



REACHING HIGHER

VULCAN'S ENVIRONMENTAL, SOCIAL &
GOVERNANCE COMMITMENTS TO YOU

2020 CORPORATE SOCIAL RESPONSIBILITY REPORT



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Content contained in this report is as of Dec. 31, 2019. Please visit csr.vulcanmaterials.com for the most current information.*



FROM TOM HILL, OUR CHAIRMAN & CEO

I am pleased to share with you Vulcan Materials Company's 2020 Corporate Social Responsibility Report.

In our more than 60 years as a publicly-traded company, our long-term success has been built on a culture of doing the right thing, the right way, at the right time for our stakeholders, including shareholders, communities and the people we serve, both in and outside the company. We call this culture The Vulcan Way, and it guides all we do. The Vulcan Way calls us to continuously improve our performance and reach our potential.

In an extraordinary and challenging year for our country and the world, I am especially proud of the resilience, compassion and capabilities demonstrated by our Vulcan family in 2020. Our people quickly adapted to the rapidly changing conditions of the COVID-19 pandemic while staying focused on keeping our teams safe and healthy, serving our customers and executing on our operating disciplines.

The year also provided tragic reminders of the intolerance and racism that persist in our society. At Vulcan, we know that these have no place in the world, and we are committed to fighting them in all their forms and supporting social justice in our communities. I'm proud of how our employees came together to listen to one another, learn from and support one another during such unsettling times.

Across the Vulcan family, we have supported each other in ways that truly define our Company's unique and invaluable culture. Our commitments to our health and safety, our people, our communities, the environment and our governance guided us as we addressed both new and ongoing challenges. We also continued our focus on improving our Environmental, Social and Governance (ESG) disclosures and reporting, working consistently towards our goal of superior performance as measured by important ESG ratings services.

I am especially proud of the resilience, compassion and capabilities demonstrated by our Vulcan family in 2020.

Our 2020 Corporate Social Responsibility Report Highlights

- Responded quickly to the COVID-19 crisis.

As an "essential business," we kept our operations running and our people working safely, whether wearing personal protective equipment and maintaining proper social distance at our operations, or working remotely. We made the decision early in the pandemic, before federal action was taken, to provide a minimum of 80 hours of COVID-19 paid leave for people who were diagnosed with the virus or exposed and needing to quarantine, and to those taking care of a loved one with the illness. We also stepped-up communications to keep our employees and stakeholders informed on the business, and introduced a new digital customer platform that limited the need for person-to-person contact.



- Leveraged the Vulcan Materials Company Foundation, company funds and employee volunteer efforts to support people and communities affected by COVID-19.

We helped food banks, healthcare services, childhood education remote learning programs and other initiatives designed to lessen the difficulties experienced in many of our communities. We helped in a number of ways, including contributions to support Wi-Fi and hotspot access to thousands of students in need across the country — in many cases we’re enabling connectivity for students not just in 2020, but through the 2021 school year. We’ve also procured hundreds of laptop computers for remote students.

- Continued our commitment to justice, fairness and equality.

Vulcan launched its Diversity & Inclusion initiative in 2015. We have worked steadily over many years to build a diverse, inclusive and equitable workplace and to support initiatives that promote these values. Our Diversity & Inclusion Council has spearheaded important employee training programs and launched a new inclusivity training initiative for employees this year. In 2020, we have started Diversity & Inclusion Councils in our operating divisions to further build local ownership throughout our organization. During 2020, we continued to build on our long-term partnership with select Historically Black Colleges and Universities (HBCUs) that we began in 2019. This initiative supports future leaders in our communities and provides additional opportunities to add talent and diversity across the company. We know that a diverse and inclusive workplace creates a more positive work environment and further strengthens our healthy culture.

- Achieved an industry-leading and world-class overall MSHA/OSHA safety performance of 0.88 injuries per 200,000 employee hours worked.

Notwithstanding this record, we deeply regret that three Vulcan employees lost their lives on the job in 2020. These tragic deaths are a permanent reminder and challenge for all of us as we work hard throughout our company to meet our goal of zero accidents. We know it is achievable, as 92% of our facilities finished the year with no lost-time injuries. 279 of our plants achieved “triple zero” status in 2020, with zero MSHA/OSHA injuries, MSHA citations or environmental regulations. Our Sac-Tun operation in Playa del Carmen, Mexico, reached a remarkable 5.25 million work hours without a lost-time injury.

- Advanced our environmental stewardship commitments.

In 2020, Vulcan decreased Scope 1 and Scope 2 greenhouse gas emissions by 3.3% from 2019. We significantly improved our carbon management score as measured by the Carbon Disclosure Project. Approximately 40% of our off-road fleet vehicles have now been transitioned into Tier



IV and Tier IV interim engine technologies. We maintained a citation-free environmental inspection rate of over 98%. We also continued to make progress with our water and waste management and recycling programs and partnered with environmental and other non-governmental organizations on a variety of conservation initiatives in our states across the U.S. and in Mexico.

- Updated the company's Corporate Governance Guidelines to ensure the best management systems and practices.

The Board approved revisions to underscore its commitment to actively seeking out diverse Board candidates and include protections against "overboarding" by the directors. Formalizing these practices reflects the Board's commitment to diverse representation and maintaining a strong, engaged and well-balanced Board with adequate time to fulfill our duties as directors. We also made more key company policies publicly available and enhanced reporting on a number of material topics including diversity and inclusion and greenhouse gas emissions.

Moving Forward

This website and report highlight our commitments and progress as we continue working to improve goal setting, measurement and reporting on specific ESG topics. It also shows you what we do in our communities, including the associated benefits that cannot be measured. Vulcan thrives because we are highly focused on the elements of our business that we can control, while maintaining the flexibility and creativity to respond to a rapidly changing environment. We are never done improving, and our people view the pursuit of excellence as a continuous process. This is a central part of our culture.

Good governance depends on transparency, candor and open lines of communication conducted in an environment of trust and respect. We communicate regularly with our shareholders and other key stakeholders throughout the year regarding all aspects of our business, including critical ESG matters. Your questions, ideas, criticisms and suggestions make us better and stronger as a company and as leaders at Vulcan.

In closing, our achievements in 2020 would have been impossible without the outstanding hard work, creativity, flexibility, dedication and perseverance of our Vulcan team members. I would like to extend to each one of them my immense gratitude and congratulations on a job well done. I also wish to thank all our stakeholders and shareholders for their continued trust and support. We appreciate your continuing confidence in Vulcan Materials Company.

Sincerely,

Tom Hill



Our Mission

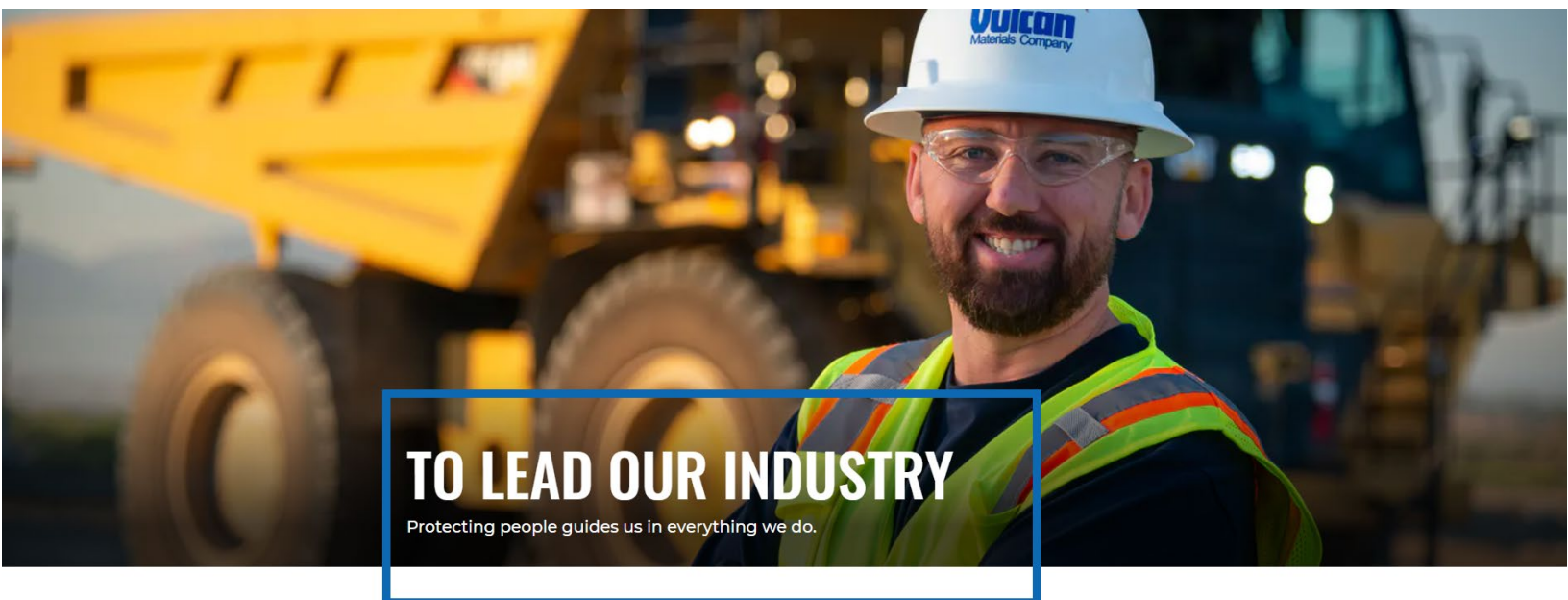
We are the company we are today thanks to the positive actions of our more than 8,700 employees. We believe that doing the right thing is good for our business, our environment and our society. That's our commitment.

Our Mission

Provide quality products and services that consistently exceed our customers' expectations. Be responsible stewards with respect to safety and the environmental impact of our operations and products. Drive value and superior returns for our customers, employees, communities and shareholders.

- We maintain the highest degree of respect for people – for their dignity, talents and interests. We believe that empowering, mentoring, training and rewarding our people helps create a highly engaged workforce, happy people and sustainable, long-term value.
- We act fairly and honorably to earn the respect and trust of all parties with whom we interact. We hold ourselves to high ethical standards, including abiding by both the letter and spirit of the laws and regulations related to our business.
- We are committed to excellence in all of our activities. We value innovation. We strive to maintain a position of leadership in all of our businesses.

DOING THE RIGHT THING, THE RIGHT WAY, AT THE RIGHT TIME. IT'S THE VULCAN WAY.



1.0 Safety & Health

Safety is a core tenet of Vulcan's culture. We strive to ensure a safe and healthy workplace that also promotes the well-being of our employees, contractors and communities. Our entire organization is committed to ensuring that our people return home as healthy and safe as when they left for work.

2020 Highlights

Our Safety & Health teams worked quickly and tirelessly to develop new COVID-19 protocols to keep our people safe. Vulcan's procurement teams secured the personal protective equipment and supplies that our operators needed. We made a decision early in the pandemic, before federal action was taken, to provide a minimum of 80 hours of COVID-19 paid leave for people who were diagnosed with the virus or exposed and needing to quarantine, and to those taking care of a loved one with the illness.

We also achieved a record overall MSHA/OSHA safety performance of 0.88 injuries per 200,000 employee hours worked, which is both industry-leading and considered world-class. Notwithstanding this record, we deeply regret that three Vulcan employees lost their lives on the job in 2020. These tragic deaths are a permanent reminder and challenge for all of us as we work hard throughout our company to meet our goal of zero accidents. We know it is achievable, as 92% of our facilities finished the year with no lost-time injuries. Our Sac-Tun operation in Playa del Carmen, Mexico, has just reached a remarkable 5.25 million work hours without a lost-time injury.

Our safety goal is zero accidents and injuries.



Our commitment to health and safety is built on:

- Industry-leading operating guidelines and procedures.
- Management commitment and leadership.
- Hazard identification and risk assessment.
- Employee engagement.
- Regular and ongoing employee training programs.
- Policies and programs designed to achieve specific targets and goals.
- Performance monitoring and measurement, including on-going internal health and safety audits.
- Emergency preparedness and response procedures for our facilities and coordinated drills with local emergency responders.

We are also pleased to report 279 of our facilities achieved “Triple Zero Plant” status, meaning zero injuries, zero safety citations and zero environmental violations. This recognition is earned through exceptional teamwork and attention to detail, meticulously following correct safety and environmental procedures, identifying and controlling hazards and looking out for one another and the environment.

1.1 Our safety culture, programs and initiatives.

Our safety culture is reinforced through policies, management systems and day-to-day practices that hold us all accountable for health and safety. Our safety culture relies on teams and individuals committed to working together to create and maintain a workplace where potential hazards are managed and controlled.

We prioritize a safe work culture in recruiting and hiring new employees, seeking out people who are as committed to safety as we are. We hold our third-party vendors, suppliers, contractors and on-site tenants to the same high safety and health standards that guide our people every day and we work to enable them to adhere to our standards.

The Safety, Health & Environment Committee of our Board of Directors, along with the full Board, has oversight responsibility for our safety and health program and results. Ongoing management responsibility for all safety, health and environmental initiatives is guided by our Safety, Health & Environment Management Committee, which is made up of the senior leadership team along with other key senior personnel from cross-functional operations and staff disciplines.

In striving for a workplace that is free of accidents and injuries, we have continued to build our safety culture through strong leadership, ongoing training and an emphasis on safe workplace behaviors.



Our key safety programs and initiatives include:

- Actively engaging all employees across the entire company.
- Thoroughly and routinely inspecting our facilities for potential hazards.
- Providing the training, proper tools and equipment to do every job safely.
- Reporting “near misses” to help teams learn from incidents that could have become accidents.
- Pairing tenured employees with newly hired employees to share institutional knowledge and experience involving plant sites, equipment and different workplace situations and scenarios.
- Deploying safety technologies in our mobile equipment and ready-mix truck fleets.

1.2 Our safety performance.

Overall, our 2020 safety performance continued at a world-class level, with 0.88 MSHA/OSHA injuries per 200,000 hours worked, compared to 0.99 in 2019 and 0.92 in 2018.

The period 2017-2020 represents four consecutive years of world-class safety performance, measured as less than one reportable/recordable injury for every 200,000 employee-hours worked. Of our 516 facilities in the United States, Mexico and the Bahamas, 92% were accident-free in 2020. In fact, a number of our operations have achieved accident-free records year after year. At the end of 2020, our single largest operation, Sac-Tun, in Playa del Carmen, Mexico, reached a remarkable 5.25 million work hours without a lost-time injury.

