



BUILDING SOLID FOUNDATIONS
PARTNERING FOR STRONGER COMMUNITIES
2016 SUSTAINABILITY REPORT



CONTENTS

2 A MESSAGE FROM OUR CEO
3 EMPLOYEE INSIGHTS
4 COMPANY HIGHLIGHTS
10 SAFE OPERATIONS

16 EMPLOYEE WELL-BEING
22 COMMUNITY WELL-BEING
34 ENVIRONMENTAL STEWARDSHIP
44 CLOSING REMARKS

At Martin Marietta, sustainability is a core value that is driven by our employees. Their passion and fortitude elevate our efforts as a company, and their stories are shared within the pages of this report.

A MESSAGE FROM OUR CEO

To our Stakeholders,

At Martin Marietta, we are proud of the positive impact we make in our communities and, in 2015, we embarked on a journey to share our story.

Sustainability is a core value at Martin Marietta, a commitment that has the full support of our Board of Directors. It is our employees, though, who are at the heart of our sustainability initiatives and drive their success. Our employees care about and understand the needs of the more than 400 communities in which we live and operate.

In 2016, our employees directed our attention toward targeted and intentional support of housing, hunger reduction and healthcare. For instance, within this report you will discover firsthand how our national agreement with Habitat for Humanity and its 2016 Home Builders Blitz not only touched the lives of our communities through the donation of funds and material, but also encouraged our employees to make their own impact through volunteer activities.

We are committed to continuous improvement in all aspects of sustainability as we drive toward bringing greater long-term value to our stakeholders. One of our ongoing goals has been to track our progress and share these metrics, which you will see within this report. We have done great things this year, but our journey continues. We remain focused on building solid foundations, partnering with all of our stakeholders to help build and transform stronger communities, and always adding value to everything that we touch.

Sincerely,



C. Howard Nye
Chairman, President and Chief Executive Officer



EMPLOYEE INSIGHTS



Leon Roseborough
Foreman, Arrowood Quarry, Charlotte, NC

At Martin Marietta, safety is about being aware of what you are doing and what those around you are doing. It's about remembering what is most important – our families – and being able to go home safely to them at the end of each day.



Jeri Evans
Sales Representative, East Texas Ready Mix, Cement and Southwest Ready Mix Division, Longview, TX

At the end of the day, it's about safety and value. Martin Marietta values its people and wants each employee to be proud of the work they've done and the company they work for.



Daniel Flores
Plant Manager, North Columbia Quarry, Columbia, SC

When I joined Martin Marietta and learned of its efforts to be a good neighbor, it resonated. It's exciting that my company is out there every day making a positive impact on people's lives.



Aileen Gibson
Vice President of Technical Services, Magnesia Specialties, Manistee, MI

Caring for the environment is one of our core values. We constantly strive to improve our processes and minimize waste. Many of our products are used in environmental applications that mitigate air pollution, purify drinking water and treat waste water.

"At Martin Marietta, our people make the difference. Not only are they of the utmost integrity, but they are dedicated to safety, and they are talented and enthusiastic."

— Pat Walker
President, Rocky Mountain Division, Denver, CO



COMPANY HIGHLIGHTS

Martin Marietta's Hunter cement plant in New Braunfels, Texas



8,000+
Employees



352
Aggregate
Quarries & Yards



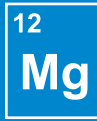
2
Cement Plants



146
Ready Mix
Concrete Facilities



8
Asphalt Plants



2
Magnesia Specialties
Facilities



Aggregates
A variety of stone, sand and gravel, including coarse, base, washed, fine, rip rap and specialty products. Our specialty products cover a wide range and include rail ballast and flue gas desulfurization.



Cement
Product offerings include: Type I/II Portland Cement; Type S Masonry Cement; Martin Marietta Lightweight Cement; Class A Cement; Class C Cement; and Type III Cement.



