



# Engagement Presentation Proxy Advisors

Update on strategic initiatives & corporate governance

January 2024

# Agenda

- 1. Strategy update**
- 2. Governance update**
- 3. Appendix**

# Strategy update



# Brenntag is the global leader in chemicals and ingredients distribution, delivering reliable earnings growth

## Our unique platform

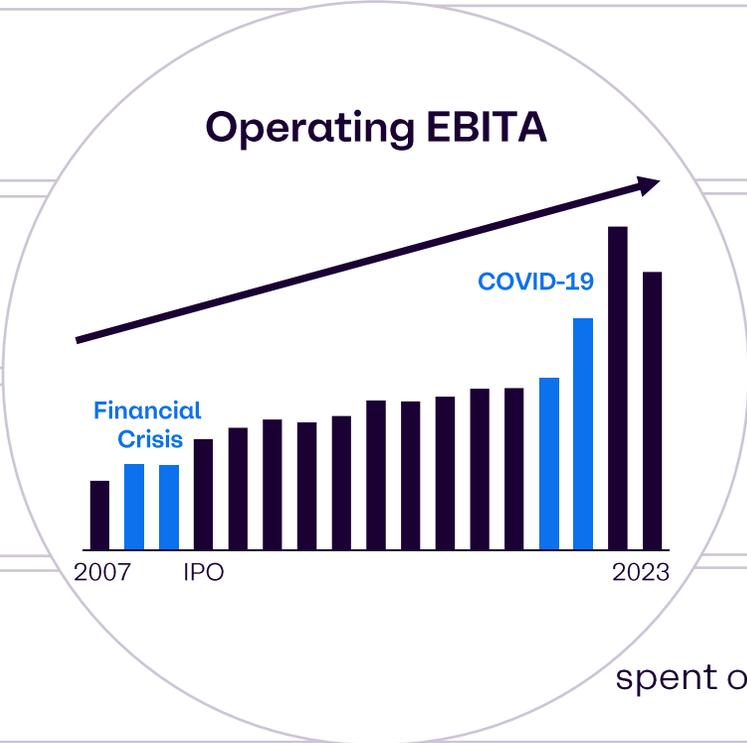
## Delivering on our strategy

 Global leader with superior offering in attractive markets

 Unparalleled product portfolio, application know-how and innovation capabilities

 Unique distribution network, combining global reach with last mile ownership

 Trusted partner to suppliers and customers at the center of a digitally-enabled ecosystem



Resilient and reliable growth with ~7% Op. EBITA CAGR<sup>1)</sup> since IPO 

Asset light business model with consistent ROCE ≥ 14% 

EUR 8.2bn cumulative FCF since IPO, with approx. EUR 3bn<sup>2)</sup> returned to shareholders 

M&A track record with EUR ~3.6bn spent on more than 100 acquisitions since IPO 

<sup>1)</sup> FY23 Op. EBITA expected to be around the lower end of the guidance specified in August 2023

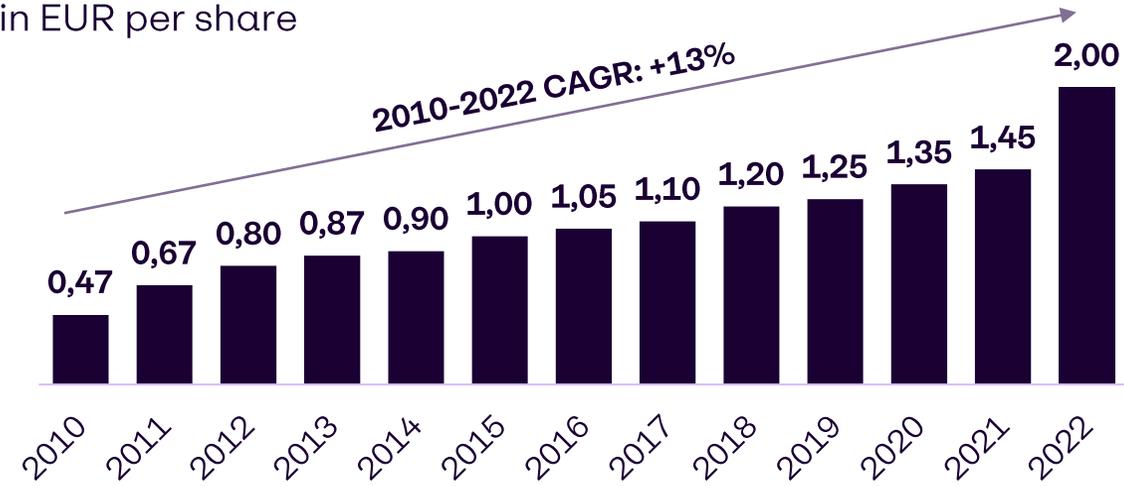
<sup>2)</sup> EUR 2.2bn dividends and share buyback of up to EUR 750m



# Brenntag is successfully delivering on its strategy

## Consistently growing dividends since IPO

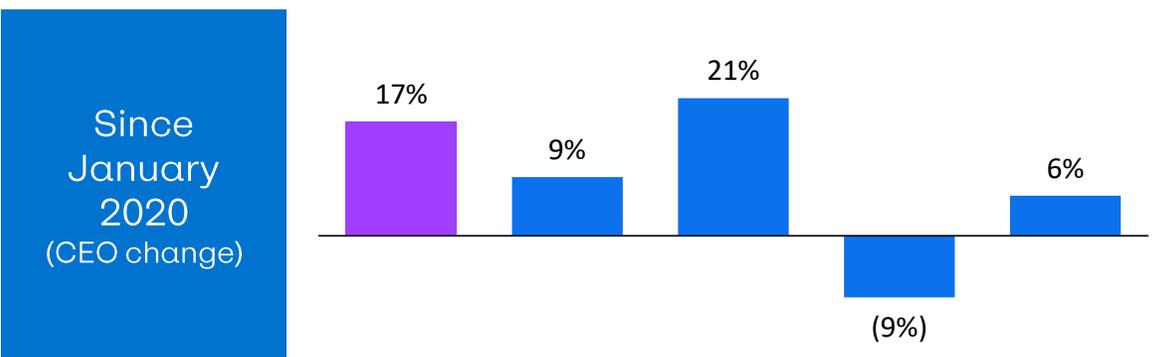
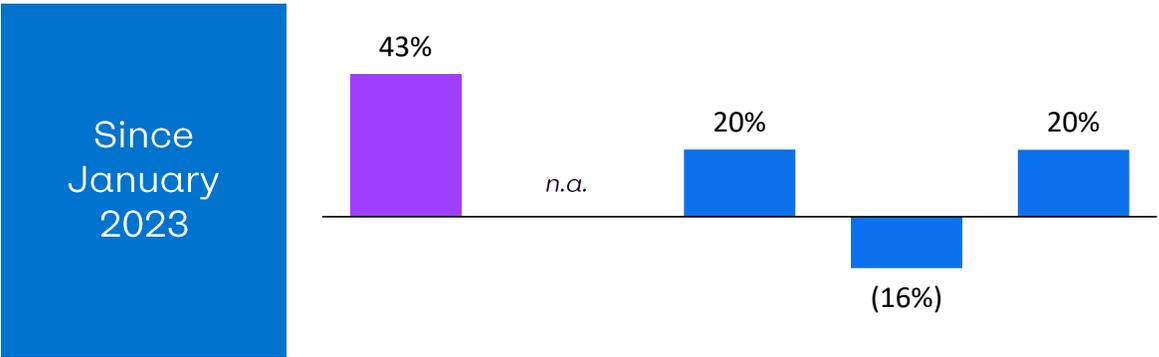
in EUR per share



