

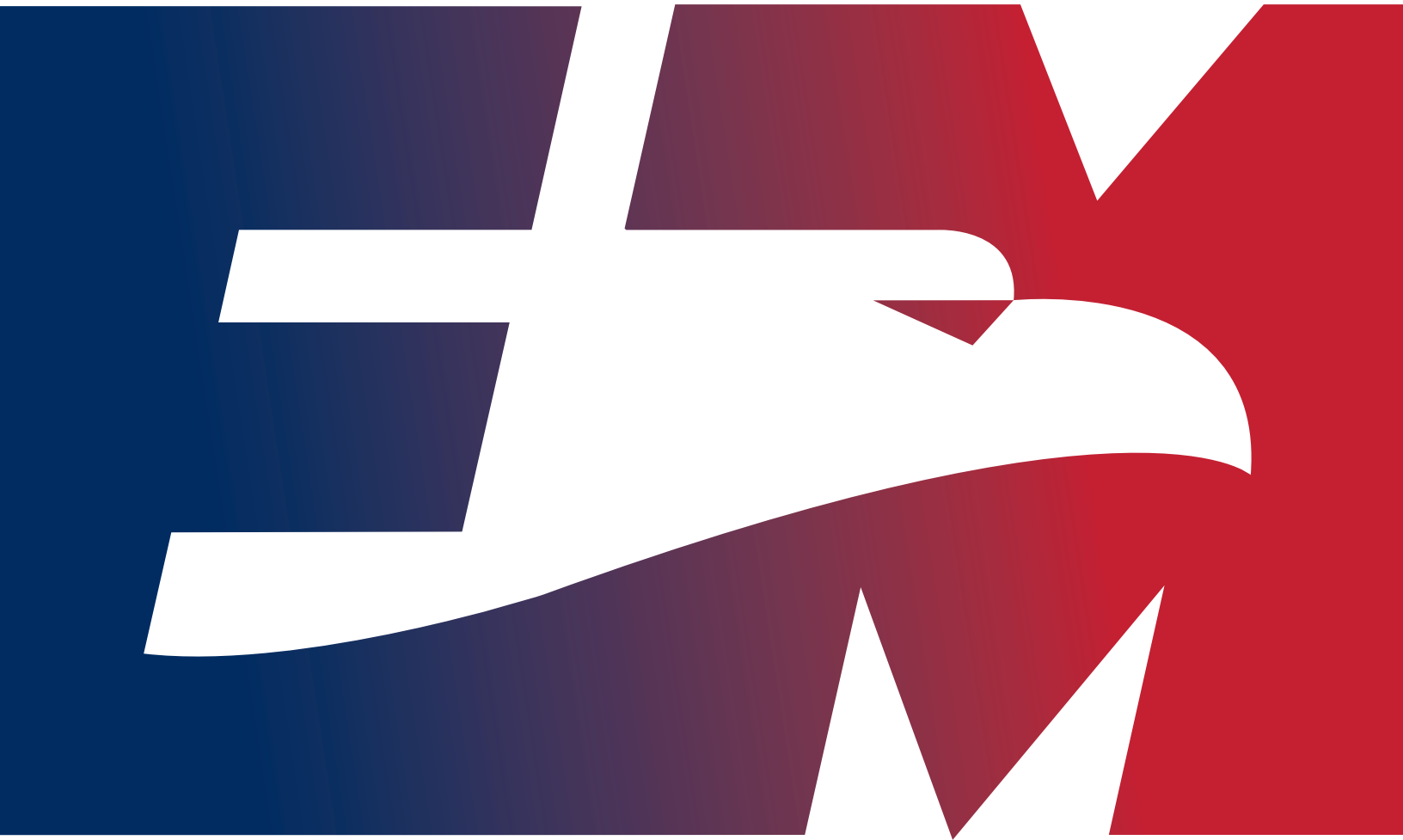


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# Sustainability Report

2023

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# About This Report

This report provides information regarding many of the environmental, social and governance (ESG) initiatives undertaken by Eagle Materials Inc. (the “Company” or “Eagle”). In preparing this report, we referenced several reporting disclosure frameworks, including SASB Standards (Construction Materials standard) and the Task Force on Climate-related Financial Disclosures (TCFD). Unless otherwise stated, data included in this report reflects calendar year-end 2023 (December 31, 2023) and is believed to be correct at the time of reporting. Later changes in inputs or classification could impact published data.

Our Sustainability Report should be read in conjunction with the information contained in the Company’s Annual Report on Form 10-K for the year ended March 31, 2023, and our Proxy Statement for the Annual Meeting of Stockholders, held on August 3, 2023.

Unless otherwise stated herein, statements in this report are made as of February 2024, and neither the delivery of this report or its availability on the Company’s website shall create an implication that the information contained herein is accurate, correct or complete as of any time subsequent to such date.

Certain general economic, industry and market information contained in this report has been obtained from published sources, including sources that are publicly available. Although such sources are generally believed to be reliable, the Company has not verified, or assumes any responsibility for, the accuracy or completeness of such information.

Matters described in this report, including matters described as “important” or

“material,” or using similar words, are matters that are deemed important in the context of our environmental, social and governance measurement and reporting activities, and may not necessarily be deemed material for purposes of securities laws or for purposes of our financial statements and financial reporting.

Beginning with the 2024 report, we plan to publish our annual sustainability report each summer.

## Forward-Looking Statements

This report contains forward-looking statements, which may be identified by their context and generally arise when the Company is discussing its beliefs, estimates or expectations as to future events. These statements are not historical facts or guarantees of future performance but instead represent only the Company’s belief at the time the statements were made regarding future events which are subject to certain risks, uncertainties and other factors, and many of which are outside the Company’s control. Actual results and outcomes may differ materially from what is expressed or forecast in such forward-looking statements.

The risks, uncertainties and other factors to which the forward-looking statements in this report are subject include those described in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2023, and subsequent quarterly and annual reports upon filing. These reports are filed with the Securities and Exchange Commission. The Company undertakes no duty to update any forward-looking statement to reflect future events or changes in the Company’s expectations.

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# Letter from Our CEO



**At Eagle Materials, we create the critical infrastructure products that are the backbone of U.S. growth.**

We maintain our commitment to safety and efficiency while being a low-cost producer — using fewer resources at lower costs to produce more. Our margin profile is not only industry leading, but also distinguished across all building materials sectors, domestic and international.

Our focus is on our core businesses — cement and wallboard. The products we sell hold defined performance standards that must be met without fail in public infrastructure, residential, and private non-residential construction applications. The lifeblood for both businesses is mined minerals, notably limestone and gypsum. Because we sell low-value-to-weight products, we must strategically consider transportation distances to best support our operational economics.

Over the past five years, we have invested **\$1.3 billion** to strengthen and improve our core businesses and to ensure their sustainability. These priority investments ensure we own many decades of quality raw materials that are proximate to our plants. We strive to maintain our plants in “like new” condition and invest in technologies that will enable higher throughput, lower costs and, in some cases, create opportunities for value-added products.

## Committed to Continuous Improvement

Sustainability stands as a fundamental and unwavering principle at Eagle, driving our commitment to continuous improvement and delivering significant value to our stakeholders. From our Board of Directors' Corporate Governance, Nominating and Sustainability Committee and our newly formed internal Sustainability Steering Committee to our frontline employees, this commitment is a shared value that permeates all levels of our organization.

We acknowledge the global challenge posed by climate change and our role in being part of a solution. We have an aspirational goal of net zero emissions by 2050 and established objectives designed to help us reach it across our entire value chain. While we recognize that achieving our aspirational net zero goal largely relies on technology that is still being developed, we are implementing changes in areas that we can impact today.

Some highlights of these changes over this past year include:

- Increasing our production of blended cement products including Portland Limestone Cement (PLC). This conversion allows us to make our clinker go further, allowing us to reduce our CO<sub>2</sub> per ton of product by using less clinker.
- Establishing a Greenhouse Gas (GHG) Reduction Team to evaluate new technologies and consider pilot projects to further improve our operational efficiency and emissions reduction efforts.
- Committing to increase the use of alternative fuels for our combustion process at three of our cement facilities.
- Participating in a research project with the Department of Energy and other research institutions to help scope future emissions reduction technology.

We have incorporated new disclosures in this report to respond to stakeholder interests. Most notably, we included more fulsome data around our Scope 1 and Scope 2 emissions, enhanced our governance disclosures and started to align with SASB and TCFD reporting frameworks. We recognize there is more work to be done and we are committed to reporting transparently on our progress. For example, we are making investments in technology and systems to further enhance our data reliability and repeatability for future reports.

In addition to the progress highlighted in this report regarding GHG emissions, I am proud of the progress we have made in other aspects of sustainability. Some notable achievements in calendar year 2023 include:

- Sustaining our Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR) below industry averages.
- Reducing our water consumption by 23%, in part due to the implementation of closed loop systems.
- Investing more than \$2 million over the past 3 years in the removal of older facilities to eliminate potential safety and environmental hazards and remove unsightly structures for our neighbors.

Our products are made in the United States for the United States. They are necessities that support the renovation and renewal projects that enable society to prosper and uphold our quality of life. Because of this important role our products play, we will not waver in the quality or performance of our products nor sacrifice our commitment to sustainability.

Thank you,



**Michael R. Haack, PE**

President and CEO

February 2024

# Who We Are

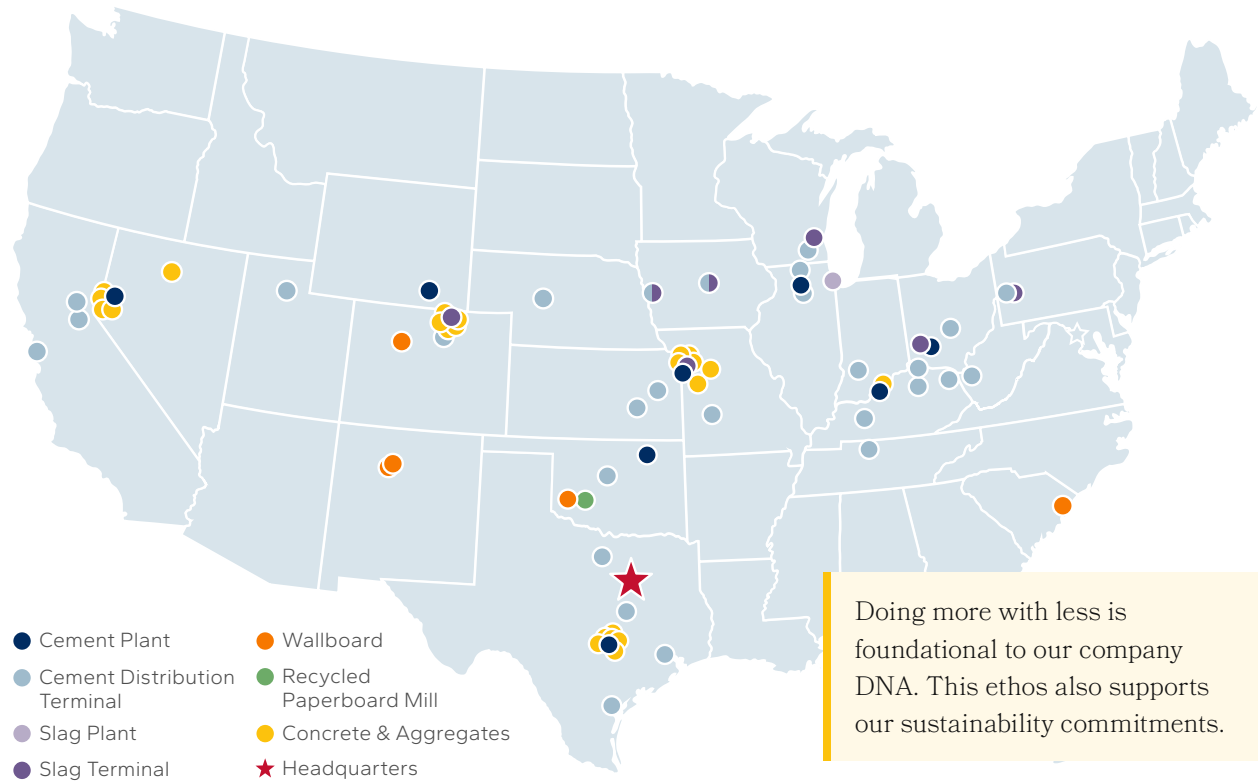
Eagle Materials Inc. (NYSE: EXP) is a leading U.S. manufacturer of heavy construction products and light building materials. Eagle’s primary products, Portland Cement and Gypsum Wallboard, are essential for building, expanding and repairing roads and highways and for building and renovating residential, commercial and industrial structures across America. Eagle manufactures and sells its products through a network of more than 70 facilities spanning 21 states and is headquartered in Dallas, Texas.