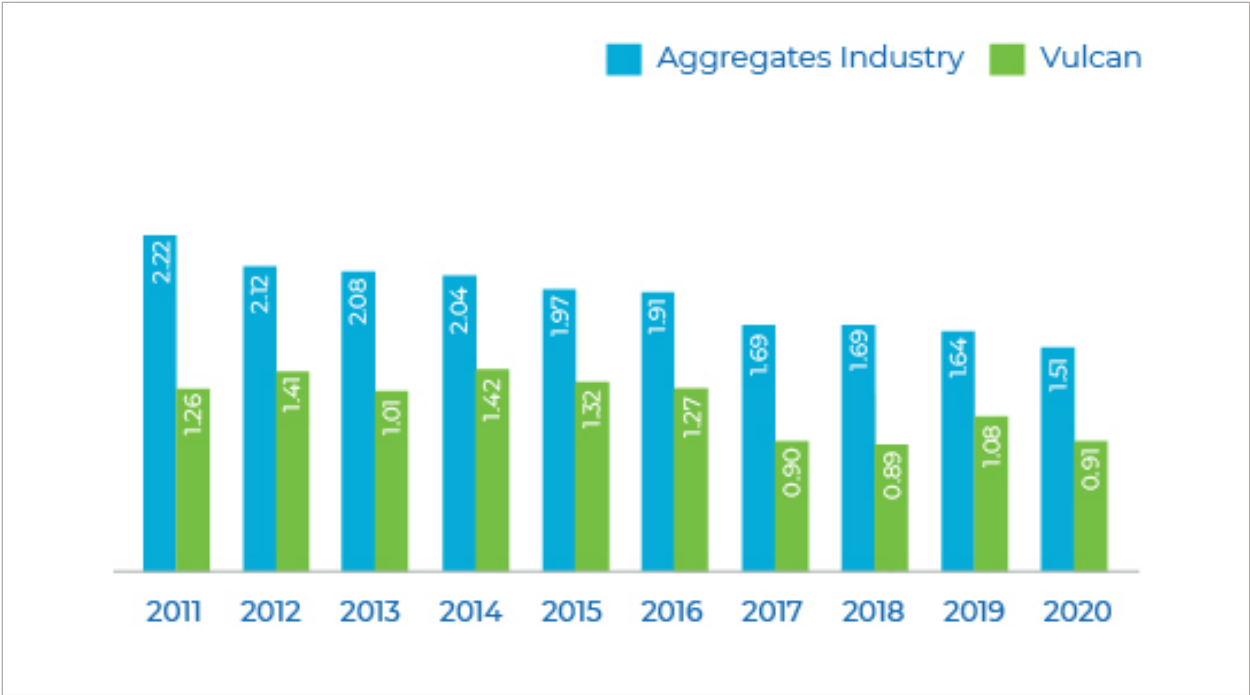
Notwithstanding this record, we deeply regret that three Vulcan employees lost their lives on the job in 2020. These tragic deaths are a permanent reminder and challenge for all of us as we work hard throughout our company to meet our goal of zero accidents. That is our goal, and we know it is achievable.

When a fatality occurs, Vulcan cooperates fully with law enforcement and regulatory officials. In every case, we conduct a thorough investigation, make changes to policies and practices if indicated, and train employees to prevent future accidents.

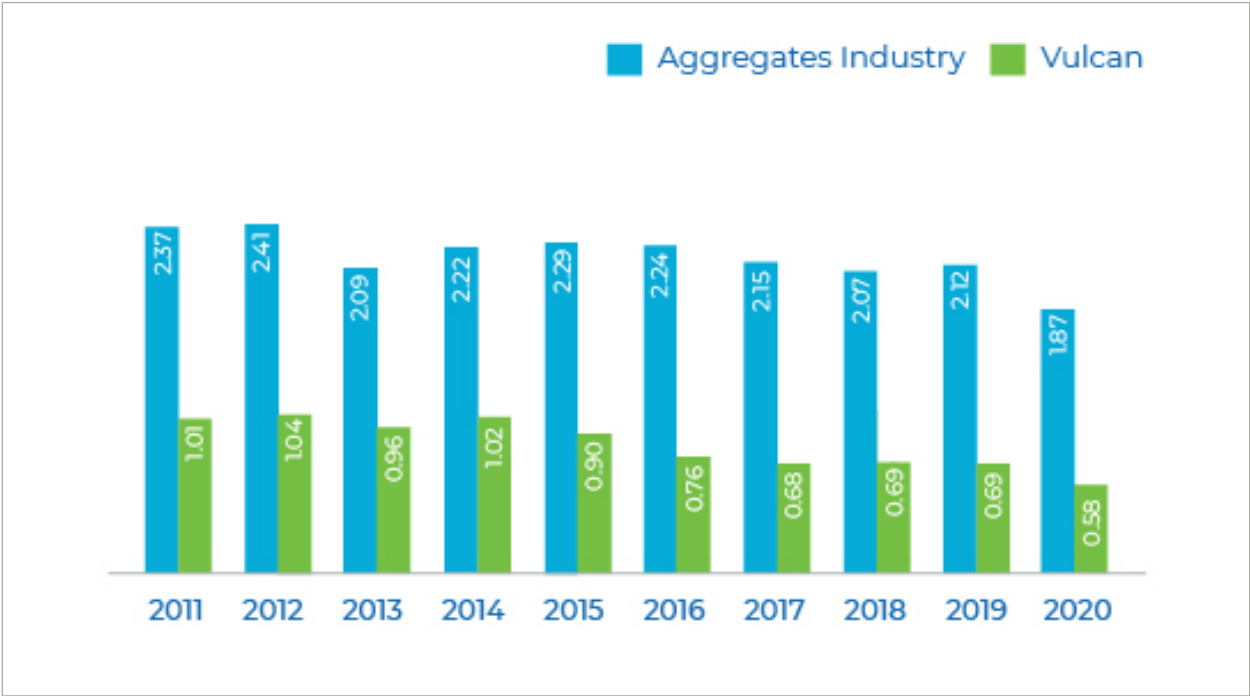
Data Highlights:

- Percentage of 516 Facilities with Zero Lost-Time Injuries (2020): 92%
- Reportable/Recordable Injury per 200k Hours Worked (2020): 0.88
- Hours of Safety & Health Training Delivered (2020): 110,350
- Safety & Health Audits Conducted (2020): ~100
- MSHA Inspections with Zero Citations (2020): 67%
- Near-Miss Incidents Reported¹ (2020): 1,877

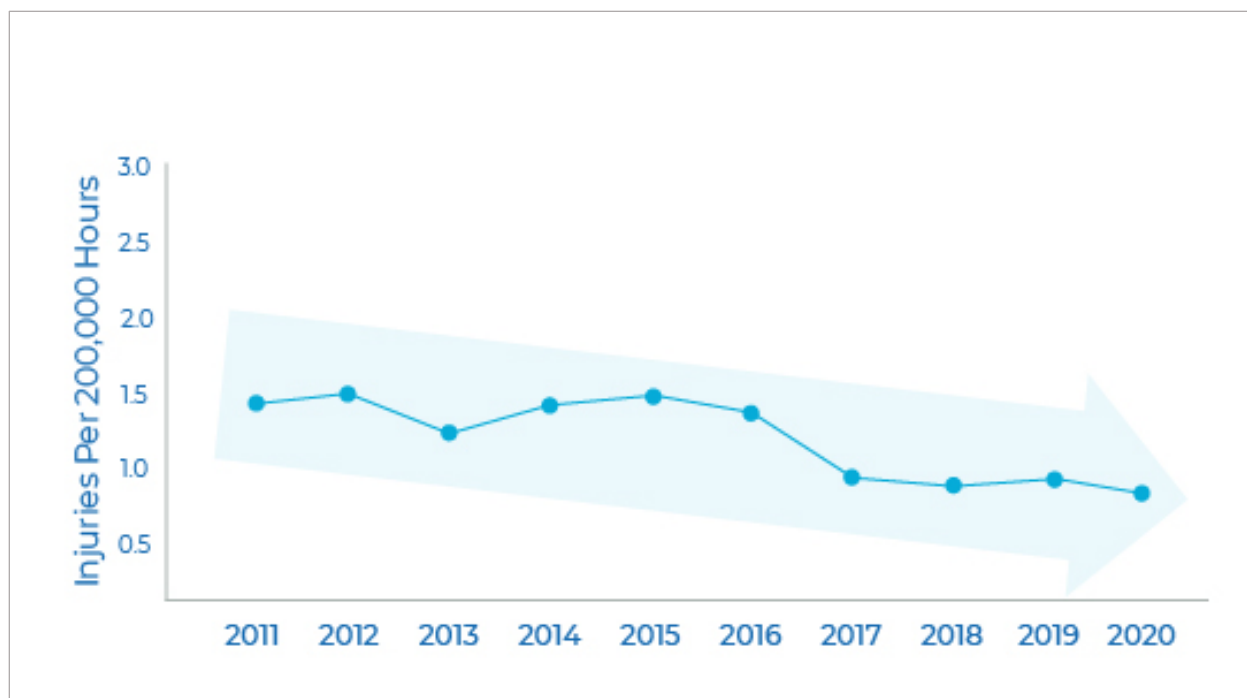
¹ Data collection for this metric began in 2018.



Consistently Lower than the Industry
MSHA Reportable Injury Rate



Significantly Lower than the Industry
MSHA Citation Rate



Significantly Decreasing Since 2011
MSHA Reportable & OSHA Recordable Injury Rate

1.0 Safety & Health	2019	2018	2017	2016	2015
Safety					
Accidents					
MSHA Reportable Injury Rate (#)					
Vulcan	1.08	0.89	0.9	1.27	1.32
Industry	1.64	1.69	1.69	1.91	1.97
Near-Miss Incidents Reported (#)	1,471	1,391	* program and data collection began in 2018*		
MSHA Reportable & OSHA Recordable Injury Rate (#)	0.97	0.92	0.99	1.36	1.49
Vulcan Facilities with Zero Lost-Time Injuries (%)	94	94	95	92	92
Reportable/Recordable Injury Per 200,000 Hours Worked (#)	0.97	0.92	0.99	1.36	1.49
Fatal Accidents (#)	2	0	0	2	0
Inspections	2019	2018	2017	2016	2015
MSHA Citation Rate (#)					
Vulcan	0.69	0.69	0.68	0.76	0.90
Industry	2.12	2.07	2.15	2.24	2.29
MSHA Inspections with Zero Citations (%)	64	65	60	58	55
Training & Audits	2019	2018	2017	2016	2015
Safety & Health Training Delivered (hours)	123,257	118,400	* data not available *		
Safety & Health Audits Conducted (#)	~100	~100	* data not available *		

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1.3 Occupational health and industrial hygiene.

As the first company in the U.S. aggregates industry to launch a comprehensive occupational health and industrial hygiene program more than 40 years ago, our early initiatives set the industry standard with programs that monitored employee exposure to noise and dust while also providing routine medical screenings. We continue our industry leadership in occupational health and industrial hygiene today, keeping employees healthy and exposure levels well below state and federal safety limits and industry averages.

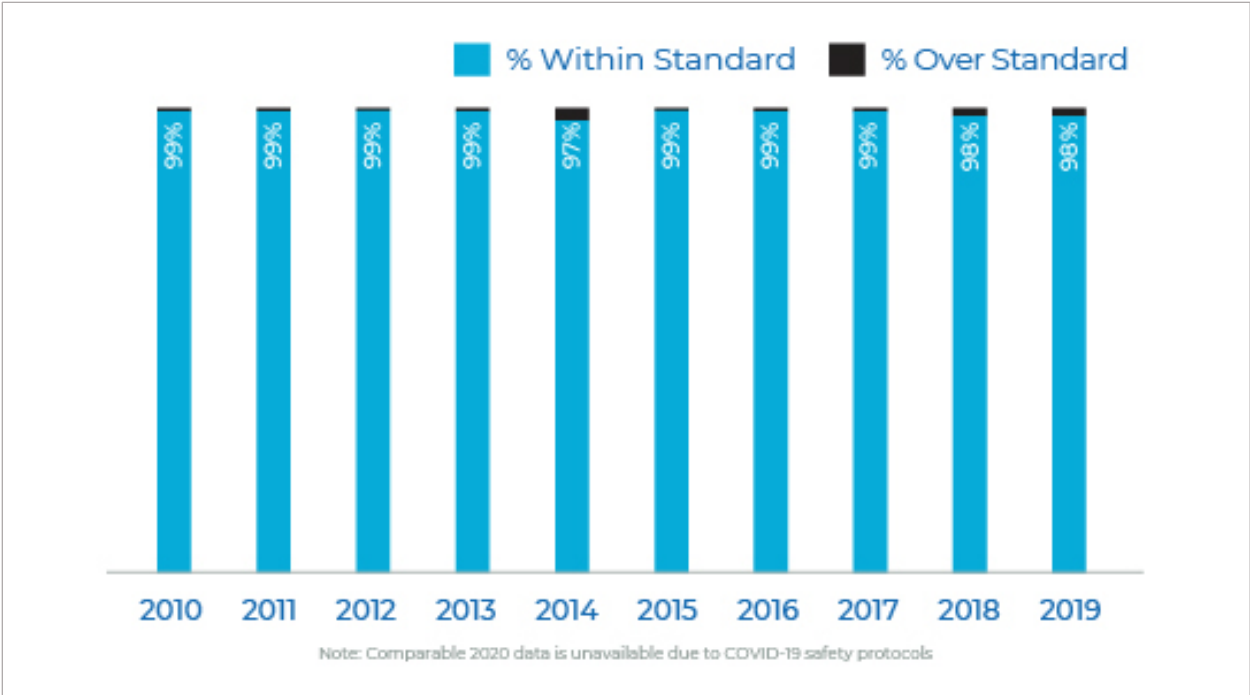
Our commitment to employee health and well-being is built on:

- Industrial health and hygiene programs designed and implemented to make sure that noise and dust exposure levels are well below state and federal regulations and industry averages.
- Providing routine on-site medical surveillance to monitor employee exposure to dust and noise.
- Identifying and managing potential high-risk activities and workplace hazards using video exposure-monitoring backpacks that collect real-time data from employees on-the-job. This initiative was developed by Vulcan in partnership with the National Institute for Occupational Safety and Health (NIOSH).
- A data-driven hearing protection program developed by Vulcan that includes extensive employee testing and training. The program has been singled out by NIOSH and the National Hearing Conservation Association as best-in-class.

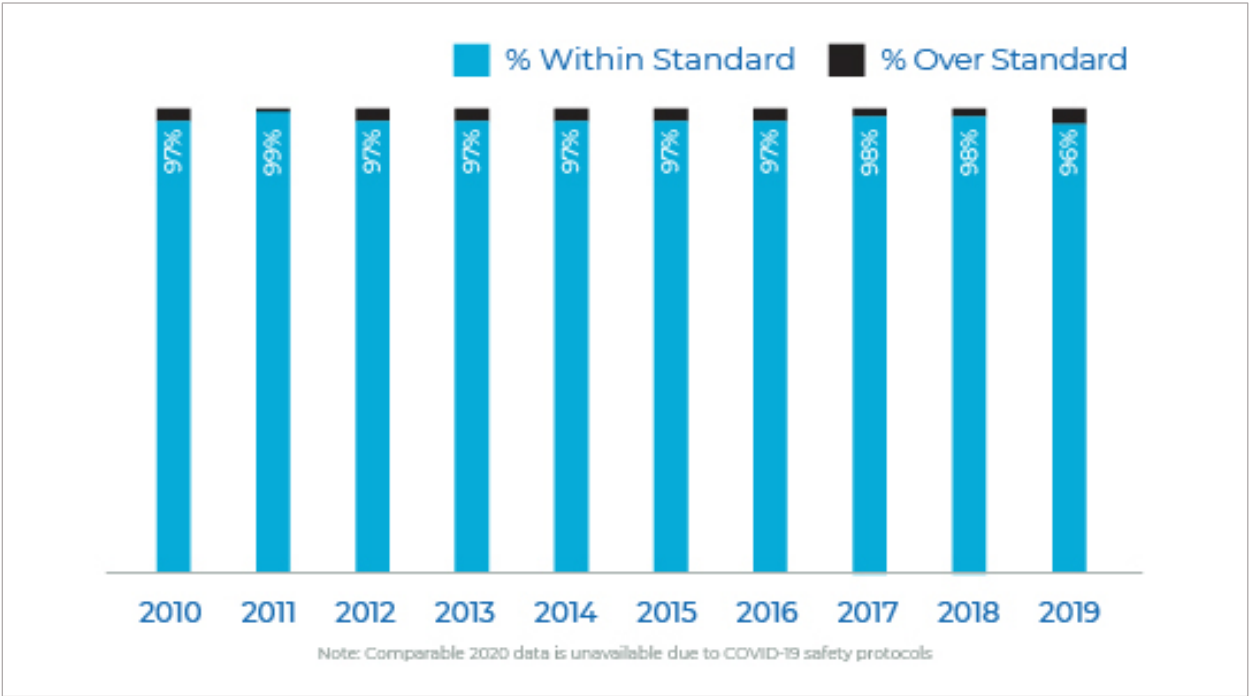
Our industrial hygiene programs were suspended due to COVID-19 in 2020 but have resumed in 2021.



