

Monument Town Hall



# We'll be starting momentarily!



## Meeting Agenda:

- Monument Pillars Overview
- 2023 Key Wins
- 2024 Goals and Key Targets
- Employee Growth and Development Process Overview
- Team Member "Cameo"
- Wrap Up & Summary



# Town Hall

With Paul and Bill



## OUR VISION

**BE:** Provider of choice for our customers in challenging chemistries and under-served markets

**BY:** Leveraging technical expertise, flexibility, breadth of capabilities and superior service

**RESULTING IN:**  
Doubling of our mid-cycle annual EBITDA every 10 years...

while maintaining a high return on investment

# Our Monument Pillars Explained



## OUR COMMITMENTS

- Health, Safety and Environmental
- Sustainability and Compliance

Our core commitment to doing the right thing for our employees, their families, our neighbors, and the environment guides every decision we make. So, it's not only first on our priority list, but also wraps around all the others.



## ONE MONUMENT

- Team Effectiveness
- Employee Engagement
- Community Engagement
- Talent and Leadership

This entails cultivating a collaborative culture, ensuring efficient communication, aligning goals, and strategically managing the diverse talents within the organization, as well as engaging with our customers and communities. By doing so, the company maximizes its collective potential, driving innovation, and achieving sustained success.



## BUSINESS EXCELLENCE

- Commercial Excellence
- Operational Excellence
- Financial Excellence

Business Excellence is everything we do to improve our processes and practices, so that we can operate at our best, which ultimately, delivers competitive advantage and financial success. This razor-sharp focus on continuous improvement allows us to set challenging goals and targets for our future.



## GROWTH LEVERS

- Core
- Synergy
- Innovation
- Sustainability

The 4 Growth Levers help us focus our strategy and growth efforts. Executing meaningful projects in each area – core, synergy, innovation and sustainability helps us achieve increased margins, market share, and differentiates us from competition in the long-term.

### WHAT IT MEANS

- **Success by Design: Our priorities connect to tangible goals and outcomes!**

Each of our priorities is tied to specific goals, projects, and metrics - with a specific path forward for each business.



# Our Commitments – 2023 Wins



## Health Safety and Environmental

### 2023 GOALS

Top Quartile Safety and Environmental performance with special emphasis on Fire Protection and Utility Reliability

### KEY WINS

- Globally injury free in 2023!
  - ✓ In November, **Baytown** celebrated 13 years OSHA recordable/Injury-Free
- OSHA Recordable + LOPC Reportable Quantity <2
- Significant **ERM Accomplishments**
  - ✓ Corporate ERM Organization Implemented
  - ✓ Finalized / Implemented Risk Tolerance Criteria
  - ✓ Corporate Compliance Audit Completed – All Sites
  - ✓ RACI Completed – All Levels – Process Safety Focus
  - ✓ Houston Logistics Team awarded Union Pacific Pinnacle

## Sustainability and Compliance

Our commitment to sustainable practices and governance in our operations, supply chain, and product offerings.

- Excellent progress toward global EcoVadis certification
  - ✓ Monument Chemical awarded Bronze Award overall, as well as Baytown
- Greenhouse Gas baseline completed (All Sites)
- Bayport Site scored 99% in first ever Together For Sustainability (TSF) audit
- 100% Customer GHG audit requests completed
- Continued capital investment in our sites



# One Monument – 2023 Wins



## 2023 GOALS

## KEY WINS



### Team Effectiveness

Improve business team performance through effective communications, mutual business accountabilities and strategy execution, transparent metrics, and a high performance and results driven culture.

- Refreshed EG&D process and alignment to Company Goals
- Delegation of Authority created to support empowerment at all levels
- Workforce analysis to inform staffing and development needs for 2024

### Employee Engagement

Foster strong organization culture and employee engagement built on foundation of guiding principles and leadership behaviors.

- Employee Engagement Survey in September and identification of action plans
- Learning Culture – Linked in Learning Launch and LEAP
- Development of Career Ladders underway



### Community Engagement

Support engagement in our communities with emphasis on education, environment, sustainability and health and wellness.

- Strong support of our communities in 2023!
- United for Service – 87 volunteers across US worked at area food banks and community pantries, stuffed snack kits for local children, and more!