Ready Mix Concrete
For various uses including: commercial and institutional (interior and exterior concrete); residential; road and bridge, specializing in state and municipal concrete applications ranging from small repairs to large infrastructure projects; and specialty types of concrete with out-of-the-ordinary properties.



Asphalt
Hot-mixed asphalt and cold-mix/precoat asphalt offerings as well as paving services. In a limited number of markets, Martin Marietta is a full-service paving contractor serving state departments of transportation, cities and counties as well as private residential and commercial construction.



Magnesia Specialties
Offerings include: magnesium hydroxide slurry and powder; dolomitic lime; and a wide variety of magnesium oxide products that vary in chemistries and physical properties.



Cement-Treated Materials
Established products and technologies include Cem-Lime™, Rebase™ and SuperSlurry™.

OUR SUSTAINABILITY APPROACH

Martin Marietta supplies the resources needed to build the infrastructure of the world – the foundation on which we live. As a steward of the Earth's resources, Martin Marietta incorporates sustainability as a core value within its business agenda.



Safe Operations
Protecting all who come in contact with our products and operations, and creating a culture of responsible leadership



Employee Well-Being
Supporting and investing in our people – the foundation of our success



Community Well-Being
Being a responsible neighbor and supporting the communities that are home to our operations



Environmental Stewardship
Protecting the Earth's resources and reducing our environmental impact



“There are three elements to sustainability: social, economic and environmental. When these elements converge, that’s when you know you’re working with something that is truly sustainable.”

— **Bob Gutowski**

Director of Engineering, Magnesia Chemicals, Manistee, MI

BY THE NUMBERS

3,500

Homes that could be provided with water annually by five lined reservoirs created by Martin Marietta reclamation efforts in Fort Collins, Colorado

38%

Percentage of Martin Marietta employees hired in 2016 who are minorities

5,000+

People who toured Martin Marietta operations across the United States in 2016

89%

Reduction in waste coolants since 2010, when all mining equipment transitioned to using only Extended Life Coolants (ELCs)

20,000+

Total tonnage of Martin Marietta products donated to communities across the country in 2016

58%

Improvement in TIIR* for former TXI locations since Martin Marietta acquisition of TXI in 2014

*Total Injury Incident Rate

OUR AWARD-WINNING IMPACT

CONTRIBUTIONS WITHIN OUR LOCAL COMMUNITIES

The Diamond Awards were established to recognize and honor the extraordinary efforts made by our employees and operations based on progressive achievement within key performance metrics that reflect the backbone of Martin Marietta. In addition, these awards reaffirm the company's commitment to these goals and encourage each employee to achieve them. The first tier, the Diamond Achievement Award, was presented to more than 150 operations across the country that exhibited excellence in 2015. The Diamond Honor winners are depicted below.



ELITE PERFORMANCE AT JONES MILL QUARRY

In 2016, Jones Mill Quarry in Malvern, AR, was recognized as the Diamond Elite Award winner for demonstrating excellence in safety, ethics, operational excellence, sustainability, cost discipline and customer satisfaction during the 2015 calendar year.

Safety and communication have been two drivers of success for the Jones Mill team. The implementation of a mentor program, through which seasoned employees are teamed up with newer employees, contributes to the team's safety success.