Consistently Near 100% Participation
Employee Participation in Voluntary Occupational Health Screening



10-Year Average: 98.6% Within Standard
MSHA Respirable Dust/Silica Exposure Sampling



10-Year Average: 97.3% Within Standard
MSHA Noise Exposure Sampling

1.0 Safety & Health

Health	2019	2018	2017	2016	2015
Employee Participation in Voluntary Health Screening (%)	96	97	97	97	96
MSHA Respirable Dust/Silica Exposure Sampling (%)					
Within Standard	98	98	99	99	99.1
Not Meeting Standard	2	2	1	1	0.9
MSHA Noise Exposure Sampling (%)					
Within Standard	96	98	98	97	97
Not Meeting Standard	4	2	2	3	3

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2.0 Environmental Stewardship

We believe responsible, sustainable operations benefit our communities and drive positive results for the long term. As an industry leader, Vulcan’s aim has always been to meet—and strive to exceed—all federal, state and local environmental regulations. Once again, in 2020 we maintained a citation-free environmental inspection rate of over 98%.

However, environmental sustainability means looking beyond what is required of a company by governments and regulators. We continue to make progress on reducing our carbon footprint, increasing our energy efficiency, measuring water use, reducing waste and managing our land with biodiversity in mind. It’s the right thing to do for society, for our business and our stakeholders.

2020 Highlights

We decreased Scope 1 and Scope 2 greenhouse gas emissions by 3.3% from 2019 and significantly improved our carbon management score as measured by the Carbon Disclosure Project. At the end of 2020, approximately 40% of our off-road fleet was equipped with Tier IV engine technology or Tier IV interim technology. We also continued to make progress with our water and waste management and recycling programs.

We partnered with environmental and other non-governmental organizations on a variety of conservation initiatives in our states across the U.S. and in Mexico. We are proud to maintain the fourth largest number of Certified Wildlife Habitat sites of any industrial company in the U.S., in partnership with the international Wildlife Habitat Council (WHC).



Our commitment to environmental stewardship is built on:

- Making long-term commitments to continue reducing environmental impacts.
- Running our operations effectively to minimize waste, reduce air emissions, and to conserve water.
- Improving energy efficiencies and exploring alternative energy sources.
- Seeking ways to reduce our carbon footprint.
- Deploying new technologies that help us further our goal of reducing environmental impacts and protecting the environment.

Our environmental stewardship commitment is designed to protect plant and animal species and habitats, as well as the air we breathe, the water we use and the planet we all share. And it is reflected in our business strategy. In all parts of our company, from local operations to our corporate and regional offices to our international business and ocean-going shipping, we are focused on ensuring that our operations are efficient in ways that are economically and environmentally sustainable.

A great example of the dual benefits that come from operational excellence and strategic sourcing can be seen through our increased use of renewable energy sources. Recent solar and battery storage initiatives in California, the Community Solar project in Florida, and our purchase of electric energy generated from landfill gas in Virginia are all examples of Vulcan’s ability to reduce our carbon footprint while enhancing our efficiency and our bottom line. As a result of these efforts, Vulcan is significantly cutting costs associated with energy, saving money and finding new ways to reduce emissions at our plants. When we optimize how we serve and how we save, we’re more in control of our cost of goods sold, and ultimately more in control of Vulcan’s profitability.



10-Year Average: More than 98% Citation-Free
Environmental Citations & Agency Inspections

2.0 Environmental Stewardship	2020	2019	2018	2017	2016
Environment					
Agency Inspections (#)	540	715	738	718	750
Agency Citations (#)	14	20	14	17	7
Citation-Free Inspections (%)	99	97	98	98	99
Environmental Awards & Recognitions (#)	42	37	4	7	2

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[Please visit \[csr.vulcanmaterials.com\]\(https://csr.vulcanmaterials.com\) for the most current information.](https://csr.vulcanmaterials.com)

Our key environmental programs include:

- Emphasizing the sustainable use of natural resources and raw materials as good environmental and business practice.
- Minimizing land disturbances, recognizing that mining is an interim use of the land and looking to future, productive, post-mining uses of our lands.
- Maintaining controls to stay within or below state and federal regulations governing air emissions, water discharges, ground vibration and noise level standards.
- Preserving and promoting biodiversity through a variety of conservation efforts including site reclamation, mitigation banks, certified wildlife habitats and extensive natural buffer zones at our properties.
- Conducting comprehensive environmental assessments for potential new sites with a focus on protecting and preserving biodiversity, air and water resources.
- Working with non-governmental organizations (NGOs) and local, state and federal regulatory agencies to protect existing biodiversity and water resources and to mitigate impacts from our operations.
- Seeking to convert land at the end of its active operational life to the next highest and best use, including municipal drinking and stormwater reservoirs, parks and nature preserves, residential, retail and industrial developments.

Environmental stewardship is also embedded in our business strategy and corporate governance structure. Our company leadership recognized decades ago the significance and importance of leadership in the Safety, Health and Environmental (SHE) areas. Vulcan's Safety, Health and Environmental Policy was formally established in October 1999.

The Safety, Health & Environment Committee of our Board of Directors, along with the full Board, has oversight responsibility for our environmental, safety and health programs and results. Vulcan's Safety, Health & Environment Management Committee, made up of the senior leadership team along with other key senior personnel from cross-functional operations and staff disciplines, has the ongoing management responsibility for all safety, health and environmental initiatives of the company.



2.1 Managing land sustainably for the long term.

Minimizing impacts to the land, the water, the air and improving biodiversity is vitally important to Vulcan. We take a holistic approach to land management because mining is only an interim use of the land. The presence on a site of wetlands, waters, endangered species, cultural resources, and proximity to property boundaries and neighbors are all factors that are considered during site development. Making thoughtful decisions during site development helps to minimize these potential impacts. Our environmental specialists, land managers, geologists, engineers, hydrologists and external affairs personnel work together with key outside parties to incorporate state-of-the-art environmental controls while mining infrastructure materials. Future uses of the property following mining are considered during site development and operation. The planned future use of the property will affect the reclamation process and can dictate specific requirements beyond what is required by state mining reclamation regulations.

In 2020, we continued essential partnerships with environmental organizations and non-governmental organizations (NGOs) in the U.S. and Mexico that strengthen our position as a sustainable business. Examples include our 30-year partnership with the Cahaba River Society, which works to restore and protect the longest free-flowing river in Alabama and is the primary drinking water source for one-fifth of the state's population.

Vulcan also maintained our Cajon Creek and Colton Dunes Conservation Banks in California, which we set up to provide permanent protection of natural areas and habitats. We are also currently working with the Sierra Foothill Conservancy to establish the Fenston Mitigation Bank in Madera County, California, which will provide thousands of acres of mitigation for impacts to the habitats of several endangered species in the San Joaquin Valley. Our Sac-Tun operation near Playa del Carmen, Mexico is implementing a long-term environmental vision and strategy that has been praised by local government authorities and NGOs as a model for other businesses and industries in Mexico.

Our land stewardship encompasses a wide range of actions, including:

- Conducting extensive stakeholder outreach and dialogue prior to and during site development to address technical, logistical, community or other concerns that arise during the permitting process.
- Engaging in careful planning concerning site layout and location.
- Undertaking studies to understand the issues that development and operation of the site may create and to establish baseline conditions, highlighting biodiversity and natural resource considerations.
- Partnering with NGOs for large-scale enhancement of local biodiversity and surrounding ecosystems, as with our multi-stakeholder partnership in the Yucatan Peninsula of Mexico to protect marine, animal and plant species.
- Continuing to promote environmental stewardship with our people through ongoing training, education, and NGO engagement.



- Protecting on-site biodiversity, including threatened or endangered species, through engagement of regulatory bodies and external experts to confirm habitat and species presence and to assist in development of plans to protect the species and obtaining authorization for any impacts. Comprehensive conservation and mitigation plans are developed where needed, which include mitigation measures. In 2020, we controlled more than 6,300 acres in mitigation banks and conservation easements.
- Managing 37 certified wildlife habitat sites encompassing nearly 12,000 acres at key locations.
- Protecting the ecosystem from invasive plant species and enhancing wildlife habitat.
- Keeping the focus on land, biodiversity and resources management well beyond the permitting process into the day-to-day operations.
- Identifying, protecting and preserving cultural and historic resources.

2.1.1 Stakeholder Engagement

Our stakeholder engagement process focuses on establishing and maintaining communications with a wide array of parties who may have an interest or stake in our projects and activities in some manner. Parties with whom Vulcan engages and information on the types of engagement are provided in our Stakeholder Engagement Process Table (csr.vulcanmaterials.com/downloads/category/policy-program).

Successful site development and mine planning, with a focus on protecting the environment and addressing the needs of our stakeholders, enhances our ability to obtain and maintain environmental permits and mining authorizations that keep us operating, growing and continuing to supply vital infrastructure materials for society.

2.1.2 Creating Value, Protecting Biodiversity, Building a Sustainable Future

As the leading producer of construction aggregates in the United States, we are focused on managing our company to provide long-term sustainable value to our shareholders, employees, customers and communities. We are the largest holder of aggregate reserves in the United States, and we recognize the responsibility that comes with a land portfolio of more than 240,000 acres with 15.9 billion tons of proven and probable aggregates' reserves (for further information regarding Vulcan's reserves, see pp. 25-26 of our 2020 Annual Report).

The future value of our company and our ongoing good relationships with our stakeholders require us to be thoughtful stewards and managers of our land. This means taking a holistic approach to our land management, including selecting the most strategic sites, continuing to improve our land management practices, conducting operations as efficiently as possible, minimizing environmental and community impacts, and eventually reclaiming land for its next highest and best use.

2.1.3 Proven Siting and Permitting Track Record

We believe that our success in opening new sites is a direct result of our commitment to do the right things in the communities where we operate, and to demonstrate that we are good neighbors and corporate citizens over many years and in many ways. Over the last 15-year period, we have been successful in securing every mining permit we have sought for opening new sites across the United States. In just the last six years, we have secured local, state and federal government approvals to open



new sites in California, Texas, South Carolina, and Alabama. We have also earned approvals to expand or modify dozens of existing sites. These achievements reflect reputational strength built over time, living up to our philosophy of “doing well by doing good”.

Our approach to siting and permitting is built on listening, partnering and being responsive to the community and our potential new neighbors. Our strategy includes:

- Educating and engaging local stakeholders to build long-term partnerships.
- Addressing potential or perceived concerns regarding water, noise, dust, traffic, blasting, health, safety and environmental protection.
- Incorporating community feedback into our site designs and operational plans. We create setbacks and buffer areas, screening, landscaping and berms, and employ technologies and systems that protect public health, safety, and the environment.

Our facilities are designed and operated to protect the health and safety of our employees, and by extension, the health and safety of our neighbors, customers, suppliers and business tenants. Our regulatory and permit approval track record along with our long-term and ongoing strategic acquisitions have given us the best position in growing markets of any aggregates company in the United States.

2.1.4 Protecting Biodiversity

Being a responsible steward of the land is a core value for our company and is vital to maintaining biodiversity. As an aggregates company, we are presented with unique opportunities to preserve and develop wildlife habitats. The large footprint of an aggregate production operation includes undeveloped areas of the mine property, which can provide a sustainable habitat for wildlife in areas where habitat may otherwise be limited.

Many of our existing properties are home to federally or state-listed endangered and threatened species. The ongoing protection and preservation of site biodiversity requires thoughtful decision-making and diligence throughout each phase of our land management.

We perform biological assessments at Vulcan sites to ascertain the presence of critical biological resources that may be present, including threatened and endangered species and habitat. The presence of jurisdictional waters, wetlands, protected streams and other environmentally sensitive areas are identified and documented as they provide support for a broad range of biodiversity resources. The boundaries of these areas are established and protective measures are put in place to prevent disturbance of the resources. Where impacts cannot be avoided, Vulcan ensures that the proper permits and authorizations are obtained and that measures are undertaken to ensure that any adverse impacts are limited to those authorized and that restoration, mitigation, and remedial measures are implemented.



2.1.5 Long-Term Operational Excellence

Our focus on land, biodiversity and resource management continues through the day-to-day operations at the site. Detailed compliance resources are prepared to assist operations staff to meet or exceed compliance with all permit and regulatory requirements. This support includes:

- Mine planning resources to establish site mapping with property boundaries, approved mining areas, setbacks, easements, and locations of wetlands and endangered species habitats.
- Permit compliance resources such as Spill Prevention, Control and Countermeasure (SPCC) plans, Stormwater Pollution Prevention Plans (SWPPP) and mining and reclamation plans.
- Education and training on various environmental topics and the importance of compliance.
- Field controls to prevent inadvertent disturbance of areas requiring protection.
- A three-tiered audit and inspection process that engages plant, area headquarters and corporate staff.

2.1.6 Reclamation

The final stage of our land management process is reclaiming the land, including decommissioning, conversion and turning the property over to the designated post-mining land use.

The reclamation process is site specific and the cost is covered by bonding and other financial assurance mechanisms. Requirements vary, including how much reclamation is done concurrently with mining. Our Land Management department in conjunction with the Corporate Geology and Mine Planning departments provides direction and guidance to the regional divisions of the company and its operations on reclamation requirements and post-mining land use.

Data Highlights:

- Acres of Land in Our Portfolio (2020): ~240,000
- Wildlife Habitat Council Certified Sites (2020): 37
- Acres in Mitigation Banks and Conservation Easements (2020): 6,300+
- Environmental Awards and Recognitions (2020): 42

 2020 Corporate Social Responsibility Report Data Summary Rev. 05/01/2021					
2.0 Environmental Stewardship					
Land Management	2020	2019	2018	2017	2016
Total Land Portfolio (acres)	~240,000	~240,000	~240,000	~200,000	~200,000
Wildlife Habitat Council Certified Sites (#)	37	40	44	* data not available *	
Land Managed for Projects Recognized by WHC (acres)	11,720	11,720		* data not available *	
Land in Conservation Easements (acres)	6,300	6,300	5,500	* data not available *	

Vulcan Materials Company generally reports ESG data on an annualized basis ending Dec. 31.
[Please visit csr.vulcanmaterials.com for the most current information.](https://csr.vulcanmaterials.com)



2.2 Managing energy and reducing greenhouse gas emissions.

Our individual operations are well below the U.S. Environmental Protection Agency (USEPA) threshold for reporting and permitting of greenhouse gas emissions (GHG). However, since 2018, Vulcan has chosen to report GHG emissions to the Carbon Disclosure Project (CDP). We are continuing to improve operational efficiencies at our sites, which has resulted in less GHG emitted per ton of production and shipments by lowering fuel consumption and energy needs. The major GHG reduction achieved from the 2013 to 2014 was the result of the divestiture of the company's cement production facility. Since Vulcan exited the cement business, our baseline for measuring GHG emissions is 2015 in order to provide a more accurate picture of our progress over time.

Approximately 40% of our off-road fleet vehicles have now been transitioned into Tier IV and Tier IV interim engine technologies. In 2020 decreased Scope 1 and Scope 2 greenhouse gas emissions by 3.3% from 2019.