### Talent and Leadership

Effective talent management processes supporting talent for current and future needs. Right people in the right place at the right time.

- Robust talent processes used to identify employee interests and progression opportunities
- Nearly 20 promotions/transfers to new opportunities during 2023



# Business Excellence – 2023 Wins



## 2023 GOALS

## KEY WINS

### Commercial Excellence

Increase Voice of Customer data collection  
Ensure tolling contract audit, billings and contract best practices

- First iteration of Voice of Customer activities at each business in Q3
- Reviewed domestic tolling agreements for rebilling opportunities, and developed billing templates to streamline process and reduce complexity



### Operational Excellence

Drive cost reductions through a robust continuous improvement process  
Sponsor with Finance a more rigorous expense analysis process

- Oxides – near record production year in 2023 despite a sturdy tailwind
- Kallo – Column and tank cleaning improvements that save time and energy costs
- Storage Optimization – +\$1MM cost savings identified in reduction in third-party storage costs
- Internalization – brought 3<sup>rd</sup> party waste consultant activities in house and developed a key a process to make a key catalyst internally rather than purchasing from 3<sup>rd</sup> party

### Financial Excellence

Deliver budgeted material margin, costs, EBITDA and free cash flow

- 2023 was a challenging year for the industry as a whole and Monument due to the chemical industry's early position in the supply chain
- Revamped capital process and executed projects on time and within budget
- Implemented AP automation and went paperless for invoices in August



# Growth Levers – 2023 Key Wins



## 2023 GOALS

**Core** Un-constrain capacity, improve plant flexibility & execute capital projects. Enter high value markets that are core or adjacent to us.

**Synergy** Drive co-development, collaboration and knowledge sharing on key opportunities across businesses

**Innovation** Drive progress on “new-to-Monument” projects and innovation portfolios

**Sustainability** Grow targeted platforms in circularity, sub-prime streams and renewable solutions

## KEY WINS

- Europe: Our agility and ability allowed us to take on several spot campaigns of incidental contaminated parcels
- Renewables & Fuels : Business is off to a strong start – key customer contracts established, and FAA funding proposal submitted

- Progress in key areas: e.g., e-grade, SAF driven by knowledge and contact sharing across businesses

- Renewables & Fuels: Patent for Low Volatility Small Engine Fuel Composition – Congratulations Dr. Indresh Mathur!
- Oxides: Progress on Econic development leading to trials in 2024

- Solvents: Established a Hazardous Secondary Waste recycling platform
- Europe: Growth in SAF, constantly pushing the bottlenecks



# Our Commitments – 2024 Goals



## COMPANY GOALS

## KEY TARGETS

### Health Safety and Environmental

Top Quartile Safety and Environmental performance with special emphasis on Fire Protection and Utility Reliability

- OSHA Recordable + LOPC Reportable Quantity  $\leq 5$
- Conversion of Process Safety and LOPC Reporting to API 755 Definitions – Improved Consistency / Accuracy
- Safety Interlock / Alarm Management Processes Implemented
- Process Safety Training Implemented – All Levels
- Corporate Crisis Response Process Implemented including GLT Drills

### Sustainability and Compliance

Our commitment to sustainable practices and governance in our operations, supply chain, and product offerings.

- Finalize Sustainability Strategy for Monument
- Key Sustainability Policies Implemented by April
- EcoVadis Rating Certification Submitted
- Supporting the sustainability/carbon offset efforts of our customers through SAF production
- Customer Sustainability Audits Completed Timely
- KPI's Created – 4 Pillars Of Strategy
- Kallo Meet All Legislation Requirements



# One Monument – 2024 Goals



## COMPANY GOALS

## KEY TARGETS

### Team Effectiveness

Improve business team performance through effective communications, mutual business accountabilities and strategy execution, transparent metrics, and a high performance and results driven culture.

- Town Hall meetings with all employees 2x a year
- Local/Site Town Halls hosted by BMT/Site leaders 2x a year
- Quarterly Monumental Leaders Meetings
- Delegation of Authority launched Q1

### Employee Engagement

Foster strong organization culture and employee engagement built on foundation of guiding principles and leadership behaviors. Motivate, reward and retain employees through effective rewards and strong manager relationships and coaching.