## Our Competitive Strengths

- Strategically located plant network
- Low-cost producer position
- Production flexibility
- Substantial owned raw material reserves and resources
- Proven management

## Operations

|                            |                                  |  |                                  |                                      |  |                           |
|----------------------------|----------------------------------|--|----------------------------------|--------------------------------------|--|---------------------------|
| <b>8</b><br>Cement Plants* | <b>1</b><br>Slag Cement Facility | <b>28</b><br>Cement Distribution Terminals | <b>5</b><br>Wallboard Facilities | <b>1</b><br>Recycled Paperboard Mill | <b>32</b><br>Concrete & Aggregates Locations | <b>~2.6K</b><br>Employees |
|----------------------------|----------------------------------|--|----------------------------------|--------------------------------------|--|---------------------------|



\*One cement plant is operated through a 50-50 joint venture in central Texas.

FY 2023 Financial Highlights

**\$2.1B**

Achieved record revenue



**15%**

YOY

**\$462MM**

Net earnings



**23%**

YOY

**100%**

Dedication to the U.S. Market

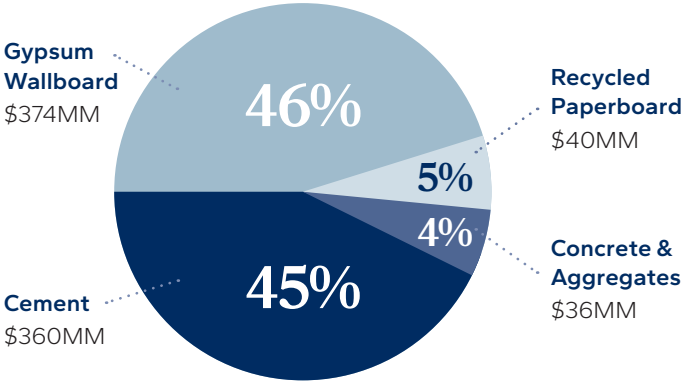
**29.8%**

Gross Margin

**2**

Business Acquisitions

**Operating Earnings + DD&A by Segment**



\*As of March 31, 2023

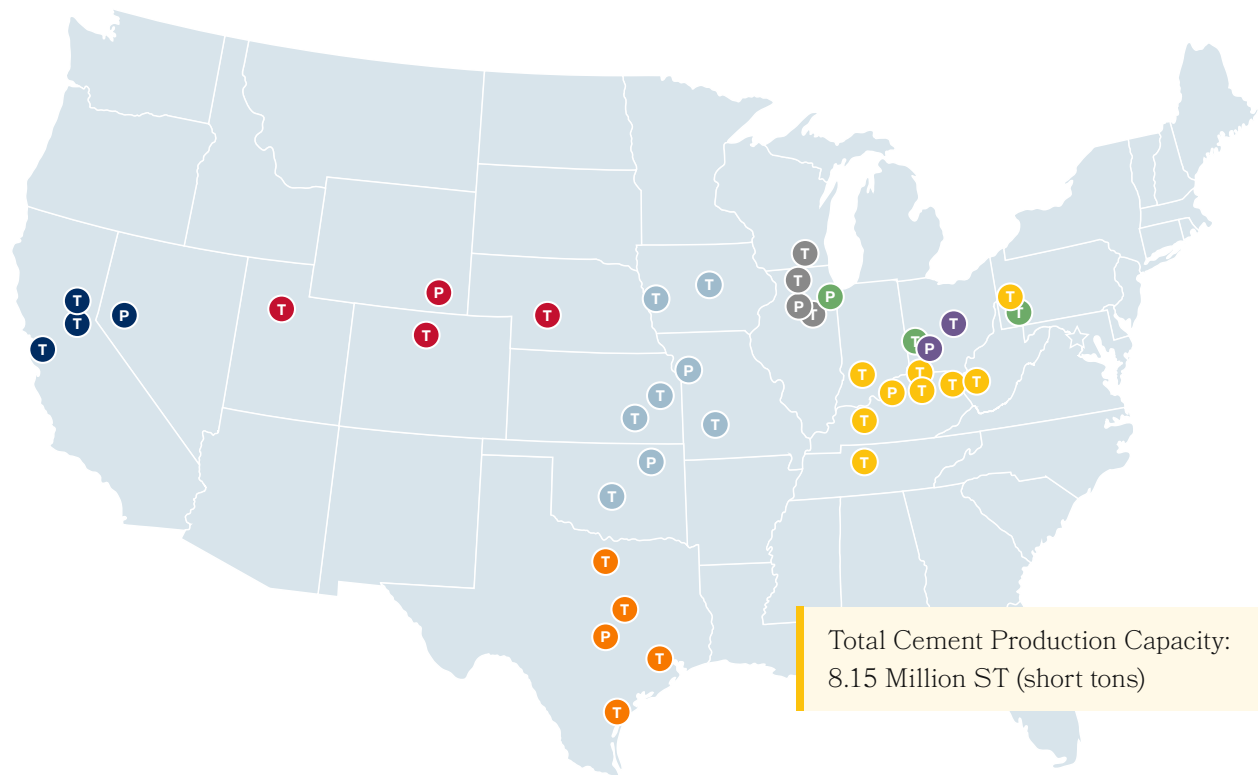


## Our Business Units

# Cement

Cement is the basic binding agent for concrete, a primary construction material. The principal sources of demand for cement are public infrastructure, commercial construction, and residential construction, with public infrastructure accounting for nearly 50% of cement demand. Because of cement's low-value-to-weight ratio, transportation costs limit the geographic area in which each producer can market its products profitably. Therefore, the U.S. cement industry comprises numerous regional markets rather than a single national market.

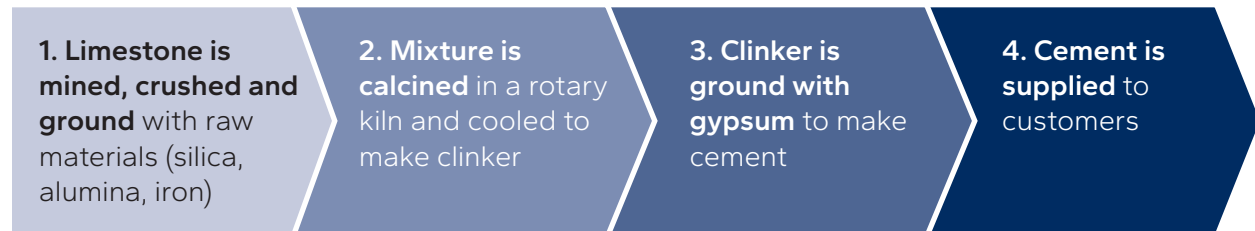
### Focused on the Heartland



|                                    |                                |  |   |                              |
|------------------------------------|--------------------------------|--|---|------------------------------|
| <p>NEVADA CEMENT COMPANY</p>       | <p>MOUNTAIN CEMENT COMPANY</p> | <p>Central Plains Cement Company<br/>Tulsa, OK &amp; Sugar Creek, MO</p> | <p>ILLINOIS CEMENT COMPANY</p>  | <p>SKYWAY CEMENT COMPANY</p> |
| <p>TEXAS-LEHIGH CEMENT COMPANY</p> | <p>CEMENT KOSMOS COMPANY</p>   | <p>FAIRBORN CEMENT COMPANY</p>   | <ul style="list-style-type: none"> <li><span style="color: blue;">P</span> Cement Plant</li> <li><span style="color: blue;">T</span> Cement Terminal</li> </ul> |                              |

\*Texas-Lehigh Cement Company is a joint venture owned 50% by Eagle and 50% by Heidelberg Cement AG.

## Cement Manufacturing Process



### 1. Limestone Mining and Raw Milling

Cement manufacturing requires consistent and high-quality sources of the four primary raw materials: calcium, aluminum, silica, and iron. Most of our cement plants obtain the required calcium from limestone extracted from our own quarries located adjacent or close to the plants.

Extracted limestone is crushed and stored prior to the next step in the process, raw milling. Other natural and by-product raw materials are delivered to our plants via over-the-road trucks. Crushed limestone and other raw materials are weigh-fed and ground in a raw mill. The resulting fine powder is called kiln feed. Extensive use of x-ray chemical analysis is used to ensure kiln feed consistency and quality. The kiln feed is stored in a homogenization silo where the material is blended to further ensure uniformity prior to feeding to the pyroprocess.

### 2. Pyroprocess

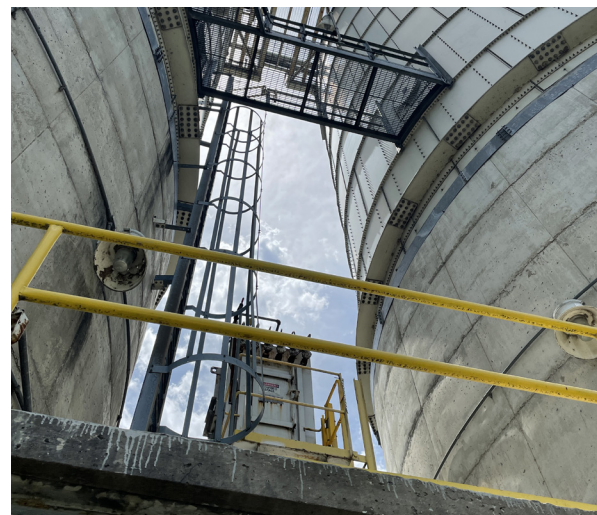
Kiln feed is fed to the pyroprocess where it is heated to over 2,800°F in a kiln, ultimately forming grayish-black nodules called clinker. When hot clinker is discharged from the kiln, it is fed to the clinker cooler where fresh air is used for cooling. The resulting warm air is reused to combust kiln fuel. The clinker can be stored or ground immediately into the final product.

### 3. Finish Milling

Clinker and a small percentage of gypsum and raw limestone are fed to a finish mill. The finish mill grinds into the fine gray powder known as cement.

### 4. Customer Supply

The cement is pumped to storage silos for shipping and distribution. From here, the cement is loaded into bulk trucks, rail cars, or barges to service our markets either directly or through our numerous cement terminals. Equipment is also located at most of our plants where cement can be directly bagged and sold.