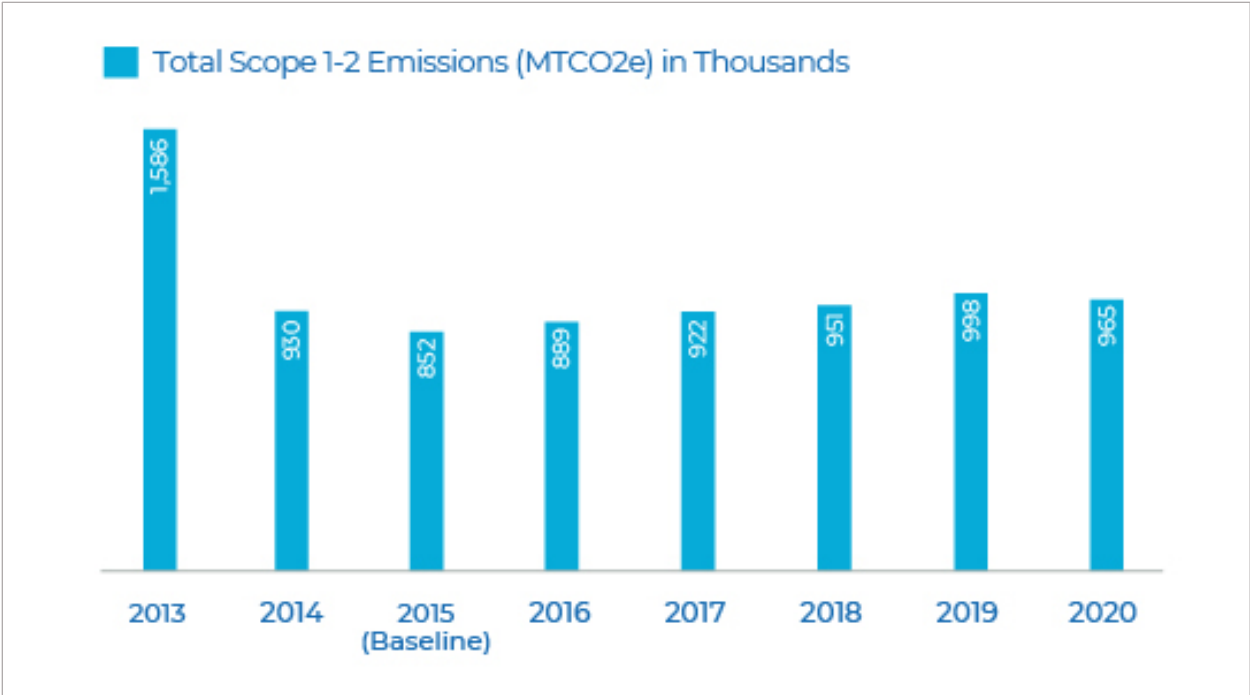
Our 2020 GHG emissions snapshot:

- Total U.S. GHG emissions for 2020 were 965,246 metric tons of combined Scope 1 and Scope 2 emissions, or 113.3% of our 2015 emissions of 852,118 metric tons.
- However, total Scope 1 and Scope 2 GHG emission increases in recent years have been at a rate lower than the rate of production and revenue increase.
 - 2020 Total Scope 1-2 Emissions Revenue Factor (MTCO₂e per \$MM Revenue): 79.8% of the 2015 baseline
 - 2020 Total Scope 1-2 Emissions Shipment Factor (MTCO₂e per Tons Shipped): 97.3% of the 2015 baseline

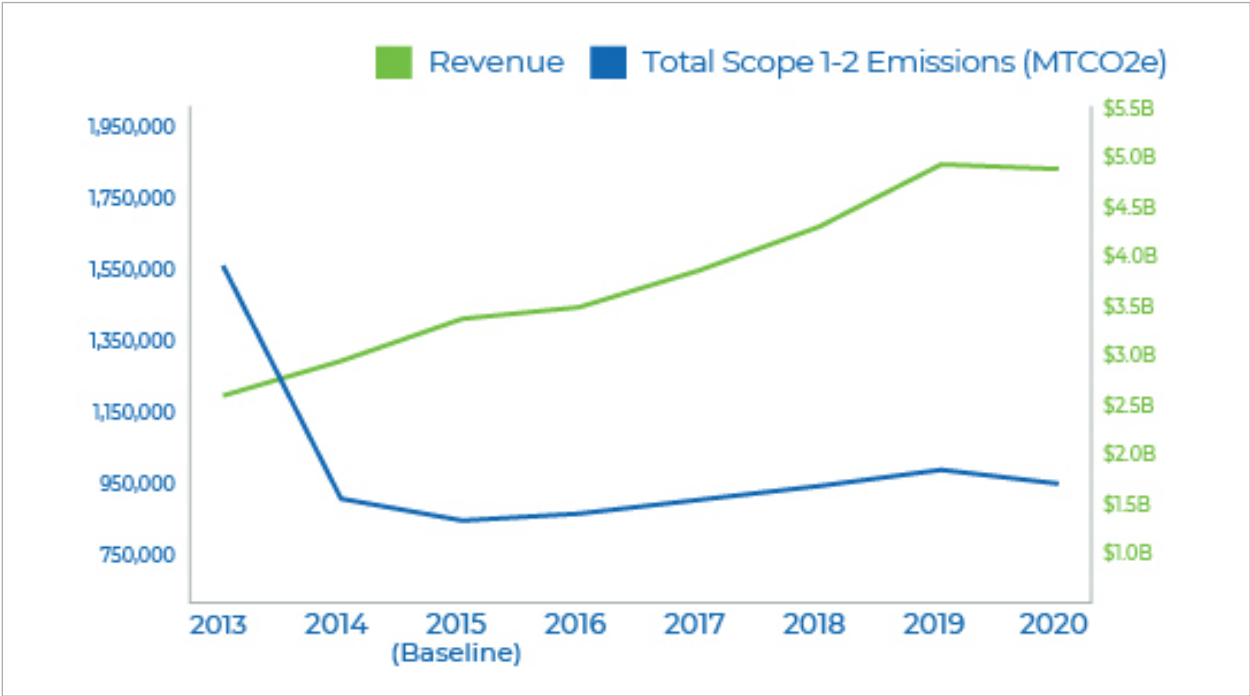
Vulcan's goal in 2021 is to set specific GHG reduction targets for the company. We are actively assessing the scope and scale of potential opportunities to do our part to reduce future GHG emissions. At a minimum, future GHG reductions will come by means of continuing heavy equipment replacement with higher efficiency models, procuring energy from renewable sources and seeking production efficiencies. We are confident that there are many more opportunities to reduce the carbon footprint of our quarrying operations, distribution and transport networks, and the projects in which our products are used.

Data Highlights:

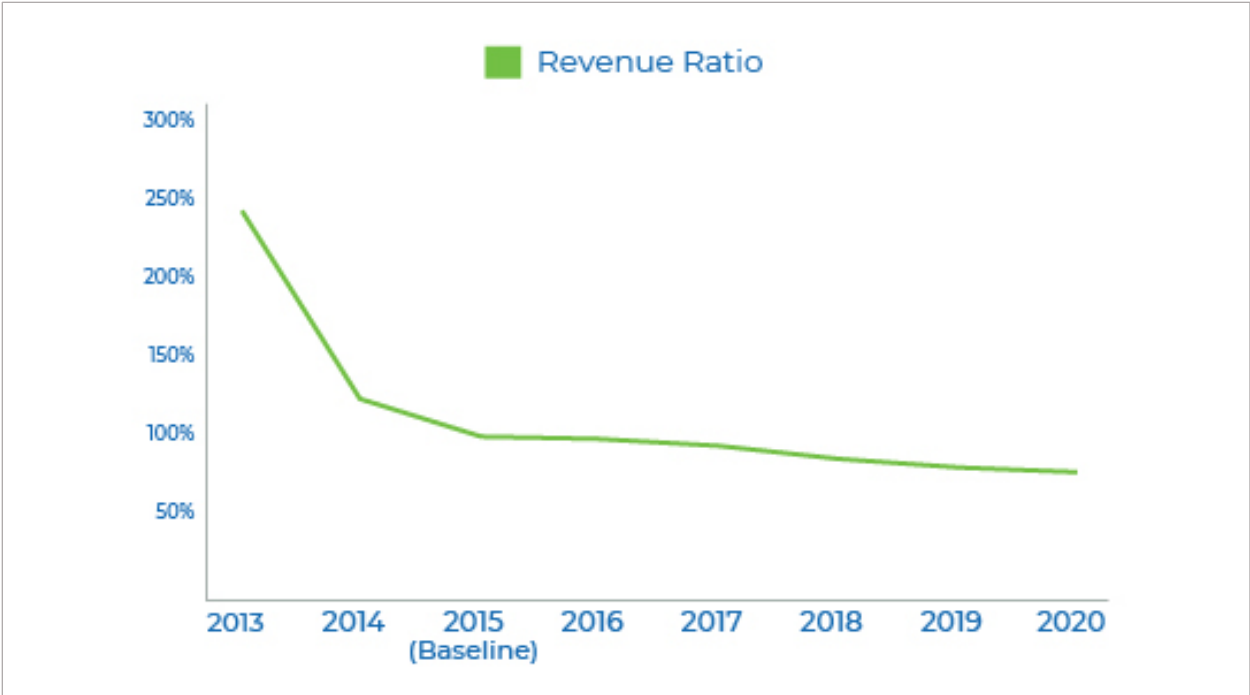
- Scope 1-2 GHG emissions (2020 vs. 2015 baseline): 113.3%
- Scope 1-2 GHG emissions per revenue \$ (2020 vs. 2015 baseline): 79.8%
- Scope 1-2 GHG emissions per ton shipped (2020 vs. 2015 baseline): 97.3%
- Scope 1-2 GHG emissions (2020 vs. 2019): -3.3%
- Mobile equipment emissions (Tier 4 vs. Tier 0 engine): -90%



Emissions Down 3.3% From 2019
GHG Emissions

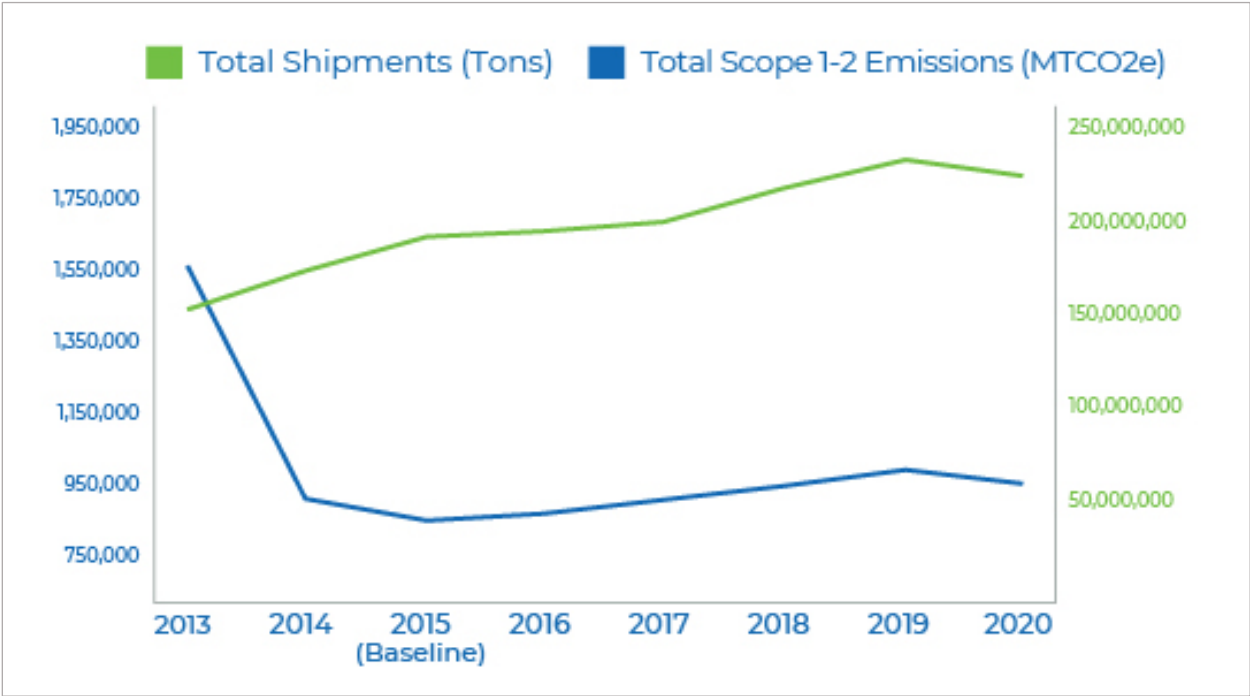


Revenue Up 41.9% vs. Baseline
GHG Emissions vs. Revenue



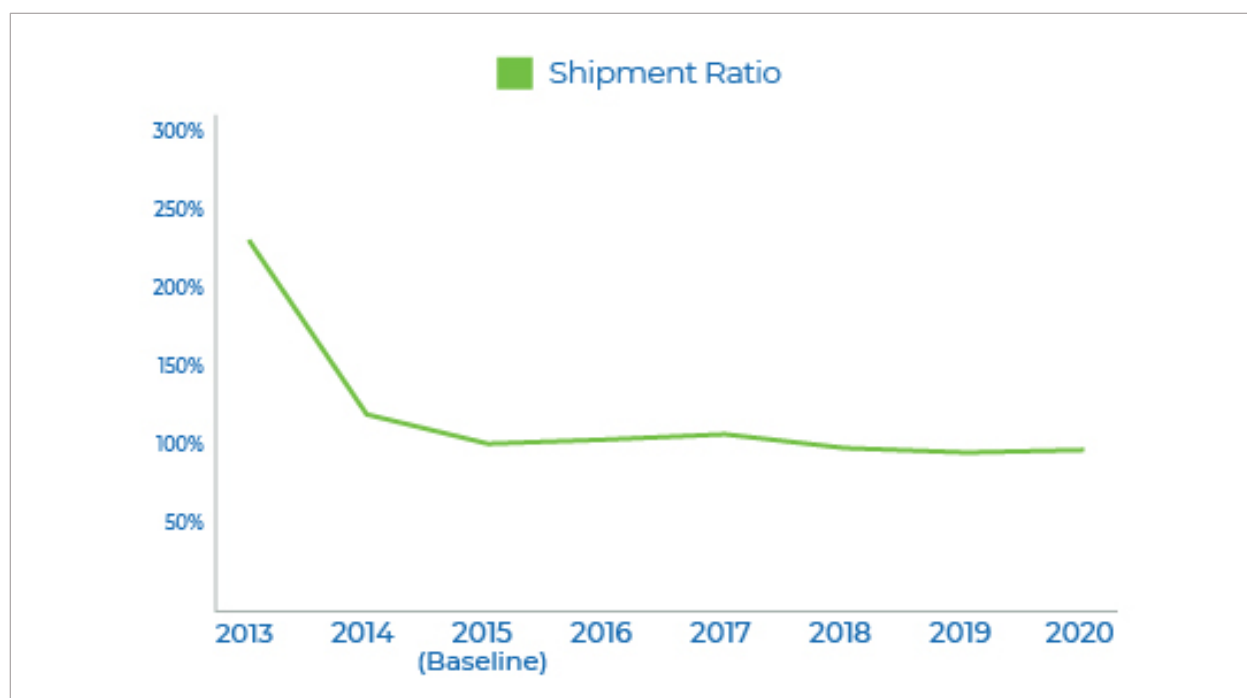
Down 20.2%

Scope 1-2 Emissions Revenue Factor (MTCO₂e per \$ MM Revenue) vs. Baseline



Shipments Up 16.4% vs. Baseline

GHG Emissions vs. Shipments (All Products)



Down 2.7%

Scope 1-2 Emissions Shipment Factor (MTCO₂e per Tons Shipped) vs. Baseline

Our GHG reduction projects and initiatives include:

- Increasing renewable energy provided by a number of our electricity suppliers.
- Entering into a contract with Florida Department of Power and Light to use power from a new zero-carbon solar facility that is expected to come online in 2021. The project could yield: a reduction of ~15,000 metric tons in Vulcan's Scope 2 greenhouse gas emissions; a 40% reduction in GHG emissions from Vulcan's Florida-based operations; and total company Scope 2 emissions reduction of just over 3%.
- Operating under an agreement for clean power supplied by Collegiate Clean Energy to service smaller demand sites in Virginia. Collegiate uses recovered methane gas from municipal waste landfills to generate its electricity. The gas is used and not emitted, thus reducing a GHG source that is 25 times more potent than carbon dioxide (CO₂).
- Pursuing renewable energy projects at multiple locations, primarily solar projects.
- Pursuing the purchase and installation of energy storage and recovery systems that will allow operations to conserve and store energy during low-usage periods, reducing usage during peak demand. This initiative has multiple benefits including: providing plants the opportunity to operate with lower peak demand; reducing peak demand on utilities to help reduce brownout events; and enabling Vulcan to purchase electricity when a larger portion of the supply is coming from renewable sources, thus reducing purchases from high carbon sources.
- Continuing to modernize our mobile equipment fleet with new engines and technology to decrease emissions and increase efficiency.

