THE WAY FORWARD
2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
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Vulcan Materials Company 2021 ESG Report 2
Our culture is our lifeblood. For more than 65 years as a publicly traded company, The Vulcan Way has been to do the right thing, the right way, at the right time.

We have a long history of serving our customers and delivering results to our shareholders while embodying our commitments to people; to the safety and health of our Vulcan family members; to environmental stewardship; and to the communities where we live, work and play. These commitments have always been part of The Vulcan Way.

In 2021, we shifted our approach to reporting on these commitments from a Corporate Social Responsibility (CSR) focus to an Environmental, Social and Governance (ESG) model aligned with the best practices of internationally recognized ESG reporting frameworks, including the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD).

Vulcan’s 2021 ESG Report outlines our overall program, goals and policies and demonstrates the great work of our people and partners who are committed to doing the right thing – for our company and for one another. At a time when there is a renewed global focus on the roles and responsibilities of public companies, especially when it comes to safety, health and environmental stewardship, I am proud to say that Vulcan continues to be committed to doing our part.

In 2021 alone, our people developed a program dedicated to identifying, assessing and mitigating the highest safety risks at our facilities. Through this initiative, our team members can assess activities with the highest potential for serious injury or fatality and implement focused safety trainings, education and knowledge sharing across the company, creating and maintaining a safer workplace.

Although our aggregates-focused business consistently has the lowest greenhouse gas emissions footprint among our construction materials peers, we are committed to doing our part to reverse global greenhouse gas (GHG) emissions trends and reduce potential impacts of climate change worldwide. In this report, you will find interim targets for reducing Scopes 1 and 2 GHG emissions as well as our commitments to reporting Scope 3 emissions and developing goals in line with science-based targets.

Our commitment to a more ESG-focused approach extends to our Board of Directors, which adopted a resolution in 2021 vesting direct oversight of ESG with its Governance Committee. Although this report does not incorporate data from U.S. Concrete, which Vulcan acquired in August 2021, we are fully integrating U.S. Concrete’s operations into our ESG program so that our entire enterprise is able to continuously improve our efforts to maintain a more environmentally and socially sustainable organization.

While 2021 has been a landmark year for our company, there is more work to be done. As we look toward the future, it is evident that our people will drive our ESG efforts. Together, we will continue to focus on doing the right thing, the right way, at the right time – proving that The Way Forward is The Vulcan Way.

Sincerely,

Tom Hill
Chairman & CEO, Vulcan Materials Company

“Our role as a leader in this industry, and our ability to continue as a sustainable company are due to the spirit and drive of our Vulcan family.”

Tom Hill
Chairman & CEO, Vulcan Materials Company
About Vulcan

ONE VULCAN. LOCALLY LED.
As the nation’s largest supplier of construction aggregates – and a major producer of aggregates-based construction materials – Vulcan provides construction materials that are essential to vital infrastructure across the country.

Our nearly 12,000 team members produce and distribute crushed stone, sand and gravel; asphalt mix; and ready-mixed concrete at 720 facilities in 22 states and four countries. Those products contribute to the quality of life of millions of people and are, quite literally, the foundation of our communities, found in highways and other public infrastructure projects as well as private residential and nonresidential construction projects. With more than 15.6 billion tons of aggregates in reserves, Vulcan can provide the highest-quality products to our customers from coast-to-coast for decades to come.

We take a “One Vulcan. Locally Led.” approach, ensuring we deliver industry-leading, quality products and services that consistently meet or exceed customer expectations. This approach means our team members work together to leverage the size and strengths of Vulcan as a whole while running their operations with a strong entrepreneurial spirit and sense of ownership. This includes aligning with our mission of being responsible stewards of the safety of our people and the environmental impact of our operations and products – all while earning and maintaining superior returns for our shareholders.

THE VULCAN WAY
Our culture is our lifeblood. As a people-first company, we understand our long-term success is directly attributed to the many talented, hard-working individuals who are committed to doing the right thing, the right way, at the right time. This is The Vulcan Way.

Our team members embrace and abide by our culture of respect – a respect for one another and for the safety and health of our people, contractors and communities as well as a respect for our environment and the society we live in. Our guiding principles of integrity, excellence and people are at the heart of how we run our business.
Our Four Strategic Disciplines

One of the keys to our success has been our ongoing focus on controlling what we can control through our four Strategic Disciplines. By doing so, we have been able to successfully navigate through the challenges of recent years and position ourselves for continued success for years to come.

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<td>We strive to be the best operator in the business, living up to the expectations of our customers and our own people.</td>
<td>We place great emphasis on the unique characteristics of each geographic market, and we interact with our customers accordingly. We leverage our coast-to-coast presence, sharing best practices and real-time, forward-looking metrics with our sales teams so they can focus on meeting the needs of our customers.</td>
<td>Our industry-leading logistics team manages the shipments of nearly half of our products. We use logistics systems that give us real-time information needed to make faster and better decisions.</td>
<td>We focus on value preservation and creation in our sourcing, leveraging our scale to save money across the organization while making sure our people have the supplies and equipment they need.</td>
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Vulcan by the Numbers

- Founded in 1957
- Headquartered in BIRMINGHAM, Alabama
- 65 YEARS as a publicly traded company
- 12,000 employees

22 states
4 countries

- USA
- BAHAMAS
- CANADA
- MEXICO

404 aggregates facilities
173 concrete facilities
69 asphalt facilities
2 marine terminals
1 innovation laboratory

This information is inclusive of U.S. Concrete facilities and employees. The full ESG data presented in this report and available in the data index include only legacy Vulcan facilities. Full U.S. Concrete ESG data will be included in the Vulcan 2022 ESG Report to allow for a full reporting cycle of data collection.
2021 Financial Performance

Despite facing various challenges, including inflationary pressures, labor constraints and the ongoing economic recovery from the pandemic, Vulcan continued to perform as an industry leader in 2021 — finishing the year strong and seeing expansion, once again, in our industry-leading unit profitability. See our 2021 10-K Annual Report for full financial data.
VULCAN PRODUCTS

AGGREGATES
Aggregates are made up of primarily crushed stone, sand and gravel produced by drilling and blasting stone within our quarries and used in the foundational building of cities, towns and transportation networks.

- Used as base materials for highways, walkways, airport runways, parking lots and railroads
- Used for erosion control, water filtration and purification
- Used in construction projects for housing, schools and hospitals, commercial building and retail space and water infrastructure systems

HOT MIX ASPHALT
Asphalt is made up of aggregates, asphalt binder, additives and modifiers and serves as the paving surface for 94% of the paved roads and highways in the U.S.

- Used as materials for parking lots, driveways, walking trails and bike paths
- Mixed to a custom set of standards based on customer need and specifications, often based on weather and expected traffic conditions

READY-MIXED CONCRETE
Ready-mixed concrete is made up of fine aggregates, coarse aggregates, cementitious binders and water to create a durable, strong, water-tight and abrasion-resistant product, making it desirable material for construction projects.

- Used to construct highways, bridges and dams
- Used in projects for building construction, airports, sewer systems, tunnels, home foundations, driveways and sidewalks
Our Products and Product Sustainability

Part of our role as responsible stewards of our environment and communities includes improving the sustainability of our products through innovative efforts. As part of our product development process, we work closely with both our customers and sustainability partners to identify needs and help support the reduction of overall environmental impact – while also providing cost-effective solutions.

We have also focused on creating technologies that reduce the overall embodied carbon in construction and on sustainable and low-carbon downstream asphalt mix and ready-mixed concrete products that have positive environmental impacts and directly contribute to a low-carbon future.

One example of this effort can be seen in our use and production of slag cement versus the most commonly used Portland cement. Producing Portland cement is an emissions-intensive process. To reduce our environmental impact, we have used slag, a waste product from steel production, at several of our facilities for decades. Using slag creates a more durable cement than traditional methods. It requires less energy to produce, emitting significantly less GHG emissions during production and decreasing the number of new materials used.

In addition to this practice, Vulcan chooses partners that are also environmentally conscious. Since 2016, Vulcan has partnered with CarbonCure, a sustainable concrete solution company. CarbonCure injects captured CO₂ into fresh concrete during the mixing process, trapping CO₂ permanently in the concrete as a mineral. This process prevents CO₂ from being emitted into the atmosphere as a GHG, safely reducing the overall cement content within the product. This innovative and cost-effective process generates carbon-removal credits, allowing us to continue partnering with sustainability-focused companies.

Because of partnerships with companies like CarbonCure, Vulcan can support projects such as Amazon’s HQ2 in Arlington, Virginia, that specify CO₂ mineralization as part of their low-embodied carbon concrete specifications. We are proud to say that the work we do with sustainability partners is a key factor in our ongoing contributions to projects that are highly beneficial to our communities and our environment.

One of the most exciting ways Vulcan is expanding our sustainable products line is through the acquisition of U.S. Concrete, a leader in sustainable construction. In August 2021, Vulcan welcomed U.S. Concrete to the Vulcan family, enhancing the scale of our aggregates business and strengthening our portfolio of sustainable products through our shared commitment to innovation and operational excellence.

Through the work developed in the U.S. Concrete Lab, new concrete mixes that utilize recycled and innovative materials – without compromising specification, quality and reliability – are being developed. Because concrete chemistry is highly complex, with even the slightest change in materials affecting strength, cure time and durability, we are pleased to have the talent, expertise and passion U.S. Concrete brings to Vulcan. Together, we are paving the path forward through innovative research and the development of meaningful technologies that meet the ever-evolving needs of our customers.

“Right now, there is a significant amount of research underway on technologies that will further reduce carbon emissions from concrete, increase carbon sink capabilities of concrete and offer operational efficiencies.”

Alana Guzzetta
National Research Laboratory Manager, U.S. Concrete Lab
HOW VULCAN IS REDUCING OUR ENVIRONMENTAL FOOTPRINT

• Recycling previously used concrete and asphalt paving materials where economical and allowed by specifications, reducing the amount of new material needed for construction, saving valuable storage capacity in landfills and eliminating the emissions related to transporting waste to landfill sites
• Eliminating waste streams from operations by creating blended sand and dirt products for construction site stabilizations in markets where we make more manufactured sand than we sell and repurposing debris and un inventoried materials from our facilities, where possible
• Using alternative materials, like fly ash, to improve products

Through our ongoing innovation and research, we seek ways to consistently bring superior value, service and products to our customers and partners.

DID YOU KNOW?

Environmental Product Declarations (EPDs) detail the environmental impact data for each product at specific product locations. Vulcan has EPDs for several of our different aggregates products and asphalt and concrete mixes to help us act on opportunities to create more sustainable and cost-effective products.

ENVIRONMENTAL IMPACT REDUCTIONS THROUGH CARBONCURE

1.2M yd$^3$
Of concrete made with CarbonCure

466,339 lbs
Of CO$_2$ injected

130,488 truckloads
Delivered with CarbonCure concrete

11,518 acres
of CO$_2$ absorbing forest land for a year
In 2021, as part of our shift from a CSR reporting approach to an ESG model, we conducted a formal materiality and risk analysis to identify which ESG risks and opportunities are most impactful to Vulcan. The analysis combined input from our leadership team and in-depth analyses and perspectives from internal experts, stakeholders and ESG framework expectations to identify material ESG priorities. In the future, periodic updates to the materiality assessment will be conducted to capture changes in business strategy, technological innovation and stakeholder priorities. The following material topics will be the focus of our ESG efforts moving forward and will influence and inform ESG goals for our future.

**ESG Overview**

**ESG TOPICS**

**PEOPLE**

**Employee Engagement & Diversity, Equity and Inclusion (DE&I)**
This includes challenges and opportunities for workforce succession, retirement, training and employee diversity.

**HEALTH & SAFETY**

**Health and Safety**
The safety and health of our people come first. This includes Mine Safety and Health Administration (MSHA) and Occupational Safety and Health Administration (OSHA) performance, safety culture and programs, fatality prevention and occupational health and industrial efforts.

**ENVIRONMENTAL STEWARDSHIP**

**GHG Emissions & Climate Change**
This includes risks and opportunities related to climate regulations, fuel conservation, renewable credits, target setting and carbon-capture solutions.

**Land Use & Biodiversity**
This includes risks and opportunities related to environmental conservation, project tracking, post-use planning and integration of biodiversity protection into land management.

**NEIGHBORS & COMMUNITY**

**Neighbors & Communities**
This includes topics related to social license to operate, including neighbor relationships, community commitments and charitable giving and volunteerism.

**GOVERNANCE**

**Supply Chain & Procurement**
This encompasses issues related to fuel supply disruptions, shortage of truck drivers, demand/supply balance, materials transportation, supplier diversity and engagement and management. It also includes risks and opportunities regarding customer specifications and ESG requirements on products and services.
After completing a materiality assessment, we embarked on developing measurable, enterprise-wide ESG goals, based on key areas identified by and included in ESG rating platforms and disclosure frameworks in alignment with the SASB and the TCFD.