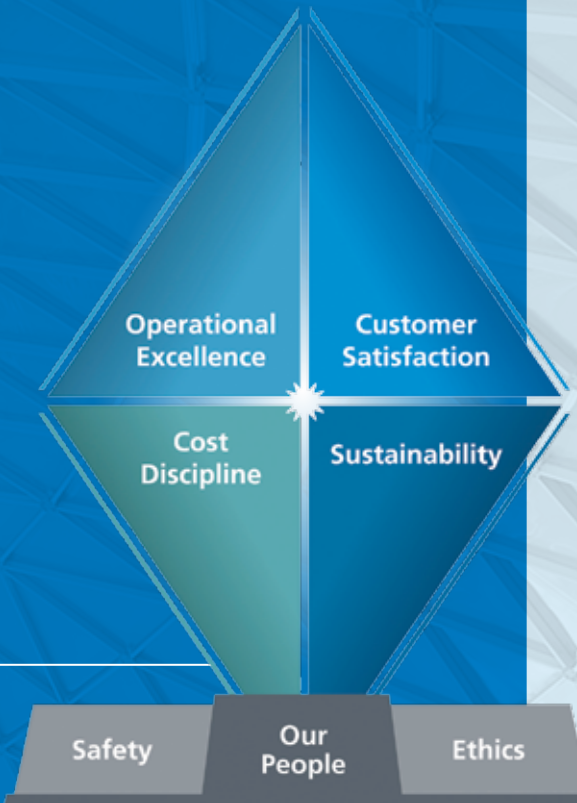
Additionally, innovative systems at the Jones Mill Quarry have helped increase the plant's production rate by more than 7 percent, leading to higher earnings and increased production. The cost per ton at Jones Mill decreased by 2 percent in 2015 compared with the prior year, contributing to the quarry's success and qualification for the Diamond Elite award.

DIAMOND AWARDS

The Diamond Awards program, introduced in 2015, recognizes the "best of the best" at Martin Marietta. The Diamond Awards program is comprised of three tiers:

- Diamond Elite**
- Diamond Honor**
- Diamond Achievement**

The Diamond Awards Program is a testament to Martin Marietta's commitment to these seven pillars, which serve as a solid foundation for the company.



Below are the inaugural class of Diamond Honor winners:

- 1. Guernsey Quarry**, Guernsey, WY
- 2. Raccoon River Sand & Gravel / Saylorville Sand**, Des Moines, IA
- 3. Stamper Mine**, Kansas City, MO
- 4. Hatton Quarry**, Cove, AR
- 5. Rio Medina Quarry**, San Antonio, TX
- 6. Apple Grove Sand & Gravel**, Racine, OH
- 7. Charlotte Quarry**, Charlotte, NC
- 8. Rock Hill Quarry**, Rock Hill, SC
- 9. North Columbia Quarry**, Columbia, SC

For more information on the Jones Mill Quarry and the Diamond Honor winners, visit our website: www.martinmarietta.com.

SAFE OPERATIONS

SAFETY FIRST AT MARTIN MARIETTA

Safety at Martin Marietta is a shared responsibility and vital to our company's culture. We must all do our part if we are to be successful in this, our most important endeavor.

When it comes to safety, our job is never finished. ZERO is the only acceptable number when it comes to both safety incidents and injuries. That continues to be our goal, and it is a goal that we can and will achieve. A number of our operations, both large and small, have seen ZERO as a reality. Now we are making strides to achieve this across our enterprise.



SENTINELS OF SAFETY

Each year, the National Mining Association (NMA) honors the nation's safest operations that have a minimum of 4,000 injury-free hours with the Sentinels of Safety awards. Initiated in 1925 by then-Commerce Secretary Herbert Hoover, the Sentinels of Safety awards remain the nation's most sought-after recognition in the area of mine safety. Since 2010, six Martin Marietta operations have received the Sentinels of Safety award.

In 2016, the prestigious award was bestowed upon Martin Marietta's New Harvey Sand plant, one of the company's dredge operations, located in Tracy, Iowa. Making the honor even more impressive – only five employees call New Harvey their home base, a fact that makes safety even more critical during the plant's daily operations.

"Every day, we know that safety is our top priority," said Jeff Holmes, a 27-year Martin Marietta veteran. "Our early mornings are dedicated to safety. We talk about the day ahead of us and we recite the Guardian Angel Creed. It's a valuable part of our routine and it drives home the facts that our personal safety and the safety of our operations are key."

"I feel empowered to stop anything I see as a safety hazard," said Chris Tool, one of New Harvey's newest employees, who, at the time of the Sentinels of Safety honor, had been with Martin Marietta for less than six months. "Everyone here is comfortable speaking up if something needs to be stopped or changed from a safety perspective. I feel that comfort level too, even as the new guy."