**+**  
**First tranche of share buyback of EUR 500m**  
 completed in October 2023

**+**  
**Second tranche of EUR 250m** started in January  
 2024 and to be concluded by March 2024

## Strong TSR Performance vs. Peers



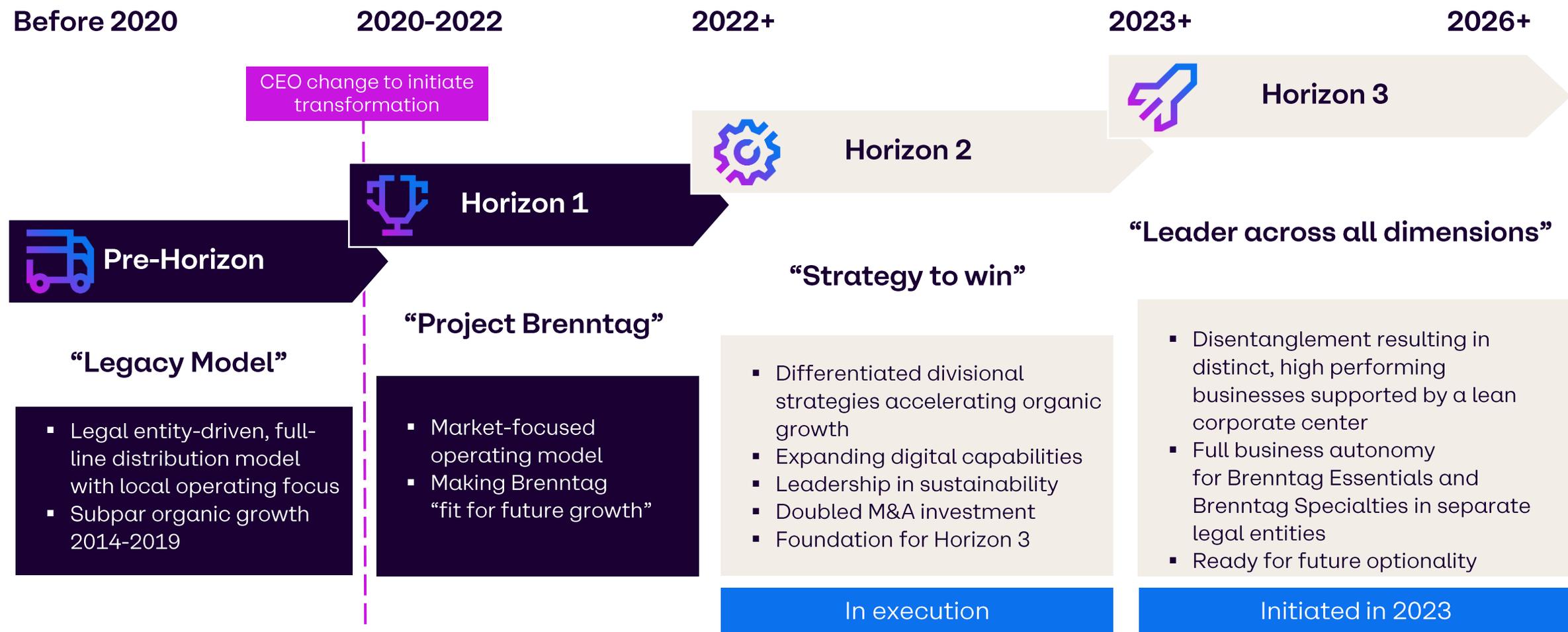
Source: FactSet as of 29<sup>th</sup> December 2023. TSR calculated in local currency for each respective company. Assumes re-investment of dividends. TSR since January 2020 annualized.

<sup>1)</sup> Performance for Univar shown until leak of Brenntag talks (25<sup>th</sup> November 2022)