Establishing measurable goals and meaningful indicators for each of the ESG topics that most directly impact our business success and sustainability will enable us to better identify ways to continue improving our strategic approach as responsible stewards of our shared environment and communities. In this report, we share publicly for the first time our goals related to safety, employee engagement and climate change. As our ESG program matures, including having data to calculate baselines from which to measure, we will add to these topics.

### OUR GHG-REDUCTION STRATEGIES

#### SCOPE 1

Strategies identified to reduce energy intensity per ton of product include:
- Mobile equipment upgrades
- Improvements to aggregates production throughput
- Water pumping efficiency improvement
- Asphalt production heating efficiency
- Electrical efficiency

#### SCOPE 2

Strategies identified to reduce emissions require changes not only to our operations but to the power generated by utilities that supply our grid electricity. We actively engage with utilities to source renewable energy through the support of projects substantiated by Renewable Energy Certificates (RECs). Notable projects include:
- A contract with Florida Power and Light to use power from a new zero-carbon solar facility
- A power purchase agreement in Texas sourcing wind energy
- A commitment to large-scale solar projects in California

Going forward, Vulcan will complete a Scope 3 analysis and establish our Scope 3 baseline by the end of 2022. In addition, we expect to refine our Scopes 1 and 2 methodologies and data sources — particularly in response to the Securities and Exchange Commission’s (SEC’s) proposed climate change disclosure rules issued on March 21, 2022.

Provided that we have clarity on public disclosure requirements, Vulcan intends to develop SBTi aligned with holding warming to 1.5 degrees Celsius and submit those targets to SBTi within 24 months of filing our commitment with SBTi, consistent with that organization’s processes.
2021 Highlights

**PEOPLE**
- 95% of Vulcan employees, participation in 401(k) retirement benefits
- Launched Employee Resource Groups (ERGs) and Inclusion Leadership
- 9.65 years as the average employee tenure

**HEALTH & SAFETY**
- 131,477 hours of health and safety training delivered to Vulcan employees
- 94% Vulcan facilities with zero lost-time injuries
- 100 safety audits conducted

**ENVIRONMENTAL STEWARDSHIP**
- 6,300 acres in our total land portfolio managed for projects recognized by the Wildlife Habitat Council (WHC)
- 98% of waste diverted from landfills
- 42% of electricity use in Florida sourced from solar using renewable energy credits (RECs)

**NEIGHBORS & COMMUNITY**
- $7,067,371 donated through Foundation, non-Foundation and matching gifts and support to community organizations
- 837 total of Foundation and Matching Gifts Program recipients
- $910,879 in scholarships donated

**GOVERNANCE**
- 36% members of Board of Directors classified as "diverse"
- 4 ESG working groups launched under the ESG Steering Committee
- 60% of our shareholders are reached by our governance teams to build and foster relationships
Our People

OUR BIGGEST COMPETITIVE ADVANTAGE
TEAM MEMBER BENEFITS
DE&I
COVID-19 SAFETY PROTOCOLS
Our Biggest Competitive Advantage

It is no secret that at the heart of our success is our biggest competitive advantage: our people. The spirit and dedication of Vulcan team members, along with their commitment to living and demonstrating the core values of The Vulcan Way, is why we are the leading supplier of aggregates in the U.S.

Our belief in doing the right thing, the right way, at the right time, is embodied in the way we uphold the highest safety and health standards, in the level of mutual respect and dignity with which our team members treat one another and in our engagement with and contributions to our communities and environments.

As a company, Vulcan is committed to supporting the 12,000 members of the Vulcan family by actively growing and sustaining a culture of integrity, teamwork and mutual respect.

We have cultivated The Vulcan Way by developing and retaining the very best people. Focusing on providing long-term, family-wage careers with exceptional benefits and opportunities in a diverse and engaging workplace is the bedrock of our continued success. When our people feel safe, healthy, happy and valued, the results are a productive and empowering work environment that drives positive impact and superior returns.

Vulcan’s commitment to our people is built on a foundation that includes:

- Expanding the diversity of our workforce at all levels and actively sharing, respecting, embracing and celebrating our differences
- Finding the best person for the job and offering highly competitive compensation
- Investing in our employees through an award-winning 401(k) plan, financial planning tools and support and benefits programs
- Supporting professional growth through leadership development, mentoring programs and continuing education opportunities
- Empowering and supporting team members’ boots-on-the-ground engagement with their various community and philanthropic organizations

For full details on our employee demographics and data, please see our data table.

"People at Vulcan are treasured, are valued — are encouraged to engage and ask questions to solve problems. It’s lived out across the entirety of the organization. This focus on our people drives everything we do as a company.”

Darren Hicks
Senior Vice President, Chief Human Resources Officer, Vulcan Materials Company
Teams Member Benefits

We believe in investing in the continuous growth, fulfillment and professional development of our people. This includes robust benefits programs; access to supervisory, management and leadership development opportunities; plus mentorship programs and continuing education opportunities to further their professional interests.

Benefits and development opportunities include:

- Vulcan’s tuition reimbursement program that pays up to 100% of tuition costs based on academic performance
- Our mentorship program
- Our Leadership Development Program, conducted in partnership with the Kenan-Flagler School of Business, University of North Carolina, Chapel Hill, for future senior-level leaders
- Community engagement opportunities that include service to charitable, civic and educational organizations
- Training and continuing education programs

We also believe in consistent and open communication. Team members and leaders meet to discuss development and growth during performance reviews held on a regular basis. All performance reviews include SMART (Specific, Measurable, Achievable, Relevant and Time-Bound) goals created with both the team member and their leadership. The internal objective is fostering a culture of transparency and dialogue throughout the company.

ETHICS & COMPLIANCE

Vulcan is dedicated to the fair and equitable treatment of all people, respecting their dignity and fundamental rights regardless of race, ethnicity, color, gender, sexual orientation, religion, national origin, age or beliefs. Our ethics and compliance practices are an essential part of our commitment to providing a safe workplace. We value and ensure the fundamental rights of our people.

Our key ethics and compliance policies and programs include:

- Business Conduct Policy
- CEO and Senior Financial Officer Code of Ethics
- Fair Employment Policy
- Privacy Policy
- Sexual Harassment Policy
- Unlawful Harassment and Anti-Retaliation Policy

It is important to us that all team members feel safe in a “see something, say something” culture, where everyone is encouraged to report ethics complaints, concerns and personnel issues either to their direct supervisors or to our confidential Business Conduct Helpline.

We respect our team members’ right to join or not join labor organizations. We also respect the freedom to bargain collectively as determined by team members, without coercion, interference, retaliation or harassment, in compliance with all applicable laws. In situations where team members are represented by a legally represented union, Vulcan bargains in good faith and is committed to maintaining a constructive dialogue with all union representatives.

Our commitment to the highest ethical standards and compliance are vital to our continued success as a company. It is part of The Vulcan Way.

DID YOU KNOW?

Vulcan has always been dedicated to protecting the rights of its people and ensuring our employees and the workforce of our suppliers are treated with respect and dignity. In 2021, we memorialized this commitment through publishing our Human Rights Policy. We hold our suppliers to this standard and prohibit their use of child or forced labor as well as require that they provide equal opportunities and a discrimination-free work environment and protect the safety and security of their people at all times.
We understand that building a diverse workforce means focusing on diversity of backgrounds, lived experiences and diversity of thought. We believe true innovation and advancements in technology, processes and productivity come when all voices and perspectives are heard.

We embrace and value the unique racial, ethnic, religious and cultural diversity of our Vulcan family. We are committed to creating a more equitable and inclusive work environment through continuous improvement and a dedication to seek awareness and understanding.

Vulcan conducts mandatory diversity and inclusion awareness training across the company as part of our onboarding process for every new hire. Our DE&I Council also launched a new Inclusion Leadership Unconscious Bias training in 2021. This training was developed to engage and encourage our team members in being consciously and deliberatively inclusive at work.

In addition to our DE&I Council initiatives, Vulcan launched four ERGs. These are networks for team members from diverse backgrounds to celebrate, learn from and share their experiences. Our initial ERGs were created for team members who identify as, or want to be an ally of, Black, Latinx or Hispanic, women and veteran employees. These inclusive and team member-led groups were created to encourage engagement, provide opportunities for mentorship and celebrate our differences. We are passionate about fostering a diverse, equitable and inclusive workplace – today and for our future.

VULCAN’S DE&I COUNCIL

- Comprised of 12 representatives, including the General Counsel, members of the Vulcan corporate office and appointed DE&I leaders from every division
- Established in 2015
- Meets monthly to discuss DE&I efforts
- Aligns with ongoing DE&I programs and broader business imperatives
- Has DE&I leaders chair their own division-specific council that focuses on DE&I goals

“I’m proud of how intentional Vulcan has been in setting and working toward our company-wide and divisional DE&I goals. We want everyone here to feel comfortable at work, see themselves represented at the company and feel like this is a safe, productive, collaborative place to be.”

Crystal Maxena
Accounting Services Supervisor and DE&I Leader, Vulcan Materials Company
In 2019, Vulcan CEO Tom Hill signed the CEO Action for Diversity & Inclusion™ CEO Pledge to Act on Supporting More Inclusive Workplaces. By signing this pledge, he committed to:

- Continuing to make Vulcan a trusted place to have complex – and sometimes difficult – conversations about diversity and inclusion
- Implementing and expanding unconscious bias education
- Sharing both best and unsuccessful practices with other leaders
- Creating and sharing strategic inclusion and diversity plans with the Vulcan Board of Directors

DID YOU KNOW?
VULCAN’S HBCUS INITIATIVE: THE THINK BIG PITCH IDEA CONTEST

In 2018, we launched the Vulcan Historically Black Colleges & Universities (HBCUs) Initiative in partnership with six strategically selected institutions: North Carolina Agricultural & Technical State University, Benedict College, Tennessee State University, Alabama Agricultural & Mechanical University, Alabama State University and Texas Southern University.

We established this program to deepen our relationships with universities in our region and develop a strong talent pipeline of engaged, dynamic thinkers with a diversity of lived experiences. Through this initiative, we partner with each participating school to host an annual pitch competition.

Each fall, hundreds of students from all six schools submit pitches on a campus infrastructure- or service-related idea that could enhance their school or school experience. Of these submissions, six to eight students are selected to present their ideas to the Vulcan HBCU Committee for their respective division. Pitch winners receive scholarships, and first-place winners receive an automatic internship offer from Vulcan.

“Earlier this year, I was awarded the first place scholarship for the Think Big Pitch idea contest at my university, Tennessee State University … I have had the privilege of working with Vulcan Materials Mideast Division as a sales/ marketing intern for the past eight weeks and enjoyed every minute of it. Vulcan Materials gave me my first look into the corporate world, and I am now more excited than ever to pursue my dream as a successful marketing manager.”

Widmark Cadet Jr.,
Tennessee State University, Vulcan Materials Company 2021 Pitch Competition Winner

“What a way to end my last year at Alabama A&M! I participated in my first business pitch competition hosted by The Yard and Vulcan Materials Company, and I WON! This event was different from anything I had ever been a part of, and I am incredibly thankful for the exposure, feedback and advice I gained from it.”

RaeVin Johnson
Alabama A&M Vulcan Materials Company 2021 Pitch Competition Winner
COVID-19 Safety Protocols

With the global COVID-19 crisis continuing to impact communities – and the rise of the Delta and Omicron variants in 2021 – we remained ever vigilant regarding the safety and health of our people.

Throughout 2021, we continued to supply personal protective equipment (PPE), including masks, hand sanitizer and hand-washing stations for our team members. Our COVID-19 protocols were adapted to meet the needs of our team members and ensure they were safe and supported in their essential work. Educational materials and resources, plus health and safety guidelines were accessible to all employees and their families through our COVID-19 Resource site.

We also developed initiatives like the “This Is Our Shot” COVID-19 Vaccination Incentive Program. This program and the associated education campaign, which was based on guidance from the Centers for Disease Control and Prevention (CDC), OSHA and local health officials, launched in August 2021.

Through “This Is Our Shot,” team members who were fully vaccinated prior to October 1 were eligible to earn up to $1,000 in cash incentives. In addition, vaccinated team members continued to have access to our COVID-19 Paid Leave Program, which grants 80 hours of paid leave to team members who become ill, need to quarantine or are caring for someone with COVID-19.

“Navigating the COVID-19 crisis has been challenging. But through it all, I have seen Vulcan’s leadership and commitment to our values – how we value safety and health and how we value our people.”

Matt Arbuckle
Business Development & Land Manager, Vulcan Materials Company
Health and Safety

SAFETY CULTURE AND PROGRAMS
FATALITY PREVENTION PROGRAM
OCCUPATIONAL HEALTH AND INDUSTRIAL HYGIENE
We believe there is no greater responsibility than keeping our team members safe and healthy. It is our number one priority. It is also why our safety protocols and programs are so embedded in our Vulcan culture. We are committed to engaging every team member – from plant managers and team members to our CEO and every level in between – to prioritize safety across all of our operations, offices and locations. We believe safety is a personal and shared responsibility.

