3,741.2	5,162.6	763.4	1,005.5	335.0	–	11,007.7
2023	3,865.3	5,270.5	758.8	943.9	522.9	–	11,361.4
fx. adj. change in %	–3.9	–1.8	0.8	8.4	–35.9	–	–3.1
Cost of materials							
2024	–2,746.5	–3,625.8	–596.8	–863.9	–322.5	–	–8,155.5
2023	–2,878.9	–3,737.6	–596.3	–810.4	–494.3	–	–8,517.5
fx. adj. change in %	–5.3	–2.8	0.2	8.5	–34.8	–	–4.2
Operating gross profit[4]							
2024	994.7	1,536.8	166.6	141.6	12.5	–	2,852.2
2023	986.4	1,532.9	162.5	133.5	28.6	–	2,843.9
fx. adj. change in %	0.1	0.5	3.0	7.7	–56.3	–	0.2
Adjusted depreciation and impairment of property, plant and equipment and right-of-use assets[4][5]							
2024	123.7	154.3	19.1	10.5	3.2	–	310.8
2023	108.6	138.7	16.9	10.5	3.3	–	278.0
fx. adj. change in %	13.1	11.3	14.4	1.9	–3.0	–	11.7
Operating EBITA (segment result)[4][6]							
2024	276.5	469.3	14.1	17.3	6.4	–2.9	780.7
2023	313.2	522.7	29.6	20.0	21.5	–0.1	906.9
fx. adj. change in %	–12.6	–10.0	–53.0	–12.2	–70.2	2,800.0	–14.1

5.07 Segment reporting on the global Essentials division 12M 2024 / 2023

[1] Europe, Middle East & Africa.
[2] In the new management structure in effect since January 1, 2024, the China and Hong Kong region is no longer managed separately; instead, it is managed together with the Asia Pacific region and they thus form a single operating segment. Previously, the China and Hong Kong segments were aggregated with the Asia Pacific segment in accordance with IFRS 8.12.
[3] Central activities which are part of Brenntag Essentials but not directly attributable to any one segment.
[4] The prior-year figures were adjusted to reflect the current portfolio allocation.
[5] Certain items of property, plant and equipment and right-of-use assets are not separable and support both divisions jointly. They have been allocated to a division (depending on the region) and are depreciated there. They are charged to the other division on the basis of fixed and variable monthly amounts.
[6] Segment operating EBITA is calculated as segment EBITA adjusted for holding charges and special items.

Period from October 1 to December 31 in EUR m	EMEA[1]	North America	Latin America	APAC[2]	Trans-regional	Central activities[3]	Brenntag Essentials
External sales[4]							
2024	915.7	1,254.6	204.9	258.5	74.3	–	2,708.0
2023	857.7	1,248.2	167.5	257.5	117.8	–	2,648.7
fx. adj. change in %	4.9	0.1	27.2	–	–36.9	–	1.7
Cost of materials							
2024	–670.2	–878.6	–159.6	–222.3	–72.0	–	–2,002.7
2023	–625.7	–867.7	–125.3	–221.6	–112.8	–	–1,953.1
fx. adj. change in %	5.2	0.8	32.6	–	–36.2	–	–4.0
Operating gross profit[4]							
2024	245.5	376.0	45.3	36.2	2.3	–	705.3
2023	232.0	380.5	42.2	35.9	5.0	–	695.6
fx. adj. change in %	4.0	–1.5	11.1	0.3	–54.0	–	0.8
Adjusted depreciation and impairment of property, plant and equipment and right-of-use assets[4][5]							
2024	33.9	40.6	5.7	2.1	0.8	–	83.1
2023	28.2	42.3	3.9	3.2	0.8	–	78.4
fx. adj. change in %	17.5	–4.3	50.0	–34.4	–	–	5.1
Operating EBITA (segment result)[4][6]							
2024	66.1	111.8	4.1	6.8	1.0	4.6	194.4
2023	61.0	131.9	9.4	4.4	3.3	1.4	211.4
fx. adj. change in %	6.3	–15.5	–55.9	54.5	–66.7	221.4	–8.6

5.08 Segment reporting on the global Essentials division Q4 2024 / 2023

[1] Europe, Middle East & Africa.
[2] In the new management structure in effect since January 1, 2024, the China and Hong Kong region is no longer managed separately; instead, it is managed together with the Asia Pacific region and they thus form a single operating segment. Previously, the China and Hong Kong segments were aggregated with the Asia Pacific segment in accordance with IFRS 8.12.
[3] Central activities which are part of Brenntag Essentials but not directly attributable to any one segment.
[4] The prior-year figures were adjusted to reflect the current portfolio allocation.
[5] Certain items of property, plant and equipment and right-of-use assets are not separable and support both divisions jointly. They have been allocated to a division (depending on the region) and are depreciated there. They are charged to the other division on the basis of fixed and variable monthly amounts.
[6] Segment operating EBITA is calculated as segment EBITA adjusted for holding charges and special items.