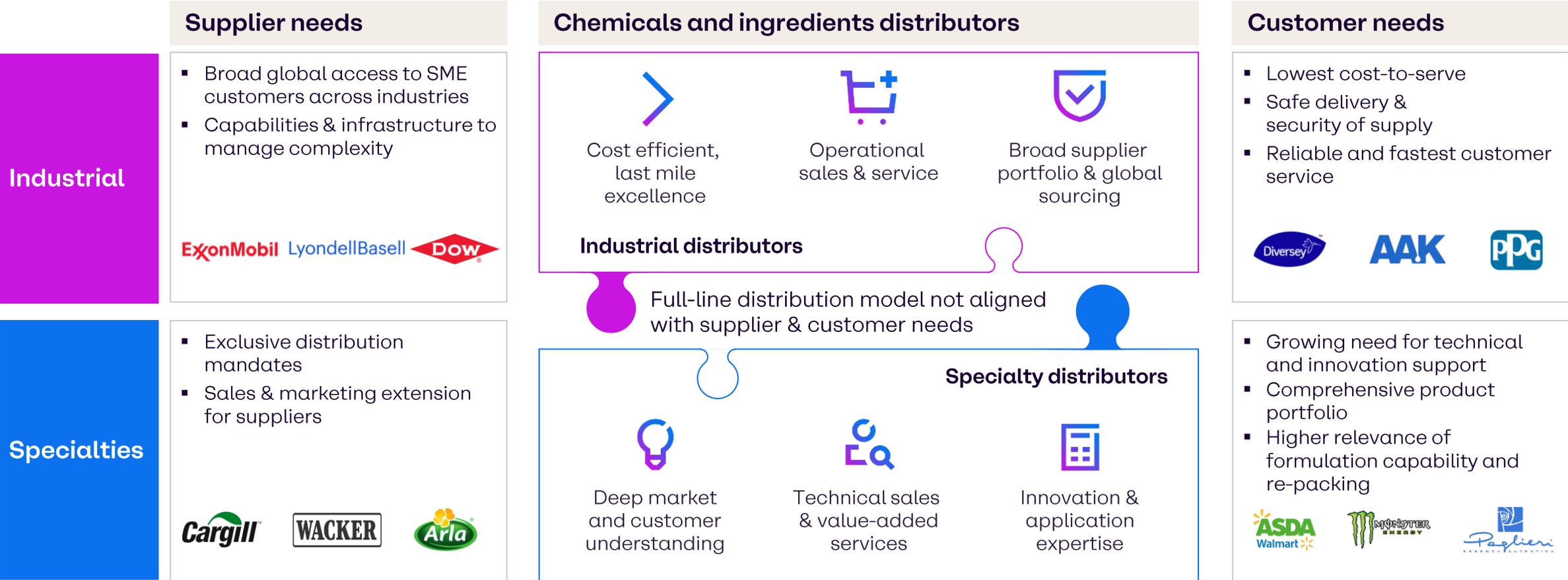
<sup>2)</sup> Performance for Azelis shown since IPO (17<sup>th</sup> September 2021)



# Brenntag is continuing its transformation journey initiated in 2020



# Bifurcation of supplier & customer needs requires distinct business models, making full-line value propositions obsolete



# Creating two autonomous and independent leaders to pro-actively shape the industry

Bifurcation of supplier & customer needs requires distinct business models

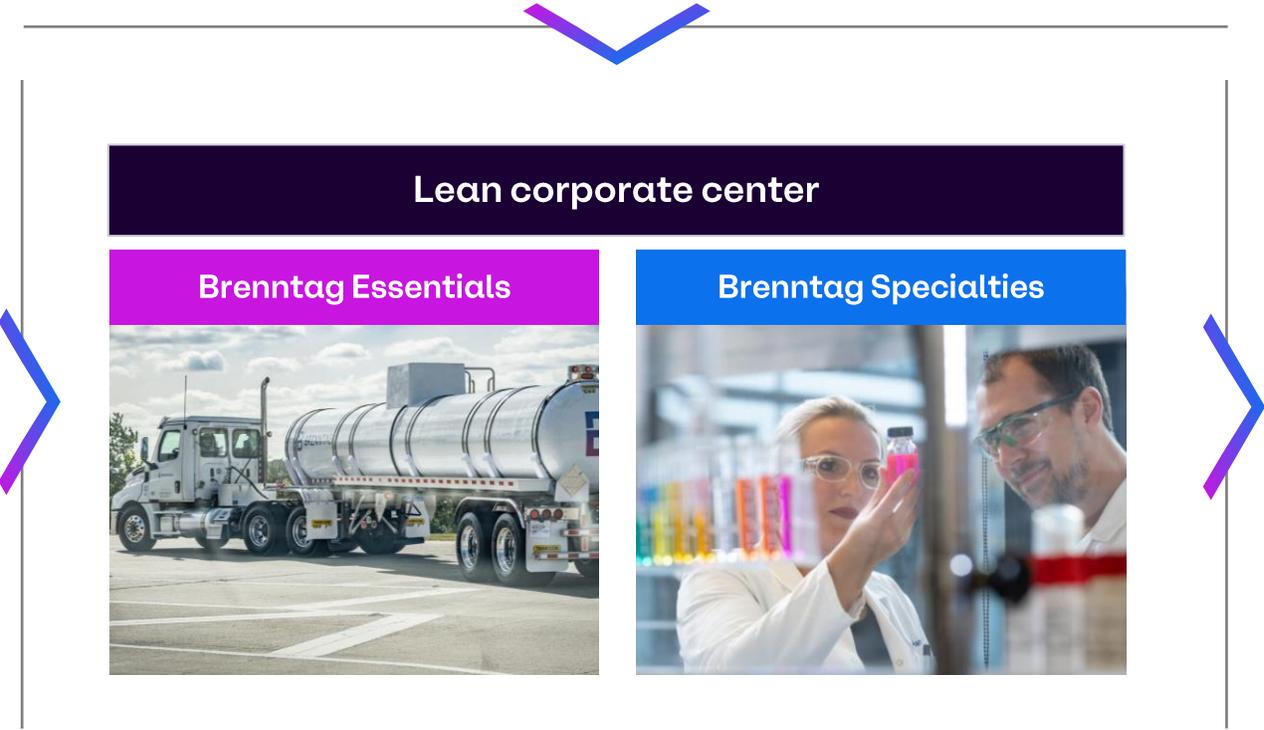
Acceleration of consolidation & specialization supported by sponsor backed platforms

Highly efficient **corporate governance and business services**

Two fully **autonomous divisions**

Improved **divisional performance**

Readiness to **proactively shape the industry**



# Portfolio sharpening to increase business model coherence

**Brenntag Essentials**



Unleash **true potential** through **superior last mile delivery** supported by **efficient regional operations and global sourcing**

- Water treatment
- Finished lubricants
- Selected semi-specialty products
- Consolidating Pharma ecosystem

**Brenntag Specialties**



**Global leader for innovative specialty and ingredients distribution** in Life Science and Material Science



Transfer of businesses according to market drivers to improve value creation potential

Product shift to align with industry segment demands and foster business model coherence

Supporting ecosystem concept to reduce complexity in commercial execution



# Our path towards Horizon 3



## Portfolio sharpening

- Aligning Brenntag Essentials and Brenntag Specialties propositions with market trends



## Full business autonomy

- Focus and performance for both divisions
- Accelerate ongoing cost initiatives to reset cost base



## Creating optionality

- Legal disentanglement
- Operational disentanglement
- Flexibility to proactively shape the industry



## Leader across all dimensions 2026+

**Two fully autonomous and high performing businesses prepared to shape the industry**

# Governance update

# The Supervisory Board was intensively involved in the strategic process and the further development of Corporate Governance

Valuable and effective exchange with the Board of Management; close oversight and control

## Path towards “Horizon 3”

In-depth review of **key strategic decisions** (portfolio shift, disentanglement, separate legal entities, full business autonomy)