Vulcan’s Safety, Health & Environment Board Committee, along with our full Board of Directors, has oversight over our safety and health program and performance. Our Safety, Health & Environment Management Committee, made up of Vulcan senior leadership and senior personnel from cross-functional operations, governs all safety, health and environmental initiatives on an ongoing basis.

To reinforce our culture of safety, our leadership routinely hosts joint safety and operational meetings to discuss performance and safety as well as other ways to support safety across our facilities. Additionally, we have Safety, Health and Environmental (SHE) teams consisting of operations and safety personnel who conduct internal inspections and assessments.

SHE teams conduct these assessments at their own location and other facilities to evaluate the effectiveness of our current safety measures. As a result of their efforts, we can identify and share best practices, plus discover potential hazards while building inter-plant collaboration between safety teams.

“Prioritizing safety in our operations is very important to us, but it’s about more than just safe practices: it’s a deep desire to take care of our people. We work our hardest to make sure that our people go home every day the same way they show up to work. It’s a core value of our culture.”

Jason Teter  
Senior Vice President, Mideast and Southeast Divisions, Vulcan Materials Company

Safety Culture and Programs

VULCAN’S SAFETY AND HEALTH PROGRAMS

Our company-wide programs include:

- Training, tools and equipment to do every job safely
- Routine inspections of all facilities for potential safety hazards
- Immediate reporting of near misses to site management
- Reviews and sharing of near misses to help team members recognize and learn from incidents
- Pairing of tenured team members with new hires to share safety knowledge and experience on facility operations, equipment and workplace safety practices
- Safety technologies deployed in our mobile equipment and truck fleets

We work hard to ensure that all team members and contractors have the knowledge, skills and agency to operate in a safe, healthy manner. We understand that the best way to achieve our goal of zero accidents and injuries is to position our team members so they can clearly assess hazards and risks while also understanding how to mitigate them.
While we are pleased to report that we experienced no fatalities in 2021, achieving a zero-accident, zero-injury and zero-fatality goal at our facilities requires a constant focus on the safety of our team members. This focus includes developing critical initiatives specifically for the purpose of preventing serious injury and loss of life.

As part of our efforts to develop new initiatives, we identified a trend. Both within Vulcan and across the industry at large, fatalities can occur even when typical safety performance measurements, like injury rate, are favorable. This means that even when companies act to reduce smaller hazards that have the potential to cause injury, there is potential for larger hazards with the highest potential of severity to be missed.

In 2021, to further support our goals of zero accidents, injuries or fatalities, we developed our Fatality Prevention Program. This initiative sets out a specific structure for identifying, assessing and mitigating the highest safety risks at our facilities, addressing the trend.

To launch this program, we first conducted field assessments to identify 14 High-Risk Areas across our work activities. These areas were defined as having the highest potential for serious injury and fatality, such as working at heights. We then developed specific materials outlining the high-risk hazards and how to mitigate those hazards according to each risk area. Reviews of each identified area were then implemented regularly during safety meetings. In addition, trainings focused on these high-risk areas were required for all team members – and will continue to be. Each risk area will be covered annually, and as of March 2022, we have covered all 14 High-Risk Areas identified in 2021.

We also placed more focus on high-potential severity near misses in 2021. This was, in part, a result of the total number of recorded near misses increasing by 15.5% from 2020 to 2021. Near misses are a leading indicator for identifying incidents that could cause serious injury or death.

We conduct root cause analysis on all high-potential near misses and incidents. Any trends in the analysis are then evaluated quarterly as part of our Fatality Prevention Program assessments. Based on the results, our safety and health team develops education and follow-up assessments to help prevent future near misses and incidents from occurring.

High-potential near misses and incidents also go to an executive team made up of our division presidents and operational management for review. Under their guidance, certain best practices and controls are then implemented across the division or company-wide to prevent similar future events. These quarterly assessments and the executive review actions, as well as the company injury rate, now make up the Vulcan bonus compensation safety multiplier to more accurately reflect and reward our management’s absolute focus on preventing accidents, injuries and fatalities.

DID YOU KNOW?

The most important measure of our operational success each year is our safety performance.

- In 2021, we achieved an MSHA/OSHA safety record of 1.01.
- More than 94% of our facilities had no lost-time injuries or fatalities.

This kind of performance is the result of hard work, attention to detail and a team-wide focus on day-to-day safety measures.
Vulcan Materials Company
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Vulcan Director Named 2021 James M. Christie Safety & Health Professional of the Year

Vulcan is proud to share that the National Stone, Sand & Gravel Association (NSSGA) named our very own Director of Safety and Health, Chad McDougal, as the 2021 James M. Christie Safety & Health Professional of the Year.

Started in 1987, this award recognizes individuals for substantial commitment and contributions to safe and healthy practices within their companies and the industry. Chad’s work in safety and health at Vulcan includes maintaining our industry-leading MSHA and OSHA safety record, developing our COVID-19 safety protocols, leading our internal SHE Council, regularly reporting on safety performance and spearheading our Serious Injury and Fatality Prevention work.

“At Vulcan, we have a safe production mentality. We don’t look at safety as just a priority: It’s everything. We understand that if safety isn’t an integral part of our operations, then the business itself is not successful.”

Chad McDougal
Director of Safety and Health, Vulcan Materials Company
The health of our team members has always been a priority for Vulcan. We were 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 program set the industry standard on providing routine medical surveillance and monitoring of team member exposure to noise, dust and other substances. The role of our Occupational Health and Industrial Hygiene Program is to identify, assess and control workplace health hazards that can cause sickness, health impacts or discomfort for our team members.

Our program includes:

- On-site voluntary medical surveillance to assess team member exposure to dust and noise
- Routine on-site industrial hygiene monitoring to measure team member exposure to dust, noise and other substances
- Identification of potential high-risk activities and workplace hazards using exposure-monitoring backpacks that collect real-time data from on-site team members

SILICA
We also take every measure to reduce team member exposure to hazardous materials, including silica. We conduct regular, random silica dust sampling at our facilities to monitor workplace levels in the air. We also partner with third-party organizations to conduct chest X-rays and lung capacity testing on all team members every five years to monitor for any early signs of silicosis or other types of pneumoconiosis. Because of our proactive focus on regular monitoring, we have had very few cases of silicosis in team members, with the majority of recorded cases coming from acquired sites versus legacy sites.

NOISE
Our in-depth industrial hygiene program also includes pre-employment and ongoing hearing tests and monitoring to prevent hearing loss in our team members. We enroll all facility employees in our best-in-class hearing conversation program. This goes above and beyond the MSHA and OSHA requirements of enrolling only team members exposed to certain decibel levels. Audiometric monitoring tests for team members are conducted on an annual basis.

DID YOU KNOW?
The exposure-monitoring backpacks that collect real-time data from on-site team members in Vulcan’s Occupational Health and Industrial Hygiene Program were an initiative developed by Vulcan, in partnership with the National Institute for Occupational Safety & Health (NIOSH).
Environmental Stewardship

OUR COMMITMENT
ENERGY AND GHG EMISSIONS
CLIMATE CHANGE
AIR QUALITY
LAND USE AND BIODIVERSITY
WASTE REDUCTION AND RECYCLING
WATER
Our Commitment

At Vulcan, we believe environmental stewardship is fundamental to our business. We recognize that responsible, sustainable operations drive long-term positive impact for our environment and our communities. As an industry leader, we are committed to doing the right thing, the right way, at the right time. This means we operate our business with a focus on sustainability and a dedication to continuously improve ways to protect the environment.

Regulation compliance serves as our baseline. We strive to exceed federal, state and local environmental regulations through our Safety, Health and Environmental Stewardship Policy. This policy — and our overall environmental protection strategy — outlines ways in which we are working to reduce our carbon footprint, increase our energy efficiency, monitor water use, reduce waste and manage our land with biodiversity in mind.

All team members and contractors are expected to adhere to this policy, follow all applicable regulations and make decisions that align with our commitment to running more sustainable operations. To ensure compliance, we leverage the use of a digital platform to deliver a compliance framework for each facility. This tracking system is used to simplify permit and regulatory requirements into clear, easy-to-understand tasks for facility team members. Team members use the framework to conduct inspections, collect data and complete other required tasks in a comprehensive and timely manner.

All environmental stewardship initiatives, policies and programs are overseen by the Safety, Health and Environmental Affairs Committee of our Board. In addition, our Governance Committee oversees how environmental performance, management and reporting are incorporated into Vulcan’s larger ESG strategy.

“Our approach to environmental stewardship is rooted in a boots-on-the-ground approach with our operations and our business partners. We want to make sure that we are not just meeting regulatory and compliance standards, but going above and beyond to be a good steward and neighbor in our communities.”

Kelly Van Kovering
Director of Environmental Compliance,
Vulcan Materials Company
In 2021, our combined Scopes 1 and 2 emissions were 1.15 million metric tons CO₂e. Although our individual operations are below the U.S. Environmental Protection Agency (EPA) threshold for permitting and reporting GHG emissions, we are ready to do our part to reduce overall GHG emissions and mitigate the effects of climate change.

2021 represents the first year that Vulcan is reporting Scope 1 and Scope 2 emissions fully in alignment with SASB standards. We refined our Scope 1 methodology by using a more comprehensive data-collection process in 2021 to reflect a more accurate representation of our operational emissions — one we are committed to improving.

As a result, our performance shows an increase in Scope 1 emissions from 2020 to 2021. Prior accounting assumed a portion of diesel fuel purchased by Vulcan and used by Vulcan fleets to transport our products would be considered Scope 3 emissions. These emissions are now accounted for in Scope 1 calculations. Moving forward, the Scopes 1 and 2 emissions data and methodology results from 2021 will serve as our baseline to provide a clear look at our operations and progress.

We aim to reduce our carbon footprint through reduction of both Scope 1 and Scope 2 emissions.
Energy efficiency is at the core of our Scope 1 targets. Through our continuous evaluation of processes, we have identified opportunities to reduce our carbon footprint and improve the efficiency of our quarrying operations as well as our distribution and transport network operations.

Progress is tracked at the facility and corporate level through our Energy Management team. Both groups work in close collaboration to develop and execute efficiency projects. Key Performance Indicators (KPIs) are used by every plant, measuring kilowatt-hours (kWh) per ton of material produced, with a financial bonus tied to incentivize reduced energy intensity and measurable cost savings.

If a plant is not on track to meet its target, the facility team will invite our Energy Managers on-site to help identify energy efficiency opportunities and create a strategic improvement plan. This team-led process has successfully lowered our overall usage and costs associated with electricity, natural gas and propane.

Partnering with local utilities also helps us improve the energy efficiency of our operations. We utilize our bill pay provider’s data management system to evaluate site-specific and company-wide energy consumption. We are then able to pull reports and track progress on energy efficiency initiatives more effectively.

With regard to Scope 2 emissions, our goal is to source alternative and renewable energy sources for the majority of our electricity use. In 2021, our total energy consumed was 14.4 million gigajoules (GJ). As the energy sector continues to pursue decarbonization goals, we are proud to report that our electricity supply from both regulated and deregulated markets is cleaner today than ever before. We have made significant strides in 2021, including partnering with local utilities to secure cleaner, more sustainable electricity and reducing our usage during peak demand hours. This initial progress will aid us in creating the road map to a future electricity model.

THE WAY FORWARD WITH SCOPE 3 GHG EMISSIONS

We recognize that activities and materials across our value chain – such as inputs from supply chain, employee commuting and delivery of products by third parties – have the potential to emit GHG emissions and impact the environment. While we cannot fully control these sources, we are committed to understanding the impact of our upstream and downstream activities so we can identify areas we can influence and improve. We are currently identifying Scope 3 sources and determining the processes and data collection necessary to perform a Scope 3 emissions inventory. We have set a goal to both complete a Scope 3 inventory in 2022 and to set a science-based target focused on addressing our complete GHG footprint.

“At Vulcan, we know that renewable energy isn’t just good for the environment – it’s good for business. That is why we have been prioritizing sourcing renewable energy for years. We will continue to seek out opportunities for energy innovation to reduce the footprint of our operations and reduce our energy costs.”