- Continue to grow Employee Engagement
- Reduce unplanned Voluntary Attrition

### Community Engagement

Support engagement in our communities with emphasis on education, environment, sustainability and health and wellness.

- Continued strong involvement at local site level with outreach activities and other involvement at least once quarterly in each major site.

### Talent and Leadership

Effective talent management processes supporting talent for current and future needs. Right people in the right place at the right time.

- Headcount to Budget Management
- Succession plans for all business-critical roles
- Workforce Planning and Expertise Index processes in place



# Business Excellence – 2024 Goals



## COMPANY GOALS

**Commercial Excellence** Execute projects that improve our customer alignment, pricing practices and profitability

**Operational Excellence** Stay within budgeted R&I Capex, continuous improvement objectives/projects

**Financial Excellence** Deliver 2024 planned EBITDA & Cash flow. Stay within covenant compliance.

## KEY TARGETS

- Contract Excellence (Sales / Procurement)
  - Optimize procurement strategy (national accounts, implement procurement tool)
  - Salesforce/Pipeline – Identify and implement practices and tools that allow for global pipeline review in real-time
  - Voice of Customer and Key Account Management alignment & execution
- 
- Budget Achievement: Deliver on budgeted excellence projects & Unbudgeted Opportunities Scope
  - Capital Effectiveness & Control –keep capex spend under \$25M
  - Inventory & Waste Control - Review inventory levels and actions to reduce where feasible; Convert waste into sellable products
- 
- Expense Visibility & Control, Covenant compliance and Tax savings
  - Invoicing compliance
  - Continue EBITDA improvements toward goal of doubling in 10 years
  - FCF improvements to support further investments



## Growth Levers – 2024 Goals



### COMPANY GOALS

**Core** “Sell-Up and Sell Out” – pursue opportunities in higher-paying, technical segments while driving higher utilization on our core assets

**Synergy** Drive co-development, collaboration and knowledge sharing on key opportunities across businesses

**Innovation** Drive progress on “new-to-Monument” projects and innovation portfolios through resourcing and disciplined project management