Close monitoring of the **implementation of strategic initiatives** through the Transformation and ESG Committee

**Alignment of Management Board structure** with evolution of operating model (4 Board members and divisional CEOs)

**Intensive analysis and review of DiDEX and ERP projects** with dedicated Supervisory Board reporting by Sujatha Chandrasekaran

## Further development of Corporate Governance

Review and comprehensive **re-organization of meeting procedures of Supervisory Board and its committees** to further increase effectiveness

Review of rules of procedures and implementation of **tenure limit for Supervisory Board members**

Intensified **focus on cybersecurity** within Supervisory Board supported by dedicated trainings



# Increased differentiated steering with separate Board Members and more divisional autonomy



**Ewout van Jarwaarde**  
Chief Executive Officer  
Brenntag Essentials



**Dr. Christian Kohlpaintner**  
Chief Executive Officer



**Dr. Kristin Neumann**  
Chief Financial Officer



**Michael Friede**  
Chief Executive Officer  
Brenntag Specialties

Announced in July 2023 / Go-live in January 2024

## Brenntag Essentials ExCo<sup>1)</sup>

### Brenntag Essentials

- Cost efficiency
- Secure and safe handling of supply chains
- Global reach and last mile delivery

Business steered by **Regions**

## Brenntag Specialties ExCo<sup>1)</sup>

### Brenntag Specialties

- Customized solutions and expertise
- Deep industry and product knowledge
- Innovation and application center capabilities

Business steered by **Global End Markets**

**Reduced Board size and new reporting structure**

More **autonomous and independent decision-making** through divisional CEOs supported by ExCos

**Shift of specific support functions to divisions** (including DiDEX)



# The Supervisory Board demonstrates a high level of commitment to overseeing management and driving shareholder value

## Supervisory Board commitment and collaboration principles

-  **Regular interaction** within the Supervisory Board
-  **Trusted dialogue** with Board of Management
-  **Intense involvement** in decisions of fundamental importance
-  **Close consultation of Board of Management** throughout the **strategy development process** (e.g. “Path to Horizon 3”)
-  **Detailed review** of Management Board reports and proposed board resolutions
-  **Open and transparent communication with shareholders** on the corporate governance topics
-  **Consideration of Investor feedback in decision making** (ESG multiplier in remuneration system; introduction of 12-year tenure limit and 4-year board term elections)

## FY23 Statistics

**5**  
Supervisory  
Board  
meetings

**9**  
Transformation  
& ESG  
Committee  
meetings

**98%**  
Attendance  
rate<sup>1)</sup>



**#3**

among German DAX  
companies in  
Corporate Governance  
Ranking by DVFA

# Brenntag maintains an extensive and high-quality dialogue with all of its shareholders

## Capital Markets Day in 2023

### Our path to Horizon 3

Driving execution while creating optionality

Full business  
autonomy

Portfolio  
sharpening

## Shareholder Interaction 2023

18  
Investor conferences

~1,100  
Investor interactions

51  
Conference &  
roadshow days

~80%  
% Shareholder  
capital met<sup>1)</sup>

# Continuous dialogue between the Supervisory Board and our shareholders on governance topics

## Corporate Governance Roadshow 2022

- ✓ Supervisory Board perspective on transformation and Project Brenntag
- ✓ ESG
- ✓ Supervisory and Management Board composition
- ✓ Management Board Remuneration System

13  
Investors



## Corporate Governance Roadshow 2023

- ✓ Supervisory Board perspective on transformation and “Strategy to Win”
- ✓ Future evolution of the Supervisory Board
- ✓ Management Board Remuneration System

18  
Investors



## Corporate Governance Roadshow 2024

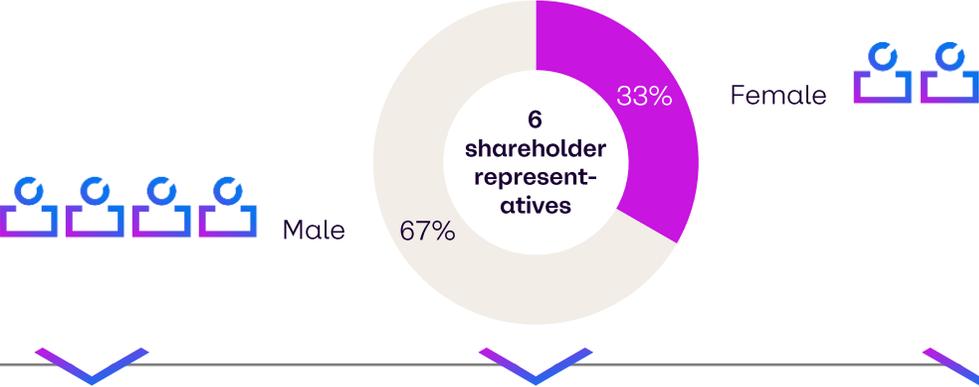
- ✓ Supervisory Board perspective on transformation and “Path towards Horizon 3”
- ✓ Roadshows scheduled for 28<sup>th</sup> and 29<sup>th</sup> of February
- ✓ 22 investors invited, 16 have already confirmed<sup>1)</sup>

22  
Investors  
invited

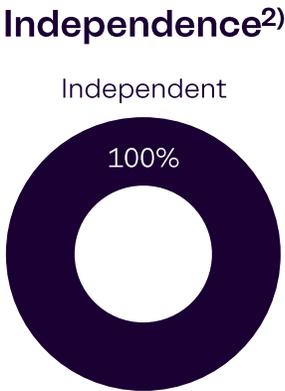
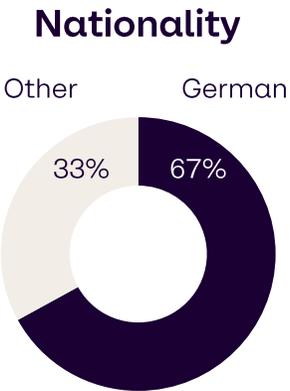
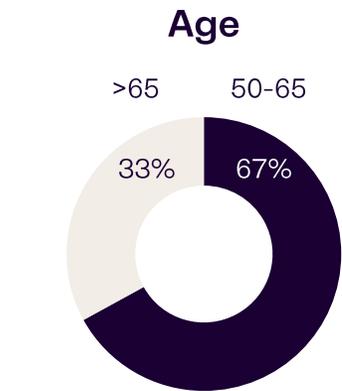
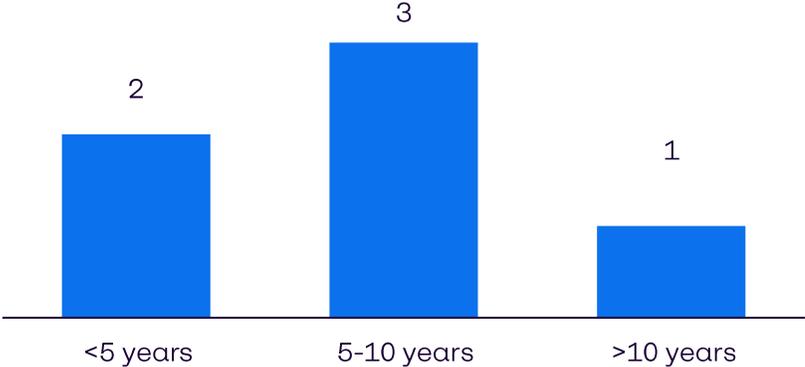