- Continuing to achieve ongoing energy efficiencies with our world-class ocean-going ships, which include technologies that prevent fuel spills and eliminate the transfer of invasive marine species.
- Exploring with our suppliers the application of technologies such as hybrid or electric power to off-road heavy equipment and highway fleet vehicles.
- Evaluating alternatives to long haul roads including replacement of haul trucks with conveyors.
- Installing Variable Frequency Drive (VFD) motors and pumps to reduce energy consumption and wear on equipment.
- Optimizing water usage and pumping to reduce energy needed to fulfill water demands.
- Exploring opportunities to participate in green energy initiatives with our suppliers.
- Supporting as an initial corporate sponsor an innovative carbon sequestration and wildfire management program, in concert with the American Forest Foundation and The Nature Conservancy.

2.0 Environmental Stewardship

Energy Management, Greenhouse Gas Reduction	2020	2019	2018	2017	2016	2015 (Baseline)
Greenhouse Gas (GHG) Emissions						
Scope 1-2 Emissions						
Total Scope 1 and Scope 2 Emissions (MTCO ₂ e)	965,246	997,999	951,169	922,159	888,798	852,118
Total Scope 1 and Scope 2 Emissions Versus 2015 Baseline (%)	113.3	117.1	111.6	108.2	104.3	100.0
Revenue Factor - Total Scope 1 and Scope 2 Emissions per Million \$ Revenue (#)	198.7	202.5	217.0	237.1	247.4	249.0
Total Scope 1 and Scope 2 Revenue Factor Versus 2015 Baseline (%)	79.8	81.3	87.1	95.2	99.3	100.0
Shipment Factor - Total Scope 1 and Scope 2 Emissions per Tons Shipped (#)	0.00427	0.00425	0.00433	0.00457	0.00450	0.00440
Total Scope 1 and Scope 2 Shipment Factor Versus 2015 Baseline (%)	97.3	96.9	98.7	104.1	102.6	100.0
Scope 1 Emissions						
Total Scope 1 Emissions (MTCO ₂ e)	625,905	626,221	588,921	592,159	580,756	549,261
Total Scope 1 Emissions Versus 2015 Baseline (%)	114.0	114.0	107.2	107.8	105.7	100.0
Revenue Factor - Total Scope 1 Emissions per Million \$ Revenue (#)	128.9	127.0	134.4	152.2	161.6	160.5
Scope 1 Revenue Factor Versus 2015 Baseline (%)	80.3	79.2	83.7	94.8	100.7	100.0
Shipment Factor - Total Scope 1 Emissions per Tons Shipped (#)	0.00277	0.00267	0.00268	0.00293	0.00294	0.00283
Scope 1 Shipment Factor Versus 2015 Baseline (%)	97.9	94.4	94.8	103.7	104.0	100.0
Scope 2 Emissions						
Total Scope 2 Emissions (MTCO ₂ e)	339,341	371,778	362,248	330,000	308,042	302,857
Total Scope 2 Emissions Versus 2015 Baseline (%)	112.0	122.7	120.0	109.0	101.7	100.0
Revenue Factor - Total Scope 2 Emissions per Million \$ Revenue (#)	69.9	75.4	82.6	84.8	85.7	88.5
Scope 2 Revenue Factor Versus 2015 Baseline (%)	78.9	85.2	93.4	95.9	96.9	100.0
Shipment Factor - Total Scope 2 Emissions per Tons Shipped (#)	0.00150	0.00158	0.00165	0.00163	0.00156	0.00156
Scope 2 Shipment Factor Versus 2015 Baseline (%)	96.3	101.6	105.8	104.8	100.1	100.0
Revenue (\$)	4,856,800,000	4,929,103,000	4,383,000,000	3,890,000,000	3,593,000,000	3,422,000,000
Annual Shipments - All Products (tons)	226,120,530	234,717,000	219,697,600	201,934,800	197,479,000	194,260,400

Vulcan Materials Company generally reports ESG data on an annualized basis ending Dec. 31.

Please visit csr.vulcanmaterials.com for the most current information.

Additional information regarding our carbon footprint is available in the Data Dashboard (csr.vulcanmaterials.com/data-dashboard) and in our 2020 CDP Climate Change Questionnaire (csr.vulcanmaterials.com/downloads/category/reports).



2.2.1 Innovating Our Mobile Equipment Program

Vulcan has made significant progress in reducing air pollutant emissions from our off-road mobile equipment fleet. This has been an ongoing project that began with conversion of all diesel fuel to ultra-low sulfur fuel, and has continued with ongoing replacement of older mobile equipment with new equipment that incorporates Tier 4 compliant engine technology. The new Tier 4 equipment reduces emissions compared to older Tier 0 equipment by more than 90% for criteria air pollutants (NO_x, SO_x, CO, PM). Over 1,600 Tier 4 units have already been placed into service and the replacement process is ongoing.

2.3 Running our operations to protect the air: non-GHG emissions management.

We are committed to reducing the emissions of air pollutants released from our operations. The primary air pollutant from the aggregate operations is particulate matter. The company vehicle fleet and the hot-mix asphalt (HMA) plants all release products of combustion (CO, NO_x, SO_x, particulates) from the use of petroleum-based fuels. A rough estimate of the total emissions from the company's operations and mobile equipment was prepared and the total amount of primary criteria pollutant emissions was estimated in the range of 20,000 to 25,000 tons per year. Work is underway to improve the accuracy and detail of these estimates and to establish a baseline year to enable measurement of progress reducing the company's air pollutant emissions.

The majority of the company's operations are classified as minor or synthetic minor sources of air emissions and operate under the authority of federally authorized state or local permitting programs. We are proud of our compliance record and efforts to ensure adherence to all permit conditions and requirements.

Our commitment to clean air management includes:

- Designing processing operations with best engineering practices to minimize the potential for release of particulate matter.
- Employing pollution control equipment to reduce the amount of particulate emissions that occur from operations
- Minimizing "track-out" from trucks leaving our locations to prevent material deposited on road surfaces from being a potential source of particulate emissions.

Data Highlights:

- PM₁₀ Reduction with Processing Equipment and Dust Control Systems: 94%
- NO_x Reduction – CAT 988 Loader Tier 4 vs. Tier 1: 96%

2.3.1 Particulate Matter

Common control equipment includes dust suppression systems that apply water through high pressure, low-flow nozzles that properly wet the material without flooding the equipment. Mechanical systems



such as baghouses and other dust filtration equipment are used where water is not available or as effective. Water trucks are used to suppress dust from haul roads and stockpile areas.

Minimizing track-out of material onto roads is a priority for Vulcan. Common controls for track-out include combinations of rubble bars on entrance and exit areas, wheel washes or truck sprays, and pavement leading up to the exit from the facility. When track-out cannot be completely eliminated, operations will engage commercial street sweepers or use their own sweepers.

2.3.2 Combustion by-Products

Air pollutants that are products of combustion of fossil fuels are generated by Vulcan's hot-mix asphalt (HMA) plants and by the company's fleet of mobile equipment. These pollutants include Nitrogen Oxides (NO_x), Sulfur Dioxide (SO₂), Carbon Monoxide (CO), and Carbon Dioxide (CO₂), and trace quantities of various petroleum hydrocarbons.

Vulcan controls air emissions from the hot-mix asphalt plants by the following:

- Operating the asphalt plant efficiently and at correct temperatures to prevent unintended increases in fuel consumption.
- Ensuring the plant is maintained properly and that all pollution control equipment is operating as intended.

2.3.3 Air Emissions Inventory

The means for performing emissions calculations for the entire company are currently being explored with the goal of improving the accuracy and detail of emissions information.

2.4 Preserving and protecting our water resources.

We are committed to the protection and preservation of water resources including surface water, groundwater, and wetlands. Aggregate sites have water treatment systems consisting of settling ponds or mechanical filtration equipment such as clarifiers and filter presses, all for the treatment of water from the processing operation. Water used in the processing operation is treated to reduce total suspended solids (TSS) levels so the water can be recycled, or in cases where excess water is present, the treated water is discharged.

Aggregate mining and processing operations collect stormwater that falls within the facility boundaries and store it in pond systems or mined-out quarry pits. The water is used in place of pumped groundwater. This combination of recycling treated water and collected stormwater runoff reduces the need for extracted groundwater to supply the operation. An estimated 70% of the company's aggregate mining operations recycle water.



Our water management projects and initiatives include:

- Capturing and recycling water throughout the production process, including closed-loop systems that recycle water that remains following material washing.
- Using settling ponds or mechanical filtration equipment to reduce total suspended solids levels so water may be recycled or discharged.
- Collecting stormwater that falls within facility boundaries and storing it in holding ponds for use in place of pumped groundwater, further reducing the need for extracting groundwater.
- Partnering with government agencies on municipal water management projects to protect and improve the supply of water to the communities in which we operate, and to support infrastructure projects related to stormwater and wastewater management.

We are required to obtain permits to authorize any discharges of water. These permits are issued by local or state regulatory officials, or by the U.S. Environmental Protection Agency. Permits establish limitations on the amount of pollutants that can be released, and Vulcan collects samples and uses outside analytical laboratories to perform the required analysis to verify permit compliance. We maintain a permitted discharge limit compliance rate of more than 99%.

Data Highlights:

- Mining sites that recycle water (estimated): 70%
- Compliance rate with permitted discharge limits: >99%

 2020 Corporate Social Responsibility Report Data Summary Rev. 05/01/2021					
2.0 Environmental Stewardship					
Water Management	2020	2019	2018	2017	2016
Permitted Water Discharge Limit Compliance (%)	99+	99+	99+	99+	99+
Discharge Samples Analyzed (#)	3,000		* data not avail *		
Discharge Limits Demonstrated In Compliance (#)	11,000+		* data not avail *		
Reportable Spills of Petroleum Substances and Oils					
> 55 Gallons (#)	8	1	2	2	* data not available *
< 55 Gallons (#)	12	16	7	6	* data not available *
Total Quantity Spilled (gallons)	1,230		* data not avail *		
Spilled Material Recovered (gallons)	1,205		* data not avail *		
Spilled Material Recovered (%)	98		* data not avail *		

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[Please visit \[csr.vulcanmaterials.com\]\(https://csr.vulcanmaterials.com\) for the most current information.](https://csr.vulcanmaterials.com)

2.5 Reducing waste generation and increasing recycling.

Ensuring proper management of waste materials to prevent the release of contaminants to the environment is good environmental stewardship and good risk management. Our source reduction and recycling initiatives minimize the possibility of environmental damage to soil, surface or groundwater. We also proactively guard against regulatory violations and potential liability for cleanup actions under the Resource Conservation and Recovery Act (RCRA), the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), state environmental laws and regulations, and private party



remedial response actions. The company has engaged in a focused effort to maximize the amount of potential waste material that is recycled.

Our practices to reduce waste generation and increase recycling include:

- Eliminating generation of hazardous waste from parts washers by using aqueous-based or non-ignitable solvents in all parts washers.
- Changing maintenance practices for mobile equipment, including use of extended life oils, lubricants and engine coolant.
- Recycling used oil and antifreeze for reformulation into recycled used oil and antifreeze.
- Recycling light bulbs, batteries, and used oil filters.
- Recycling petroleum-contaminated materials such as soil, rags, adsorbents, and off-spec fuels through heat recovery.
- Recycling tires, motor oils, batteries, conveyor belts and other consumables to reduce landfill waste.
- Producing recycled concrete and asphalt paving materials, which are carefully inspected, re-crushed and sized to meet customer specifications for use in new projects.

Since 2016, our efforts have resulted in the recycling of: more than 1.85 million gallons of used oil; over 55,000 gallons of antifreeze; and over 839 tons of used filters. Additional information on waste generation, recycle and disposal is provided in the Data Dashboard (csr.vulcanmaterials.com/data-dashboard).

2.5.1 Holistic Approach to Waste Management Sourcing and Administration

We are streamlining and coordinating our procedures and methods for managing all waste. Today, we manage recycling and disposal through a limited number of firms which have been evaluated by a team of environmental, legal and procurement personnel with input from operations management along with Corporate and Division management. These firms use disposal and recycling facilities that are selected following a detailed review of their regulatory compliance program and material management practices, including their protective measures to reduce the risk of releases to the environment. Our vendor selection and site qualification processes reduce overall risk to the company while benefiting the environment.

2.5.2 Eliminating and Reducing Waste Streams

Our primary objective is to eliminate or reduce the amount of waste material generated in the first place, including those materials considered to be hazardous. Where waste generation is unavoidable, we strive to recycle as much as possible. We follow a tiered approach to waste management:

- Evaluating processes to eliminate or reduce the amount of waste being generated including:
 - Using non-hazardous and water-based solvents in parts washers which eliminate the use of solvents that would be considered hazardous.
 - Deploying extended life oils, lubricants, and engine coolant.
 - Establishing maintenance practices and equipment monitoring protocols to reduce premature equipment failure or reduced lifetime.



- Recycling waste streams to the extent possible including:
 - Recycling for material recovery of used oil, antifreeze, light bulbs, batteries, and used oil filters.
 - Recycling by heat recovery of petroleum contaminated materials such as soil, rags, adsorbents, and off-spec fuels.
 - Scrap metal management through approved scrap metal dealers rather than going to landfills.
- Managing disposal of any remaining materials through vetted and approved vendors using secure, qualified facilities.

Materials that cannot be recycled are managed at off-site disposal facilities, including landfills and incinerators. The company does not generate a large amount of waste classified as hazardous. Exceptions are waste materials recycled under Universal Waste regulations and included in the recycle numbers (light bulbs, batteries primarily), and waste classified as "California Hazardous". Waste generation and management data is available in the Data Dashboard (csr.vulcanmaterials.com/data-dashboard).

2.5.3 Using Recycled Construction Materials

The recycling of aggregate-containing construction materials including concrete and recycled asphalt pavement (RAP) is an important part of our business. The sources of these materials are highway and infrastructure projects and other demolition projects where concrete structures or asphalt paving is being removed.


- RAP is used as a supplemental feedstock for the asphalt plants as it provides quality aggregate and valuable heat content (from asphaltic cement) to replace some of the virgin aggregate and asphaltic cement that would otherwise be used.
- Concrete is reprocessed through crushing and screening plants to produce recycled concrete aggregate containing products.