**Sustainability** Grow targeted platforms in circularity, sub-prime streams and renewable solutions

### KEY TARGETS

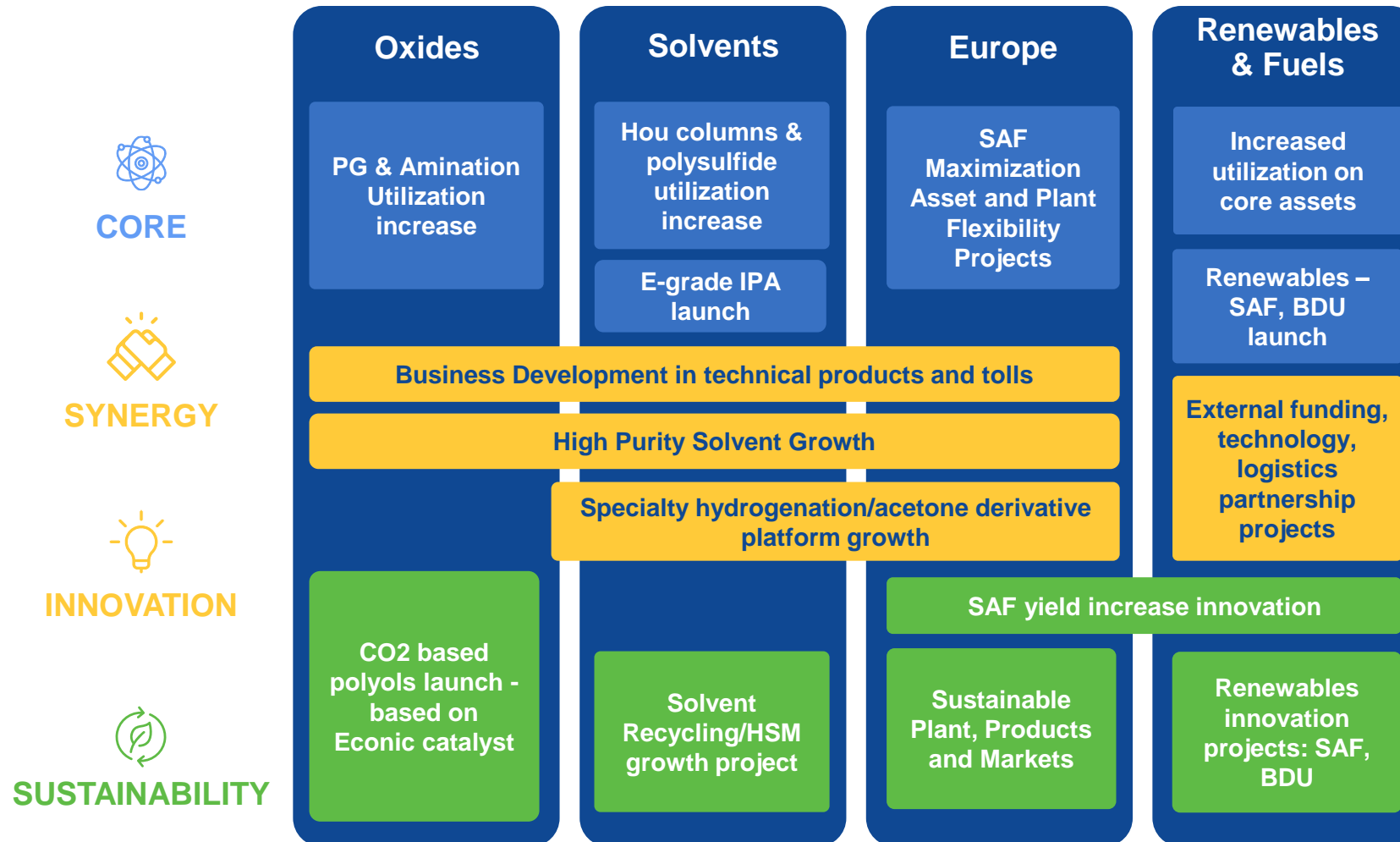
- Oxides: Increase utilization on our PG and Amine assets
- Solvents and Europe: Launch e-grade IPA in North America (NA), and create plan to grow PMAC in NA & Europe

- Europe and Renewables & Fuels: Drive technical development on projects related to SAF yield improvements e.g., low temperature isomerization

- Oxides: Develop, launch and commercialize CO2 based polyols based on the Econic process