The New Harvey Sand plant and its employees celebrated the award with a dinner that included employees and their families. "We are pleased to be recognized for our safety achievements," said Plant Manager Tim Chambers. "These guys work hard every day to get the job done and to keep themselves – and each other – safe. Our collective goal is to get them all home to their families each night."



Martin Marietta's culture and safety performance earned it the prestigious Sterling Safety Award in 2016. This award is given by the National Stone, Sand and Gravel Association in recognition of achieving the lowest injury rate for the previous year.



Drawings like this are posted throughout the Southwest Division – a visual reminder for employees of why they work safely.

A HIGH 5 FOR SAFETY

It's no secret that achieving world-class safety requires extreme diligence. What few realize, however, is that maintaining a truly safe environment – be it at work or at home – requires remarkable foresight and a dedication to addressing potential issues before they become widespread.

Our focus on World-Class Safety requires us to look at every aspect of our program. For example, Martin Marietta's leadership noticed that hand and finger injuries – though relatively infrequent – had begun to trend in the wrong direction.

Seeking to limit the possibility of further incidents, the Southwest Division took action, forming a committee to investigate why the injuries were happening and how they could be prevented. From the group's effort came a safety initiative that's now keeping hands healthy across hundreds of operations.

Developed primarily from the everyday experiences of employees in the field, the High 5 for Safety program focuses on five points: Using Equipment Properly, Wearing Gloves, Identifying Hazards, Looking First and Being Aware, and the Rule of Thumb: Follow All Safety Rules.

Mark Moore, a divisional safety professional who was heavily involved in crafting High 5 for Safety, said "reinforcement" is the best word to describe the initiative.

"This is a common-sense approach to hand safety," he said. "It includes hazard- and task-specific information that can be directly applied by our employees."

First unveiled during a weeklong campaign featuring hard hat stickers, signage and hand-specific safety discussions, the initiative was rebranded in 2016 but continues to aim beyond just Martin Marietta locations.

Through targeted mailings, employees and their families were asked to trace their hands and write down their reasons for working safely. These works of art were returned to each employee's operation for posting on a dedicated High 5 for Safety wall like the one seen to the left.

Derric Paul, a mobile equipment trainer at the Lake June Ready Mix plant in Mesquite, Texas, said the mailing served as a valuable reminder to his family that safety should always come first.

"The program is another attempt to make sure we all go home safely, but the message is one the people at home should know, too," he said. "My son Darrius is 13 and when he's in the yard working, he's wearing my old safety boots, glasses and gloves. It's really a nice thing to see."

Plant managers like Tim Chambers play a vital role, modeling a relentless focus on safety. A retired Marine, Chambers joined Martin Marietta as a mechanic welder in 2000.