Joel Huguley
Strategic Sourcing Manager, Energy, Vulcan Materials Company
ENERGY AND GHG EMISSIONS

In 2021, Vulcan implemented several initiatives to reduce our Scope 1 and Scope 2 emissions by improving the energy efficiency of our operations through renewable and clean energy partnerships. *

FLORIDA POWER & LIGHT SOLAR TOGETHER PROGRAM

- Represents the largest community solar program in the U.S.
- Began sourcing solar energy and receiving the associated RECs in May 2021
- Represents approximately 42% of our electricity usage in Florida

CALIFORNIA SOLAR DEVELOPMENT

- Slated for commercial operation in 2023
- Committed to two 25-year projects at our San Emidio (1.4 megawatt [MW] capacity) and Pleasanton facilities (13 MW capacity)
- Projected to represent approximately 23% of our electricity usage in California

TEXAS WIND ENERGY

- Partnered with the Live Oak Wind Facility in San Angelo, Texas
- Began receiving wind energy and receiving the associated RECs in June 2021
- Committed to a 94-month term for 24,008 megawatt hours (MWh) annually
- Projected to represent approximately 26% of our electricity usage in Texas

ENERGY STORAGE

- Current operation of an energy storage facility at our Durbin, California plant, with eight additional facilities in California projected to be operational by end of 2023
- Reduction of our electricity demand in peak electricity market conditions
- Projected energy savings and reduction of GHG emissions by approximately 155 metric tons

*Approximate %’s are based on 2021 kWh usage as is expected to vary year over year as a function of business, production and demand.
Climate Change

As responsible stewards of our environment and communities, we understand the effects of climate change and our role in how we impact it. There are both physical and transition risks we take into consideration when working to integrate climate-related risks into our overall ESG, business, risk management and facility emergency response strategic planning.

Our goal is to minimize our risks to our team members, our environment, physical assets and economic performance. As climate change evolves over the long term, we plan to position ourselves to successfully and continuously deliver high-quality construction materials for decades to come – sustainably and responsibly.

From reducing the water requirements of our operations to partnering with sustainability-focused partners and proactively reporting our carbon footprint and climate change risks, we can continuously improve our efforts. We are committed to become more equipped to adapt and lead the industry toward more sustainable construction materials to build environmentally friendly and resilient infrastructures across the globe.
Air Quality

Accurately quantifying and tracking our emissions helps us create initiatives that protect the air quality for our team members, the local communities and environment. In 2021, we established an initiative to inventory the emission sources at our plants and determine improvement areas. This inventory will now be integrated into our digital platform to ensure accurate air emissions data can be recorded and monitored closely.

Most of our sites are classified as minor or synthetic minor sources of air pollutants and operate under federally authorized state or local permitting programs. Under these programs, we manage air pollutants specific to the type of operations. Particulate Matter (PM) and Combustion Emissions are our most common air pollutants. We strive to go above and beyond air permit conditions and maintain levels below the required thresholds at our facilities.

**HOW VULCAN HELPS PROTECT OUR AIR QUALITY**

The following solutions are how Vulcan currently helps protect our air quality. As part of our ESG commitment, we will continuously seek ways to reduce air pollutant emissions from our operations.

**PM emissions are produced during the aggregates production process when larger rocks are broken down into smaller rocks.**

Vulcan uses state-of-the-art control equipment, including dust suppression and mechanical systems. Dust suppression systems apply water through high-pressure, low-flow nozzles that properly wet the material without flooding the equipment. Water trucks are used to suppress dust from haul loads and stockpiles. Mechanical systems used to collect PM include baghouses and other dust filtration equipment.

**Combustion Emissions, combustion-related by-products like carbon monoxide (CO), nitrogen oxides (NOx) and sulfur oxides (SOx), are produced from our hot-mix asphalt (HMA) plants and company fleet vehicles when fuels are burned.**

We prioritize preventing unnecessary emissions by operating our plants efficiently and at the correct temperatures to prevent increases in fuel consumption. We diligently inspect and properly maintain our plants, ensuring that pollution control equipment is operating correctly.

**Trackout is a source for PM which is regulated as an air pollutant. It is the soil, mud, dirt or other debris tracked onto paved public roadways by vehicles leaving a plant or construction location.**

Minimizing trackout of material onto public roads is a priority for our operations. Common controls for trackout include a combination of rumble strips on entrance and exit areas, wheel washes or truck sprays and pavement leading up to the exit from the facility. When trackout cannot be completely eliminated, we utilize operations or commercial street sweepers to appropriately clean roads.
Land Use and Biodiversity

When it comes to minimizing impacts to land, water and biodiversity, we take a holistic approach. Our land management operations consider land before, during and after operation. The presence of wetlands, waters, endangered species, cultural resources and proximity to property boundaries and neighbors are all factors we keep in mind during site development.

By leveraging this comprehensive approach, we can make thoughtful decisions during site development, helping minimize potential impacts on the environment. Our environmental specialists, land managers, geologists, engineers, hydrologists and external affairs personnel collaborate with key external stakeholders to incorporate state-of-the-art environmental controls while mining infrastructure materials.

In addition to land considerations, we prioritize community engagement to ensure we are meeting and addressing the needs, wants and concerns of our neighbors. During site development, we begin by sending letters that explain the project to potential site neighbors. We invite the community to meetings with Vulcan subject matter experts to ask questions and learn more about the project. We also use social media and site-specific project websites to conduct community outreach.

When beneficial to the local community, we establish community advisory groups, which include people from the community and Vulcan personnel. Together, they sit down and discuss Vulcan facility performance, perception and areas for improvement.

We also use our site development process to plan for future site reclamation. By beginning the project with a vision for end-of-life reclamation goals, we can make operational decisions that meet and go beyond state mining reclamation regulations.

Many of our former quarry sites have been reclaimed as drinking water reservoirs, improving the resiliency of natural resources for local communities. Because quarries are deeper than they are wide, they have a smaller land footprint than traditional reservoirs. They also evaporate less water daily, making them an ideal location for water conservation and storage.

Our retired production sites have also become aquifer recharge basins, public parks, habitat mitigation banks, wetlands, productive farmland and residential and commercial developments. We listen to and collaborate with our neighbors to determine the highest and best use for the land that will support local communities.
For active sites, we manage impacts to land and biodiversity through implementing best practice controls to limit impacts off-site and by complying with all permit requirements. Often, our sites provide some of the last refuge for wildlife, especially in more developed areas. We establish buffers around our sites and maintain wetlands, both of which benefit local wildlife and natural resources. Our on-site operations teams conduct regular environmental inspections to ensure proper management of these areas. Plus, we engage expert third-party consultants, as needed, for certain projects.

In addition, we partner with regulatory agencies and environmental nonprofits across our operational footprint to support the protection and management of local natural resources and wildlife. Protecting land and biodiversity for future generations is a core tenet at Vulcan. While our operations have long met the highest levels of regulatory compliance, we are now focused on building a more proactive approach to conservation and engagement.

“At Sac Tun and Vulcan, we make a point of going beyond regulatory compliance and focusing on long-term environmental commitments, especially our programs to protect priority endemic, threatened or endangered species—and supporting priority ecosystems and vulnerable communities.”

Karla Paola Gonzalez
Sac Tun Sustainability Manager,
Vulcan Materials Company

OUR NATIONAL PARTNERSHIP WITH THE WILDLIFE HABITAT COUNCIL

The Wildlife Habitat Council’s (WHC’s) Corporate Wildlife Habitat Certification/International Accreditation Program recognizes commendable wildlife habitat management and environmental education programs at individual sites. Vulcan has been a proud national partner of WHC since 1990 when our Sanders quarry became the first site in the U.S. to obtain certification by WHC.

Since then, Vulcan has received accreditation for 44 quarry sites containing wildlife enhancement programs. WHC was developed in 1988 to restore and improve wildlife environments through the help of corporations, conservation organizations and individuals. It is a nonprofit, nonlobbying organization that assists landowners in turning unused lands into environmentally safe and flourishing ecosystems. For more information about WHC, visit www.wildlifehc.org.

SUPPORTING LOCAL WATER RESERVES IN OUR COMMUNITIES

In 2021, we partnered with the city of Atlanta to convert our Bellwood Quarry into a reservoir. This reservoir will serve as an emergency water supply for Atlanta, holding more than 2 billion gallons of water from the Chattahoochee River. This amount is enough backup water supply to last between 30 and 90 days — a significant improvement from the city’s previous reserve of three to five days. We are proud to have worked with the city of Atlanta to provide an extremely valuable asset that protects and serves local communities.

AN UNEXPECTED CASE OF CONSERVATION ENGAGEMENT

One of the most unexpected cases of conservation engagement in Vulcan’s history took place at our quarry in Fort Meyers, Florida. In 2020, a pair of snowy plovers — a threatened species of small shorebird known for nesting on sandy beaches — nested in the quarry. Our operations team worked to accommodate the pair while adhering to the conservation requirements associated with their status as a threatened species. When the birds were joined by four additional nesting pairs at the quarry the following year, we realized a more sustainable solution was needed.

We partnered with our local U.S. Fish and Wildlife (USFW) office and the regional Audubon Society to come up with a solution. To draw the birds away from the active quarry, we set aside two separate habitats totaling 10 acres, creating safe nesting grounds for the threatened species.
REFORESTATION IN MEXICO

At Vulcan’s Sac Tun operation near Playa del Carmen, Quintana Roo, Mexico, we are committed to restoring and reforesting quarried areas. We do this with natural vegetation in order to recreate the ecosystems on which our local flora and fauna depend. Since we began closely recording data about our reforestation efforts, we have planted an average of 2,885 trees per hectare, much more than the 500 recommended by the National Forestry Commission (CONAFOR), and achieved a 90% survival rate. Over a nearly 20-year time span, the company has planted approximately 80,000 trees. We also maintain nearly 30% of our land as protected forest and as a natural forest conservation area, which contains three Mayan archaeological sites and four cenotes.

We reforest with native vegetation, including trees, bushes, seedlings, grasses and other plants that were extracted prior to operations using cuttings of branches from older trees as well as seedlings that we grow in our forest nursery, created in 1990 with the support of the local community. At the nursery we identify, collect, protect and propagate 23 threatened plant species, which are transplanted to reforest our property and are also donated to the local community, including schools, parks and public spaces.

In addition to a prolific nursery, we have built a team of environmental specialists, biologists, hydrologists, geologists and forestry experts to help us design strategies to establish corridors of forested land between the quarried lakes and the cenotes so that fauna can roam freely and have ample access to these freshwater sources.

DID YOU KNOW?

Vulcan recently announced an expansion of the tree nursery to increase the production of seedlings from 20,000 to 200,000 per year.
Waste Reduction and Recycling

Taking a proactive approach to waste management by seeking opportunities to reduce our waste through process improvement and recycling is a key imperative for Vulcan. Not only does this approach benefit our local communities and environment, but it is also beneficial to our business model – making this a win-win strategy.

Reusing materials allows us to reduce our raw materials spend and to produce more sustainable products. Currently, our primary waste streams are generated during vehicle and equipment maintenance. Waste produced during these activities can include used oil, antifreeze and miscellaneous solvents. We dispose of universal waste such as used batteries and light bulbs, sending these waste streams to recycling facilities, where applicable. In addition, where we generate hazardous waste, as defined by the California Department of Toxic Substances Control (DTSC), we follow all regulatory requirements to dispose of this waste properly.

DID YOU KNOW?

In 2021, Vulcan transitioned to using one waste removal vendor across all operations to help reduce overall costs and create a more streamlined approach to waste data tracking. In the future, waste tracking will be integrated into our digital platform so that waste manifests and their data are automatically uploaded into our system. As part of a checks and balances approach, we also utilize a third-party consultant to review our waste bills for variations and discrepancies to identify outlier facilities where we can make improvements.

2021 WASTE AND RECYCLING SNAPSHOT*

- 2% waste to disposal
- 98% waste diverted from disposal

*Diversion calculation only includes regulated waste. For more information refer to Performance Data Table
Water

Water is an important input for many of our operations processes at Vulcan. We use water for filtration, stormwater collection and dust control. We understand that water scarcity is already a risk for some communities. We also understand the growing impacts of climate change continue to threaten to increase and expand that risk. For these reasons, we remain steadfast in our commitment to reducing water requirements of our operations. We are dedicated to creating more sustainable products and practices to reduce the impacts of water risks to and from our operations.

To do this, we evaluate the potential impacts of our water requirements. This means examining what impact our operations could have on surface water, groundwater and wetlands in our site decisions, planning and management processes. We look for opportunities to capture and recycle water throughout the production process. This includes using closed-loop systems that recycle water for reuse after material washing. We also partner with government agencies on municipal water management projects to protect and improve the water supply for the communities in which we operate.

We comply with all applicable federal, state and local permit requirements regarding water and discharge, including regular testing by outside analytical laboratories. Water used in operations is treated to reduce the amount of Total Suspended Solids (TSS) so that the water can be recycled. In cases where excess is present, it is safely discharged. We also collect stormwater that falls within our site boundaries and store it in pond systems or mined-out quarry pits to use in place of groundwater. This reduces our need to extract local ground or surface water for our operations.