Glossary

A

APAC | Asia Pacific, China and Hong Kong

B

BEST | BEST (Brenntag Enhanced Safety Thinking) is a global Brenntag initiative to improve the safety behavior / the safety culture in the whole company.

Brenntag Essentials | The global division "Brenntag Essentials" markets a broad portfolio of process chemicals across a wide range of industries and applications at local level and is managed across the geographical segments EMEA, North America, Latin America, and APAC.

Brenntag Specialties | The global division "Brenntag Specialties" focuses on the sale of ingredients and value-added services and is managed globally according to the segments Life Science with the target industries Nutrition, Pharma, Beauty & Care as well as Material Science with the target industries CASE & Construction, Polymers & Rubber, Lubes & Performance Fluids, Electronics, and the segment Specialties Other.

C

Conversion ratio | The conversion ratio at Brenntag is calculated as the quotient of operating EBITDA and operating gross profit. It represents one of the most important efficiency ratios.

D

Division | Since the beginning of 2021, we have been managing Brenntag through two global divisions: "Brenntag Essentials" and "Brenntag Specialties".

E

EMEA | Europe, Middle East & Africa

ESRS | The ESRS (European Sustainability Reporting Standards) are the European sustainability reporting standards developed by the EFRAG (European Financial Reporting Advisory Group). They are part of the Corporate Sustainability Reporting Directive (CSRD) and introduce detailed requirements for reporting on a variety of sustainability topics that fall into the areas of environmental, social and governance (ESG).

G

Global key accounts | At Brenntag, we take care of our key accounts at local, national, pan-regional and global level and develop and implement tailor-made concepts for their optimum supply with industrial and specialty chemicals. For our customers, this means they can concentrate on their core business, secure in the knowledge that they have a partner they can rely on.

Group and Regional Services | This division essentially comprises the central functions for the Group as a whole, the regional service functions and the activities relating to the digitalization of Brenntag's business.

Hub-and-spoke-system | Brenntag sites are generally operated using an efficient 'hub-and-spoke' model. Large bulk quantities are received at Brenntag's 'hub' locations which have large tank farms, warehouses and mixing and blending facilities, plus sometimes white room facilities. From our hubs we supply our 'spoke' facilities which accommodate smaller tank farms and warehouses and are located in close proximity to our customers to ensure prompt and smooth delivery.

I

IBC | IBC stands for intermediate bulk container. IBCs are used mostly for storing and transporting liquids. A capacity of 1,000 litres is typical.

ICTA | The ICTA (International Chemical Trade Association) was established in 2016 and replaced the ICCTA as the international council for chemical trade associations. It represents the interests of over 1,300 chemical distributors worldwide. ICTA provides a worldwide network, coordinating work on issues and programs of international interest across chemical trade associations.

Industrial chemicals | Industrial chemicals is the term used at Brenntag to distinguish standard chemical products that have specific properties and effects from ➝ speciality chemicals. The manufacturer of the product is generally irrelevant for the user.

J

Just-in-time delivery | With just-in-time deliveries, the customer does not store supplies but orders the products as required ("just in time") from the supplier.

L

Leverage | This term has various meanings in the world of finance. In this document, it refers to the ratio of net debt to operating EBITDA.

M

Mixing & blending | The term "mixing & blending" describes the mixing and formulation of solid and liquid chemicals in the correct mixing ratio with consistent quality as well as the filling of products in the desired packaging unit. Brenntag offers its customers not just distribution services but the complete mixing & blending of end products as a value-added service.

O

Outsourcing | Outsourcing at Brenntag is understood to mean that chemical manufacturers pass on their small and medium-sized customers to Brenntag who then obtain their chemicals from Brenntag.

P

Packing drum | A packing drum is a packing unit in which a product is sold and delivered. Typical packing drum sizes are e.g. cans, barrels or ➝ IBCs.

R

REACH | REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is a regulation of the European Union adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals.

Responsible Care / Responsible Distribution | Responsible Care / Responsible Distribution (RC / RD) is a global initiative of the chemical industry and chemicals traders. It is a voluntary commitment to act responsibly and do more than is required by law: to promote sustainability, demonstrate product stewardship, make plants and the surrounding areas safer as well as improve occupational health and safety and environmental protection.

S

SBTi | The Science Based Targets Initiative (SBTi) is an organization for corporate climate protection that supports companies and financial institutions worldwide in setting science-based climate targets in line with the Paris Agreement.