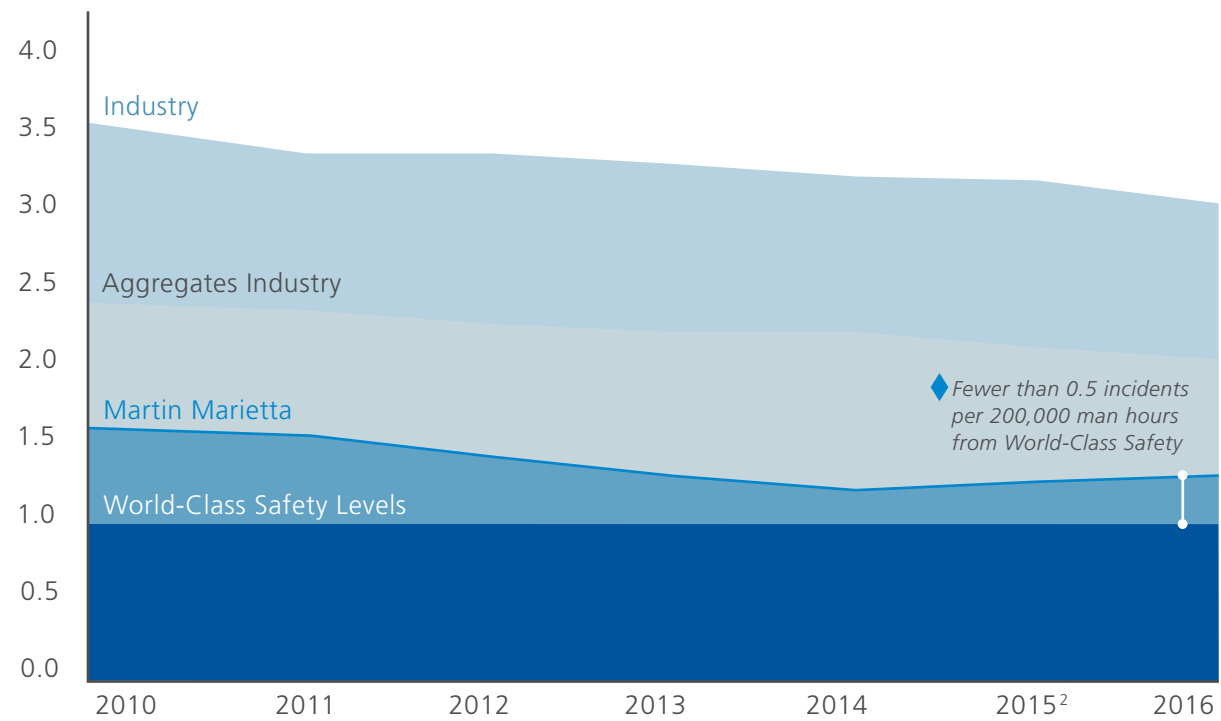
ACHIEVING ZERO

It drives the plant manager in Colorado. In Arkansas, it's the most important goal the railcar repairman sets for his children. When individual employees or entire teams go beyond attaining World-Class Safety to achieving zero incidents, Martin Marietta takes the time to celebrate.

This year, more than a dozen groups or teams were recognized for reaching such milestones, including several who completed and then extended 500,000- or 1 million-hour stretches of safe work. Individually, 27 miners in the Mid-Atlantic Division were honored – each for working more than 40 years without a reportable incident. Not to be outdone, Steve Johnson of Fort Collins, Colorado, was named the National Ready Mix Concrete Association's 2016 Driver of the Year – in part because of his 45 years of service without causing an accident.

TOTAL INJURY INCIDENT RATE

Martin Marietta has demonstrated its commitment to achieving World-Class Safety with a Total Injury Incident Rate lower than both the general industry and the aggregates industry.