Tracking complete and accurate water usage is critical to help us understand our water footprint baseline and then set meaningful water-reduction goals. Today, we are working to integrate water regulatory requirements and Discharge Monitoring Report (DMR) information into our digital platform. This will allow us to better assess our water impact and identify opportunities to reduce our water usage.
Supply Chain Management and Sustainable Procurement

At Vulcan, we have a strong commitment to supporting supplier diversity. In 2021, we worked with more than 12,724 suppliers across the country to procure the materials, goods and services we need to operate. As part of our strategic sourcing process, we engage diverse suppliers to include them in opportunities to secure business or grow business with Vulcan. In the future, we are looking to increase our efforts to provide opportunities to all minority-, women-, disability- and veteran-owned businesses. Company-wide, we place significant value on the contributions diverse suppliers bring to our operations. Currently, we are in the process of introducing our new Vulcan Way of Supplier Diversity Program, which will continue building relationships with diverse suppliers across our operations and integrating ESG ratings into our supplier evaluation process.

“From everyday office items to heavy machinery and equipment for our operations, we are buying better and buying smarter. Our ability to source strategically is fundamentally linked to our ability to perform for our customers.”

Amanda Lucas-White
Vice President, Procurement,
Vulcan Materials Company
Neighbors and Community

BEING A GOOD CITIZEN
INDIGENOUS AND TRIBAL RELATIONS
COMMUNITY RELATIONS AND DISASTER AID
VULCAN MATERIALS COMPANY FOUNDATION
Being a Good Citizen

One of our core tenets at Vulcan is being a good citizen and responsible steward of the communities in which we operate. From local community groups and philanthropic organizations to government officials, supply chain partners and Indigenous groups, we believe in being active and engaged neighbors. Our responsibility is to build strong relationships that support strong communities.

We regularly hold open and productive dialogue with our stakeholders and community neighbors as soon as we begin the permitting process. This open communication continues throughout site operations to help build trust and understanding. It is important to us that our neighbors know we are committed to being a responsible partner within our communities.

We also know that being a good neighbor and citizen is not just essential to maintaining our social license to operate – it is the right thing to do. Through volunteer hours, team member engagement and both material and financial donations to organizations in need, we create meaningful change in the communities in which we operate.

DID YOU KNOW?

Vulcan’s community efforts and engagement focus on six priority areas:

• Education
• Environmental stewardship
• Arts and culture
• Civic and charitable programs
• Health and human services
• Employee-chosen organizations

By engaging and investing in long-term community partnerships, we can contribute to the growth and prosperity of our neighbors and communities while operating in a sustainable, viable way for many years to come.

“When we begin work on a greenfield site, our primary focus is to engage stakeholders in the right way, right away … When you’re aiming to become a long-term partner and member of the community, we have to address not only concerns and questions, but the needs and goals of that community. That’s our role as a responsible partner.”

Jimmy Fleming
Vice President, Permitting & External Affairs, Vulcan Materials Company
Vulcan recognizes and respects the tribal sovereignty of the federally recognized Native American tribes across the country and other Indigenous peoples outside the United States. Our commitment to being a good neighbor includes being a respectful, collaborative partner to the Indigenous groups with which we engage. We maintain open and productive communication with tribal leaders and organizations.

We are also compliant, where applicable, with Section 106 of the National Historic Preservation Act. This act requires tribal consultation on all activities that may affect property of cultural or religious significance to tribes.

Our Mexico-based operation, Sac Tun, has ongoing long-term relationships with the Indigenous Mayan communities in Playa Del Carmen, Cozumel and Tulum. Through their Sac Tun Volunteers program, team members volunteered 36,500 hours of community service in 2020 to promote health, education and environmental conversation in Playa del Carmen and Cozumel as well as the Mayan communities of Yaxche and Sahcab Mucuy in Tulum.

Across our Sac Tun operations, our conservation plans protect Mayan archaeological findings located on our sites. To date, all archaeological areas discovered have been explored, mapped and registered by the Instituto Nacional de Antropología e Historia (INAH), or National Institute of Anthropology and History. These sites are monitored by the INAH, and INAH staff have continuous unlimited access to all archaeological areas.
Community Relations and Disaster Aid

Part of being a good citizen within the communities we operate is stepping up in times of need. The actions of our Grandin Sand Plant facility in Grandin, Florida, over the last two years are a prime example of living The Vulcan Way.

GRANDIN SAND PLANT TEAM MEMBERS IN ACTION

- Coordinated COVID-19-safe community events
- Provided support to federal, state and local government clients to help rebuild from Hurricane Irma and Hurricane Matthew along the Florida coast
- Worked with the Army Corps of Engineers, the Federal Emergency Management Agency (FEMA) and Flagler County officials to support the reconstruction of Flagler County beaches to improve public usability and protection from future storm events
- Volunteered 183 hours with the Santa Fe Audubon Society
  - Observed 69 total species while bird monitoring
  - Reported the first-ever documented sighting of an American avocet in Putnam County
  - Participated in the fifth Annual Christmas Bird Count
- Supported a number of local schools in the Putnam County region where nearly 20% of the population lives below the poverty line and a number of schools fall within Title I designation
- Continued our five-year business education partnership with local schools
- Supported the Sunshine State Young Readers Award (SSYRA) Program to help improve literacy among young readers
- Made material and financial contributions to four schools and nine local organizations

“The Grandin Sand Plant team was faced with a number of operational and personal challenges in 2020 — and they more than rose to the task at hand. Their steadfast commitment to their neighbors, families, colleagues and friends is evident in how they engage with their community and how they operate their facility.”

Janet Kavinoky
Vice President, External Affairs and Corporate Communications, Vulcan Materials Company
Established in 1988, the Vulcan Materials Company Foundation supports community programs across the U.S. through charitable contributions especially focused on education and environmental stewardship. In addition, support is provided to furthering cultural preservation, economic development and health services.

Our Matching Gifts Program uses company funds to match contributions to charitable organizations made by employees with emphasis on educational institutions. Gift matching is a way for us to support schools, universities and organizations that are important to employees while creating relationships within the communities in which we operate.

Vulcan encourages all employees to volunteer their time and talents to organizations in their communities. Employees provide many hours of service to a variety of causes: food and donation drives literacy, educational programs and health services initiatives.

Through the Foundation, Vulcan makes meaningful contributions in our operating communities across the country. We are most impactful when our employees volunteer and actively engage in the local communities we support. It’s essential to us that we are socially responsible and that we truly care about our people and our neighbors.”

Carol Maxwell
Manager, Vulcan Materials Company Foundation, Vulcan Materials Company

Vulcan Materials Company 2021 ESG Report 43
Governance

BOARD OVERSIGHT
INTERNAL OVERSIGHT
ASSOCIATION MEMBERSHIPS
Board Oversight

Our Board of Directors oversees Vulcan company performance and strategy at the highest level. In 2021, we were proud to reelect three directors to the Board: Thomas A. Fanning, Cynthia L. Hostetler and Richard T. O’Brien.

The Board is comprised of 11 directors, all of whom are independent directors apart from Tom Hill, the chairman and CEO. There are six committees on the Vulcan Board: Audit; Compensation; Executive; Finance; Governance; and Safety, Health and Environmental Affairs. All the Board committees, other than the Executive Committee, are comprised of entirely independent, nonmanagement directors.

The Governance Committee serves as the nominating committee and is responsible for identifying and assessing director candidates, including making recommendations to our Board regarding such candidates. The Board is committed to actively seeking out diverse candidates. The Governance Committee considers all of the factors listed under “Board Composition and Director Qualifications” set forth in Vulcan’s Proxy Statement when recommending director nominees.

In addition, our Governance Committee is tasked with providing regular counsel and direction on Vulcan’s ESG strategy. Updates are provided to the Governance Committee routinely by Vulcan leadership. The Governance Committee charter has been amended to expressly include ESG oversight, including climate change management, as part of its function.

In 2021, Vulcan reached out to shareholders representing approximately 60% of our outstanding shares to discuss our ESG efforts, including sustainability, carbon reduction, diversity and inclusion, culture, executive compensation, corporate governance matters and the health and safety of our employees. The feedback from these meetings is then presented to our Board to be considered in strategic ESG decision-making.

Further information about the composition, structure, tenure and compensation of our Board of Directors and Board committees can be found in our 2021 Proxy Statement.

“Board oversight and engagement with our ESG efforts is essential to our success as a viable, sustainable company for the long-term. To be good stewards of our people, our environment and our communities, we have to maintain a governance structure that supports Board engagement and support of our ESG program in a perpetual way.”

Denson Franklin III
Senior Vice President and General Counsel,
Vulcan Materials Company
Internal Oversight

We developed our ESG Steering Committee, which is comprised of executives from across the organization, to manage ESG performance and initiatives. Supporting the Steering Committee are four working groups comprised of subject matter experts who scope and develop our goals in key areas of our ESG performance. In 2021, the Steering Committee reported on our progress to the Board’s Governance Committee at each of the Committee meetings.

**INTERNAL OVERSIGHT**

**EMPLOYEE ENGAGEMENT AND WELL-BEING**
This working group ensures all team members are engaged and excited in their job functions. This includes team members supporting ESG and our climate change strategy. This group also develops plans for team member development, talent attraction and retention.

**SUPPLY CHAIN AND OPERATIONS**
This working group develops goals, metrics and strategies for reducing the environmental footprint, including the carbon footprint of our operations and supply chain. This group also focuses on initiatives involving energy-use efficiency, GHG emissions reduction and conservation of other natural resources.

**PRODUCTS AND SERVICES**
This working group supports innovation for low-carbon Vulcan products and services. This includes strategies for making our aggregates and cement products more environmentally friendly, such as incorporating CarbonCure and reusing recycled materials.

**GOVERNANCE, STAKEHOLDER ENGAGEMENT, TRANSPARENCY AND DISCLOSURE**
This working group manages and enhances the frequency and quality of our ESG data collection and disclosure. This group also communicates with internal and external stakeholders to determine what issues, including climate-related risks, are most material to our shareholders, customers and employees.

Association Memberships

Vulcan is a proud member of several industry associations that set industry best practices and inform our ESG and business strategies. In addition, we are part of business associations that enable us to understand and advocate around material public policy and business issues that are not industry specific.
The Way Forward

2021 was truly a landmark year for Vulcan and the world, but there is always more work to be done. We are committed to moving forward and evolving our ESG programs. We will be further defining our ESG goals to address our high-priority material topics and will also continue to report on the progress made by our business, people and partners toward achieving these goals.

The Vulcan Way is The Way Forward. We have always been committed to doing the right thing, the right way, at the right time. Our ESG strategy is no different.
## Performance Data Table

<table>
<thead>
<tr>
<th>METRIC</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our Products Metrics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount recycled crushed aggregate base produced, metric tons (t)</td>
<td>1,697,670</td>
<td>1,849,073</td>
<td>1,919,254</td>
<td>1,246,347</td>
<td>2,275,723</td>
</tr>
<tr>
<td>Amount of reclaimed asphalt pavement used in hot mix asphalt, metric tons (t)</td>
<td>1,330,045</td>
<td>1,036,006</td>
<td>1,606,388</td>
<td>1,141,885</td>
<td>1,504,325</td>
</tr>
<tr>
<td><strong>Our People Metrics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of employees</td>
<td>8,231</td>
<td>8,700</td>
<td>9,172</td>
<td>8,765</td>
<td>11,317</td>
</tr>
<tr>
<td>Total number of new hires</td>
<td>2,049</td>
<td>2,049</td>
<td>2,008</td>
<td>1,189</td>
<td>2,889</td>
</tr>
<tr>
<td>Total number of veterans employed (self-identified)</td>
<td>587</td>
<td>599</td>
<td>555</td>
<td>526</td>
<td>629</td>
</tr>
<tr>
<td>Percentage of employees younger than 20 years old</td>
<td>0.5%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Percentage of employees age 20-29 years old</td>
<td>14.6%</td>
<td>16%</td>
<td>18%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Percentage of employees age 30-39 years old</td>
<td>20.6%</td>
<td>21%</td>
<td>21%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Percentage of employees age 40-49 years old</td>
<td>23.5%</td>
<td>23%</td>
<td>23%</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>Percentage of employees age 50-59 years old</td>
<td>29.1%</td>
<td>28%</td>
<td>26%</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Percentage of employees age 60-69 years old</td>
<td>11%</td>
<td>11%</td>
<td>10%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>Percentage of employees older than 70 years old</td>
<td>0.6%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Percentage of employees that identify as White</td>
<td>72%</td>
<td>72%</td>
<td>67.8%</td>
<td>71.3%</td>
<td>66.2%</td>
</tr>
<tr>
<td>Percentage of employees that identify as Hispanic/Latino</td>
<td>16%</td>
<td>17%</td>
<td>16.7%</td>
<td>17.6%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Percentage of employees that identify as Black</td>
<td>10%</td>
<td>10%</td>
<td>9.3%</td>
<td>9.1%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Percentage of employees that identify as Asian</td>
<td>1%</td>
<td>1%</td>
<td>1.2%</td>
<td>1.1%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Percentage of employees that identify as Other/Not Reported</td>
<td>1%</td>
<td>0%</td>
<td>5%</td>
<td>0.9%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Percentage of board members that are women and/or Black, Indigenous, and People of Color (BIPOC)</td>
<td>30%</td>
<td>22%</td>
<td>36%</td>
<td>36%</td>
<td>33%</td>
</tr>
</tbody>
</table>