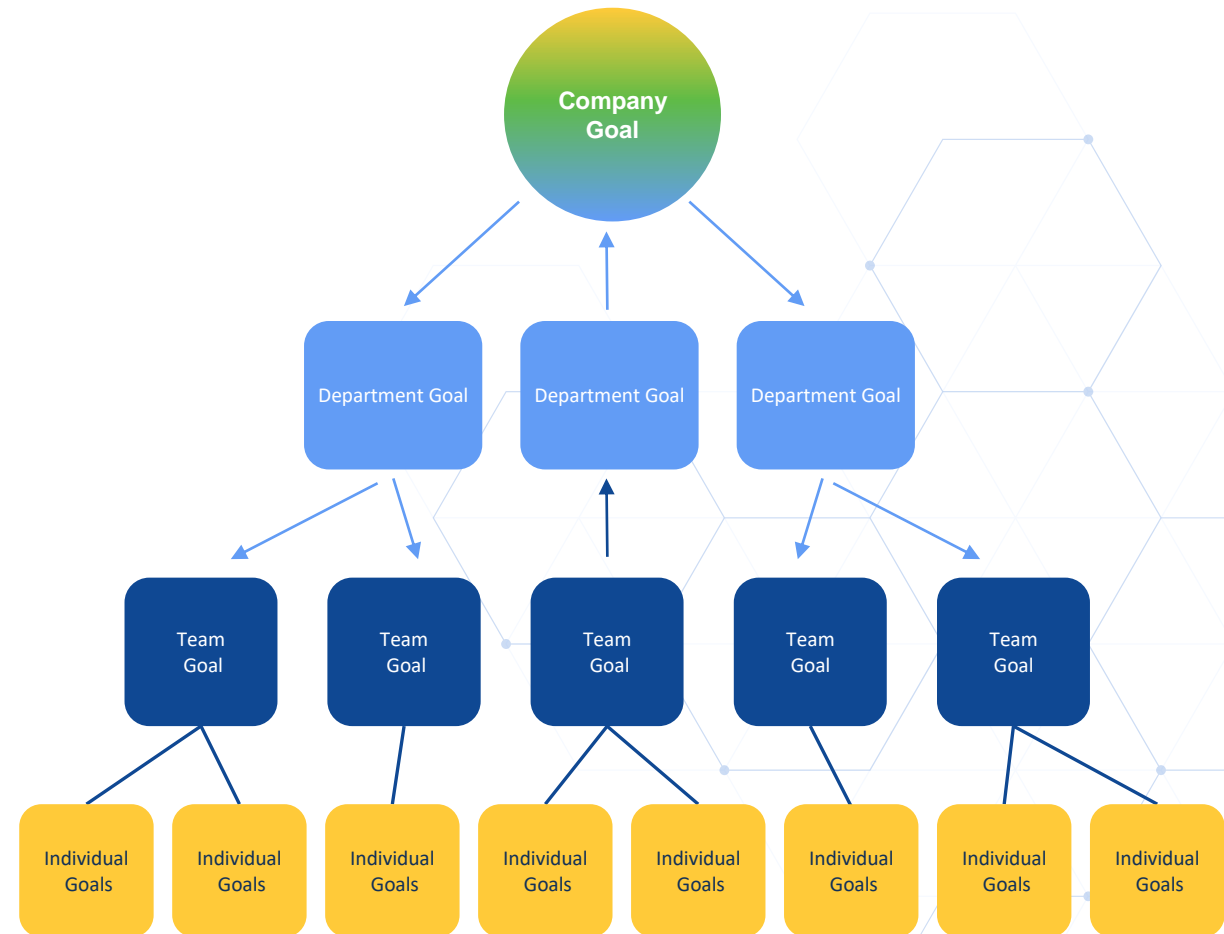
- Solvents: Further increase the size of our sales pipeline related to solvent circularity and Hazardous Secondary Waste recycling
- Renewables & Fuels: Onboard and launch SAF in the NA market

# 2024 Key Projects



# Employee Growth and Development

- 2023 Year End Review Discussions by end of January
- STI Bonus and Sales Incentive payments in mid March
- Salary increases effective April 1<sup>st</sup>
- 2024 Goal Setting Process starts now and runs through February 23<sup>rd</sup>
- Company goals will cascade to each BMT, Site and Function to create their goals and share with the team.
- Employees will create Individual Goals from the cascade.
- 2024 STI Bonus targets tie back to Company goals and will be final by end of February





LET'S CHAT WITH

## Bram De Maesschalck

Production Engineer/Business Development Mgr.



**Area of Expertise:** Chemical Engineering

### Career Highlights

- Early career in refining industry with ExxonMobil in ARA
- Joined Monument Chemical in 2021 as Production Engineer
- Loving the excitements of new projects and the challenges they bring

### Fun Facts

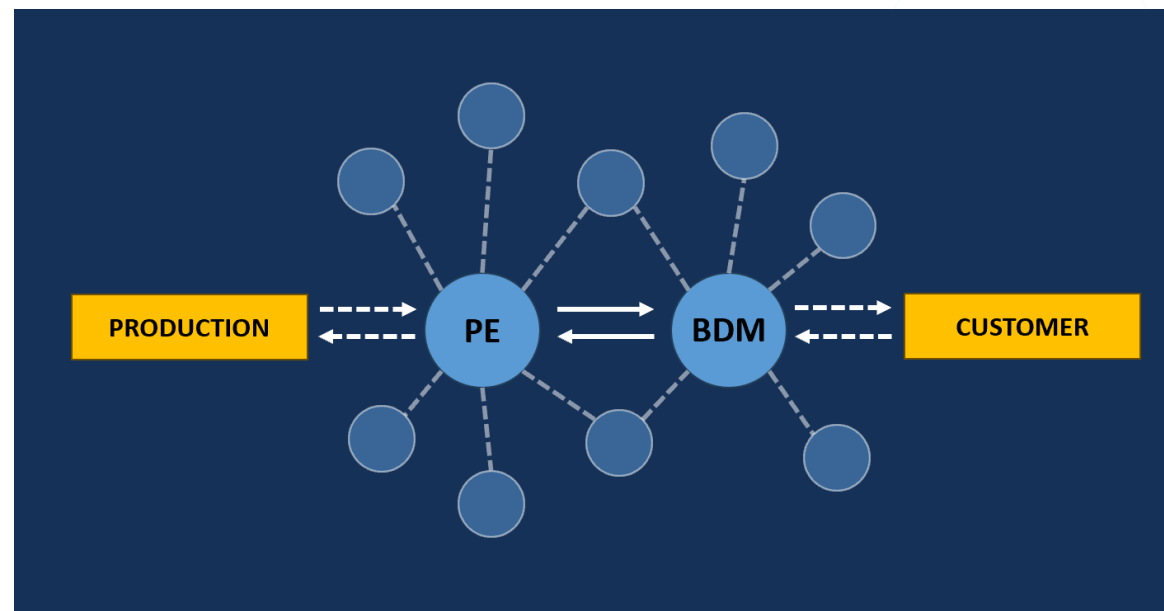
- Proud parent of a little ninja, as announced in my employee feature last year
- I am definitely a dog person!
- Beyond the desk, I find joy in running and cycling