Data current as of 12/31/16

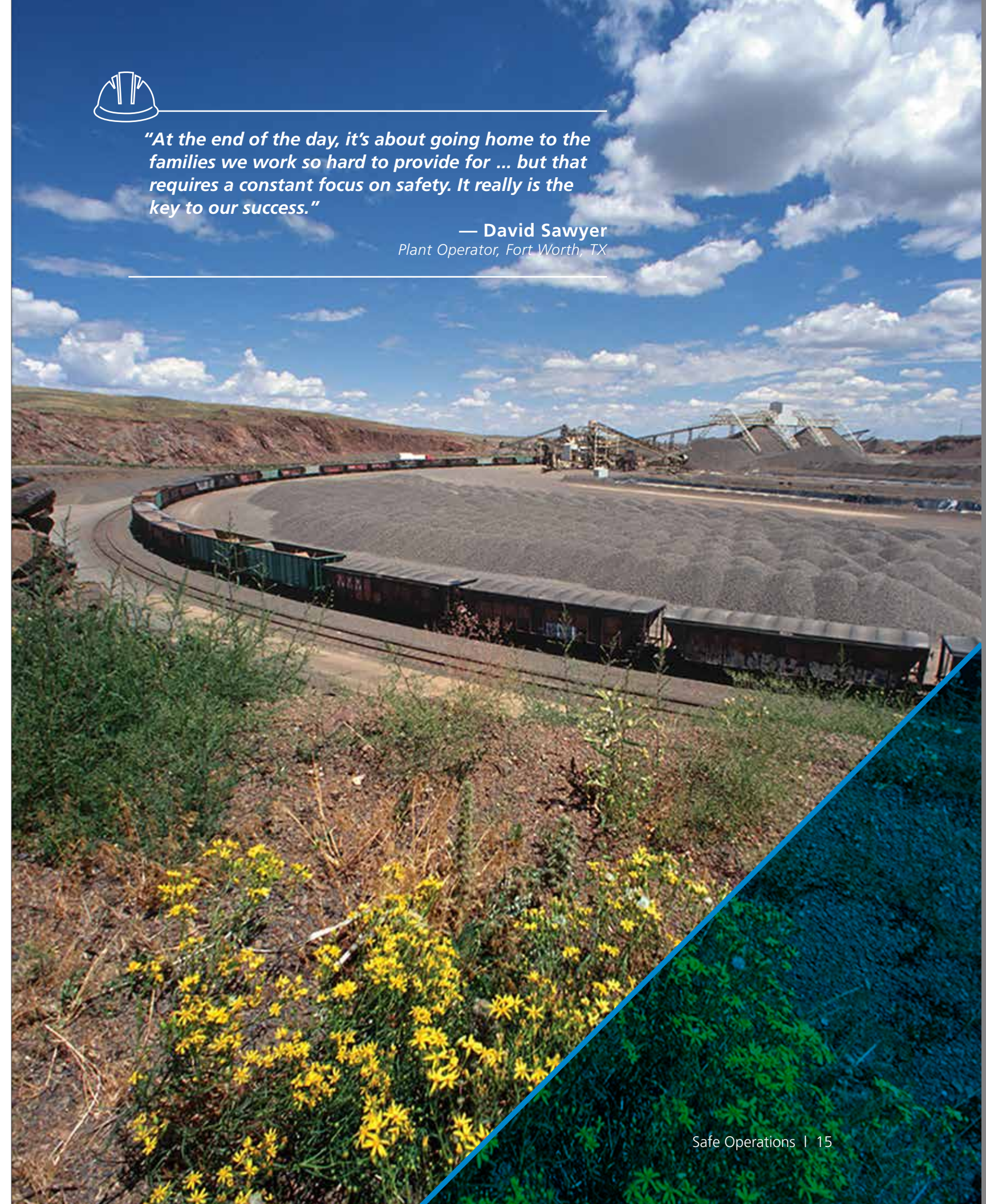
¹ Total Injury Incident Rate per 200,000 man hours worked

² Reported per the National Stone, Sand and Gravel Association (NSSGA) and the U.S. Bureau of Labor Statistics (BLS).



"At the end of the day, it's about going home to the families we work so hard to provide for ... but that requires a constant focus on safety. It really is the key to our success."