# Balanced board composition across various metrics

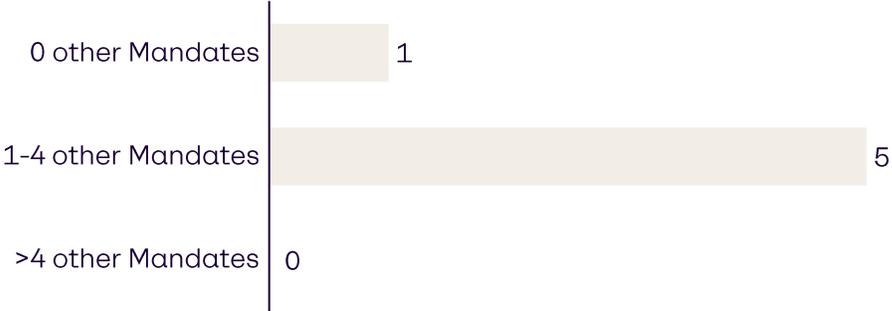
## Gender diversity<sup>1)</sup>



## Membership on Brenntag Supervisory Board



## Mandates at other listed companies<sup>3)</sup>



<sup>1)</sup> Target for the proportion of women on the Supervisory Board = 33%; Target for the proportion of Women on the Board of Management = 20%

<sup>2)</sup> Own definition; No conflict of interest; Tenure Andreas Rittstiegl not considered an issue since distance to Board of Management is sufficient, especially due to changes in the BoM in 2020/2021

<sup>3)</sup> As of January 2023; Including German supervisory boards or comparable domestic and foreign supervisory bodies; Not including other bodies of commercial enterprises; Chair counted as single mandate



# Recent election of Sujatha Chandrasekaran increased diversity and expanded skillset of Supervisory Board



## Sujatha Chandrasekaran

**Nationality:** American, Australian and Indian

**Year of birth:** 1967

**Profession:** Member of control bodies of various companies

>25 years of experience in leading executive management positions in global companies, with a strong focus on technology and data, strategic transformation, digital business models, operations cybersecurity, and e-commerce

### Career

- 2019 - 2022      ■ **CommonSpirit Health** – Chief Digital and Information Officer and Senior Executive Vice President
- 2013 - 2014      ■ **Kimberly-Clark** – Global Chief Digital Officer, Chief Information Officer
- 2002 - 2012      ■ **Wal-Mart** – Senior Vice President, Global Chief Technology and Data Officer

### Mandates in control bodies of commercial enterprises

- **American Eagle Outfitters Inc.**, Pittsburgh, PA, USA (listed) (Non-executive member of the Board of Directors)
- **Cardinal Health Inc.**, Dublin, OH, 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)

✓ In the search process for the elections at the AGM 2023, the focus was on competencies in:

- IT, digital transformation and data management
- Supply chain management
- Experience in distribution / transactional businesses
- International leadership experience (esp. in North America)
- Change management expertise (incl. cultural transformation)

✓ **Ms. Chandrasekaran strengthens the profile in key focus areas**

# The Supervisory Board has all the necessary competencies to advise and support on Brenntag's transformation

Member	Expert qualification – Key concrete objectives and criteria										Committees		
	Safety / CSR / 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 <sup>1)</sup>	Capital Markets	Digital transformation / IT	Nomination and Remuneration Committee	Audit and Compliance Committee	Transformation and ESG Committee
Richard Ridinger (Chair)	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓
Stefanie Berlinger	✓		✓			✓		✓	✓			✓	
Wijnand Donkers	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓ (Chair)
Ulrich Harnacke	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓ (Chair)	✓
Dr. Andreas Rittstieg	✓	✓	✓			✓			✓	✓	✓ (Chair)		
Sujatha Chandrasekaran		✓	✓		✓	✓	✓		✓	✓		✓	

1) Please note that in accordance with section 107 (5) 3 AktG the Audit Committee must (also) comply with the requirements of section 100 (5) AktG , i.e. one member of the Audit Committee has to be an expert for accounting, one member has to be an expert for auditing therefore Stefanie Berlinger is the auditing expert and Ulrich Harnacke is the accounting expert.

# Appendix

# Brenntag Group 2027 organic growth and profitability targets

	Brenntag Group	Brenntag Essentials	Brenntag Specialties
<b>Operating Gross Profit CAGR</b>	4 - 7%	4 - 6%	5 - 7%
<b>Operating EBITA CAGR</b>	7 - 9%	5 - 7%	7 - 9%
<b>Operating EBITA Conversion Ratio</b>	35 - 37%	32 - 34%	43 - 45%

## One-off costs:

*DiDEX and SAP implementation (included in Operating EBITA & Capex)<sup>1)</sup>*

~EUR 250m

*Achievement of cost take-out / legal entity and operations separation incl. tax leakage (special items)*

EUR 450 - 650m

Note: Base year FY23E post portfolio shift and including DiDEX-related uplift and cost take-out in CAGR figures and conversion ratio