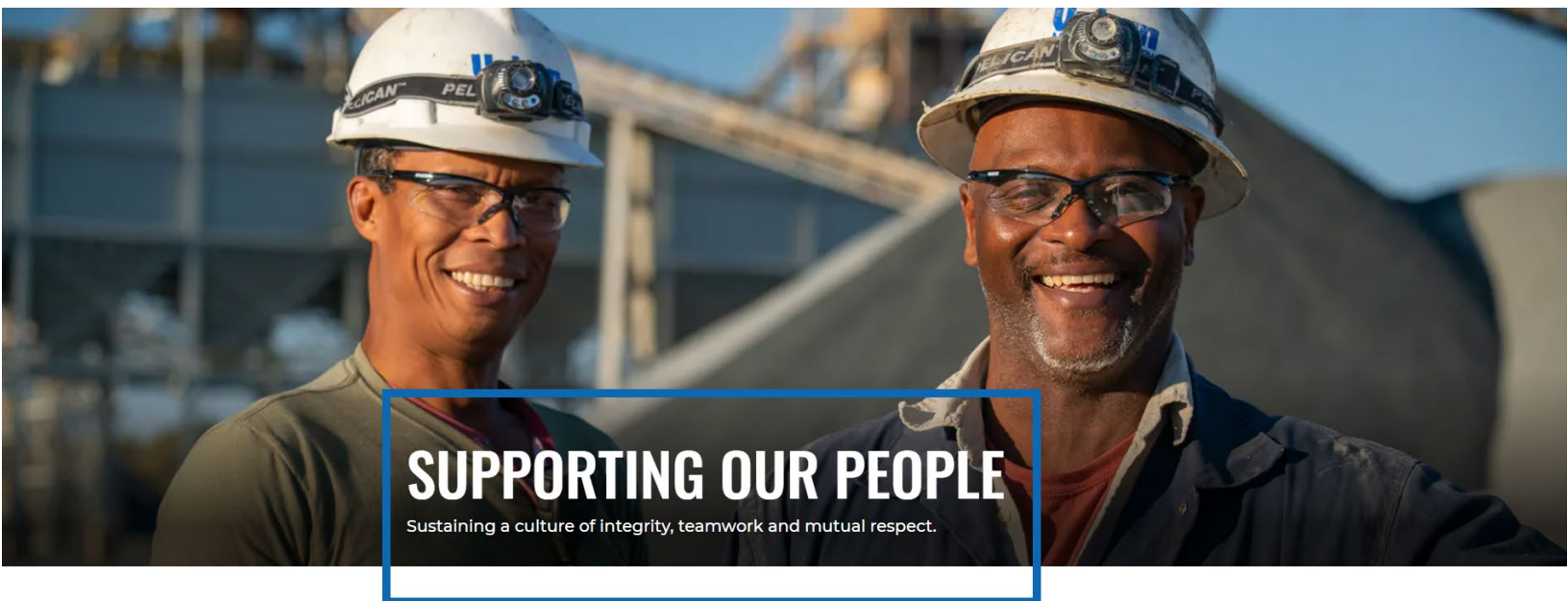
The recycling of these materials provides a valuable service to our customers and communities; extends the life of the company's aggregate reserves; and helps Vulcan manage the cost of production.

The total amount of recycled concrete processed by our operations from 2016-2020 was 8.5 million tons, including 1.2 million in 2020. The total amount of RAP reused for the period from 2016-2020 was 6.4 million tons, including 1.1 million in 2020.

Data Highlights:

- Recycled Crushed Aggregate Base Produced (2016-2020): 8.4MM+ tons
- Recycled Asphalt Pavement (RAP) Used (2016-2020): 6.3MM+ tons
- Total Waste Intensity per 1,000 Tons Production – All Products (2020): 0.019
- Used Oil Recycled (2016-2020): 1.84MM+ gallons
- Used Oil Filters Recycled (2016-2020): 839 tons
- Batteries Recycled (2016-2020): 42 tons
- Empty Aerosol Cans Recycled (2016-2020): 78 tons
- Light Bulbs Recycled (2016-2020): 85,000+

 2020 Corporate Social Responsibility Report Data Summary Rev. 05/01/2021					
Waste Management: Source Reduction & Recycling	2020	2019	2018	2017	2016
Total Waste Recycled (%)	53	42	41	64	48
Used Batteries - All Types Except Vehicle Batteries (tons)	5	10	7	10	10
Light Bulbs - All Types (#) (tons)	6,730 (3.4)	26,589 (16)	27,831 (16.7)	13,403 (8)	11,086 (6.7)
Empty Waste Aerosol Cans (tons)	10	47	15	4	2
Used Oil (gallons) (tons)	473,974 (1,776)	464,830 (1,627)	399,494 (1,398)	307,270 (1,075)	203,822 (713)
Used Filters (tons)	201	222	171	126	119
Antifreeze (gallons) (tons)	10,201 (49)	19,275 (93.5)	9,862 (48)	9,185 (44.5)	6,662 (32.3)
Material for Energy recovery/supplemental fuel (tons)	211	20	11	45	35
Total Waste Disposed					
Oily Water - Incineration/Water Treatment (gallons) (tons)	23,055 (96)	10,448 (42)	12,376 (50)	7,856 (31.4)	4,853 (19)
Vacuum disposal - Mixed Disposal Methods - Water and Dirt (gallons) (tons)	254,064 (1,481)	345,744 (2,247)	270,763 (1,760)	255,304 (1,659)	120,492 (783)
California Hazardous Waste - Estimated					
Used Oil - Management Method Not Determined (gallons) (tons)	(35,426) (133)	44,000 (154)	41,810 (146)	36,501 (128)	40,162 (140.6)
Used Filters (tons)	100	23	21	6	5
Aerosol Cans, Paint Waste, Petroleum Contaminated Materials - Incineration/Landfill (tons)	201	450	21	6	5
EPA Hazardous Waste - Estimated (tons)	<10	<10	<10	<10	<10
Total Waste Material (Recycled and Disposed) (tons)	4,300	* data not avail *			
Total Waste Intensity - Per 1,000 Tons Production All Products (tons)	0.019	0.030	0.017	0.026	0.006
Recycled Product Production	2020	2019	2018	2017	2016
Recycled Crushed Aggregate Base (tons)	1,246,347	1,919,254	1,849,073	1,697,670	1,756,615
Reclaimed Asphalt Pavement Used in Hot Mix Asphalt (tons)	1,141,885	1,606,388	1,036,006	1,330,045	1,223,631
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3.0 People

Vulcan’s commitment to our people has played a key role in the ongoing success and growth of our company throughout our long history. We are dedicated to fostering a culture of mutual respect, integrity, teamwork and trust among the more than 8,700 members of the Vulcan family.

Our people share a competitive drive to be the best and do the right thing. The result is strong employee engagement that puts Vulcan in the top 10 percent in our most recent McKinsey & Company Organizational Health Index cycle (2017), which benchmarked Vulcan against over 5 million respondents from 1,700 companies.

2020 Highlights

We responded quickly to the COVID-19 crisis. As an “essential business,” we kept our operations running and our people working safely, whether they were wearing personal protective equipment and maintaining proper social distance while working at our operations to provide critical infrastructure construction materials, or working remotely in our functional support groups. We made the decision early in the pandemic, before federal action was taken, to provide a minimum of 80 hours of COVID-19 paid leave for people who were diagnosed with the virus or exposed and needing to quarantine, and to those taking care of a loved one with the illness. We also stepped up communications to keep our employees and stakeholders informed on the business, and introduced a new digital customer platform that limited the need for person-to-person contact.

We continued to build on our commitment to justice, fairness and equality. The Diversity & Inclusion Council spearheaded important employee training programs and launched a new inclusivity training initiative for employees in 2021. We also developed Diversity & Inclusion Councils at our domestic operating divisions to further build local ownership throughout our organization. During 2020, we continued our long-term partnership with select Historically Black Colleges and Universities (HBCUs).



This initiative supports future leaders in our communities and provides additional opportunities to add talent and diversity across the company. We know that a diverse and inclusive workplace creates a more positive work environment and further strengthens our healthy culture.

Our commitment to people is built on:

- Expanding the diversity of our workforce at all levels and actively sharing, respecting, embracing and ensuring our differences.
- Focusing talent recruitment on finding the best person for the job and offering highly competitive and responsive compensation and benefits programs.
- Investing in our employees through award-winning 401(k) plans and assisting them with financial planning tools to help them retire with security.
- Aligning career development goals and aspirations with company goals through a formal performance review process for all permanent (regular) full-time, non-union employees.
- Supporting growth through supervisory, management and leadership development and mentoring programs, continuing education opportunities, and by encouraging employee involvement in civic and charitable engagements.
- Reporting regularly to our independent Board of Directors on human capital development and human capital risk assessment – on our ability to attract, recruit and retain the best in the industry.

Our healthy culture and great people define who we are today and point the way to a bright future.

3.1 Building a diverse and inclusive workforce.

At Vulcan, we value the unique backgrounds and experiences of each of our employees. We treat people fairly and with respect. We strive to maintain an environment that encourages our people to develop their talents, exercise creativity and achieve superior performance. We create an environment that leverages different styles, ideas and perspectives for efficiency, productivity and innovation.

Since 2013, we have more than doubled the number of diverse Division and Corporate officers, as measured by race and ethnicity, and gender. In 2020, the Board approved revisions to underscore its commitment to actively seeking out diverse and experienced leaders with appropriate skills to oversee the management of our company. To that end, George Willis, who was added to our Board in 2020, has provided valuable perspective and experience and further contributes to an engaged and well-balanced Board. We also enhanced our diversity and inclusion reporting. Today, 36% of our Board of Directors are diverse and 37.2% of our workforce is diverse.

Vulcan is committed to justice, fairness, and equality for all. In 2015, we created Vulcan's first Diversity & Inclusion Council, made of employees from across our footprint. The Council developed a five-year strategy to continue strengthening diversity and inclusion through recruiting, training and dialogue at Vulcan. An early project was the rollout of the Diversity & Inclusion Awareness Training across the Company. While we have made progress, we have

more work to do. We believe that our continued investment in people and our strong commitment to diversity, equity and inclusion will help us attract, grow and retain the best talent possible.

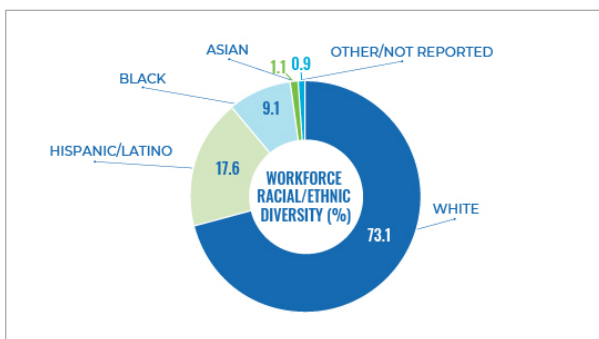
In 2019, Vulcan signed the CEO Action for Diversity & Inclusion™ pledge to collectively take measurable action in advancing diversity and inclusion in the workplace. We also forged a long-term partnership with select Historically Black Colleges and Universities (HBCUs) to support the future leaders of our communities and our team. Through our partnership with HBCUs, students have had the opportunity to participate in pitch competitions built around the theme of infrastructure, innovation and inclusion. Winners receive scholarships and internship opportunities. These competitions support future leaders in our communities and serve as important touchpoints for Vulcan to increase student exposure to the Company and develop a talent pipeline of potential future Vulcan employees.

In early 2021, our Diversity & Inclusion Council launched the next iteration of employee training, the Inclusion Leadership Briefing, to help our people be consciously and deliberately inclusive while we work. We also developed Diversity & Inclusion Councils at our domestic operating divisions to further build local ownership throughout our organization.

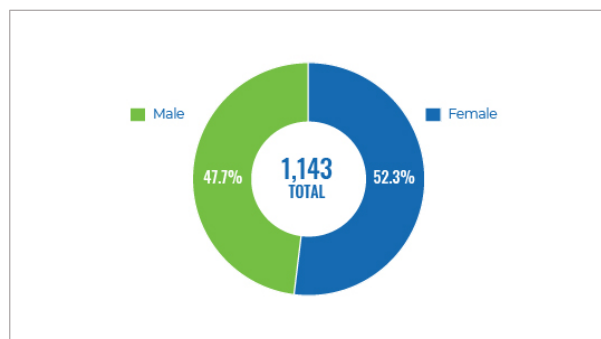
We know that a diverse and inclusive workplace creates a more positive work environment and further strengthens our healthy culture. Ultimately, we believe that in sharing and exploring our different knowledge, skills, styles and ideas, we become a stronger and better company. Having a diverse and inclusive workplace creates a positive work, environment and a strong, healthy culture that enables us to attract, grow and retain the best talent, further enriching and developing our company and our people.

Data Highlights:

- Diversity of Board of Directors (2020): 36%
- Workforce Diversity (2020): 37.2%
- Increase in Division & Corporate Officer Diversity (Since 2013): More than 2x
- Diversity of New Hires (2020): 36.5%
- Veterans Employed (self-identified) (2020): 526
- Grant to Support Students at Historically Black Colleges and Universities (HBCUs): \$500,000



Fostering an Environment of Diversity and Inclusion
Workforce Racial/Ethnic Diversity (2020)



More than 50% of Salaried Employees are Women
Salaried Non-Exempt Employees by Gender (2020)

3.0 People	2020	2019	2018	2017	2016
Diversity					
Diversity of Workforce (%)	37.2	37.5	* data not available *		
Diversity of New Hires (%)	36.5	38	39.2	* data not available *	
Workforce Racial/Ethnic Diversity (%)					
White	71.3	67.8	72	72	72
Hispanic/Latino	17.6	16.7	17	16	16
Black	9.1	9.3	10	10	10
Asian	1.1	1.2	1	1	1
Other/Not Reported	0.9	5	0	1	1
Board Member Diversity (%)	36	36	22	* data not available *	
Salaried Non-Exempt Employees (#)	1,143	1,183	1,157	1,112	1,039
Male (%)	47.7	47.8	47	47.5	46.8
Female (%)	52.3	52.2	53	52.5	53.2

Vulcan Materials Company generally reports ESG data on an annualized basis ending Dec. 31.

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3.2 We invest in the growth and development of our employees.

We support the growth of our people through supervisory, management and leadership development and mentoring programs, continuing education opportunities. We also encourage employee involvement in civic and charitable engagements that are personally enriching and are in many cases further supported by the Vulcan Materials Company Foundation.

We believe that lifelong learning and continuing education are essential and encourage our people to expand and explore their capabilities for continued growth and development. Our training and development programs encourage collaboration and enable people to innovate and flourish on the job and in the community.

In 2020, we accelerated deployment of a virtual learning platform for our robust employee training program to ensure we could continue building knowledge and skills while also protecting our people. We also established a web portal to keep our stakeholders informed on the business, and introduced a new digital customer platform that limited the need for person-to-person contact. We hosted regular employee virtual town halls and invited families to participate; provided updates throughout our organization so that employees were hearing regularly from the Company's senior leadership, business unit leaders and their own supervisors; and we mailed communications and information on support resources directly to employee homes.

Our professional and personal growth initiatives include:

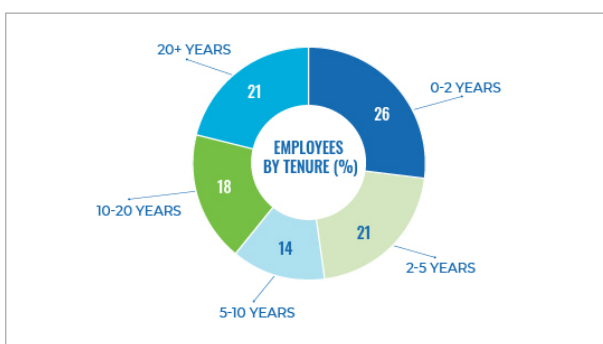
- Providing a Tuition Reimbursement Program that pays up to 100% of tuition costs based on academic performance.
- Encouraging personal and professional growth through a mentoring program, which has graduated more than 1,900 employees since 2005.
- Preparing future senior-level leaders through our Leadership Development Program in partnership with the Kenan-Flagler School of Business, University of North Carolina, Chapel Hill.
- Encouraging employees to be actively engaged in the civic life and affairs of their communities through service to charitable, civic and education organizations.