1 All employee numbers include USCR employees unless otherwise stated
2 Does not include USCR employees added as part of USCR acquisition
## METRIC

<table>
<thead>
<tr>
<th>METRIC</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of board members that are Black, Indigenous, and People of Color (BIPOC)</td>
<td>10%</td>
<td>0%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Percentage of board members that are over 50 years old</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of employees that are men</td>
<td>88%</td>
<td>87.9%</td>
<td>88.1%</td>
<td>88%</td>
<td>88.9%</td>
</tr>
<tr>
<td>Percentage of employees that are women</td>
<td>12%</td>
<td>12.1%</td>
<td>11.9%</td>
<td>12%</td>
<td>11.1%</td>
</tr>
<tr>
<td>Total number of employee training hours^1</td>
<td>N/A</td>
<td>215,000</td>
<td>225,000</td>
<td>111,683</td>
<td>251,320</td>
</tr>
<tr>
<td>Employee turnover rate^4</td>
<td>N/A</td>
<td>21</td>
<td>19</td>
<td>20.3</td>
<td>20.9</td>
</tr>
<tr>
<td>Average employee tenure, years</td>
<td>11.6</td>
<td>11.6</td>
<td>10.9</td>
<td>10.7</td>
<td>9.65</td>
</tr>
<tr>
<td>Percentage of employees with 0-2 years tenure</td>
<td>26.5%</td>
<td>25%</td>
<td>30%</td>
<td>26%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Percentage of employees with 2-5 years tenure</td>
<td>16.8%</td>
<td>20%</td>
<td>19%</td>
<td>21%</td>
<td>22.1%</td>
</tr>
<tr>
<td>Percentage of employees with 5-10 years tenure</td>
<td>8.3%</td>
<td>9%</td>
<td>10%</td>
<td>14%</td>
<td>20.7%</td>
</tr>
<tr>
<td>Percentage of employees with 10-20 years tenure</td>
<td>26.3%</td>
<td>24%</td>
<td>21%</td>
<td>18%</td>
<td>15.9%</td>
</tr>
<tr>
<td>Percentage of employees with over 20 years tenure</td>
<td>22%</td>
<td>22%</td>
<td>20%</td>
<td>21%</td>
<td>18.1%</td>
</tr>
<tr>
<td>Employee participation in 401(k) retirement benefits^5</td>
<td>94</td>
<td>91.4</td>
<td>94.7</td>
<td>95</td>
<td>95</td>
</tr>
<tr>
<td>Safety and Health Metrics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSHA Reportable Injury Rate</td>
<td>0.9</td>
<td>0.89</td>
<td>1.08</td>
<td>0.95</td>
<td>0.98</td>
</tr>
<tr>
<td>MSHA Reportable &amp; OSHA Recordable Injury Rate Per 200,000 Hours Worked</td>
<td>0.99</td>
<td>0.92</td>
<td>1</td>
<td>0.93</td>
<td>1.01</td>
</tr>
<tr>
<td>Total recordable incident rate (TRIR)^6</td>
<td>1.13</td>
<td>0.98</td>
<td>0.89</td>
<td>0.9</td>
<td>1.06</td>
</tr>
<tr>
<td>Lost time incident rate (LTIR)</td>
<td>0.32</td>
<td>0.33</td>
<td>0.36</td>
<td>0.48</td>
<td>0.43</td>
</tr>
<tr>
<td>Total Number of Near-miss incidents reported^7</td>
<td>N/A</td>
<td>1,391</td>
<td>1,471</td>
<td>1,877</td>
<td>2,167</td>
</tr>
<tr>
<td>Percentage of Vulcan facilities with zero Lost-Time Injuries</td>
<td>95%</td>
<td>94%</td>
<td>94%</td>
<td>92%</td>
<td>94%</td>
</tr>
</tbody>
</table>

---

^1 Does not include training hours for USCR employees  
^2 Does not include turnover rate of USCR employees  
^3 Does not include USCR employees, as they were not eligible to participate in Vulcan 401(k) retirement benefits until January 1, 2022  
^4 OSHA Recordable Rate  
^5 Near-miss tracking program and data collection began in 2018
<table>
<thead>
<tr>
<th>METRIC</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of fatal accidents</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Percentage of employees that participated in voluntary health screening&lt;sup&gt;6&lt;/sup&gt;</td>
<td>97%</td>
<td>97%</td>
<td>96%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Percentage of MSHA respirable dust/silica exposure sampling within standard&lt;sup&gt;7&lt;/sup&gt;</td>
<td>99%</td>
<td>98%</td>
<td>98%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Percentage of MSHA noise exposure sampling within standard&lt;sup&gt;8&lt;/sup&gt;</td>
<td>98%</td>
<td>98%</td>
<td>96%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Hours of Safety &amp; Health training delivered&lt;sup&gt;9&lt;/sup&gt;</td>
<td>N/A</td>
<td>118,400</td>
<td>123,257</td>
<td>110,350</td>
<td>131,477</td>
</tr>
<tr>
<td>Number of Safety &amp; Health audits conducted&lt;sup&gt;10&lt;/sup&gt;</td>
<td>N/A</td>
<td>~100</td>
<td>~100</td>
<td>~100</td>
<td>~100</td>
</tr>
</tbody>
</table>

**Our Communities Metrics**

<table>
<thead>
<tr>
<th>METRIC</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Foundation, non-Foundation and matching gifts giving and support, ($USD)</td>
<td>8,884,729</td>
<td>7,539,688</td>
<td>7,354,490</td>
<td>6,954,510</td>
<td>7,067,371</td>
</tr>
<tr>
<td>Total Foundation giving, ($USD)</td>
<td>3,335,810</td>
<td>3,373,729</td>
<td>4,306,011</td>
<td>4,614,115</td>
<td>5,250,380</td>
</tr>
<tr>
<td>Percentage of Foundation giving towards Education</td>
<td>37%</td>
<td>40%</td>
<td>39%</td>
<td>43%</td>
<td>45%</td>
</tr>
<tr>
<td>Percentage of Foundation giving towards Environmental Stewardship</td>
<td>14%</td>
<td>13%</td>
<td>16%</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Percentage of Foundation giving towards Arts &amp; Culture</td>
<td>10%</td>
<td>8%</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Percentage of Foundation giving towards Civic &amp; Community</td>
<td>10%</td>
<td>12%</td>
<td>8%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Percentage of Foundation giving towards Health &amp; Human Services</td>
<td>28%</td>
<td>27%</td>
<td>22%</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Total Matching Gifts (corporate contributions to match employee giving to eligible nonprofit organizations), ($USD)</td>
<td>473,395</td>
<td>437,246</td>
<td>581,674</td>
<td>391,785</td>
<td>300,997</td>
</tr>
<tr>
<td>Matching Gifts: Education (%)</td>
<td>72%</td>
<td>83%</td>
<td>79%</td>
<td>85%</td>
<td>89%</td>
</tr>
<tr>
<td>Matching Gifts: Hospitals (%)</td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Matching Gifts: Arts &amp; Culture (%)</td>
<td>12%</td>
<td>13%</td>
<td>16%</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>Percentage of Employee Matching giving towards Employee Disaster Relief</td>
<td>14%</td>
<td>3%</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Foundation and Matching Gift recipients (#)</td>
<td>830</td>
<td>799</td>
<td>785</td>
<td>814</td>
<td>837</td>
</tr>
<tr>
<td>Total number of meals donated</td>
<td>339,169</td>
<td>430,198</td>
<td>469,601</td>
<td>519,772</td>
<td>601,404</td>
</tr>
</tbody>
</table>

---

<sup>6</sup> Due to COVID-19 safety protocols, comparable voluntary health screening data is not available  
<sup>7</sup> Tracking of safety & health training hours began in 2018  
<sup>8</sup> Tracking the number of safety & health audits conducted began in 2018
## Vulcan Materials Company 2021 ESG Report

### METRIC

<table>
<thead>
<tr>
<th>METRIC</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of food donated (lbs)</td>
<td>407,003</td>
<td>516,238</td>
<td>590,873</td>
<td>623,726</td>
<td>721,685</td>
</tr>
<tr>
<td>Number of partner schools</td>
<td>246</td>
<td>238</td>
<td>235</td>
<td>225</td>
<td>229</td>
</tr>
<tr>
<td>Number of scholarships awarded</td>
<td>116</td>
<td>141</td>
<td>154</td>
<td>175</td>
<td>206</td>
</tr>
<tr>
<td>Amount of scholarship funds awarded, ($USD)</td>
<td>481,400</td>
<td>476,507</td>
<td>515,793</td>
<td>664,485</td>
<td>910,879</td>
</tr>
<tr>
<td><strong>Environmental Stewardship</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of environmental agency inspections¹¹</td>
<td>718</td>
<td>738</td>
<td>715</td>
<td>540</td>
<td>666</td>
</tr>
<tr>
<td>Number of environmental agency citations</td>
<td>17</td>
<td>14</td>
<td>20</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Percentage of citation-free agency inspections¹²</td>
<td>98%</td>
<td>98%</td>
<td>97%</td>
<td>99%</td>
<td>98%</td>
</tr>
<tr>
<td>Total land portfolio, Acres (ac)</td>
<td>N/A</td>
<td>~240,000</td>
<td>~240,001</td>
<td>~240,002</td>
<td>~242,763</td>
</tr>
<tr>
<td>Number of Wildlife Habitat Council (WHC) certified sites¹³</td>
<td>N/A</td>
<td>44</td>
<td>40</td>
<td>37</td>
<td>40</td>
</tr>
<tr>
<td>Amount of land managed for projects recognized by WHC, acres (ac)</td>
<td>N/A</td>
<td>N/A</td>
<td>11,720</td>
<td>11,720</td>
<td>6,300</td>
</tr>
<tr>
<td>Amount of land in conservation easements, acres (ac)</td>
<td>N/A</td>
<td>5,500</td>
<td>6,300</td>
<td>6,300</td>
<td>N/A</td>
</tr>
<tr>
<td>Total fresh water withdrawn, Thousand cubic meters (m³)¹⁴</td>
<td>N/A</td>
<td>N/A</td>
<td>7,653,743</td>
<td>N/A</td>
<td>7,880,704</td>
</tr>
<tr>
<td>Percentage of total fresh water withdrawn from groundwater</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of total fresh water withdrawn from sea water</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Universal Waste¹⁵ diverted from disposal (t), (%)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>2.5, 14.2%</td>
</tr>
<tr>
<td>Vehicle/Equipment Maintenance¹⁶ diverted from disposal (t), (%)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>1,550, 99.1%</td>
</tr>
<tr>
<td>Gross global Scope 1 emissions, metric tons (t) CO₂e</td>
<td>592,159</td>
<td>588,92</td>
<td>626,221</td>
<td>625,905</td>
<td>826,863</td>
</tr>
<tr>
<td>Gross global Scope 1 emissions per million $ revenue, metric tons (t) CO₂e/million $</td>
<td>152.2</td>
<td>134.4</td>
<td>127</td>
<td>128.9</td>
<td>148.9</td>
</tr>
<tr>
<td>Gross global Scope 1 emissions per tons produced, metric tons (t) CO₂e/metric tons shipped (t)</td>
<td>0.00293</td>
<td>0.00268</td>
<td>0.00267</td>
<td>0.00277</td>
<td>0.00344</td>
</tr>
</tbody>
</table>

¹¹ Information self-reported by divisions through internal environmental compliance management system

¹² This number is calculated by subtracting the number of citations from the number of inspections and dividing by the number of inspections

¹³ This is the acreage that WHC reported to Vulcan for our Wildlife Habitat Council projects

¹⁴ This number is calculated by adding data from water meters on on-site water wells and water used for dust suppression controls

¹⁵ Universal Waste includes batteries, pesticides, mercury-containing equipment, lamps, aerosol cans