21 <sup>1)</sup>85% included in Opex, 15% included in Capex



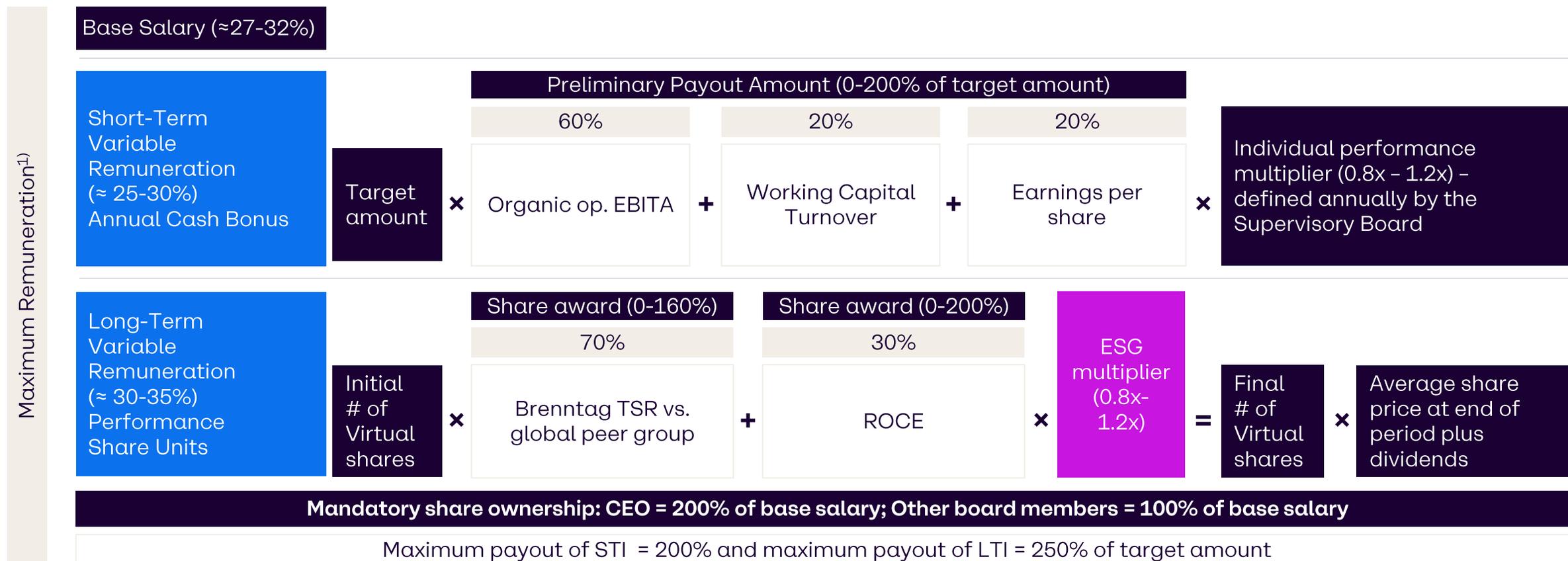
# Capital allocation framework remains unchanged

Capital allocation framework	Capex	<ul style="list-style-type: none"><li>▪ Reinvestment in the business through annual Capex of EUR 300-400m</li><li>▪ Capex guidance <b>also including DiDEX investments</b></li></ul>	
	M&A	<ul style="list-style-type: none"><li>▪ Continued investment in <b>value-generative bolt-on M&amp;A</b> where strategically attractive</li><li>▪ EUR 400-500m annual M&amp;A spend, implies contribution of <b>~3% annual Op. EBITA growth</b></li></ul>	
Shareholder returns	<ul style="list-style-type: none"><li>▪ <b>35-50% of consolidated profit</b> after tax is paid to shareholders as <b>dividend</b> on an annual basis</li><li>▪ <b>Additional capital returns</b> will be considered <b>if value-maximizing</b> for our shareholders</li></ul>		
Leverage	Investment grade credit rating	Target leverage: ~2.0x	Current leverage: ~1.4x <sup>1)</sup>



# Current remuneration system of the Board of Management

## ILLUSTRATIVE



<sup>1)</sup> Maximum remuneration CEO = EUR 7.5m; Maximum remuneration other board members = EUR 5m



# Based on our strengths and high ambitions, we developed a “Future Sustainable Brenntag” picture

## Responsible distribution ...

### Brenntag’s operations & suppliers



#### Climate protection

Strive for zero CO<sub>2</sub> emissions

Certified sites according to sustainability standards

#### Safety performance

Ambition for zero accidents and releases

#### Human rights

Our supply chain is fulfilling human rights and paying living wages

#### Governance

Reliable governance structures

#### Employees

Diverse and engaged employees

## ... of sustainable chemicals and ingredients

### Brenntag’s products & services



#### Circular economy

Significant value-added services with circularity

All packaging recycled/reused

#### Sustainable and safe products

Majority of products are sustainable

Less products with concern<sup>1)</sup>

#### Emerging technology shifts

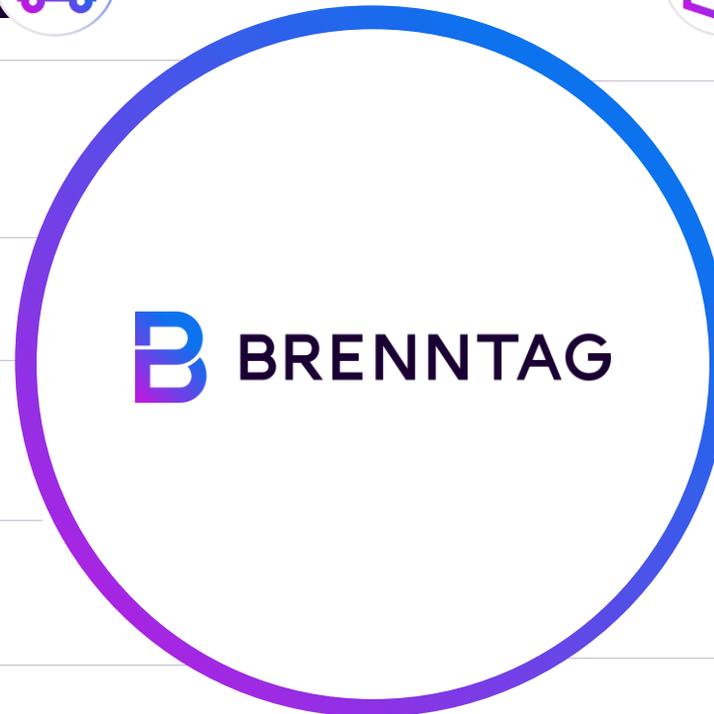
Reduced business for internal combustion engine

New business with battery chemicals and alternative fuels

#### Increased information need

Product carbon footprints for all customers

Product carbon footprints from all suppliers



<sup>1)</sup> Carcinogenic, Mutagenic and Reprotoxic (CMR) with consumer contact and Persistent, Bio-accumulative, and