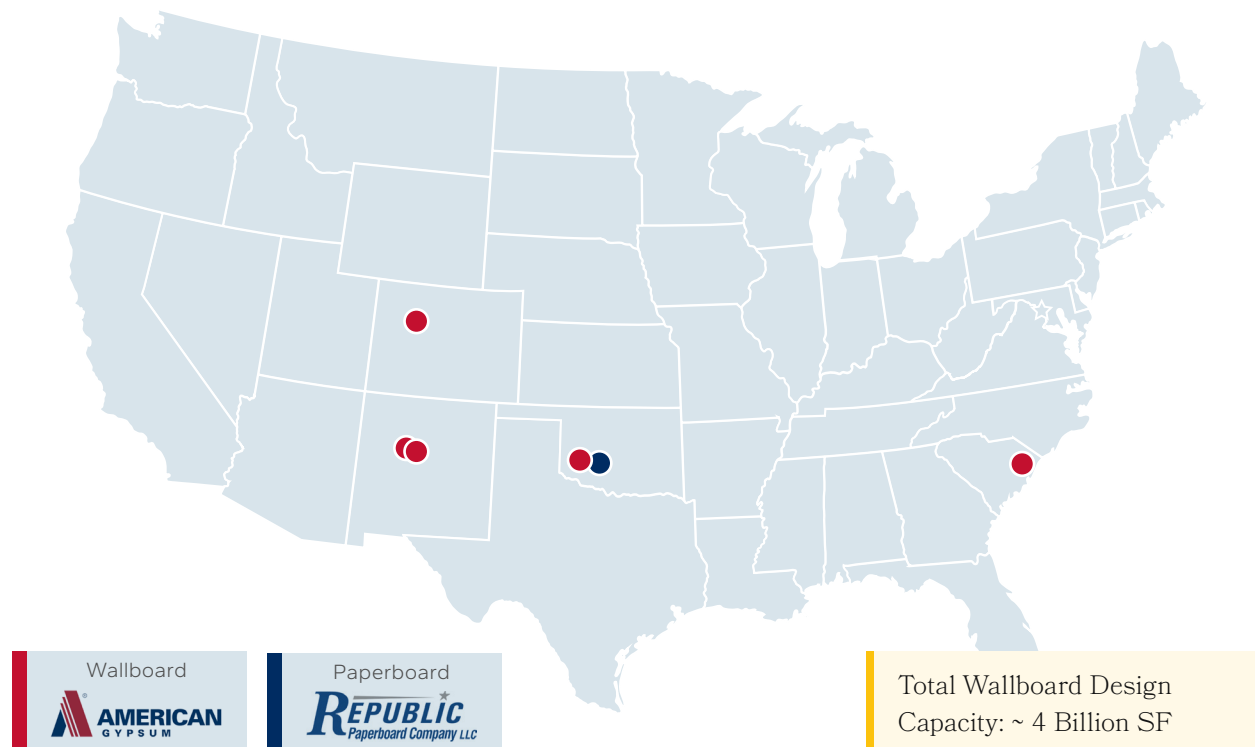
*Pictured are our finished product blending tanks at Sugar Creek Cement in Missouri. The Sugar Creek plant utilizes a limestone source from an underground mine rather than an open pit quarry. The "room and pillar" mining technique is used to extract limestone from 700 feet below the ground surface.*

## Our Business Units

# Wallboard & Paperboard

Our Light Materials sector comprises of the Gypsum Wallboard segment, which produces gypsum wallboard used in residential and commercial construction and repair and remodel activities, as well as the Recycled Paperboard segment, which produces paper primarily used in the manufacture of gypsum wallboard.

## Strategically Located in the Sunbelt



## Wallboard Manufacturing

Gypsum wallboard is used to finish the interior walls and ceilings in residential, commercial and industrial structures. It is produced by mixing calcined gypsum with water and additives to form a slurry which is sandwiched between two continuous layers of recycled paper on a long board machine. As the board moves down the line, the calcium sulfate recrystallizes and reverts back to its natural state. In the process, the paper becomes mechanically and chemically bonded to the core. The board is then cut to length and conveyed through large dryers to remove moisture. The manufacturing of wallboard is governed by ASTM International Standards in the U.S.

Every year, our Georgetown, South Carolina plant uses more than 520,000 tons of synthetic gypsum to produce wallboard — diverting what is normally a waste product (created by other industries) from landfills.

### Increasing Energy Efficiency

To reduce our local environmental footprint, we strive to increase energy efficiency at our plants. At our newest wallboard plant in Georgetown, South Carolina, we utilize:

- High efficiency burners
- Heat exchangers on the dryer exhaust to preheat combustion air to burners
- An exhaust gas capture process that circulates gas from hotter zones back into the dryer's lower temperature zones
- Exhaust stream from cooling down our gypsum stucco, which is reused to provide preheated combustion air for the drying process

## Recycled Paperboard Manufacturing

Our paperboard business is operated through our subsidiary Republic Paperboard Company. Republic's state-of-the-art paperboard manufacturing facility in Oklahoma uses 100% recycled paper content, mostly corrugated containers, to manufacture our gypsum wallboard face and back paper. This allows for a beneficial reuse of what would be a waste stream.

Each year we use more than 300,000 tons of recycled fiber — waste diverted from landfills.

### Water Stewardship

Paper is produced with one pound of fiber and 99 pounds of water. The finished product is 91% recycled fiber and 9% water. We work to reduce our freshwater usage by reusing water in our production process and implementing water conservation projects. Our water



*Republic's seasoned leadership and staff have decades of paper making experience and a commitment to the long-term development and improvement of the gypsum liner business.*

conservation efforts have reduced our freshwater consumption by 24% YOY, and we are looking for even more reductions. Republic is making a \$22 million investment to maintain compliance with effluent discharge standards to the local wastewater treatment facility. The project enables the facility to replace fresh water needed in the papermaking process with recycled process water. Other benefits to the project include odor reduction, lower energy consumption, and less chemicals utilized. Ultimately, our goal is to decrease our daily freshwater consumption by 50% from our baseline.

Our Business Units

# Concrete & Aggregates

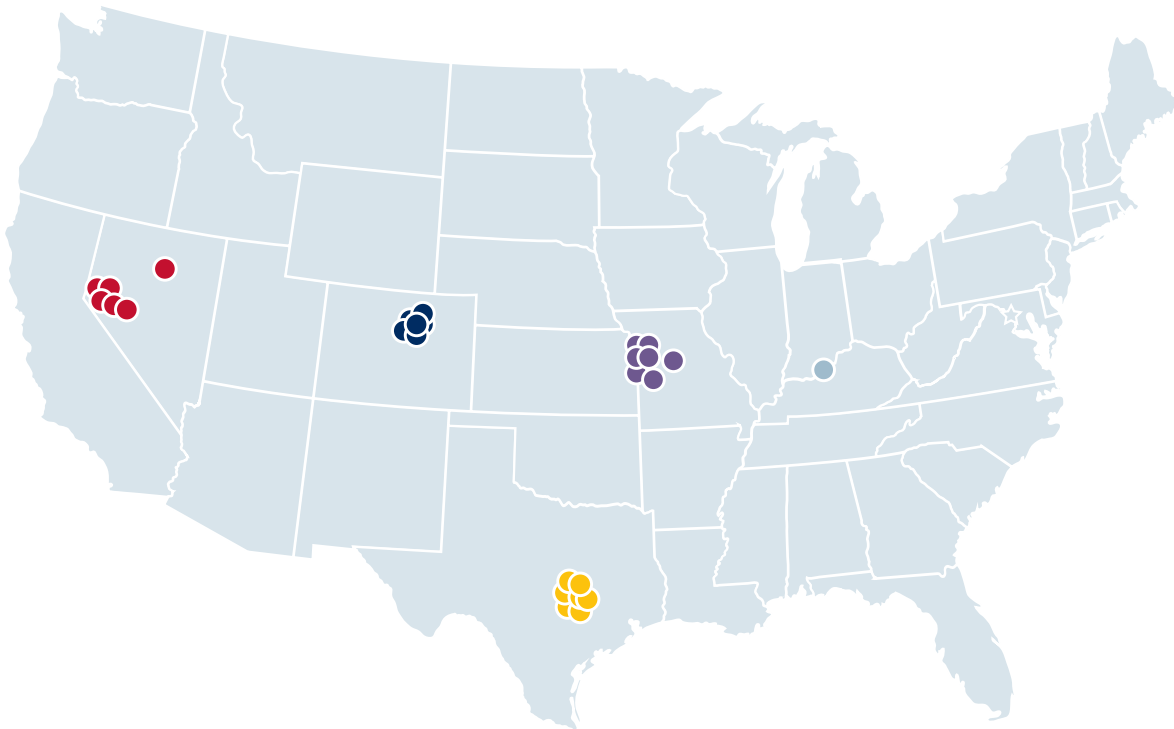
Readymix concrete is a versatile, low-cost building material used in almost all construction. The production of readymix concrete involves mixing cement, sand, gravel or crushed stone, and water to form concrete, which is then sold and distributed to numerous construction contractors. Concrete is produced in batch plants and transported to customers' job sites in mixer trucks.

The aggregates business consists of mining, extracting, producing and selling crushed stone, sand and gravel. Construction aggregates of suitable characteristics are employed in virtually all types of construction, including the production of readymix concrete, flexible base and asphaltic mixes used in highway construction and maintenance.



*Our subsidiary, Centex Materials, serves the Austin area with six readymix plants.*

## Located Strategically Near Our Cement Plants



# How We Operate

## Committed to Health, Safety & Environment Excellence

Eagle Materials is dedicated to upholding the highest standards of health, safety and environmental (HSE) performance.

### Everyday We Commit to:



#### Health and Safety

Ensuring the health and safety of our valued employees, contractors and the public.



#### Environment

Meeting or exceeding all environmental laws and regulations while protecting the environment and all natural resources.



#### Continuous Improvement

Measuring and evaluating our performance to continually improve our operating practices for safety and to minimize our environmental footprint.

### Our HSE Strategy Focuses on:

- **Safety and Environmental Programs:** We implement employee safety procedures, environmental processes, emergency response programs, incident tracking and reviews to maintain the highest level of safety and environmental performance.
- **Training:** We educate and train our employees on safety and environmental procedures and job expectations.
- **Evaluations:** We perform HSE compliance and process assessments at all our facilities and implement corrective actions. Evaluations of incidents, near misses and hazard observations are performed including trend analyses and, in some cases, formal investigations. Learnings are documented, corrective actions implemented and findings communicated company-wide.

We hold an annual safety conference during which we review our safety performance, assess the effectiveness of our programs, and determine improvement actions. Attendees include operations leaders, HSE managers, and our management team. Specific areas of review include training programs, best practices, and leading indicators, such as near miss reporting and root cause analysis of all lost-time injuries. Our Board of Directors (Board) and management team also receive updates on business unit HSE performance throughout the year.