¹⁶ Vehicle/Equipment Maintenance includes antifreeze, fuels, lubricants, oils, oil filters, partswasher solvent and used oil
<table>
<thead>
<tr>
<th>METRIC</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross global Scope 2 emissions, metric tons (t) CO₂e</td>
<td>330,000</td>
<td>0362,248</td>
<td>371,778</td>
<td>339,341</td>
<td>318,221</td>
</tr>
<tr>
<td>Gross global Scope 2 emissions per million $ revenue, metric tons (t) CO₂e/million $</td>
<td>84.8</td>
<td>82.6</td>
<td>75.4</td>
<td>69.9</td>
<td>57.3</td>
</tr>
<tr>
<td>Gross global Scope 2 emissions per tons produced, metric tons (t) CO₂e/metric tons shipped (t)</td>
<td>0.00163</td>
<td>0.00165</td>
<td>0.00158</td>
<td>0.0015</td>
<td>0.00133</td>
</tr>
<tr>
<td>Total Gross Scope 1 and 2 emissions, metric tons (t) CO₂e</td>
<td>922,159</td>
<td>951,169</td>
<td>997,999</td>
<td>965,246</td>
<td>1,145,084</td>
</tr>
<tr>
<td>Gross global Scope 1 and 2 emissions per million $ revenue, metric tons (t) CO₂e/million $</td>
<td>237.1</td>
<td>217</td>
<td>202.5</td>
<td>198.7</td>
<td>206</td>
</tr>
<tr>
<td>Gross global Scope 1 and 2 emissions per tons shipped, metric tons (t) CO₂e/metric tons shipped (t)</td>
<td>0.00457</td>
<td>0.00433</td>
<td>0.00425</td>
<td>0.00427</td>
<td>0.00477</td>
</tr>
<tr>
<td>Production of Ozone Depleting Substances (ODS), metric tons (t) CFC-11 equivalent</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>0</td>
</tr>
<tr>
<td>Total energy consumed, Gigajoules (GJ)²⁷</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>14,424,594</td>
</tr>
<tr>
<td>Percentage of total energy consumed from grid electricity</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>20.8</td>
</tr>
<tr>
<td>Total energy consumed per tons shipped, Gigajoules (GJ)/metric tons shipped (t)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>0.0586</td>
</tr>
</tbody>
</table>

**Activity Metrics**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total annual production, metric tons (t)²⁸</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>246,118,486</td>
</tr>
<tr>
<td>Total revenue, (million $USD)²⁹</td>
<td>3,890</td>
<td>4,383</td>
<td>4,929</td>
<td>4,856</td>
<td>5,090</td>
</tr>
<tr>
<td>Number of U.S. states served, excluding D.C., local markets surrounding our facilities in Mexico, The Bahamas, U.S. Virgin Islands, and Canada²⁵</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>Number of aggregate facilities²⁷</td>
<td>375</td>
<td>351</td>
<td>366</td>
<td>380</td>
<td>404</td>
</tr>
<tr>
<td>Number of hot mix asphalt facilities</td>
<td>64</td>
<td>67</td>
<td>70</td>
<td>70</td>
<td>69</td>
</tr>
<tr>
<td>Number of ready-mixed concrete facilities²²</td>
<td>57</td>
<td>46</td>
<td>53</td>
<td>46</td>
<td>173</td>
</tr>
<tr>
<td>Total annual production, metric tons (t)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>246,118,486</td>
</tr>
<tr>
<td>Total revenue, (million $USD)</td>
<td>3,890</td>
<td>4,383</td>
<td>4,929</td>
<td>4,856</td>
<td>5,090</td>
</tr>
</tbody>
</table>

17 Calculated based on energy bills and fuel procurement records
18 Aggregate production, does not include USCR production
19 Does not include USCR revenue
20 Includes USCR aggregate facilities
21 Includes USCR aggregate facilities
22 Includes USCR ready-mixed concrete facilities; USCR also has a fleet of approximately 90 ‘volumetric’ mixer trucks that can be considered ‘mobile mini-plants’ serving major TX markets. See 2021 Vulcan 10-K for full footnote
## SASB Framework Index

### CONSTRUCTION MATERIALS SUSTAINABILITY ACCOUNTING STANDARD

<table>
<thead>
<tr>
<th>SASB CODE</th>
<th>ACCOUNTING METRIC</th>
<th>REPORT SECTION OR RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-CM-110a.2</td>
<td>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</td>
<td>Finding Energy Efficiencies</td>
</tr>
<tr>
<td>EM-CM-120a.1</td>
<td>Air emissions of the following pollutants: (1) NOx (excluding N₂O), (2) SOx, (3) particulate matter (PM10), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals</td>
<td>We recognize that accurately quantifying and tracking our emissions is essential to track our progress and set reduction goals. In 2021, we established an initiative to inventory the emission sources at our plants and determine improvement areas. This inventory will be integrated into our Compliance Framework system so that air emissions data can be easily recorded and monitored in an accurate way. Air Quality Management and Performance</td>
</tr>
<tr>
<td>EM-CM-130a.1</td>
<td>(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative, (4) percentage renewable</td>
<td>Energy &amp; Greenhouse Gas Emissions Management and Performance. Performance Data Table</td>
</tr>
<tr>
<td>EM-CM-140a.1</td>
<td>(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress</td>
<td>We understand that accurate and complete water usage tracking is critical for us to baseline our water footprint and set meaningful goals for water reduction. We are working to integrate water regulatory requirements and Discharge Monitoring Report (DMR) information into our Compliance Framework system. This will allow us to better assess our water impact and identify opportunities to reduce our water usage. Water Management and Performance</td>
</tr>
<tr>
<td>EM-CM-150a.1</td>
<td>Amount of waste generated, percentage hazardous, percentage recycled</td>
<td>Waste Reduction &amp; Recycling Management and Performance. Performance Data Table</td>
</tr>
<tr>
<td>SASB CODE</td>
<td>ACCOUNTING METRIC</td>
<td>REPORT SECTION OR RESPONSE</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>EM-CM-160a.1</td>
<td>Description of environmental management policies and practices for active sites</td>
<td>Biodiversity &amp; Land Use Management and Performance</td>
</tr>
<tr>
<td>EM-CM-160a.2</td>
<td>Terrestrial acreage disturbed; percentage of impacted area restored</td>
<td>We do not currently track terrestrial acreage disturbed or the percentage of impacted area restored. However, we recognize that minimizing impacts to land, water and biodiversity is key to being responsible stewards of our environment. We take a holistic approach to land management that considers land before, during and after operation. Biodiversity &amp; Land Use Management and Performance</td>
</tr>
<tr>
<td>EM-CM-320a.1</td>
<td>(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees</td>
<td>Vulcan tracks the total number of near misses annually to assess leading indicators for safety data. Safety Performance and Performance Data Table</td>
</tr>
<tr>
<td>EM-CM-320a.2</td>
<td>Number of reported cases of silicosis</td>
<td>Occupational Health &amp; Industrial Hygiene</td>
</tr>
<tr>
<td>EM-CM-410a.1</td>
<td>Percentage of products that qualify for credits in sustainable building design and construction certifications</td>
<td>Vulcan products are used across the country and globe to build reliable buildings and infrastructure. We are proud that our products are used in sustainable building and infrastructure design. Many of these projects are certified by recognized building design and construction certification organization. Products and Services</td>
</tr>
<tr>
<td>EM-CM-410a.2</td>
<td>Total addressable market and share of market for products that reduce energy, water and/or material impacts during usage and/or production</td>
<td>We are actively working to reduce the energy, water and other impacts incurred during production of our products. We are also always innovating to create products that have smaller carbon or other environmental footprints. Products and Service. Environmental Stewardship</td>
</tr>
<tr>
<td>Activity Metric</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities</td>
<td>Vulcan Materials Company was not involved in any legal proceedings associated with cartel activities, price fixing and anti-trust activities.</td>
</tr>
<tr>
<td>Activity Metric</td>
<td>Production by major product line</td>
<td>Performance Data Table</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

Vulcan Materials Company is the nation’s largest producer of construction aggregates—primarily crushed stone, sand and gravel—and a major producer of aggregates-based construction materials, including hot mix asphalt and ready-mixed concrete. Our coast-to-coast footprint and strategic distribution network align with and serve the nation’s growth centers. At Vulcan, we are guided by The Vulcan Way – Doing the Right Thing, the Right Way at the Right Time.

Vulcan has over 400 active aggregates facilities, 70 hot mix asphalt facilities, and 240 ready-mixed concrete facilities, which also consume aggregates. All facilities are located in the U.S. except for two quarries and marine terminals on Vancouver Island in British Columbia, Canada, and Mexico’s Yucatan Peninsula. What we produce is largely used for building and repairing valuable infrastructure such as bridges, roads, waterworks, ports and to construct both residential and non-residential buildings, manufacturing facilities, office buildings, schools and hospitals.

We recognize that our operations and business have the potential to be impacted by climate change. Physical risks from a rise in global mean temperatures at or above 2°C Celsius could significantly impact our facilities and supply chain in varying ways depending on geographical location. Evolving market, consumer and regulatory expectations could also affect the way we do business. It is our responsibility to our shareholders, customers and the Vulcan Family to begin evaluating the climate-related risks and opportunities for our business and develop well-defined plans and targets for addressing them.

Our mission is to provide quality products and services which consistently meet our customers’ expectations; to be responsible stewards with respect to the safety and environmental impact of our operations and products; and to drive value and superior returns for our customers, employees, communities and shareholders. This Taskforce on Climate-related Financial Disclosures (TCFD)-aligned report outlines how we will continue to deliver on that mission in the face of global climate change impacts through our governance structure, strategy, risk management, metrics and targets.

GOVERNANCE Overview

For 65 years, Vulcan has been committed to leading the industry and delivering exceptional value to our shareholders. This commitment starts with our strong corporate governance structure, which extends to our ESG and climate change strategy and oversight. Our approach to climate change management is overseen at all levels of the organization through ESG governance structures and responsibilities.

Board Oversight

Our Board of Directors (Board) is comprised of 11 directors, all of which are independent directors apart from Tom Hill, the Chairman, President and CEO. There are six committees on the Vulcan Board: Audit, Compensation, Executive, Finance, Governance, Safety, Health and Environmental Affairs Committees. All the Board committees, other than Executive Committee, are composed of entirely independent, non-management directors.

Our Governance Committee is tasked with providing regular counsel and direction on Vulcan’s ESG strategy. Updates are provided to the Governance Committee quarterly and their charter has been amended to expressly include ESG oversight, including climate change management, as part of their function.

Regular, transparent communications with our shareholders and other key stakeholders around critical ESG matters is essential to not only our ESG strategy but our business strategy overall. In 2021, we reached out to shareholders representing approximately 60% of our outstanding shares to discuss our ESG efforts, including sustainability, carbon reduction, diversity and inclusion, culture, executive compensation, corporate governance matters and the health and safety of our employees. The feedback from these meetings is presented to our Board so that it can be incorporated into our ESG decision-making.
Management Oversight
We developed our Executive ESG Steering Committee, which is comprised of executives from across the organization, to manage ESG performance and initiatives. This Steering Committee is broken into four working groups to ensure proper focus on key areas of our ESG performance: employee engagement and wellbeing; supply chain and operations; products and services; and governance, stakeholder engagement and transparency disclosures. In 2021, these working groups reported quarterly to the Governance Committee and were responsible for scoping and developing our ESG Goals.

Supply Chain and Operations: This working group contributes to our climate change strategy by developing goals, metrics and strategies for reducing the environmental footprint, including carbon footprint, of our operations and supply chain. This group focuses on initiatives involving energy use efficiency, greenhouse gas (GHG) emissions reduction and conservation of other natural resources.

Employee Engagement and Wellbeing: This working group contributes to our climate change strategy by ensuring that employees at all levels of the organization are engaged and excited in their job functions, including the support of ESG and climate change strategy. This group develops plans for employee development, talent attraction and retention as well, ensuring Vulcan has the best talent to execute its climate change strategy and drive business continuity.

Products and Services: This working group contributes to our climate change strategy by supporting innovation for low-carbon Vulcan products and services. This includes strategies for making our aggregates and cement products more environmentally friendly, such as incorporating CarbonCure or reusing recycled materials.

Governance, Stakeholder Engagement, Transparency and Disclosure: This working group contributes to our climate change strategy by managing and enhancing the frequency and quality of our ESG data collection and disclosure. This working group also communicates with internal and external stakeholders to determine what issues, including climate-related risks, are most material to our shareholders, customers and employees.

Overview
The effects of climate change will impact the construction materials industry, including sourcing and production. Vulcan provides a diverse line of aggregates, hot asphalt mix, ready-mixed concrete and paving materials to the U.S. construction industry. With a multi-national, coast-to-coast footprint, our operations and ability to deliver to our customers have the potential to be impacted by climate change in several ways.

The key risks we face as a company can be put into two categories: physical risks and transition risks. Physical risks, such as increased severity of extreme weather events, may impact our facilities and reduce our revenue, especially in coastal or other high-risk areas. Physical risks can be acute, like hurricanes or floods, or chronic, like rising sea levels or long-term drought. Transition risks are those risks from the world changing to a low-carbon economy, such as increased emissions reporting obligations or shifting consumer preferences. Transition risks can be separated into four categories - policy and legal, technological, market and reputational - all of which could impact our operating costs or change the demand for our products. We are evaluating the risks to our facilities and business overall so that we can effectively incorporate them into our corporate strategy and financial planning.