24 Toxic (PBT), very Persistent and very Bio-accumulative (vPvB) intended to be released in the environment



# For each strategic focus area, we defined key mid-/long-term targets directing towards the future sustainable Brenntag picture

Strategic focus areas		Mid- to long-term targets				
		2023 - 2025		2030 - 2045		
 <b>Environment</b>	<b>Climate protection &amp; emissions reduction</b>	100% energy consumption from green energy by 2025	Total spills < 0.7 events/ MMH <sup>1)</sup> by 2025	100% compensation of remaining Scope 1 & 2 emissions by 2025	40% absolute carbon reduction vs. 2020 by 2030	Net zero by 2045
	<b>Resource efficiency &amp; circular economy</b>	Assess portfolio for sust. (30% covered) & set 2025 quantitative target by 2023	Ten circular businesses each generating > EUR 1 m by 2025			
 <b>Social</b>	<b>Fair &amp; safe employer</b>	100% of employees earn at least a living wage by 2023	Set-up of global organizational diversity, equity & inclusion structure by 2023		Female representation of at least 30% across our entire mgmt. below BoM <sup>2)</sup> by 2030	TRIR <sup>3)</sup> < 2.0 by 2030
	<b>Responsible partner</b>		All suppliers are covered by risk management by 2025			
 <b>Governance</b>	<b>Management structures</b>	Further adjustment of Board remuneration based on ESG by 2024				
	<b>Portfolio &amp; investment steering</b>	All new sites green building certified by 2023	100% portfolio steering towards sustainability by 2025	Develop strategies for techn. advancement by 2025		

<sup>1)</sup> MMH = Million Man-Hours

<sup>2)</sup> BoM = Board of Management

<sup>3)</sup> TRIR = Total Recordable Incident Rate

# Brenntag well ahead of sector average and further strengthening its leading ESG position

## Memberships and initiatives



UN Global Compact



Responsible Care/Distribution program



“Together for Sustainability” initiative



Global inclusion initiative  
The Valuable 500



DAX 50 ESG Target



Reporting According to GRI



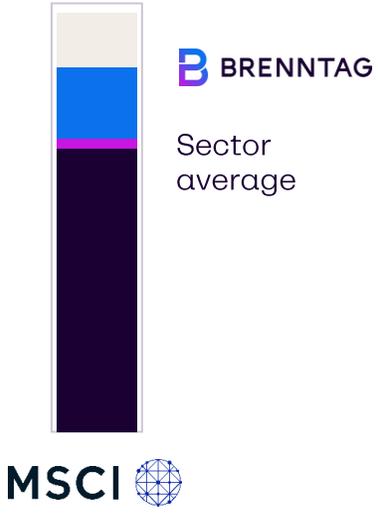
Reporting according to SASB



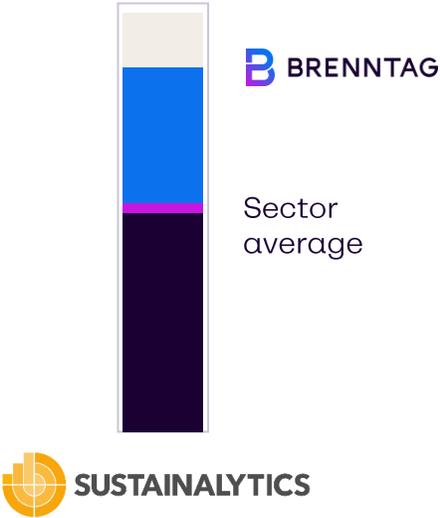
Joined in 2022



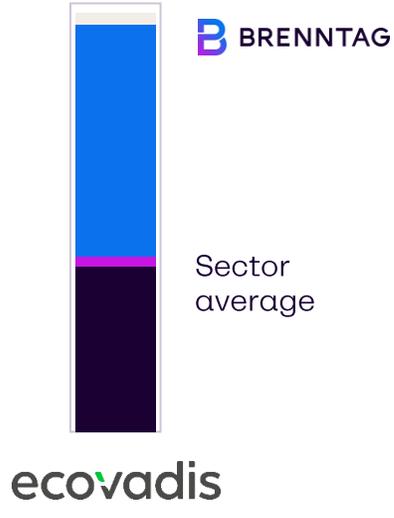
TCFD reporting



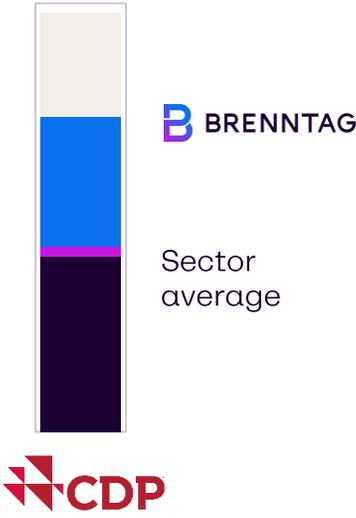
Rating<sup>1)</sup>:  
**A**



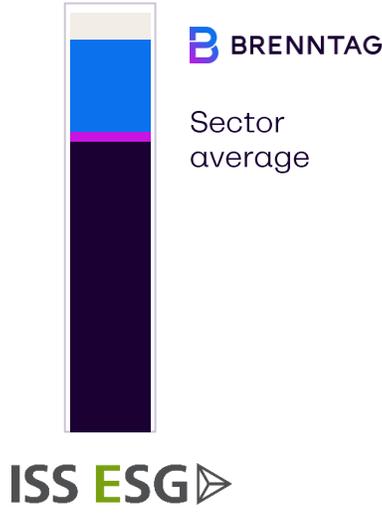
Risk Rating<sup>2)</sup>:  
**15.4 (low risk)**



Rating<sup>3)</sup>:  
**Platinum (Top 1%)**



Score<sup>4)</sup>:  
**B**



Rating<sup>5)</sup>:  
**C+ (Top 5%)**

<sup>1)</sup> Rating scale: AAA to CCC, as of October 10, 2023; <sup>2)</sup> Rating scale: negligible (0-10) to severe (40+), based on full review as of October 28, 2023; <sup>3)</sup> Rating scale: Bronze (Top 50%) to Platinum (Top 1%), as of December 19, 2022; <sup>4)</sup> Rating scale: A to D-, as of April 2022; <sup>5)</sup> Rating scale: A+ to D-, as of August 31, 2023



# CVs of Supervisory Board members (1/3)

## Richard Ridinger

Chair of the Supervisory Board / Member of the Supervisory Board since 2020, elected until the end of the General Shareholders' Meeting 2027



**Nationality:** German

**Year of birth:** 1958

**Profession:** Independent Management Consultant

### Special expertise / experience:

>20 years of management experience in leading management positions in the chemical industry and healthcare industry, with a focus on operational and strategic transformations due to his professional background with various positions in the chemical industry.