2023

# Sustainability Highlights

## 23%

YOY decrease  
in companywide  
water consumption

### Reducing our Environmental Footprint

- Aspirational goal of net zero emissions by 2050
- Goal to reduce CO<sub>2</sub>e intensity at our cement plants 20% by 2030 from our 2011 baseline
- Participating in carbon capture research and innovation
- Entered into partnership with supplementary cementitious materials (SCM) company
- 67% of cement sales volumes was PLC and other blended cement products

## 35%

Increase in hazard  
observation and  
near miss reports  
from 2021 to 2023

### Protecting Our Employees' Health and Well-Being

- 100% of business segments recorded lower TRIR averages than the applicable industry average
- Standardizing our Emergency Action Plans at each facility
- Hazard observations and near miss reports are useful leading indicators to prevent incidents

## 50%

CEO bonus pay  
tied to factors  
advancing our  
ESG priorities

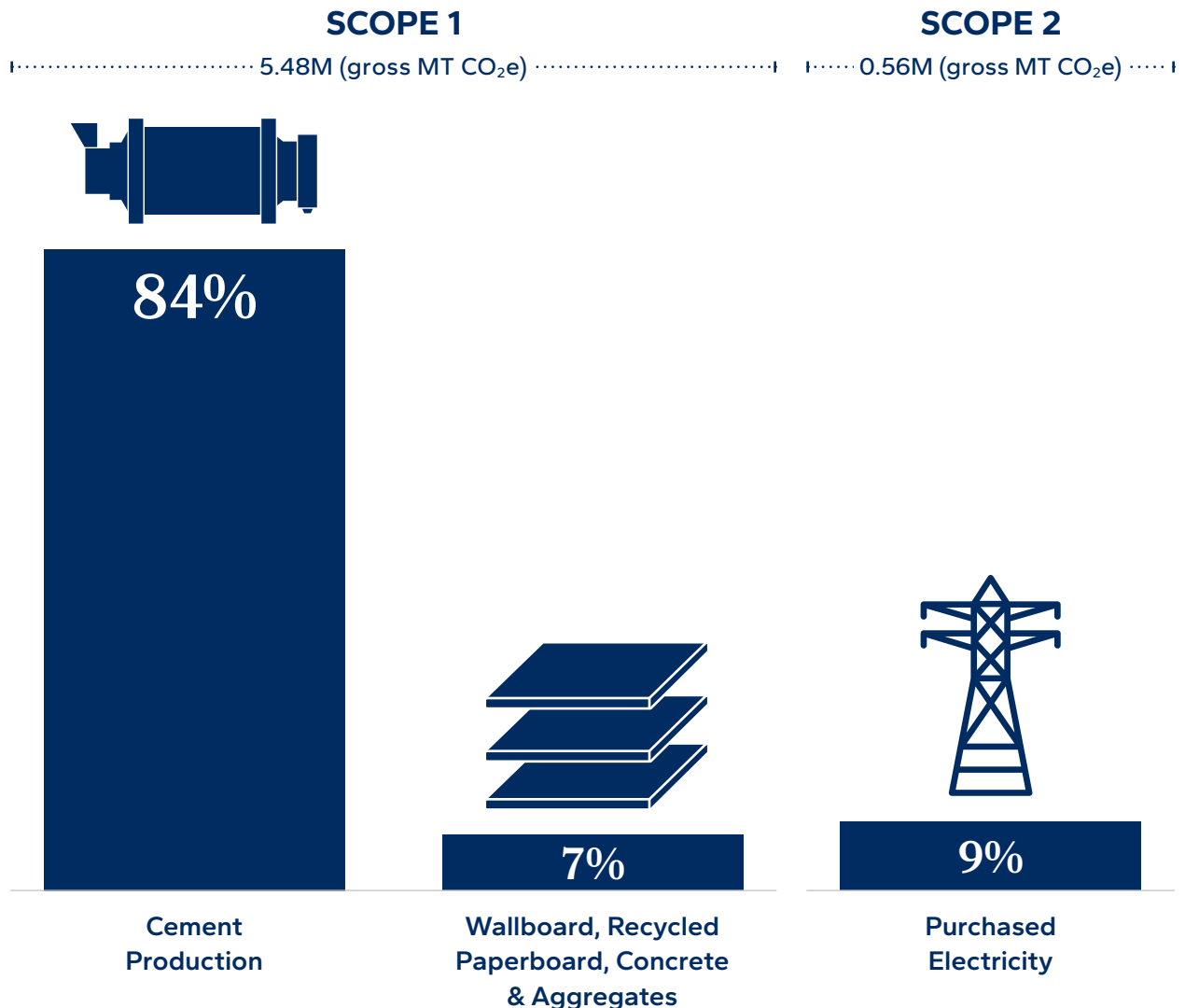
### Increasing Sustainability Governance & Transparency

- Created an internal Sustainability Steering Committee; launching work groups focused on sustainability challenges
- Reported Scope 1 and Scope 2 emissions for the first time (2023 reporting year)

# Scope 1 & Scope 2 Emissions

For monitoring and measurement purposes, Eagle utilizes continuous emissions monitors at our eight cement plants. However, for the purposes of this report and to better align with the TCFD framework, we utilize a calculation method to report our Scope 1 and Scope 2 GHG emissions. This calculation allows us to consider clinker substitution regarding a variety of materials, including slag, pozzolan and fly ash. Clinker substitution is a part of our overall strategy to reduce our GHG emissions, as is the use of lower carbon alternative fuels. The calculation also considers the percentage of alternative fuels we utilize at our facilities. Our calculations are based on GHG Protocol methods and emissions factors approved by well-accepted government sources such as the U.S. Environmental Protection Agency (USEPA) and best practices.

## 2023 Scope 1 and Scope 2 GHG Emissions



\*Percent contributions are based on combined gross Scope 1 and 2 emissions (MT CO<sub>2</sub>e)

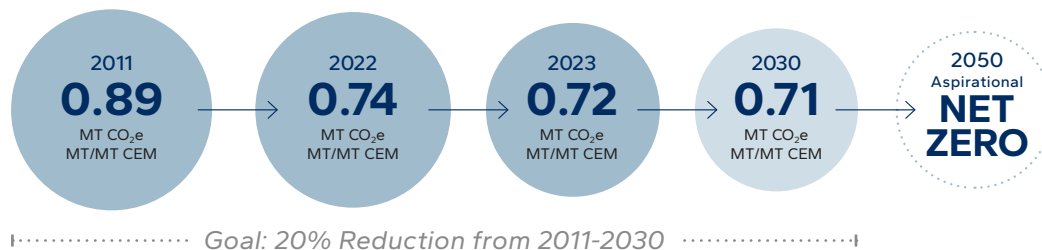


# Climate Strategy

Eagle recognizes the need to reduce GHG emissions in support of global climate goals. As such, we have an ambition to achieve net zero (Scope 1) GHG emissions by 2050 and have started making strategic shifts in our business to reduce the CO<sub>2</sub>e intensity at our facilities. As depicted in the previous figure, cement production is responsible for 84% of our total combined Scope 1 and 2 emissions. This is why our climate strategy is primarily focused on reducing CO<sub>2</sub>e intensity from our cement business. Recognizing that we have made substantial progress toward our 2030 cement intensity goal through the increased use of PLC, other blended cements, and alternative fuels, if we reach our 2030 goal early, we will continue our efforts to reduce our CO<sub>2</sub>e intensity and exceed our stated reduction goal.

## Progress Toward Net Zero

*\*Intensity is based on Scope 1 emissions for our cement business unit only (units are net CO<sub>2</sub>e MT/MT of cement equivalent)*



Development and commercialization of key technologies are essential to meeting our aspirational goal of net zero by 2050

To transparently report on our emissions reduction efforts, we must start by accurately defining and calculating our emissions. It is important to note the multiple methods that exist to calculate intensities in the cement industry.

### Multiple Factors Affect Calculation

Most U.S. cement today is produced by multinational firms that measure and report CO<sub>2</sub>e intensity at the cementitious level for their worldwide operations. Therefore, the geographic location and mix of operations and prevailing local market standards can be key drivers of CO<sub>2</sub>e intensity results.

### Peer Comparison is Difficult

We believe the best measure of our progress is to trend improvements against our past performance versus using peer com-

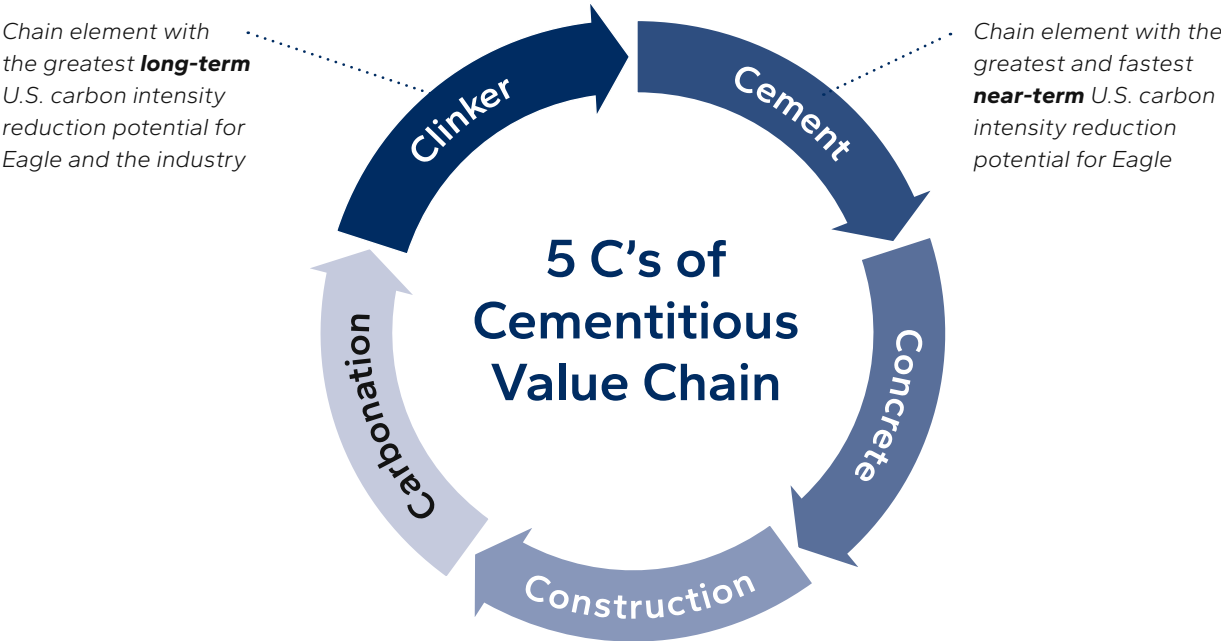
parisons. This is because Eagle is a U.S.-only producer, bound by U.S. laws and product performance standards such as the ASTM C-150 Standard. Meeting U.S. standards generally requires a higher clinker content for cement in comparison to other countries. This reflects fundamental differences internationally in product end-use applications, prevailing construction standards, and expectations about the longevity of structures.

### Supporting Performance-Based Specifications

Eagle supports the development of performance-based specifications over solely U.S. mandated prescription-based specifications. Performance-based specifications would allow for significant opportunities to spur innovation in concrete mixtures and enable the use of lower carbon materials depending on the use of the product.

## Reducing GHG Emissions

Recognizing that we can make the most emissions reduction impact through our cement business, we have developed a roadmap focused on the five elements of our cementitious value chain. While our agenda embraces each element of the chain, we recognize that the strategic boundaries of our business model focus primarily on the upstream manufacturing elements today.



### Roadmap to GHG Emissions Reduction

|                               | Clinker   | Cement                                     | Concrete                             | Construction                            | Carbonation               |
|-------------------------------|---|--|--------------------------------------|---|---------------------------|
| <i>Eagle Agenda (Present)</i> | <b>Continuous Operational Improvement</b>   | <b>PLC &amp; Blended Cement Conversion</b> | <b>Admixtures &amp; Mineralizers</b> | <b>Performance-Based Specifications</b> | <b>Recycled Concrete</b>  |
|                               | Lower carbon fuels utilization  | Development, introduction, marketing       | Development, introduction, marketing | Advocacy, education, engagement         | Testing cement & concrete |
| <i>Long-Term Priorities</i>   | Studying the development and commercialization of key technologies such as carbon capture, transport, use and storage, & clean hydrogen |  |                                      |   |                           |
| <i>2050 Aspirational Goal</i> | Working toward aspirational net zero goal (Scope 1)   |  |                                      |   |                           |

### **Working Toward 100% Blended Cement Products Including PLC**

Over the last two years, we have made significant progress in reducing our carbon intensity with the introduction of PLC and other blended cement products, which have similar performance characteristics but lower carbon intensity than traditional Portland cement. Limestone cement adoption also makes clinker “go further” and reduces reliance on foreign imports that have a much higher carbon intensity.

