

HOW WE WILL GET THERE

Fueled by Investments, Growth and Collaboration



PUTTING SAFETY FIRST

By building a culture where everyone owns safety, we follow clear standards and use smart tools to prevent incidents.

SAFETY INITIATIVE 1:

Commitment to Occupational and Process Safety and Leadership Accountability for Performance

We must have commitment and strong leadership from the Board, the Lampton family and management to support occupational and process safety initiatives. Expected behaviors should be consistently communicated and celebrated throughout the organization.

Leadership Support:

Ergon leadership must consistently, through words and actions, support the actions needed to ensure a strong occupational and process safety culture throughout Ergon.

Governance Structure:

We will establish a tiered governance structure that integrates occupational and process safety into leadership performance reviews, planning and decision-making.

Leadership Influence:

Leadership must act as the primary safety influencers by visibly reinforcing and prioritizing safety over operational results in all decision-making.

Safety Leadership Training:

We must develop occupational and process safety leadership and ownership at every level through training that will embed principles of ownership, care and compassion.

Employee Empowerment:

We must empower employees to be safety advocates by encouraging peer-to-peer accountability through real-time coaching, intentional observations and a culture of care and compassion for one another.

SAFETY INITIATIVE 2:

Reinforce Start/Stop Work Expectation for All Employees

We must emphasize a culture where anyone can and is expected to halt operations if they identify an unsafe condition, understanding that they are empowered and it is everyone's responsibility to protect their peers and the organization.

Clear Policies:

We must establish clear policies regarding Stop Work Authority.

Leadership Support:

Leaders must actively support and expect employees to use Stop Work Authority.

Employee Training:

We must train employees on when and how to use Stop Work Authority.

Effective Communications:

We must effectively communicate Stop Work Authority to all employees at every level.

SAFETY INITIATIVE 3:

Assess and Track Occupational and Process Safety Culture

Real-Time Data Tracking:

To ensure continuous improvement, we will implement real-time safety data tracking with leading and lagging indicators including proactive metrics, outcome-based metrics and severity/root cause analysis of safety incidents.

SAFETY INITIATIVE 4:

Ensure Occupational and Process Safety Competency

Safety Skills Training:

We must identify safety skills and competencies needed for each job role, and we must train our employees so they can demonstrate those skills and competencies.

Ongoing Training:

We must conduct routine refreshers and scenario-based training.

SAFETY INITIATIVE 5:

Safety Innovation and Technology Adoption

Technology Investment:

We will invest in emerging technologies to enhance workplace safety, including integrating operational excellence and safety data into our S4/HANA upgrade and investing in improved safety technologies.

SAFETY INITIATIVE 6:

Managing Risk by Standardizing Best Practices Across All Facilities

OPEX Framework:

To uphold consistent safety excellence, we are implementing a universal Operational Excellence framework that establishes minimum standards for facilities, regardless of regulatory requirements.

SAFETY INITIATIVE 7:

Learning From Experience

Improved Incident Management Program:

We must enhance our focus on incident investigations and sharing through an incident management program, training on the program and a cross-functional team to assist facilities with incident investigations.

Clear Communication:

We must have clear communication and sharing of incidents and investigations through productive weekly safety meetings and monthly cross-company collaborative meetings, and by utilizing stories to reinforce personal commitment and cultural engagement.



PRIORITIZING PEOPLE

By getting our people ready to succeed, creating clear paths of success and expanding our culture.

PEOPLE INITIATIVE 1:

Scalable and Foundational People Processes

We recognize that the HR processes that got us here won't get us where we're going. It is critical that any new processes retain the positive, people-focused impact that makes us Ergon. We will scale up our people processes while ensuring consistent, positive employee experiences.

Streamlined Recruiting:

We must provide improved centralized recruiting support to reduce hiring managers' administrative workload and provide interview training for hiring managers.

One Ergon Onboarding and Offboarding:

We're focused on internal identification/sharing of best practices and an optimized new hire experience.

Ergon Job Mapping:

We must create clear development paths for internal growth and succession, with roles tied to market wage data for competitive recruiting and internal equity.

PEOPLE INITIATIVE 2:

Understanding Growth and Development Needs

We need to equip future leaders to expand and sustain the culture and level of service established by Ergon. This becomes increasingly important as we prepare for the retirement of senior leaders across Ergon over the next five years.

Succession Planning:

With our current organization-wide state of succession readiness, we've identified development needs with a proactive approach to preparing future leaders.

Frontline/First-Time Manager Tools:

We're committed to providing training to create baseline managerial expertise, equipping new and frontline managers with the confidence/know-how to support their teams.

Intern/Co-Op Strategy and Support:

We're focused on internal, shared best practices for consistent, excellent intern experiences, integrating intern opportunities and full-time placement into our Ergon Talent Strategy.

PEOPLE INITIATIVE 3:

Driving One Culture

Fostering a culture consistent in Ergon values across locations is increasingly important as the organization becomes more geographically dispersed.

The Yellow Bike Project:

We're documenting the behaviors that differentiate Ergon and have built our unique culture.



TAKING CARE OF CUSTOMERS

By solving real-world problems with innovation, upgrading our systems to serve our customers better and implementing smart, strategic growth plans.

CUSTOMER INITIATIVE 1:

Innovation Investment Framework

We are committed to investing intentionally by focusing on the specific competencies and capabilities Ergon needs to build. With the majority of investments remaining within the framework of the business segments, we will ensure that innovation efforts are close to customer needs, addressing immediate market opportunities that solve industry problems and build capabilities that directly drive margin growth.

Process and Product Innovation:

Just as in the past, our success will come from enhancing processing expertise and application knowledge. The first step is intensifying our understanding of core applications within each business segment while also building cross-functional teams to ensure broader organizational insight.

Cross-Business Collaboration:

We must establish stronger pathways for collaboration across segments.

Capability Development:

We must expand our capabilities through intentional investments in talent, market research, tools and management systems.

Dedication of Organizational Bandwidth to Address the Important but Nonurgent:

We absolutely must create dedicated bandwidth to address the important but nonurgent activities that will make a difference over the 10-year horizon.

Non Bureaucratic Innovation Management:

To manage cross-company innovation effectively, we will adopt a nonbureaucratic approach by implementing clear, flexible guidelines that foster creativity while maintaining strategic alignment.

CUSTOMER INITIATIVE 2:

Investments in Systems and Processes – Project Polaris

Our digital infrastructure is just as vital to our business as the steel and iron assets at our plants. Just as we invest in maintaining and upgrading our physical assets to ensure optimal performance, we must do the same with our digital systems. These systems are critical to meeting the evolving needs of our customers and supporting the continued success of our operations.

CUSTOMER INITIATIVE 3:

Business Segment Strategies

Strategic growth is driven by our ambition to ensure Ergon continues to make a positive impact on the lives of our employees, customers and the communities where we operate. ESS, PCR and ISL will implement growth strategies to maximize opportunities, provide industry leadership and expand markets.