We recognize that each type of climate-related risk may affect our facilities, businesses, and supply chain differently over different time frames. As such, we have defined these time horizons for our climate-related risks and opportunities assessments:

- Short-term: 0-1 years
- Medium-term: 1-10 years
- Long-term: 10+ years

We will continue to evaluate potential risks to our business and update their expected time horizon so that we can take appropriate mitigation measures. The tables on the following pages outline the specific risks identified and tracked by Vulcan.
### CLIMATE RELATED RISKS

#### Physical Risks

<table>
<thead>
<tr>
<th>Description</th>
<th>Potential Impact</th>
<th>Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acute Physical Risks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>According to the Intergovernmental Panel on Climate Change (IPCC), a failure by carbon policy to mitigate global average temperature increases would result in even more frequent and intense weather events than experienced today. Time Horizon: Short to long-term</td>
<td>Major business interruptions caused by tornados, fire, floods or other events could cause interruptions at our manufacturing or distribution centers. This could result increased capital costs to repair damages and lost revenue from stopping production. Our business is intricately linked to the welfare of our employees and stability of local infrastructure. More consistent threatening weather events pose threats to our people and assets. These negative impacts on our workforce could result in higher operating and labor costs.</td>
<td>We recognize the potential severity of acute physical climate risks to our business. For example, many of our manufacturing facilities are located in coastal areas, which makes them more susceptible to increasing hurricanes and floods. We are working to integrate climate-related physical risks into our business strategy, risk management and facility emergency response planning so that we can minimize our risks to our employees, physical assets and economic performance.</td>
</tr>
<tr>
<td><strong>Chronic Physical Risks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term changes to climate conditions, including rising mean temperatures, rising sea levels, increased precipitation levels, droughts and extreme heat waves are resulting in changes to the stability of work sites across the globe. Time Horizon: Medium to long-term</td>
<td>Chronic physical risks will make it increasingly difficult to predict the stability of our supply chain and operations. In coastal areas, increasing controls may have to be implemented to protect facilities from rising sea levels, increasing our operating costs. Many of our operations require water as a critical input. In areas of increasing water stress due to climate change, our operating costs could increase.</td>
<td>We understand that the physical risks from climate change will evolve over the long-term. We plan to continue to deliver high-quality construction materials to our customers for decades to come, and therefore need to integrate chronic physical risks into our business continuity planning. We are committed to reducing the water requirements of our operations to make our products more sustainable and reduce the impacts of water risks to and from our operations. Our quarry sites also frequently support the water stability of communities after operation by becoming reservoirs for regular and emergency water supplies. You can read more about how our sites support biodiversity and water reserves in the Biodiversity &amp; Land Use section of our 2021 ESG Report.</td>
</tr>
</tbody>
</table>
## Transitional Risks

<table>
<thead>
<tr>
<th>Description</th>
<th>Potential Impact</th>
<th>Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy and Legal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The number of proposed carbon regulations in the U.S. has grown significantly recently. The SEC has called for public comment on regulated climate change disclosures as well. Time Horizon: Short-term</td>
<td>Enhanced or increased emissions-reporting obligations could increase our operating costs necessary to meet requirements. Mandatory climate change disclosures could incur additional costs needed to perform the increased data collection and assurance. Mandates on and regulation of existing products and services could impact our value chain, business operations, competitive position, assets, labor pool and business partners.</td>
<td>We recognize that there is a need for sustainable construction materials to build environmentally friendly and resilient infrastructure across the globe. We will continue to explore ways to expand our product portfolio to include more sustainably sourced materials and technologies. This not only has the potential to increase our revenues, but it also reduces our climate-related market risks. We are also working to improve the energy efficiency of our operations and increase the amount of energy sourced from renewables and alternative energy generation. This will reduce our exposure to fluctuating energy costs and make our operating costs more stable. You can read more about our sustainable and low carbon products in the Our Products section of our 2021 ESG Report. You can read more about our energy efficiency initiatives in the in the Energy &amp; Greenhouse Gas Emissions section of our 2021 ESG Report.</td>
</tr>
</tbody>
</table>

<p>| <strong>Reputation</strong> | | |
| Investors, customers, consumers and other stakeholders are increasingly expecting companies to evaluate and develop strategies for climate related risks and opportunities. Failure to act on these risks and opportunities in a significant and palpable way could negatively impact the reputations of business. Time Horizon: Short to long-term | Failure to not meet the growing expectations of our investors and customers for climate change strategies and disclosures could result in reduced investment, capital and revenues for our business. Our employees are becoming increasingly aware of and interested in ESG and climate-related issues. Failure to attract and retain talent, especially younger talent, as the workforce continues to grow could threaten our ability to execute and achieve key ESG and financial objectives. | We will continue to report on our progress, success, metrics and innovation around climate-related risks and opportunities to maintain confidence from our shareholders, customers, employees and other stakeholders. This information will be readily available in our annual ESG Report and TCFD disclosure, as well as on our ESG website. |</p>
<table>
<thead>
<tr>
<th>Climate Related Opportunities</th>
<th>Potential Impact</th>
<th>Mitigation Strategy</th>
</tr>
</thead>
</table>
| **Resource Efficiency**                     | By improving the resource efficiency of operations to mitigate climate-related risks, organizations have an opportunity to reduce their operating costs as well. More efficient production and distribution processes, reduced water usage and consumption and increased use of recycling all have economic benefits to businesses.  
**Time Horizon:** Short to long-term | Through recognizing resource efficiency gains, we could reduce our operating costs, increase the value of our fixed assets, increase energy cost savings, possibly reduce spending on raw materials when reusing or recycling products and reduce water input costs.  
More efficient production processes can lead to workforce management benefits, such as improved health safety and employee satisfaction. This could result in better talent attraction and retention for our business. | Improving the efficiency of our production and distribution processes is imperative. We are constantly searching for new energy and resource efficiencies in our operations. Not only do these opportunities reduce our environmental footprint, but they lower our operating costs as well.  
You can read more about our energy efficiency initiatives in the Energy & Greenhouse Gas Emissions section of our 2021 ESG Report. |
| **Energy Source**                            | The transition to using more lower-emission sources of energy has numerous benefits for an organization. By consuming more energy from renewable and alternative sources, businesses can often lower their operating costs while reducing their exposure to fossil fuel price fluctuations. They also can reduce their exposure to regulations or a carbon tax that limits GHG emissions.  
**Time Horizon:** Medium to long-term | By using lower emission sources of energy and increasing the mix of renewables and other low carbon energy sources in our energy consumption as a business, we have the opportunity to reduce our energy costs as renewable energy costs drop.  
By reducing our exposure to carbon energy sources, we have the opportunity to reduce our exposure to fossil fuel price increases.  
It will also open up the opportunity for the capital available to Vulcan to increase as more investors favor companies that are lowering energy usage emissions. | Finding opportunities to source our energy needs from low emissions and renewable sources has been a priority for Vulcan for decades. We are continuing to identify and implement opportunities to diversify our energy usage in ways that reduce our costs.  
You can read more about our energy efficiency initiatives in the Energy & Greenhouse Gas Emissions section of our 2021 ESG Report. |
<table>
<thead>
<tr>
<th>Description</th>
<th>Potential Impact</th>
<th>Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Products and Services</strong></td>
<td>Maintaining our ability to develop products that meet our customers preferences and needs will continue our competitive advantage during the low carbon transition. Developing more lower emission products and services will also diversify our business activities resulting in increased revenues.</td>
<td>We work closely with our customers to ensure that our products align with their needs and goals. This applies to climate and other environmental goals as well. For example, we were one of the early adopters of CarbonCure technologies, which injects captured carbon dioxide permanently into concrete. We did this to meet the growing demand and preference in our East Coast markets for lower carbon concrete solutions. We will continue to identify ways to align our products and services with the low carbon transition in a way that supports our customers and infrastructure worldwide. You can read more about our sustainable and low carbon products in the Our Products section of our 2021 ESG Report.</td>
</tr>
<tr>
<td><strong>Markets</strong></td>
<td>Access into new markets that emerge during the low carbon transition would provide new financial opportunities through partnerships with, for example, governments, development banks, entrepreneurs, community groups and other organizations. Increased diversification of financial assets (e.g., green bonds and infrastructure) would broaden our market reach and increase revenue as well.</td>
<td>We continue to monitor new potential markets and financial opportunities for Vulcan. One such opportunity for expanding our products into new markets is the Infrastructure Investment and Jobs Act, passed in late 2021. This Bill provides opportunities to modernize our country’s infrastructure, which improving our nation’s sustainability and climate resilience. Vulcan is uniquely positioned to take advantage of these opportunities.</td>
</tr>
<tr>
<td><strong>Resilience</strong></td>
<td>Through actively increasing our resiliency to climate related risks, Vulcan can increase the reliability of its business operations. This will be highly beneficial as physical and transitional climate risks increase. By reducing climate-related impacts compared to our peers, Vulcan should see an increase in market valuation through resiliency planning, reliability of supply chain and ability to operate under various conditions. We could also increase our revenues through offering products and services related to climate resiliency.</td>
<td>We are actively working to identify and prepare for climate-related risks in order to ensure our business continuity. This TCFD report is just the first step in analyzing climate risks to our business, disclosing on them and developing plans to address them. Vulcan products are inherently climate-resiliency products. Our construction materials are used to build infrastructure nation-wide, linking us to the resiliency of communities. We will continue to focus our research and development on making products that are sustainable and resilient to the physical risks of climate change.</td>
</tr>
</tbody>
</table>

As the world shifts to a lower carbon economy, consumer preference for lower emissions goods and services will likely increase. Companies that develop or expand their offerings of low emission goods and services, or develop climate adaptation and insurance risk solutions, may have a competitive advantage over those that do not.

Time Horizon: Short to long-term

As the global economy shifts towards the lower carbon economy, new markets and revenues systems will open up for companies.

Time Horizon: Medium to long-term

Climate resilience is the adaptive capacity of an organization to respond to the changes, risks and opportunities from climate change. By proactively mitigating climate related risks and pursuing climate related opportunities, organizations can improve their competitive position.

Time Horizon: Medium to long-term
CLIMATE RESILIENCE AND SCENARIO ANALYSIS
The Climate-Related Risks and Climate-Related Opportunities sections above highlight the initial findings from our early, qualitative scenario planning. This includes identifying which risks and opportunities will impact Vulcan over varying time horizons and the early phases of how we plan to respond to them. As we evolve, our scenario planning and risks and opportunities will evolve along with us. We will continuously re-evaluate the risks to our business in order to clearly identify where our strategies may be most affected by climate change. We will also strategize how we can best address the impacts of potential risks and opportunities of climate-related issues on our financial performance and position.

We recognize that scenario analysis is an important step in determining how resilient our strategies are to climate-related risks and opportunities. As our ESG and climate change strategies evolve, we will prioritize conducting 2 degrees Celsius or lower scenario analyses to align with TCFD recommendations.

Risk Management
Risk management is critical to Vulcan’s success and our ability to deliver reliable, high-quality products to our customers. We also recognize its importance in mitigating the impacts of climate change on our business. We are currently incorporating climate-related risks into our enterprise risk management system. This system is used to identify, rank, prioritize and assign management of risks so that they can be effectively eliminated, transferred or controlled.

Our risk management committee reports to the Vulcan Board of Directors and meets on a regular basis to discuss and evaluate enterprise risks facing the company. This committee is led by senior corporate officers and draws on subject matter experts across functional departments and line operations management. The committee is responsible for developing mitigation plans in response to identified risks and monitoring the implementation of such plans. This includes plans to mitigate climate-related risks.

Metrics and Targets
At Vulcan, we are committed to setting meaningful goals that will support our assessment of climate-related risks and opportunities in line with our strategy and risk management process. In 2022, we set measurable goals related to climate change management across our entire organization. These goals focus on our GHG emissions intensity, energy intensity and energy sources.

Our Goals:
• Reduce GHG emissions intensity per ton of product for Scope 1 and 2 by 10% by 2030
• Energy Intensity: Reduce energy intensity per ton of project produced by 6.7% by 2030.
• Energy Sources: Secure 5% of all energy from renewable sources by 2030.

We commit to publicly reporting on our progress against these goals annually in our future ESG and TCFD reports. This will allow investors and other stakeholders to assess our progress in adapting to climate-related issues.

We also report annually on our 2021 Scope 1 and 2 emissions, which can be found in the Energy & Greenhouse Gas Emissions section of our ESG Report.

Conclusion
Vulcan understands the importance and urgency of identifying, monitoring, and mitigating climate-related risks to our business. Risks and opportunities from climate change can impact our business continuity, as well as our future and financial performance. We are committed to mitigating those risks through our ESG strategy. Vulcan will continue to focus on providing high-quality, sustainable products for our customers and the communities they serve.

Please visit our Corporate Social Responsibility website and our 2021 ESG Report to learn more.