Eagle is shifting our manufactured products to 100% manufactured, blended cement products for construction grade applications in the U.S. Achieving this shift and related actions would potentially help us realize a 20% reduction in our CO<sub>2</sub>e intensity from our 2011 baseline by 2030. In 2023, approximately 67% of our cement sales volume were blended cement products including PLC. We will continue to transition our construction grade cement from traditional Portland cement during 2024 and be at the forefront of marketing and educating our constituents on the benefits of manufactured construction grade blended products.

### **Using Supplementary Cementitious Materials**

Admixtures are combined with concrete mix as extenders (lower-cost reactive materials) or to improve performance in certain lower aggregate quality availability situations. Eagle has pioneered the sale and use of natural pozzolan (pumice byproduct of volcanic eruptions) in the western U.S. where the Company has reserves. In the eastern U.S., we utilize blast furnace slag purchased from third party smelters. This slag is a byproduct and would otherwise be treated as waste.



### **CarbonCure™ Traps Carbon in Concrete**

In our Concrete & Aggregates business unit, we are utilizing CarbonCure™ — carbon removal technologies that introduce recycled CO<sub>2</sub> into fresh concrete to reduce its carbon footprint. A specific amount of captured carbon dioxide is injected into concrete where it is chemically converted into a mineral and permanently embedded. This process optimizes the mix designs of readymix plants while reducing the carbon footprint of their concrete.

### **Alternative Fuels Reduce Fossil Fuel Usage**

Eagle utilizes lower carbon alternative fuels at several of our facilities. We pursue new investments to increase our overall alternative fuel utilization and the number of options available to us for replacing traditional fuels. At our facilities, current permitted alternative fuels include tire-derived fuel, landfill gas, refuse-derived fuel, and fuel quality waste. Through the use of these alternative fuels, we conserve natural resources, reduce our GHG intensity and divert waste from landfills.



*Whole tires are launched into the kiln to displace coal usage at our Kosmos Cement facility in Louisville, Kentucky. Kilns at our different locations use a mix of coal, natural gas and alternate fuels. Alternative fuels can replace more than 60% of the original fossil fuels used in the pyroprocess, providing environmental and economic benefits to the surrounding communities.*

### **Partnering to Produce Low-Carbon SCM**

Eagle recently partnered with Terra CO<sub>2</sub>, the developer of a scalable low-carbon supplementary cementitious material (SCM). The companies entered into exclusive agreements for the potential deployment of multiple eco-friendly, low-carbon cementitious commercial-scale plants that would service three different geographic areas, including the Greater Denver market. The agreements grant Eagle the exclusive right to build and operate plants that, when developed and fully scaled, would have the potential to produce approximately 240,000 tons per year of SCM.

### **Carbonation**

Although this report does not take into account the carbonation process, numerous studies have shown that concrete naturally absorbs carbon dioxide over its lifetime. Carbonation is a process that takes CO<sub>2</sub> and an alkaline reactant to form calcium carbonates. In the case of concrete, it occurs naturally. Recent studies estimate that at least 30% of process CO<sub>2</sub> emissions created in cement production can be offset by this permanent absorption and sequestration of CO<sub>2</sub>.

## Future Technology Development

Other ways to reduce CO<sub>2</sub> emissions from cement production rely on developing technologies. The two most promising are carbon capture and clean hydrogen, although they are not without their challenges. Eagle is continuing to explore both options as potential longer-term solutions in our pathway to net zero emissions.

### U.S. Pathway to Low-Carbon Cement Requires Investment and Longer Timeline

The U.S. Department of Energy (DOE) released a report, *Pathways to Commercial Liftoff: Low-Carbon Cement*, in September 2023 outlining the challenges with implementing these solutions. The report states a “four-track pathway to liftoff” of low-carbon cement. This pathway includes adopting:

- Currently deployable measures
- Carbon capture, utilization and storage (CCUS)
- Alternative production methods
- Alternative binder chemistries

According to the report, it will take until 2050 to implement these technology tracks, and for emerging technologies (such as alternative binder chemistries and applied research and development opportunities), the details are less clear. Abatement potential is strongest with CCUS and alternative production methods (potentially 60 to 70%).

*Source: U.S. Department of Energy, “[Pathways to Commercial Liftoff: Low-Carbon Cement](#),” pg. 23. Published September 2023*

### Carbon Capture

Innovation and new technologies for carbon capture, transport, use and/or storage could materially address primary kiln emissions. These would also have the advantage of being “tailpipe” measures and possibly be scalable across all plants worldwide.

Many are researching carbon capture solutions and Eagle is an active participant. For example, the U.S. DOE awarded funding to Chart Industries’ Sustainable Energy Solutions to design, build, commission and operate an engineering-scale Cryogenic Carbon Capture™ (CCC) process. Chart Industries chose Eagle subsidiary Central Plains Cement Company’s plant in Sugar Creek, Missouri, to test and operate its process. This project is one of 12 awarded by the DOE to advance point-source carbon capture and storage technologies.

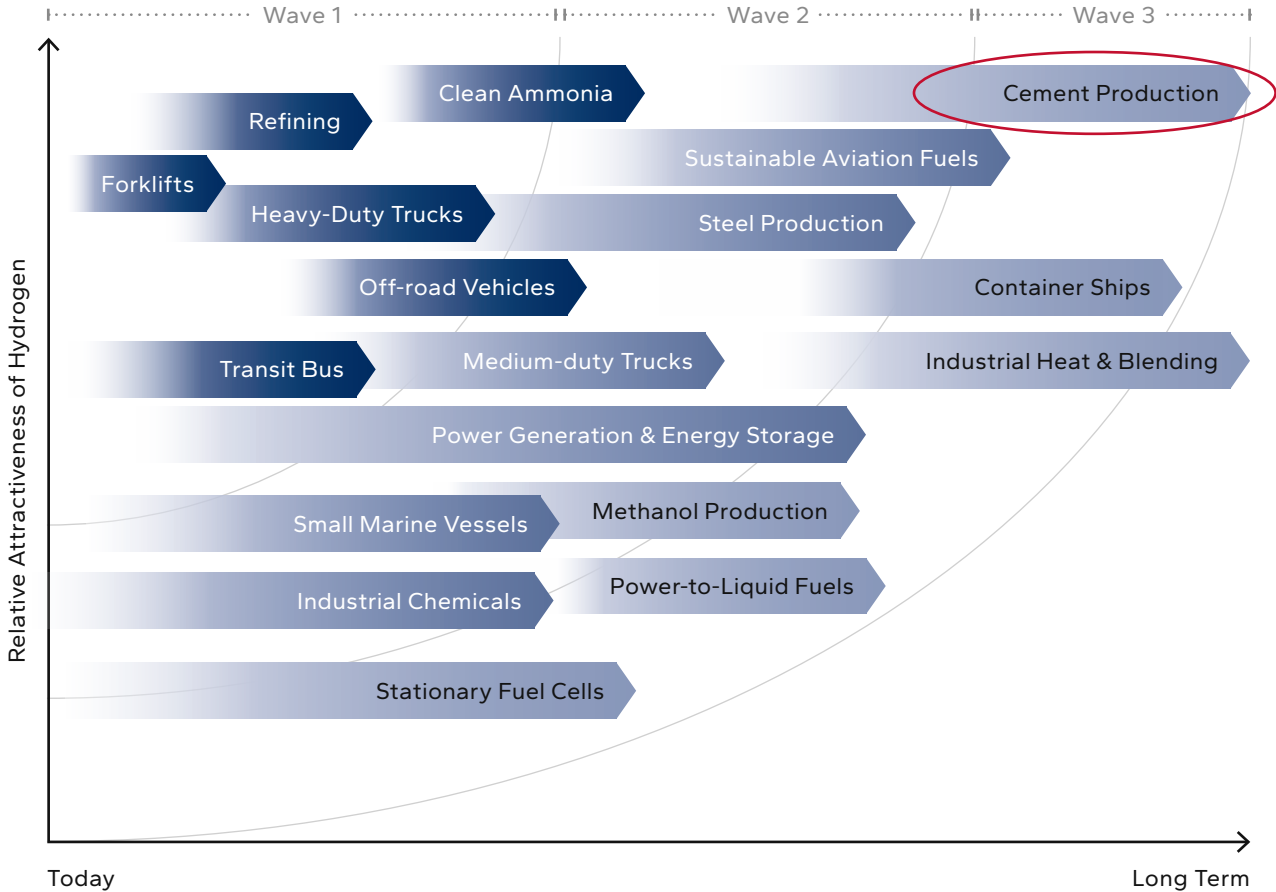
CCC is an innovative technology with the potential to reduce carbon emissions from fossil fuel power plants and industrial facilities by 90 to 99% at half the cost and energy of alternative carbon capture technologies. The goal of the project is to demonstrate that it captures more than 95% of the CO<sub>2</sub> from the flue gas slip stream and produces a 95% pure CO<sub>2</sub> stream.

**Clean Hydrogen**

Hydrogen can be produced from diverse domestic resources with nearly zero GHG emissions. Once produced, hydrogen generates electrical power, emitting only water vapor and warm air. Based on these properties, clean hydrogen is being researched as a viable solution to help the U.S. reach its climate change-related goals.

The federal government expects there to be three phases of clean hydrogen development based on the relative attractiveness of each application. The DOE produced a National Clean Hydrogen Strategy and Roadmap within which it estimated the prospects of utilizing hydrogen for cement production are long term.

**Phases of Clean Hydrogen Development**



Clean hydrogen will be developed in waves, based on the relative attractiveness in each end-use application. Arrows depict the time frame when hydrogen is expected to be competitive with incumbent technologies at scale throughout the U.S.

“The phases of clean hydrogen deployment are highly dependent on the development of technology, research, and supportive policy structures.”

Source: U.S. Department of Energy, [“U.S. National Clean Hydrogen Strategy and Roadmap.”](#) pg. 73 (adapted from Figure 41); quote from pg. 75. (Published June 2023.)

# Air Quality

At our cement plants, we control, monitor and report on a plant-by-plant basis the emissions covered under the USEPA's Portland Cement NESHAP (National Emission Standards for Hazardous Air Pollutants) and other state and federal regulations specific to the cement industry. Similarly, we follow local, state and federal air regulations for our wallboard, recycled paperboard and concrete & aggregates business units. Please see our [SASB index](#) that lists emissions with associated metrics.

# Natural Resources

Part of our business strategy is to own and operate reserves of limestone near our operations. Limestone is obtained mainly through mining and extraction operations conducted at mines and quarries that we own or lease, and that are located in close proximity to our plants.

As we proceed through our mining operation lifecycle, we follow applicable local and state regulations. Should a mine, quarry or facility close, we remediate the surface and often transform the land into beneficial uses. For example, at one of our legacy solid waste management units (through Kosmos Cement Company), the land was reclaimed (recapping a landfill) and a successful pollinator garden with diverse flowering plants was established. The area attracts a variety of butterflies, including monarch butterflies, and bees. Employees perform annual maintenance to keep out invasive plant species.