## A Unique Career Opportunity: Production to Business Development



- Working as a Production Engineer for MC for 2 years
- With maternity leave of a colleague, Business Development Manager role came vacant for a few months with a lot of work on the table for the growing SAF processing business
- Both jobs are genuine spider-in-the-webs, cross-functional communication is key!
- Quick transition and jump start due to production background





## Lessons Learned and My Path Forward



- Learned valuable insights in the challenges that BDMs are facing – disrupting any Production Engineer tunnel vision
- Great opportunity to learn directly on-the-job and expand skill set
- New challenges ahead: projects in Operational Excellence and Procurement!

# 2024 Monument Pillars, Goals and Incentives Link

## Our Vision

*Be the provider of choice for our customers in challenging chemistries and under-served markets by leveraging technical expertise, flexibility, breadth of capabilities and superior service, resulting in doubling of our mid-cycle annual EBITDA every 10 years*

PILLARS

### OUR COMMITMENTS

**Health, Safety and Environmental:** Top Quartile safety and environmental performance

**Sustainability and Compliance:** Our commitment to sustainable practices and governance in our operations, supply chain, and product offerings

### ONE MONUMENT

**Team Effectiveness:** Improved internal communications and alignment, mutual accountability, improved alignment and empowerment.

**Employee Engagement:** Strong employee engagement and culture as employer value proposition.

**Community Engagement:** Continued presence in our communities with emphasis in education, environment, sustainability, health and wellness.

**Talent and Leadership:** Robust talent processes and Succession planning.

### BUSINESS EXCELLENCE

**Commercial Excellence:** Improve contract excellence, launch key account program & improve salesforce utilization

**Operational Excellence:** Stay within budgeted R&I Cap

**Financial Excellence:** Deliver 2024 planned EBITDA & Cash flow

### GROWTH LEVERS

**Core:** "Sell Up and Sell Out" – e.g., PG & Amines for Oxides, launch E-grade IPA for solvents

**Synergy:** Collaborate on shared growth platforms (e.g., SAF and e-grade)

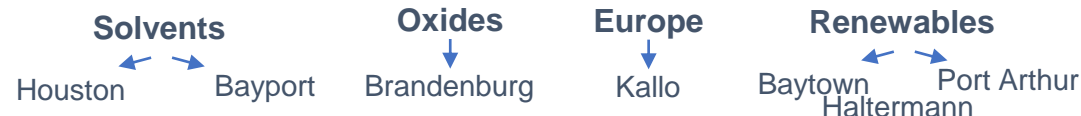
**Innovation:** Grow "New-to-Monument" capabilities (e.g., CO2 polyols for Oxides)

**Sustainability:** Grow targeted sustainability platforms (e.g., pharma solvent recycling, renewable fuels)

KEY 2024 GOALS

*Metrics and objectives from the Monument Pillars are reflected in each Business and Sites goals and incentives*

Business & Site Goals





*Thank You*

for all that you do

# Town Hall

With Paul and Bill



Questions?