Our performance management process includes Quarterly Performance Dialogues for our salaried employees, Annual Performance Reviews for our hourly non-union employees, and a focus on behavior-based SMART goals review and refinement. This fosters a healthy culture of openness and ease of feedback that promotes both professional and personal development.

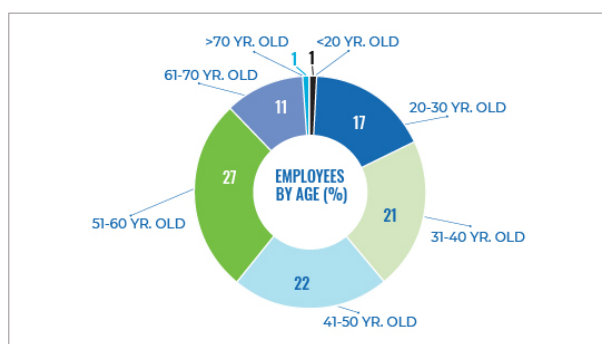
We have also expanded the scope of our programs to encompass the health of all of our people, not just those at our production operations. We believe that employee well-being is materially enhanced when everyone is given the opportunity to excel in every facet of their lives: physically, emotionally, socially, and financially. Our assistance includes an Employee Assistance Program that offers coaching, behavioral and work-life support.

Data Highlights:

- Employees (2020): 8,765
- Years Average Tenure (2020): 10.68
- New Hires (2020): 1,189
- Employee Training Hours (2020): 111,683
- Interns Hired (2016-2020): 354
- Operations & Sales Trainees Hired (2016-2020): 143
- 401k Participation Rate (2020): 95%



39% of Our Employees Have 10+ Years
Employees by Tenure (2020)



We Have a Strong, Multi-Generational Workforce
Employees by Age (2020)

3.0 People	2020	2019	2018	2017	2016
Overview					
Total Employees (#)	8,765	9,172	8,700	8,231	7,452
Total Employees - U.S. (#)	8,365	8,720	8,200	7,850	7,075
New Hires (#)	1,189	2,008	2,049	2,049	1,266
Veterans Employed (Self-Identified)	526	555	599	587	548
Interns Hired	13	84	102	71	84
Operations & Sales Trainees Hired	16	23	51	28	25
Employee Training Hours	111,683	225,000	215,000	* data not available *	
401(k) Employee Participation Rate (%)	95.0	94.7	91.4	94.0	96.5
Employees by Age (%)					
>20	1	1	1	* data not available *	
20-29	17	18	16	* data not available *	
30-39	21	21	20	* data not available *	
40-49	22	23	23	* data not available *	
50-59	27	26	28	* data not available *	
60-69	11	10	11	* data not available *	
70+	1	1	1	* data not available *	
Tenure					
Employee Turnover Rate	16.9	19	21	* data not available *	
Average Tenure (years)	10.7	10.9	11.6	* data not available *	
Employees by Tenure (%)					
0-2	26	30	25	* data not available *	
2-5	21	19	20	* data not available *	
5-10	14	10	9	* data not available *	
10-20	18	21	24	* data not available *	
20+	21	20	22	* data not available *	

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3.3 Understanding and ensuring the fundamental rights of our people.

Vulcan has a longstanding commitment to the equitable and fair treatment of all people, respecting their dignity and fundamental rights regardless of race, gender, color or creed. We are dedicated to being a good global corporate citizen and to conducting day-to-day business in alignment with this commitment.

Our commitments to ensure the fundamental rights of our people include:

- Maintaining a Fair Employment Policy that ensures equal employment opportunity and a discrimination-free workplace.
- Supporting a self-represented work force and maintaining an open-door policy, encouraging employees to air any issues or grievances in order to resolve workplace disputes in a healthy and lawful fashion.
- Respecting employees' right to join labor organizations or to not join such organizations, and the freedom to bargain collectively as determined by employees, without coercion, interference, retaliation, or harassment, in compliance with all applicable laws. In instances where employees



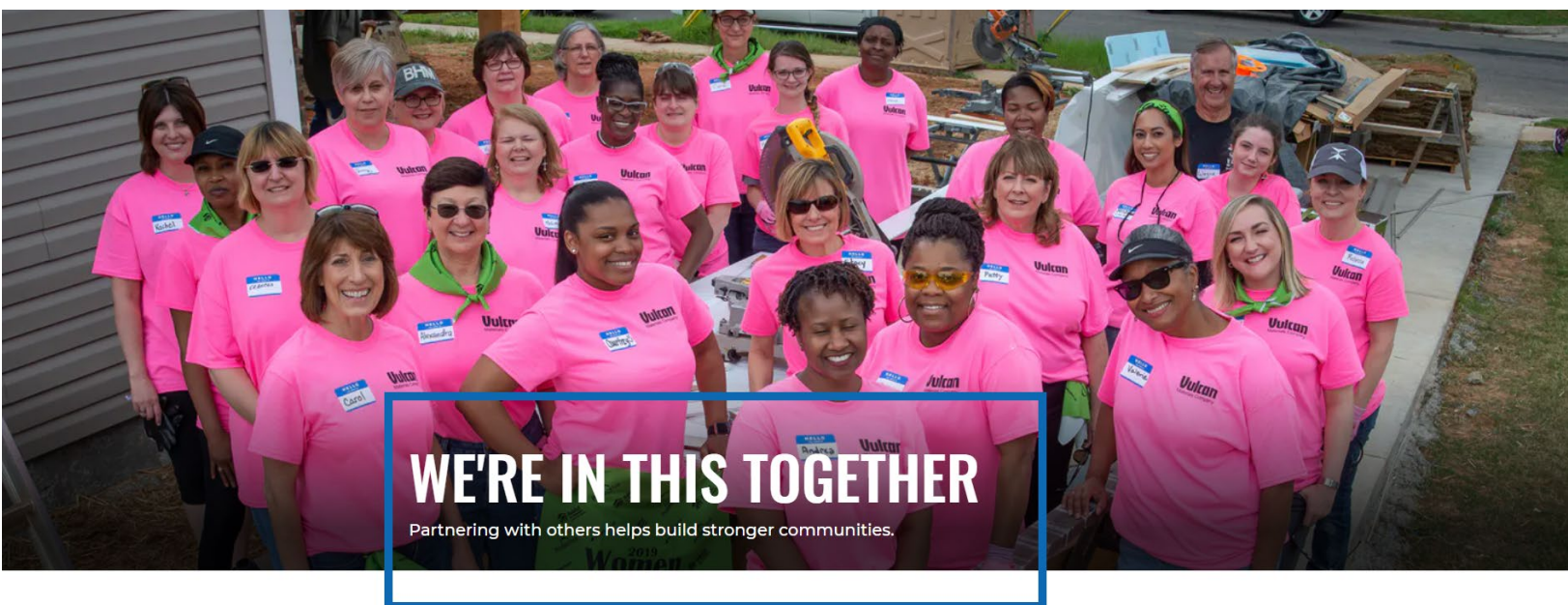
are represented by a legally recognized union, Vulcan bargains in good faith with union representatives and is committed to maintaining a constructive dialogue.

We hold all of our employees to the highest ethical standards. The Vulcan Code of Ethics and comprehensive Business Conduct Policy provide clear guidance for our employees.

Our key ethics policies and programs include:

- Maintaining a Business Conduct Hotline to address any ethics complaints, whistleblower concerns or personnel issues where protection of confidentiality is an issue.
- Requiring senior executives to complete the Company's Business Conduct questionnaire every year.
- Providing Foreign Corrupt Practices Act (FCPA) training for all employees, both domestic and international, and all consultants for the Company who deal with business matters in countries beyond the borders of the United States. Trainees must certify complete compliance with the law as set forth in the FCPA.
- Maintaining a workplace free from violence, harassment, intimidation, and other unsafe or disruptive conditions due to internal and external threats.
- Ensuring that all employees are able to work in an environment that is free from harassment, which is defined as any conduct that threatens, intimidates, or coerces another person. Vulcan does not tolerate harassment, whether committed by a coworker, a manager, or a non-employee.
- Requiring employees at all locations and levels to avoid any act or actions, implied or explicit, that may suggest any form of harassment of any other person within the workplace. This includes their interactions with contractors, vendors, consultants, customers, and other non-employees such as visitors. Our Sexual Harassment Policy and Unlawful Harassment and Anti-Retaliation Policy is available on our Data Dashboard (csr.vulcanmaterials.com/data-dashboard/).
- Supporting mechanisms for employee grievances and resolution of disputes in a manner designed to protect employee privacy, allowing for anonymous reporting, and protecting the employee against retaliation.
- Managing an Employee Assistance Fund (in partnership with the United Way) to help employees with special near-term financial needs as a result of natural disasters or family crisis.
- Maintaining compliance with all applicable data privacy laws.
- Responsibly collecting, processing, and transferring personal information in accordance with the principles and obligations set forth in the Company's Privacy Policy, unless it conflicts with stricter requirements of local law, in which case local law will prevail.

Our people are proud of their company and of the jobs they do, as evidenced by the continued top rankings for employee satisfaction at Vulcan. Our culture is embodied in what we call The Vulcan Way, which calls on our people to do the right things, the right way at all times, working constructively in support of one another to fulfill the mission and values of the company. We believe that in this way we will continue the healthy growth of our business, while also being responsive to the needs of our many stakeholders.



4.0 Community

Throughout our history as a public company, we have been guided by a fundamental belief that we will do well as a company by doing good – for our own people and for the communities where we operate. This philosophy has been instrumental in our continuing growth and prosperity across the United States and in our operations in Mexico and the Bahamas. Our stewardship begins with people, continues with our land and extends outward. We believe that it is essential that we always serve as good citizens who are engaged with our neighbors and the communities in which we operate.

2020 Highlights

We leveraged the Vulcan Materials Company Foundation and company funds to support food banks, healthcare services, childhood education remote learning programs and other initiatives designed to lessen the difficulties experienced in many of our communities. Our Foundation pledged an additional \$1 million over originally budgeted amounts to support COVID-19 relief and diversity and inclusion initiatives. With these additional funds, we provided significant help in a number of ways, including contributions to support Wi-Fi and hotspot access to thousands of students in need across the country — in many cases we're enabling connectivity for students not just in 2020, but through the 2021 school year. We also procured hundreds of laptop computers for remote students.

Our commitment to community is built on:

- Providing a work environment that keeps our employees safe and healthy.
- Supporting a positive culture of acceptance and equality while providing opportunities for growth and development.
- Offering benefits and services that support our broader family beyond the employee.
- Ensuring that we are protecting the natural resources and biodiversity the land provides.



- Supporting programs and causes that are essential to our communities including: education, environmental stewardship, arts and culture, civic, community, health and human services, and causes and organizations that are important to our employees.
- Promoting education and organizations engaged in the application of sound scientific and social principles to address issues that challenge the sustainability of our communities, such as climate change, poverty and social injustice.

Wherever we are, we stay focused on building and maintaining mutually successful relationships.

4.1 Leveraging the Vulcan Materials Company Foundation and corporate giving to support employee volunteerism.

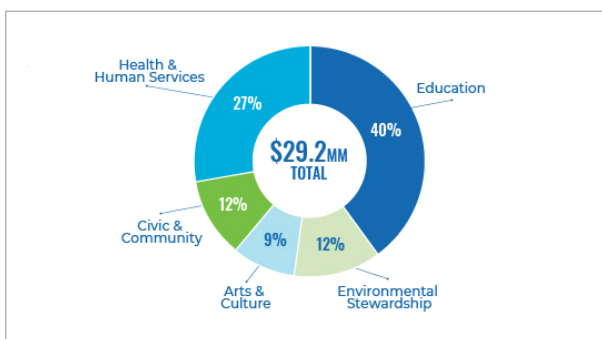
Established in 1988, the Vulcan Materials Company Foundation supports a wide range of vital community programs across the United States, with a focus on education and workforce development, environmental stewardship, and civic and charitable programs where our employees are deeply engaged. Our Matching Gifts Program uses company funds to match the charitable contributions of our employees on a one-for-one basis. In the case of donations to schools, we will match gifts on a two-for-one basis, which triples the impact. As a key employee benefit, gift matching is one of many ways we leverage the strengths and giving spirit of our own people with the strengths and business ethic of our company, to build and sustain positive, long-lasting relationships.

Our charitable giving and support includes:

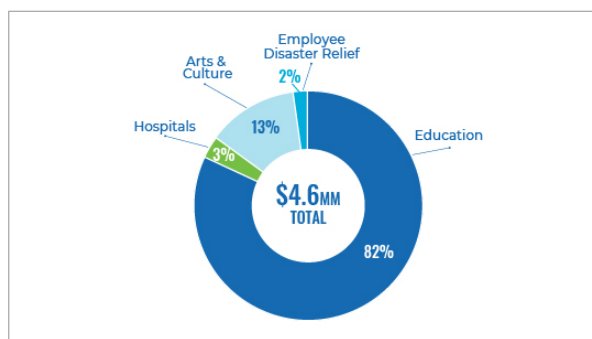
- Providing more than \$60 million in Foundation support over the last 20 years to essential charitable, civic and education organizations that strengthen and enrich our communities.
- Granting \$4.6 million in Foundation assistance to organizations in 2020.
- Donating additional non-Foundation company funds in excess of \$1 million in 2019 to organizations and activities not eligible to accept 501(c)(3) Foundation funds.
- Providing \$390,000 in company funds in 2020 to schools, hospitals, and medical research programs, as well as cultural and conservation organizations through the Company's Matching Gifts program, which honors and supports our employees' own contributions to such organizations.
- Donating more than \$9 million over the last 20 years to match employee charitable giving and support employee volunteerism.

Data Highlights:

- Community Giving & Support (Foundation, Non-Foundation and Matching Gifts) (2016-2020): \$37.14MM
- Foundation & Matching Gift Recipients (2020): 814
- Matching Gifts (2016-2020): \$2.41MM



Giving Benefits a Variety of Worthy Causes
Foundation Giving by Focus Area (2011-2020)



Focused on Education, Culture and Health
Matching Giving by Focus Area (2011-2020)

4.0 Community	2020	2019	2018	2017	2016
Total Giving & Support - Foundation, Non-Foundation and Matching Gifts (\$)	6,954,510	7,354,490	7,539,688	8,884,729	6,405,185
Foundation Giving (\$)	4,614,115	4,306,011	3,732,729	3,335,810	3,277,725
Education (%)	43	39	40	37	39
Environmental Stewardship (%)	11	16	13	14	12
Arts & Culture (%)	9	8	8	10	9
Civic & Community (%)	14	14	12	10	9
Health & Human Services (%)	23	22	27	28	31
Matching Giving (\$)	391,785	581,674	437,246	473,395	523,712
Education (%)	85	79	83	72	77
Hospitals (%)	1	3	1	1	3
Arts & Culture (%)	14	16	13	12	20
Employee Disaster Relief (%)	0	3	3	14	0
Foundation and Matching Gift Recipients (#)	814	785	799	830	770

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4.2 Committed to serving and supporting.

Our people believe in their company and our philosophy of community involvement, and it shows in their actions. We are committed to serving and supporting the neighborhoods and communities where we live and work. When COVID-19 pandemic precautions are not in place, our employees volunteer their time and talents in many ways from helping to fight hunger and disease to supporting pre-K and elementary education through high school, college and adult learning. Our people are also among the first to come to the aid of their communities when disasters hit. We also support and engage with a variety of environmental and conservation non-governmental organizations (NGOs) and initiatives.