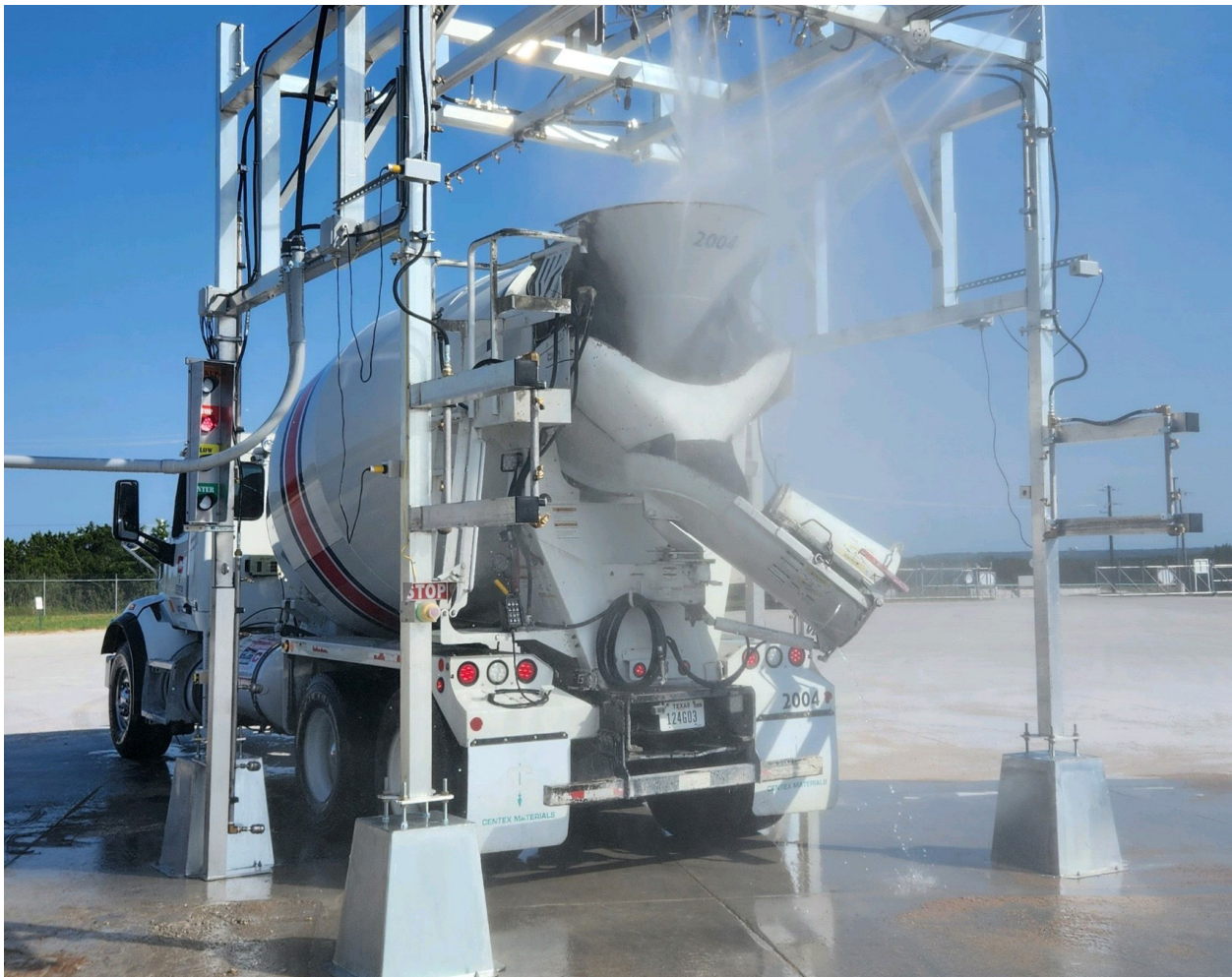


*One of our subsidiaries, the Fairborn Cement Company, reclaimed a quarry in Beavercreek Township, restoring it to a natural state of prairie grass and wetlands.*

# Water Management

Eagle understands the vital importance of water availability and quality for both the well-being of the communities and ecosystems where we operate and for the success of our own business endeavors. Our operations require water for several purposes including production, maintenance activities and reclamation. In addition to being prudent with water usage, we are also aware of the potential impacts our industrial discharges could have on the ecosystem surrounding our facilities.

Demonstrating our commitment to responsible practices, we strive for efficient water management and continuously explore opportunities for water reuse. Through ongoing investments in innovative processes and technologies, we are solidifying our commitment to improve our water efficiency.



*Readymix trucks require regular washing after loading. In our Concrete Aggregate business unit, we installed a Load and Go Ready Mix Truck Wash system at our Georgetown, Texas, plant. This truck wash system cleans the entire mixer in 45 to 60 seconds. Water used in the system is reused to produce readymix concrete or in other applications. We have plans to install these at additional plants in the future.*

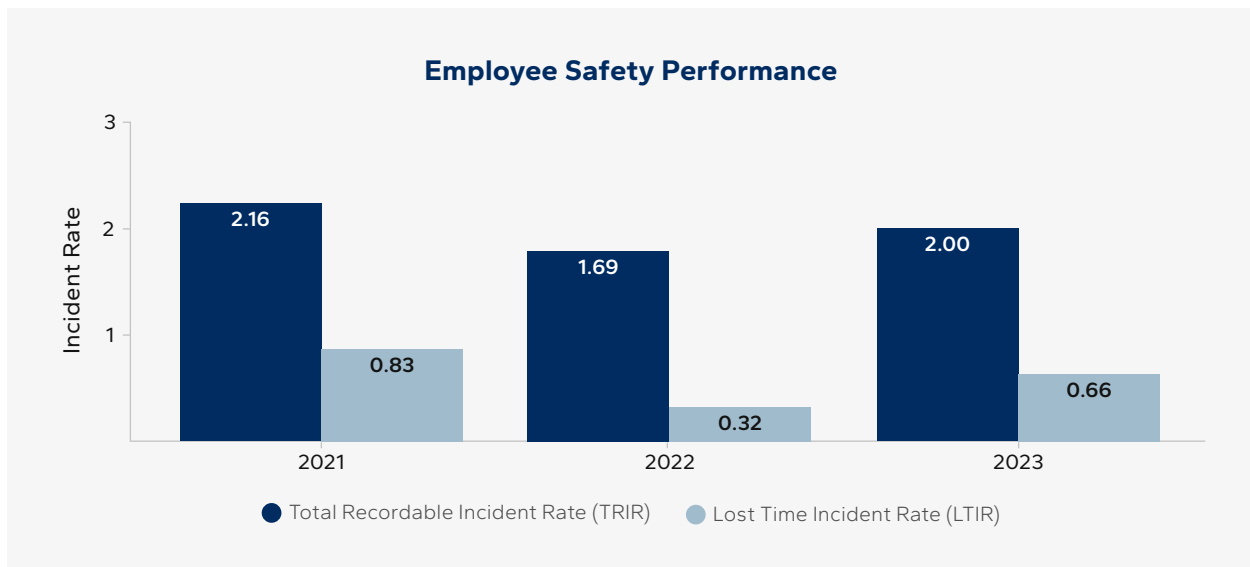


# Safety



## Workforce Safety

The safety of our employees, contractors and communities is paramount at Eagle. Our goal is always an injury-free workplace. This commitment is evident in our comprehensive safety and wellness programs, policies and procedures with clear accountabilities for all team members. To further drive this accountability, safety metrics are a key performance indicator under our short- and long-term incentive programs.



Safety trainings occur monthly at our facilities. We adhere to and are regulated by the Miners' Safety and Health Administration (MSHA) and the Occupational Safety and Health Administration (OSHA).

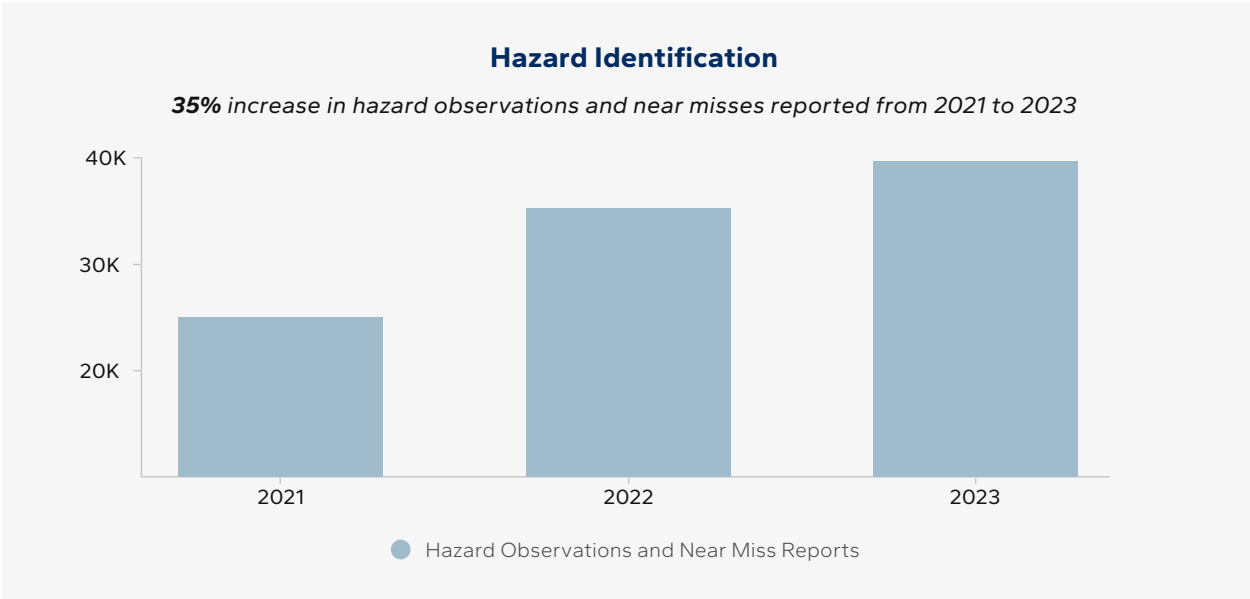
### Key Company Safety Indicators

We track and perform trending analyses on lagging and leading indicators to help shape our training programs and update our processes as needed. Our lagging indicators include TRIR and LTIR and our leading indicators are our hazard observation program, near miss reporting and Stop Work Authority.

### Hazard Observations and Near Miss Reporting

Hazard observations raise awareness about potential physical and behavioral risks in the workplace. Eagle's Hazard Observation Program was developed to improve safety performance by recognizing hazards and taking appropriate steps to mitigate or eliminate them before they result in an incident.

Near miss reporting focuses on occurrences where no property was damaged and no personal injury sustained, but where, given a slight shift in time or positions, damage and/or injury could have occurred. We track the trends from these leading indicators to create or modify policies and procedures and guide our training efforts.



### Empowered with Stop Work Authority

All employees and contractors are reminded regularly of their Stop Work Authority — the authority and obligation to stop a job if they believe an unsafe condition exists or has the potential to occur.

## Public Safety

### Emergency Preparedness

To prepare for and swiftly respond to potential emergencies at all our facilities, we have developed standardized site-specific Emergency Action Plans. These plans help guide our actions during an operational disruption, medical emergency, or natural disaster. We share these plans with our local emergency responders to ensure they are knowledgeable about potential hazards on our sites and to discuss the most efficient and safe means of ingress and egress.

Our preparedness procedures require immediate notifications to the proper on-site and corporate personnel, and to governmental organizations.