Segment | Component of an entity which is reported separately. In general, the definition is based on internal reporting (management approach).

Specialty chemicals | Specialty chemicals, which are often developed for customized applications, are distinguished from ➝ industrial chemicals by their individual formulations. Which manufacturer produces the specialty chemical is of prime importance for the user.

Supply chain solutions | Brenntag provides large chemical producers and the processing industry with efficient logistics networks. We provide transport, warehousing and distribution and assist production and marketing processes. We warrant highest efficiency and best safety standards. We optimize supply chains, synchronize distribution, take on monitoring tasks, assume responsibility for VMI (Vendor Managed Inventory) and control and schedule follow-up orders for goods.

T

TFS | TfS (Together for Sustainability) is the name of an industry initiative founded by major companies of the chemicals sectors. The purpose is to develop and implement a global audit program to assess and improve sustainability practices within the supply chains of the chemical industry.

TRIR | TRIR (Total Recordable Injury Rate) is an international industry, widely used performance indicator, indicating how often employees sustain injuries in work-related accidents. It shows the number of persons with work-related injuries requiring medical attention beyond first-aid per one million hours worked.

Five-year overview

		2024	2023	2022	2021	2020
Sales	EUR m	16,237.4	16,815.1	19,492.3	14,382.5	11,794.8
Operating gross profit	EUR m	4,025.4	4,041.8	4,319.0	3,379.0	2,869.4
Operating EBITA	EUR m	1,101.9	1,265.0	1,511.7	1,081.9	805.3
Operating EBITA / operating gross profit	%	27.4	31.3	35.0	32.0	28.1
Profit after tax	EUR m	543.7	721.1	902.5	461.4	473.8
Basic earnings per share	EUR m	3.71	4.73	5.74	2.90	3.02
Diluted earnings per share	EUR	3.71	4.73	5.74	2.89	3.02

5.09 Consolidated income statement

		Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
Total assets	EUR m	11,668.0	10,337.8	11,373.0	10,195.5	8,143.5
Equity	EUR m	4,762.0	4,356.7	4,802.7	3,995.3	3,611.6
Working capital	EUR m	2,139.3	2,005.8	2,588.6	2,109.8	1,346.6
Net financial liabilities	EUR m	2,793.0	2,186.8	2,049.7	2,070.3	1,339.9

5.10 Consolidated balance sheet

		2024	2023	2022	2021	2020
Net cash provided by operating activities	EUR m	906.6	1,663.9	956.7	388.6	1,219.0
Investments in non-current assets (capex)	EUR m	-342.2	-321.1	-267.2	-199.3	-201.9
Free cash flow[1]	EUR m	892.6	1,712.0	1,005.1	439.5	1,054.6

5.11 Consolidated cash flow

		Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
Share price	EUR	57.88	83.22	59.72	79.58	63.35
Number of shares (unweighted)		144,385,372	147,453,837	154,500,000	154,500,000	154,500,000
Market capitalization	EUR m	8,357	12,271	9,227	12,295	9,786
Free float	%	85.00	89.52	100.00	100.00	100.00

5.12 Key data on Brenntag shares

[1] Calculation based on operating EBITDA.

Financial calendar 2025

May 14

2025

3M Interim Statement 2025

May 22

2025

Annual General Meeting 2025

August 13

2025

6M Half-Year Financial Report 2025

November 12

2025

9M Interim Statement 2025

The financial calendar is updated regularly. The latest dates can be found on our website at www.brenntag.com/financial_calendar

Issuer

Brenntag SE
Corporate Investor Relations
Messeallee 11
45131 Essen, Germany
Phone: +49 201 6496 2100
Fax: +49 201 6496 2003
E-mail: IR@brenntag.de
Internet: www.brenntag.com

Contact

Brenntag SE
Corporate Investor Relations
Phone: +49 201 6496 2100
Fax: +49 201 6496 2003
E-mail: IR@brenntag.de

Design

RYZE Digital GmbH
Mombacher Straße 4
55122 Mainz, Germany
Phone: +49 61 31 95 69 36
E-mail: kontakt@ryze-digital.de
Internet: www.ryze-digital.de

Information on the Annual Report

This translation is only a convenience translation. In the event of any differences, only the German version is binding. We would like to point out that the photographic material from this Annual Report may not be reproduced or reused. Full information on the photos used can be found on our website.

Information on rounding

Due to commercial rounding, minor differences may occur when using rounded amounts or rounded percentages.

Disclaimer

This report may contain forward-looking statements based on current assumptions and forecasts made by the management of Brenntag SE and other information currently available to the company. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. Brenntag SE does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to adapt them in line with future events or developments.