Our key community service and support areas include:

4.2.1 Environment

- Working constructively with non-governmental organizations (NGOs) such as conservation and environmental groups to tackle mutual challenges and find solutions.
 - Our partnerships include: California Council of Land Trusts, American Forest Foundation, The Nature Conservancy, Sierra Foothills Conservancy, Rivers and Lands Conservancy, San Joaquin River Parkway and Conservation Trust, Kings River Conservancy, Cahaba River Society, Freshwater Land Trust, Wildlife Habitat Council, National Wildlife Federation, Universidad Autónoma de Querétaro, El Colegio de la Frontera Sur, Pronatura Península de Yucatán AC, Amigos de Sian Ka'an AC and Comunidad y Biodiversidad AC.
- Creating and maintaining the fourth largest number of Certified Wildlife Habitat sites of any industrial company in the U.S., in partnership with the international Wildlife Habitat Council (WHC). With a focus on biodiversity protections and enhancements, the certified sites often include educational components along with outdoor classrooms that are used by local schools.
- Executing against a long-term environmental vision and strategy at our Sac-Tun operation near Playa del Carmen, Mexico, that has been praised by local government authorities and NGOs as a model for other businesses and industries in Mexico.
- Providing \$1.5 million over three years in the Mexican Riviera to fund strategic projects identified through multi-stakeholder workshops including the conservation of the Mesoamerican Reef, the second largest coral reef in the world, and its associated federal protected areas.
- Continuing important work on mine site reclamation projects that will provide long-lasting benefits to local communities.

4.2.2 Employee Volunteerism

- Encouraging and supporting our people who volunteer their time and efforts for education initiatives and programs, health and human services projects, volunteer fire and EMS work, and many other community service organizations.
- Supporting Vulcan employees to organize and lead community initiatives to raise significant funds for medical research, hunger relief, local law enforcement, emergency responders and schools.
- Hosting the Quarry Crusher Run series at our facilities across the U.S. to raise funds and awareness for community organizations and causes. Since the series began in 2012, it has attracted over 13,000 participants and raised more than \$600,000. Due to COVID-19, the 2020 season was canceled after the first race.
- Supporting employees who serve in the National Guard.



4.2.3 Education

- Forging a long-term partnership with Historically Black Colleges and Universities (HBCUs) in 2019 to support future leaders in our communities and on our team.
- Providing scholarships to Wilkes Community College for students in the Diesel and Heavy Equipment Program and the College Foundation.
- Continuing a 50-year history of supporting Georgia Independent Colleges and Universities and partnering with independent learning institutions in Alabama and South Carolina.
- Providing more than 175 student scholarships and supporting scholarship funds totaling more than \$600,000 in 2020.
- Maintaining active partnerships with more than 225 schools near our operations to support student learning and growth and provide funds for building and program improvements.
- Hosting (virtually in 2020) hundreds of local students, teachers and community members to learn more about our operations, natural resources, geology, engineering and sustainability.

4.2.4 Disaster Relief

- Responding whenever called upon to assist with relief efforts from natural disasters and other emergencies.
- Deploying the Vulcan Employee Assistance Fund to help employees affected by the COVID-19 pandemic and natural disasters.

Data Highlights:

- Meals Donated to Feed the Hungry (2017-2020²): 1.76MM
- Pounds of Food Donated to Feed the Hungry (2017-2020³): 2.14MM
- Partner Schools (2020): 225
- Scholarships Awarded (2016-2020): 704
- Scholarship Funds Awarded (2016-2020): \$2.61MM
- Visitors to Vulcan Facilities (2016-2020): 108,562
- Quarry Crusher Run Series Participants (2016-2020): 11,369
- Funds Raised for Charity by Quarry Crusher Run Series (2016-2020): \$591,384
- TV/film Shoots Hosted (2016-2020): 25

² Program started in 2017.

³ Program started in 2017.

4.0 Community	2020	2019	2018	2017	2016
Hunger	2020	2019	2018	2017	2016
Meals Donated (#)	519,772	469,601	430,198	339,169	* started in 2017 *
Food Donated (pounds)	623,726	590,873	516,238	407,003	* started in 2017 *
Education	2020	2019	2018	2017	2016
Partner Schools (#)	225	235	238	246	243
Scholarships Awarded (#)	175	154	141	116	118
Scholarship Funds Awarded (\$)	664,485	515,793	476,507	481,400	471,855
Other	2020	2019	2018	2017	2016
Visitors to Vulcan Facilities (#)	4,292	25,688	26,076	27,323	25,183
Quarry Crusher Run Participants (#)	952	3,542	2,355	2,560	1,960
Raised for Charity by Quarry Crusher Run Series (\$)	85,660	222,227	148,136	94,048	41,314
TV/Film Shoots Hosted (#)	4	3	8	5	5

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5.0 Governance

Sound corporate governance, including effective oversight, accountability and transparency, is the foundation of sustainable long-term success. Our commitment to Corporate Governance Excellence has enabled our company to grow and flourish as we fulfill our mission of providing the highest quality products and services to our customers while delivering value to our shareholders, people, business partners and the communities we serve.

2020 Highlights

Shareholder ESG Engagement

We continued our corporate governance outreach efforts in 2020 and early 2021 and reached out to shareholders representing approximately 60% of our outstanding shares in order to foster and deepen relationships with the governance teams of our largest shareholders. Our discussions centered on the company's ESG efforts, including sustainability, carbon reduction, diversity and inclusion, culture, executive compensation and corporate governance matters, as well as the company's response to the COVID-19 pandemic and the steps we have taken to protect the health and safety of our employees. We update the Board on our conversations with shareholders, and our directors take into account shareholder feedback when making decisions regarding the company's policies and practices. We value the views of our shareholders and believe these dialogues are critically important to ensuring that we remain aligned with their interests.



Adoption of Proxy Access

In early 2020, following discussions with certain of our shareholders, our Board adopted a proxy access bylaw provision, which permits a shareholder, or a group of up to 20 shareholders, owning 3% or more of our outstanding common stock continuously for at least three years, to nominate and include in our annual meeting proxy materials director nominees constituting up to the greater of (a) two individuals and (b) 20% of the total number of directors serving on the board of directors (rounded down to the nearest whole number), subject to certain limitations and provided that the requirements set forth in our bylaws are satisfied.

Corporate Governance Guidelines

In December 2020, the Board revised our Corporate Governance Guidelines to underscore the Board's commitment to actively seeking out diverse Board candidates, including qualified women and individuals from minority groups. In addition, the Board approved protections against "overboarding" by our directors. Specifically, directors who also serve as executive officers of public companies may not serve on more than two total public company boards (including our Board), and other directors may not serve on more than four total public company boards (including our Board). We believe formalizing these practices in our Corporate Governance Guidelines reflects our Board's commitment to diverse representation and maintaining a strong, engaged and well-balanced Board with adequate time to fulfill their duties on our Board.

Effective corporate governance ensures that we achieve this success in a sustainable way, including protecting the environment and employees on which we depend, so we can meet the needs of all stakeholders now and for decades to come.

Our commitment to corporate governance is built on:

- Maintaining a strong, independent Board, with highly qualified directors representing a diversity of tenure, background and experience.
- Maintaining independent Board of Directors oversight of Safety, Health and Environmental (SHE) programs and initiatives, which are subject to annual targets and improvement goals including regularly-scheduled audits along with internal and external reporting on SHE programs and results.
- Integrating Safety, Health and Environmental objectives into the compensation structure for executive, senior and middle management.
- Engaging regularly with shareholders on Environmental, Social and Governance (ESG) topics.
- Conducting regular Board discussions and maintaining oversight of actions relating to promoting diversity at all levels.
- Maintaining close review and oversight of executive and senior management compensation to ensure alignment of executive compensation with shareholder value, and public disclosure of named executive officers' compensation.
- Promoting clear guidance to all people through a Code of Ethics and comprehensive Business Conduct Policy and requiring training and verification.
- Maintaining whistleblower and business conduct complaint mechanisms to facilitate the reporting of issues while protecting the privacy of anyone raising concerns.



- Managing transparent political action and advocacy programs that are in strict accordance with all state, federal and applicable international laws.
- Mandating (through Board policy) that political contributions can only be made by the Vulcan Materials Company Political Action Committee (VMCPAC), which is strictly governed by federal campaign contribution law. All VMCPAC contributions are publicly reported on a quarterly basis.

Our corporate governance policies also mean that our independent Board is deeply engaged in an oversight capacity concerning the wide range of issues that are important to our shareholders. These include pay-for-performance executive compensation (which received 96% shareholder “Say-On-Pay” approval at our 2020 annual meeting), comprehensive enterprise risk management, safety, health, environmental stewardship and sustainability, climate change, and sound fiduciary oversight of the company’s financial management systems and practices.

We are also committed to enhancing the information that is available to outside firms that evaluate Vulcan’s Environmental, Social and Governance (ESG) efforts. The engagement will improve the accuracy of these assessments and help guide our ESG commitments.

Good corporate governance is fundamental in helping us keep true to our guiding principles: integrity; excellence in all our undertakings; and our abiding commitment to our people – to their dignity, talents and interests.

5.1 Embracing best practices to ensure shareholder value.

We have adopted Corporate Governance Guidelines that provide a framework for the effective governance of our company. These Guidelines build on practices we have followed for many years and underscore our continuing commitment to excellence in corporate governance. Our independent Board, with recommendations from its Governance Committee, regularly reviews corporate governance developments and adopts appropriate practices as needed.

Our Business Conduct Policy applies to all employees and directors and deals with a variety of critical corporate compliance issues, including conflicts of interest, harassment, adherence to all laws and regulations – including appropriate and lawful interactions with elected officials and governmental entities both national and foreign – confidentiality of company information, fair dealing and use of company assets. All employees and directors are required to abide at all times by our Business Conduct Policy and are required to complete training and a comprehensive questionnaire regarding their personal compliance with the Policy. They are also encouraged to report any illegal or unethical behavior of which they become aware.

Our Board has also adopted a Code of Ethics for the Chief Executive Officer and Senior Financial Officers, covering such topics as financial reporting, conflicts of interest and compliance with laws.

Key provisions of our governance best practices include:



5.1.1 Shareholder engagement

We believe that regular, transparent communication with our shareholders is important to our long-term success and the overall sustainability of our company.

In 2020 and early 2021, we continued our corporate governance engagement program and reached out to shareholders representing approximately 60% of our outstanding shares in order to foster and deepen relationships with the governance teams of our largest shareholders. Our discussions centered on the company's ESG efforts, including sustainability, carbon reduction, diversity and inclusion, culture, executive compensation and corporate governance matters, as well as the company's response to the COVID-19 pandemic and the steps we have taken to protect the health and safety of our employees. Shareholder feedback from the meetings was shared with the Compensation Committee and the Governance Committee, as well as with the full Board.

5.1.2 Director Independence

All of our directors, with the exception of the Chairman, President and CEO, are independent, as defined by the NYSE listing standards, the Board's Director Independence Criteria, and applicable U.S. Securities and Exchange Commission rules and regulations. Our independent Board members have no material relationship with our company, either directly, or as partners, shareholders or officers of an organization that has a material relationship with our company.

5.1.3 Board Leadership Structure

Our Board understands the importance of evaluating and determining the optimal leadership structure to provide independent oversight of management. As there is no single, generally accepted approach to providing Board leadership and given the dynamic and competitive environment in which we operate, the right Board leadership structure may vary from time to time. For this reason, Vulcan's Board does not have a policy regarding separation of the offices of Chairman of the Board and Chief Executive Officer. The Board has determined that our company should have the flexibility to combine or separate these functions as circumstances deem appropriate. In considering its leadership structure, the Board has taken a number of additional factors into account, including:

- The Board's ability to exercise a strong independent oversight function, with all Board committees other than the Executive Committee composed entirely of independent directors.
- An independent lead director, elected annually from among the independent directors of the Board. The lead director presides at all meetings or sessions of the Board at which the Chairman is not present, serves as liaison between the Chairman and the independent directors, has authority to call meetings of the independent directors, and if requested by major shareholders, is available for consultation and direct communication.

5.1.4 Non-Management Executive Sessions

Under Board policy relating to non-management executive sessions, the Board meets at each regularly scheduled Board meeting in an executive session in which the Chairman and CEO and other members of management are not present. During 2020, the non-management directors met in executive session six



times. Our current lead director, Mr. Hall, presides over executive sessions, pursuant to our Corporate Governance Guidelines.

5.1.5 Committees of the Board of Directors

Our Board of Directors has established six standing committees: Audit; Compensation; Executive; Finance; Governance; and Safety, Health and Environmental Affairs. All of the committees, other than the Executive Committee, are composed entirely of independent, non-management directors. Our committees include:

- **Audit Committee:** Advises our Board and management with respect to internal controls, financial systems and procedures, accounting policies and other significant aspects of the company's financial management. In addition, the Audit Committee is responsible for reviewing and discussing with management our company's policies concerning risk assessment and risk management, and to this end is kept apprised of the ongoing work of the company's Risk Committee. The committee has also established procedures for the receipt, retention and treatment, on a confidential basis, of complaints received by our company regarding its accounting, internal controls and auditing matters.
- **Compensation Committee:** Determines and oversees the execution of Vulcan's executive compensation philosophy, and oversees the administration of executive compensation plans, including determining the amount of compensation paid to the CEO and other senior officers, interpreting and administering management incentive plans, and making recommendations to the Board concerning compensation paid to any director. Vulcan's executive compensation program is centered on a pay-for-performance philosophy, to align executive compensation with shareholder value, including integration of Safety, Health and Environmental (SHE) objectives for executive, senior and middle management. Our three compensation principles are to:
 - Link a significant portion of compensation to performance
 - Maintain competitive compensation levels
 - Align management's interest with those of our shareholders
- **Executive Committee:** The primary function is to exercise the powers of the Board on urgent matters arising between regularly scheduled Board meetings when a quorum of the full Board is not available.
- **Finance Committee:** Assists the Board in its oversight of the company's actual and projected financial performance, capital structure and capital allocation, pension plans and 401(k) plans, and other matters of financial significance, such as acquisitions. The committee also:
 - Reviews year-to-date financial performance, estimated full-year performance, projected long-term performance, capital structure, liquidity, credit metrics and ratings, and capital allocation plans, among other financial matters.



- Reviews and recommends to the Board dividend policy and payments, ensures that pension plans and 401(k) plans' assets are managed in compliance with applicable laws and regulations, and reviews the funded status of pension plans to ensure compliance with minimum funding requirements under all laws and regulations.
- Governance Committee: Responsible for reviewing and assessing our policies and practices relating to corporate governance, including our Corporate Governance Guidelines. The committee also plans for the succession of the CEO and other senior executives, serves as the nominating committee and is responsible for identifying and assessing director candidates.
- Safety, Health and Environmental Affairs Committee: Has responsibility for reviewing policies, practices and programs concerning the management of safety, health and environmental affairs and sustainability matters. It monitors compliance with safety, health and environmental laws and regulations, oversees operational risk, and engages with the company's Risk Committee on matters regarding our safety, health, and environmental practices and initiatives and concerning the company's sustainability actions and initiatives.

5.1.6 Enterprise Risk Management

The Risk Committee is led by corporate officers and draws on the subject matter expertise of senior managers from various functional departments and line operations management. The committee meets regularly to discuss and evaluate enterprise risks facing the company across a range of issues including: sustainability matters such as climate risks; human resources issues such as employee recruitment; and regulatory and political issues and considerations. It reports regularly to the Board and to its Audit and Safety, Health and Environmental Affairs Committees. The Board is kept informed of its committees' risk oversight and other activities through committee chair reports to the Board which are presented at Board meetings. The Board also considers specific risk topics, including risks associated with the company's strategic plan, capital structure, business development activities and other critical topics. Activities that cross committee lines such as climate change are coordinated among the committee chairs and the entire Board.