### Product Safety and Quality

We are dedicated to maintaining the highest safety standards for our products. Safe handling and use of our products is of utmost importance to us. Our finished goods are evaluated and compliant with the Globally Harmonized System of Classification and Labelling of Chemicals. We have developed Safety Data Sheets for each of our products, providing detailed information about safe use and handling. We publish these data sheets on our subsidiaries' websites and they are available at our facilities.



*A Quality Lab Assistant at the Georgetown, South Carolina American Gypsum plant performs a nail pull test on a section of wallboard.*

Our products are manufactured in accordance with ASTM Standards and Procedures and, as applicable, the Technical Association of the Paper and Pulp Industry (TAPPI) Standards. Each of our manufacturing facilities (cement, concrete and aggregates, wallboard, and recycled paperboard) has an internal lab that conducts quality and performance tests throughout the manufacturing process. We also utilize third party lab verifications.

Cement testing includes chemistry, fineness, setting time, compressive strengths and other tests specific to individual ASTM requirements. These tests help ensure our products produce high quality and

durable concrete. All of our cement plant laboratories conduct testing and certification of products in strict accordance with ASTM Standards and Procedures. These laboratories are accredited through the AASHTO Accreditation Program. For concrete, aggregates and advanced cementitious materials, we test to verify project specifications on strength, durability, permeability and other desired product characteristics from private, municipal, state and federal jurisdictions. These are all important qualities to produce high-quality and durable concrete structures.

Our wallboard labs test dimensions and tolerances, fire resistance, water resistance, and ASTM strength characteristics. We test our recycled paperboard for porosity, Z-Directional Tensile, and saturation among other parameters, in accordance with TAPPI Standards.



# Culture & Talent

Eagle employees are guided by a set of principles that reflect the unique performance and improvement culture at Eagle. These principles underpin the design of Eagle's robust Talent and Performance Management processes.

## Eagle Talent Management Principles

### **Each team member has the capacity to magnify their contributions at Eagle**

- Personal leadership is the expectation
- Leadership responsibility in supporting and building culture
- Knowledge transfer and the development of a pipeline of future leaders

### **Individual performance culture is ongoing and employees engage in formal performance discussions**

- Emphasis on leveraging personal strengths
- Job performance is primary focus and foundation for career advancement
- Results matter, as does how the results were achieved

### **Operating unit leaders manage the talent in their organizations**

- Includes hiring, placement, development, engagement and dismissal
- Corporate also has a role, particularly related to the highest-potential leaders

## Benefits

Eagle is committed to offering comprehensive benefits to our workforce. A few notable benefits include:



### Health and Fitness

We offer medical, vision and dental benefits to employees. Also included is a digital weight loss program that teaches proven weight management skills. Employees may also access exercise therapy, diabetes and blood pressure management, health coaches, a nurse line and telemedicine option. A wellness discount incentive program allows employees to forgo their premium surcharge by completing health screenings.



### Employee Assistance Program (EAP)

This program provides confidential counseling, expert guidance and valuable resources to help our employees handle life's challenges. From emotional support for anxiety to financial resources for retirement and insurance planning, our EAP offers a wide range of services.



### Family Accommodation

We support employees and their families by providing paid time off for bonding with a newborn or child (following birth or adoption).



### Retirement and Income Protection

Eagle employees are provided Life and Disability benefits securing future income. The company offers a 401(k) with a profit-sharing contribution and a Health Savings Account to support retirement and well-being goals.

## Diversity

Recruitment, retention and professional development strategies are implemented under the management of our Vice President of Human Resources and are used to ensure diversity across our organization. Additionally, Eagle has formal anti-discrimination and anti-harassment policies, and periodic training to establish clear guidelines and consequences for unacceptable behaviors.

[See our most recent EEO-1 data in the appendix.](#)

# Community Engagement

Given our large operational footprint, we are neighbors to many stakeholders across the country. Partnering with the communities where we operate is vital to our success. Most of our facilities have operated for decades and thus, have long-standing positive relationships with the communities where we operate. As a key local employer, we provide meaningful economic contributions and jobs in and around our neighborhoods. Beyond this, our employees contribute countless volunteer hours helping to improve the quality of life in the communities where they live and work.



In May 2023, Fairborn Cement partnered with the Fairborn Rotary, Fairborn High School and the Fairborn Digital Academy to prepare and plant a monarch butterfly pollinator plot. One acre of land owned by Fairborn Cement was set aside for the plot and the company purchased the wildflower seeds. Company volunteers monitor and maintain the project.



Our Illinois Cement plant donated reclaimed land to the City of LaSalle, Illinois, to help create a new 52-acre park. Through grants and individual donations, Rotary Park features soccer fields, baseball and softball diamonds and a wheelchair accessible playground, among other amenities.



Over a two-day period in July 2023, 46 employees from Eagle's headquarters in Dallas spent time preparing and packing meals at the North Texas Food Bank. These employees packed 48,720 meals for families in need in the Dallas community.

# Compliance & Ethics



At Eagle, we believe there is a right way to be successful. Our [Code of Ethics](#) (Code) is centered around the theme of the “Eagle Way.” The Eagle Way is to be professional, imaginative and resourceful and to always conduct our business with a strong sense of ethics and fairness. Operating with the right business principles is as important to us as achieving superior financial results.

The Eagle culture of “doing the right thing” is ingrained in all the work we do, but we also realize the importance of reinforcing our fundamental cultural principles and providing support in identifying and properly dealing with potentially adverse situations. This is particularly important as we grow as a company and as we face an increasingly complex business environment that demands high levels of business conduct awareness.

Our Code applies to every level of our organization, from our Board and executive management to our frontline workforce. The Code sets out an expectation that all employees act with integrity, lawfully, ethically and in Eagle’s best interest. Employees are required to sign the Code and complete annual compliance certification and training. The Code includes the following key concepts:

- Dealing with customers and suppliers
- Proper use of company assets
- Dealings with government
- Antitrust law
- Discrimination and harassment in the workplace

Our Code also contains certain restrictions and required approvals related to political contributions. In 2023, no political contributions were made by Eagle or our subsidiaries.

Eagle utilizes a third-party ethics hotline allowing any stakeholder to report alleged noncompliance anonymously, confidentially and without fear of retaliation. The ethics hotline number is posted on our internal and external websites and throughout our office locations. Every call is reviewed and investigated and, when appropriate, escalated to the full executive team. A record of the calls is provided to the Board’s Audit Committee.

## Codes and Policies

In support of our Code, we have policies that provide employees and others with clarification on appropriate actions in certain situations. A few of these policies include:

### Code of Vendor Conduct

This code provides an overview of the expectations and standards to which we hold our vendors, suppliers, contractors, consultants and service providers. Eagle is committed to ethical practices and compliance with all applicable laws and regulations wherever we do business.

### Human Rights Policy

Human rights are the fundamental rights, freedoms, and standards of treatment to which all people are entitled. Through this policy, we express our active and continuous determination to meet our responsibility to respect and support internationally recognized human rights standards in accordance with the 10 principles of the UN Global Compact and the Universal Declaration of Human Rights.

### Occupational Health and Safety Policy

This policy expresses our commitment to the safety and health of all our employees. We work with our employees to provide and maintain a safe, healthy and productive workplace by addressing and remediating identified risks of accidents, injuries and adverse health impacts.

### Supply Chain Transparency Statement

This policy statement reflects our commitment to maintaining a lawful and ethical supply chain. Eagle does not knowingly conduct business with suppliers who violate human rights or anti-human trafficking laws. Important components of our compliance program include supplier assessments, qualification, reviews and audits, as well as employee training and internal reporting and accountability.

## Enterprise Risk Management

Enterprise Risk Management (ERM) is incorporated into Eagle's daily business functions. It is an ongoing process to identify, assess, prioritize and mitigate significant enterprise risks that could materially impact the long-term health of the Company or prevent the achievement of our strategic objectives.

### ERM Process

#### 1. Identify

Rating criteria is developed for identified risks (impact, likelihood).

#### 2. Assess

Internal stakeholders are consulted and this information, combined with external factors and information, is used to validate and prioritize risks.

#### 3. Mitigate

Mitigation plans are developed by risk owners.

#### 4. Monitor & Report

Identified risks along with mitigation plans are monitored; changes in risk assessment and implementation of mitigation plans are reported regularly to the Board.



# Sustainability Governance

Our Board and Executive team work together to continuously improve governance best practices at Eagle Materials. For more detailed information on these efforts, please see the Company's Annual Report, Form 10K and Proxy for the year ended March 31, 2023.

The Board's Corporate Governance, Nominating and Sustainability Committee is charged with overseeing initiatives, opportunities and reporting on material environmental, social and governance matters. Within that oversight responsibility, the Committee provides updates and makes recommendations to the Board on current and emerging trends and matters that may affect our industry, operations, performance, and external relations of the company.

Our Vice President of Health, Safety & Environment reports directly to the Chief Executive Officer. In 2023, Eagle formed an internal Sustainability Steering Committee

## Compensation

As described in our annual proxy statement, the Company's executive compensation program reflects a pay-for-performance philosophy. The metrics that the Company uses for both our long-term and short-term incentive awards are selected to incentivize our Named Executive Officers to increase the value of our enterprise for our shareholders.

We believe that a significant portion of an executive's compensation should be "at risk" — that is, contingent on the achievement of performance goals and other important company objectives, such as in the areas of ESG or safety, and the individual's

(SSC) made up of a cross section of executive leadership. The SSC supports Eagle's ongoing commitment to safety and environmental initiatives related to sustainability and climate change impacts. The SSC reports to the Corporate Governance, Nominating and Sustainability Committee. Part of the SSC's role is to establish or maintain functional Focus Teams to research and consider new policies and practices related to sustainability. To that end, the first team developed in 2023 is the GHG Reduction Team.

The GHG Reduction Team's focus is to research and consider emissions reduction projects, evaluate new and emerging technologies and software that would increase the accuracy of measured and estimated emissions, and increase reduction equipment efficiency.

**90%** of our Board has ESG experience.

performance. In 2023, half of our CEO's annual bonus related to factors advancing the Company's sustainability priorities, including:

- Overseeing publication of the Company's updated sustainability report
- Continued development of our PLC product, which has lower carbon intensity than standard cement with similar performance attributes; and
- Increased use of alternative fuels.

For more governance-related information, please review our Annual Report, Form 10-K and our Proxy found on our [website](#).