### Career

2012-2019	CEO, Lonza Group, Basel, Switzerland (SMI-listed)
2010-2014	Executive Vice President, Cognis, Monheim am Rhein, Germany
1986-2002	Various Positions in R&D, Engineering, Operations, Marketing & Sales, Business Unit Lead, HENKEL KGaA, Düsseldorf, Germany

### Mandates in supervisory boards under applicable law:

- None

### Membership in control bodies of commercial enterprises:

- DSM-Firmenich AG, Kaiseraugst, 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)

## Andreas Rittstieg

Deputy Chair / Member of the Supervisory Board since 2010, elected until the end of the General Shareholders' Meeting 2025



**Nationality:** German

**Year of birth:** 1956

**Profession:** Lawyer

### Special expertise / experience:

>20 years of professional experience in advising M&A and capital market transactions with expert knowledge in compliance, corporate governance and digitalization with insights in numerous digital business models in connection with venture capital transactions.

### Career

2014-2021	Member of the Board of Management of Hubert Burda Media Holding KG, München, Germany, responsible for Legal and Compliance
2010-2014	Partner, Law Firm Gleiss Lutz, Germany
2000-2010	Founding Partner, law firm Rittstieg Rechtsanwälte, Germany

### Mandates in supervisory boards under applicable law:

- Hapag Lloyd AG, Hamburg, Germany (listed) (Member of the Supervisory Board)

### Membership in control bodies of commercial enterprises:

- Hubert Burda Media Holding Geschäftsführung SE, Offenburg, Germany (Member of the Administrative Board)
- Huesker Holding GmbH, Gescher, Germany (Member of the Advisory Committee)
- Kühne Holding AG, Schindellegi, Switzerland (Member of the Administrative Board)

# CVs of Supervisory Board members (2/3)

## Wijnand Donkers

Member of the Supervisory Board since 2017, elected until the end of the General Shareholders' Meeting 2026



**Nationality:** Dutch

**Year of birth:** 1962

**Profession:** Independent Management Consultant

**Special expertise / experience:**

>25 years of professional experience leading change, performance improvement and executing transformative M&A as private equity executive. Deep understanding of the challenges facing the international energy and chemicals industry and special expertise in the field of Environment, Social & Governance (ESG) due to professional background and various executive leadership positions in the chemical industry.

**Career**

Since 2019	Senior Adviser, Cerberus Capital Management LLC, New York
Since 2012	Managing Director, Horizon D. Capital BV, Wassenaar, the Netherlands
2015 - 2018	Industry Partner, Petrus Advisers, London, Great Britain
2007 - 2012	CEO, Deutsche Annington SE / Vonovia SE, Düsseldorf, Germany

**Mandates in supervisory boards under applicable law:**

- None

**Membership in control bodies of commercial enterprises:**

- EV Technology Group Inc., Toronto, Canada (listed) (Member of the Board of Directors)

## Ulrich Harnacke

Member of the Supervisory Board since 2017, elected until the end of the General Shareholders' Meeting 2026



**Nationality:** German

**Year of birth:** 1957

**Profession:** Chartered Accountant and Tax Consultant, Independent Business Consultant

**Special expertise / experience:**

>40 years of professional experience as auditor and consultant of German and international clients, with extensive experience in corporate governance, risk management, compliance, and M&A with international mainly stock listed companies.

**Career**

Since 2015	Partner, Rhodion Advisors GmbH, Düsseldorf, Germany
2007 - 2015	Partner and Managing Director, Deloitte GmbH, Wirtschaftsprüfungsgesellschaft, München, Germany
1997 - 2006	Member of the Board of Management, BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, Germany

**Mandates in supervisory boards under applicable law:**

- Vossloh AG, Werdohl, Germany (listed) (Member of the Supervisory Board and Chair of the Audit Committee)
- CONTIGAS Deutsche Energie-AG, Munich, Germany (Member of the Supervisory Board) & Thüga AG, Munich, Germany (Member of the Supervisory Board) & Thüga Holding GmbH & Co. KGaA, Munich, Germany (Member of the Shareholder and Personnel Committee)

**Membership in control bodies of commercial enterprises:**

- Zentis GmbH & Co. KG, Aachen, Germany (Member of the Advisory Board)

# CVs of Supervisory Board members (3/3)

## Stefanie Berlinger

Member of the Supervisory Board since 2015, elected until the end of the General Shareholders' Meeting 2025



**Nationality:** German

**Year of birth:** 1973

**Profession:** Managing Director, Lilja & Co. GmbH, Frankfurt, Germany

**Special expertise / experience:**

>25 years of professional experience in investment banking and capital markets on international level, with expert knowledge in accounting, auditing, risk management and compliance as well as sustainability and in particular ESG.

**Career**

Since 2010	Managing Director, Lilja & Co. GmbH, Frankfurt, Germany
Since 2006	Partner, Lilja & Co. AG, Zurich, Switzerland
2005	Director, Institutional Equity Sales, Deutsche Bank AG, Frankfurt, Germany

**Mandates in supervisory boards under applicable law:**

- None

**Membership in control bodies of commercial enterprises:**

- Prescus Capital AG, Zurich, Switzerland (Member of the Board of Directors)

## Sujatha Chandrasekaran

Member of the Supervisory Board since 2023, elected until the end of the General Shareholders' Meeting 2026



**Nationality:** American, Australian and Indian

**Year of birth:** 1967

**Profession:** Member of control bodies of various companies

**Special expertise / experience:**

>25 years of experience in leading executive management positions in global companies, with a strong focus on technology and data, strategic transformation, digital business models, operations cybersecurity, and e-commerce.

**Career**

2019 - 2022	CommonSpirit Health – Chief Digital and Information Officer and Senior Executive Vice President
2013-2014	Kimberly-Clark – Global Chief Digital Officer, Chief Information Officer
2002-2012	Wal-Mart – Senior Vice President, Global Chief Technology and Data Officer

**Mandates in supervisory boards under applicable law:**

- None

**Mandates in control bodies of commercial enterprises:**

- American Eagle Outfitters Inc., Pittsburgh, PA, USA (listed) (Non-executive member of the Board of Directors)
- Cardinal Health Inc., Dublin, OH, 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)