# SASB Content Index

## International Sustainability Standards Board (ISSB) SASB Standards

### Construction Materials Standard

#### Based on Calendar Year 2023

| Topic                                | Metric   | Category                | Unit of Measure   | Code         | Disclosure Location   |
|--------------------------------------|--|-------------------------|---|--------------|---|
| <b>Greenhouse Gas Emissions</b>      | Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations  | Quantitative            | Metric tons (t) CO <sub>2</sub> e, Percentage (%)       | EM-CM-110a.1 | 5.48M   |
|                                      | Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets   | Discussion and Analysis | n/a   | EM-CM-110a.2 | Climate Strategy section  |
| <b>Air Quality</b>                   | Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) particulate matter (PM <sub>10</sub> ), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs) and (7) heavy metals | Quantitative            | Metric tons (t)   | EM-CM-120a.1 | 1) NO <sub>x</sub> - 11,020 tons<br>2) SO <sub>x</sub> - 2,180 tons<br>3) PM - 1,000 tons<br>4) D/F - 1.35 grams*<br>5) VOCs - 327 tons<br>Reporting cement kiln emissions only<br><i>*D/F number is CY2022 value</i> |
| <b>Energy Management</b>             | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative and (4) percentage renewable  | Quantitative            | Gigajoules (GJ), Percentage (%)                         | EM-CM-130a.1 | Alternative fuel use is discussed in the Sustainability Highlights page and Climate Strategy section.   |
| <b>Water Management</b>              | (1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress   | Quantitative            | Thousand cubic meters (m <sup>3</sup> ), Percentage (%) | EM-CM-140a.1 | 7,332   |
| <b>Waste Management</b>              | Amount of waste generated, percentage hazardous and percentage recycled  | Quantitative            | Metric tons (t), Percentage (%)                         | EM-CM-150a.1 | Not reported  |
| <b>Biodiversity Impacts</b>          | Description of environmental management policies and practices for active sites  | Discussion and Analysis | n/a   | EM-CM-160a.1 | How We Operate page, Environment section and Compliance and Ethics section  |
|                                      | Terrestrial acreage disturbed, percentage of impacted area restored  | Quantitative            | Acres (ac), Percentage (%)                              | EM-CM-160a.2 | Reclamation examples are discussed in our Natural Resources and Community Engagement pages.   |
| <b>Workforce Health &amp; Safety</b> | (1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees   | Quantitative            | Rate  | EM-CM-320a.1 | 2.00 employee TRIR and 0.66 employee LTIR; also see our Workforce Safety section. Zero fatalities on our sites  |
|                                      | Number of reported cases of silicosis  | Quantitative            | Number  | EM-CM-320a.2 | 0   |

## International Sustainability Standards Board (ISSB) SASB Standards

### Construction Materials Standard

Based on Calendar Year 2023

| Topic                                       | Metric  | Category     | Unit of Measure                        | Code         | Disclosure Location   |
|---|---|--------------|--|--------------|---|
| <b>Product Innovation</b>                   | Percentage of products that qualify for credits in sustainable building design and construction certifications                              | Quantitative | Percentage (%) by annual sales revenue | EM-CM-410a.1 | See the Recycled Paperboard section and Reducing GHG Emissions section which outlines our move to 100% blended cement products including PLC and our use of supplementary cementitious materials              |
|   | Total addressable market and share of market for products that reduce energy, water or material impacts during usage or production          | Quantitative | Presentation currency, Percentage (%)  | EM-CM-410a.2 | Not currently measured but see the Recycled Paperboard section and Reducing GHG Emissions section which outlines our move to 100% blended cement products and our use of supplementary cementitious materials |
| <b>Pricing Integrity &amp; Transparency</b> | Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities | Quantitative | Presentation currency                  | EM-CM-520a.1 | 0   |

# TCFD Response

## Task Force on Climate-related Financial Disclosures (TCFD)

Based on Calendar Year 2023

|  | Recommended Disclosures  | Response  |
|--|--|---|
| <b>Governance</b><br>Disclose the organization's governance around climate-related risks and opportunities.  | a. Describe the board's oversight of climate-related risks and opportunities.  | <p>Eagle's Board of Directors is the ultimate decision-making body of the Company with oversight of strategic planning, material transactions and financing, and compliance processes, among other responsibilities.</p> <p>Our Board is committed to effective oversight of environmental, social and governance (ESG) matters, including our climate-related risks, and ensuring progress across our sustainability initiatives. In particular, pursuant to its charter, our Corporate Governance, Nominating and Sustainability Committee has formal responsibility for leading the Board's oversight of these matters in coordination with management and other Board committees as appropriate. The Committee's ESG oversight responsibilities include providing updates and making recommendations to the Board regarding current and emerging ESG trends affecting the Company's business, reviewing the Company's environmental initiatives related to sustainability and climate change impacts and overseeing and reviewing the Company's public disclosures on ESG matters and related metrics. The Committee reviews ESG matters regularly.</p> <p>At the executive level, Eagle formed an internal Sustainability Steering Committee which is responsible for setting the Company's priorities on climate change and emissions reductions. The team is multi-disciplinary, made up of the CEO, CFO, General Counsel, VP of Investor Relations, Strategy and Corporate Development, VP of Engineering, and VP of Health, Safety &amp; Environment (HSE). The Committee meets quarterly and reports to the Board's Corporate Governance, Nominating and Sustainability Committee. The VP, HSE reports directly to the CEO.</p> <p>Working together, our Board, management team and specialized committees ensure we are implementing and properly disclosing a responsible climate and sustainability strategy that serves the best interests of the Company and its stakeholders.</p> |
|  | b. Describe management's role in assessing and managing climate-related risks and opportunities.   |   |
| <b>Strategy</b><br>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material. | a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.                               | <p>Eagle assesses its physical, energy transition and climate-related risks as part of our Enterprise Risk Management (ERM) process, which is integral to our strategic planning process. As noted in our 2023 annual report, our operations may be impacted by the following industry risk factors related to climate:</p> <ul style="list-style-type: none"> <li>• Unfavorable weather conditions (especially during peak construction periods) could cause unexpected operational difficulties.</li> <li>• Our and our customers' operations are subject to extensive governmental regulation, including environmental laws, which can be costly and burdensome.</li> <li>• Climate change legislation or regulations may adversely affect our business, including potential physical and financial impacts.</li> <li>• Increasing regulatory, stakeholder and societal ESG matters and our response to these matters could negatively affect our business.</li> </ul> <p>We recognize the need to reduce our GHG emissions in support of global climate goals. As such, we have started making strategic shifts in our business to reduce the CO<sub>2e</sub> intensity at our cement facilities. From transparently reporting our emissions data to developing a roadmap (and reporting on our progress) to reduce GHG emissions, we are working toward an aspirational goal of net zero by 2050. Our annual strategic planning and budget process are guided, in part, by our aspirational emissions reduction goal and investments.</p> <p>Our strategic planning process also considers climate-related opportunities for our business. Most notably, we are pursuing blended cement conversion (working toward 100% in our portfolio) and researching developing technologies such as carbon capture and clean hydrogen. Read more in our Climate Strategy section.</p>  |
|  | b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.                        |   |
|  | c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. |   |

## Task Force on Climate-related Financial Disclosures (TCFD)

Based on Calendar Year 2023

|   | Recommended Disclosures   | Response  |
|---|---|---|
| <b>Risk Management</b><br>Disclose how the organization identifies, assesses, and manages climate-related risks.  | a. Describe the organization's processes for identifying and assessing climate-related risks  | <p>Our ERM process identifies, assesses, prioritizes, and mitigates the Company's most significant enterprise risks. Significant enterprise risks are ones that could materially impact the long-term health of the Company or prevent us from reaching our strategic objectives. Findings from our ERM process and risk mitigation plans are reviewed at least annually by the Board.</p> <p>We evaluate climate-related risks through our Sustainability Steering Committee. In addition to assessing risks, this Committee helps to develop climate risk mitigation plans (most often related to emissions reduction, including our GHG Emissions Reduction Roadmap) and act on climate-related opportunities (shifting to blended cement products, for example).</p> <p>Specific to climate risk mitigation, in 2023 we created a GHG Reduction Team, made up of a cross-section of engineers and operations personnel charged with assessing possible emissions reduction projects and new technologies. This team reports progress to the Sustainability Steering Committee at least quarterly.</p> |
|   | b. Describe the organization's processes for managing climate-related risks.  |   |
|   | c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.  |   |
| <b>Metrics and Targets</b><br>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. | a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | <p><b>2023 Scope 1 GHG emissions: 5.48M MT CO<sub>2</sub>e (gross)</b></p> <p><b>2023 Scope 1 GHG emissions intensity (cement business unit only): 0.72 MT CO<sub>2</sub>e/MT cement equivalent (net)</b></p> <p><b>2023 Scope 2 GHG emissions: 0.56M MT CO<sub>2</sub>e</b></p> <p>Our target is to reduce our cement Scope 1 GHG emissions intensity by 20% by 2030 from our 2011 baseline. We have an aspirational goal to achieve net zero (Scope 1) emissions by 2050. We are currently impacting those areas of our business where we can reduce emissions, but additional technology developments (such as viable carbon capture systems and/or clean hydrogen) are required to reach net zero.</p>  |
|   | b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.   |   |
|   | c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.                       |   |

# EEO-1 Data Table

## 2022 Reporting Year EEO-1 Data

Data reported from Dec. 16, 2022 through Dec. 31, 2022 (the most recent EEO-1 form)

| Job Categories  | Hispanic or Latino |           | Not Hispanic or Latino |            |                           |           |           |          |                                     |          |                                   |          |                   |          | Overall Totals |           |
|---|--------------------|-----------|------------------------|------------|---------------------------|-----------|-----------|----------|-------------------------------------|----------|-----------------------------------|----------|-------------------|----------|----------------|-----------|
|   |                    |           | White                  |            | Black or African American |           | Asian     |          | Native Hawaiian or Pacific Islander |          | American Indian or Alaskan Native |          | Two or More Races |          |                |           |
|   | M                  | F         | M                      | F          | M                         | F         | M         | F        | M                                   | F        | M                                 | F        | M                 | F        |                |           |
| <b>Executive/ Senior Level Officials &amp; Managers</b> | 3                  | 0         | 39                     | 3          | 0                         | 0         | 0         | 0        | 0                                   | 0        | 0                                 | 0        | 0                 | 0        | 0              | <b>45</b> |
| <b>First/Mid Officials &amp; Managers</b>               | 45                 | 6         | 260                    | 34         | 6                         | 4         | 7         | 1        | 0                                   | 0        | 7                                 | 1        | 3                 | 0        | <b>374</b>     |           |
| <b>Professionals</b>                                    | 5                  | 3         | 57                     | 20         | 5                         | 3         | 1         | 0        | 1                                   | 0        | 1                                 | 0        | 0                 | 0        | <b>96</b>      |           |
| <b>Technicians</b>                                      | 0                  | 0         | 7                      | 2          | 4                         | 0         | 0         | 0        | 0                                   | 0        | 0                                 | 0        | 0                 | 0        | <b>13</b>      |           |
| <b>Sales Workers</b>                                    | 4                  | 0         | 43                     | 7          | 0                         | 0         | 0         | 0        | 0                                   | 0        | 0                                 | 0        | 1                 | 0        | <b>55</b>      |           |
| <b>Administrative Support</b>                           | 4                  | 17        | 26                     | 60         | 3                         | 8         | 0         | 0        | 0                                   | 0        | 0                                 | 1        | 2                 | 0        | <b>121</b>     |           |
| <b>Craft Workers</b>                                    | 57                 | 1         | 270                    | 2          | 5                         | 1         | 1         | 0        | 0                                   | 0        | 9                                 | 0        | 4                 | 1        | <b>351</b>     |           |
| <b>Operatives</b>                                       | 281                | 10        | 661                    | 13         | 123                       | 1         | 5         | 0        | 8                                   | 0        | 23                                | 0        | 29                | 3        | <b>1157</b>    |           |
| <b>Laborers &amp; Helpers</b>                           | 18                 | 1         | 89                     | 5          | 9                         | 1         | 1         | 0        | 1                                   | 0        | 5                                 | 0        | 3                 | 0        | <b>133</b>     |           |
| <b>Service Workers</b>                                  | 1                  | 0         | 4                      | 1          | 2                         | 1         | 1         | 0        | 0                                   | 0        | 0                                 | 0        | 1                 | 0        | <b>11</b>      |           |
| <b>Total</b>  | <b>418</b>         | <b>38</b> | <b>1456</b>            | <b>147</b> | <b>157</b>                | <b>19</b> | <b>16</b> | <b>1</b> | <b>10</b>                           | <b>0</b> | <b>45</b>                         | <b>2</b> | <b>43</b>         | <b>4</b> | <b>2356</b>    |           |