— David Sawyer
Plant Operator, Fort Worth, TX



EMPLOYEE WELL-BEING

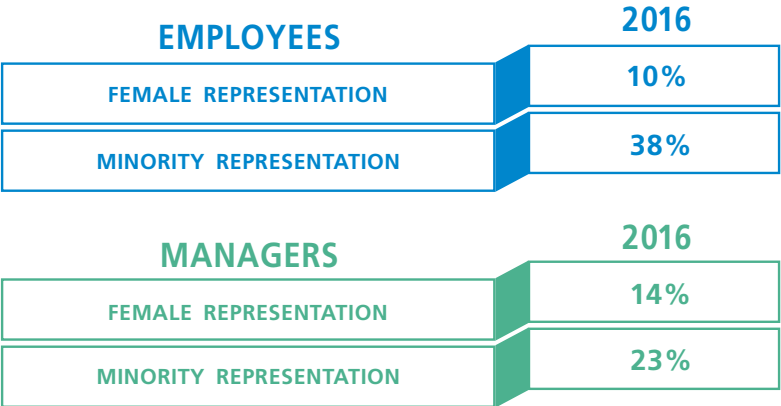
MARTIN MARIETTA EMPLOYEES DRIVE SUCCESS

At Martin Marietta, our people are the foundation of our success. Their excellence and passion drive our performance. We are committed to providing resources and programs to maintain the safety and wellness of our employees. Creating a culture where employee well-being and vitality are embraced is paramount to our success.



ATTRACTING THE BEST TALENT

Martin Marietta strives to have a diverse workforce that can offer different perspectives and new ideas. At Martin Marietta, it is viewed as a competitive advantage to attract women and minorities to its leadership positions, defined as manager level and above. Three of Martin Marietta’s six executive officers are women along with two of its 10 board members.



Data current as of 12/31/16

MOVING THE SMART WAY

Physically preparing for work is a critical part of each day at Martin Marietta operations. That is why the Mid-Atlantic and Southeast divisions have adopted a pre-shift stretching initiative designed to keep all employees moving and agile. The program aims to help employees fend off repetitive motion and other orthopedic injuries.

Jeff Dover, a gyratory crusher operator at North Carolina’s Fountain Quarry, says keeping his body in motion and trying to move properly have helped him on the job.

“While walking the catwalks, you’re at an incline,” he says. “You’ve got to slow down a bit and think about how you’re lifting and how you’re moving.”

Dr. Alicia Turner, owner of PhysioFunction, a North Carolina-based physical therapy and ergonomics consulting firm, made multiple visits to more than 85 locations across both divisions in the past two years to instruct employees on proper stretching techniques, field their questions and measure their progress.

“Developing a program for Martin Marietta was quite a challenge,” she said. “I couldn’t do what I typically would for a group of office workers. These employees are industrial athletes.”



In the fall of 2016, a Martin Marietta team collected \$18,000 for the National Multiple Sclerosis Society while participating in Bike MS, a two-day cycling event in historic New Bern, NC. A company team has participated in the annual race for the past seven years, raising more than \$140,000 for the nonprofit.

EMPLOYEE BENEFITS

At Martin Marietta, we work to create a workplace of safe, healthy and highly engaged employees.

Compensation and Benefits

Martin Marietta assesses compensation and benefits based on market analysis, benchmarking and internal pay equity. These assessments include pay equity between men and women to ensure fair compensation.

Benefits provided by Martin Marietta for employees and their families are comprehensive and high quality. Most are part of the Flexible Benefits program called Personal Choice, which enables an employee to select benefits that meet his or her individual needs. Martin Marietta offers medical, prescription drug, dental, vision, life insurance and long-term and short-term disability coverage. Benefits also include defined contribution plans enabling employees to save for retirement.

Health and Wellness

Employees' physical and mental well-being are important at Martin Marietta. Healthy employees are safer and more productive. Martin Marietta has integrated employee health and wellness into its business operations through:

- Health Club Membership/Weight Reduction Program – Employees who are members of an approved fitness facility or enrolled in an approved weight-loss program can be reimbursed for 50 percent of the cost (up to \$200 per year).
- Tobacco Cessation Program – Employees can be reimbursed for 80 percent of the cost (up to \$250) of a certified treatment program.

Employee Exposure Monitoring

Extensive monitoring is conducted by Martin Marietta to determine if employees are exposed to hazardous materials at levels above worker protection standards. Examples include the potential overexposure to respirable dust and potential exposure to noise that exceeds noise protection standards. Periodic voluntary medical surveys are conducted by the company to ensure that employee respiratory and auditory health are protected.

Martin Marietta Employee Relief Foundation

The Martin Marietta Employee Relief Foundation was created to help employees in need of financial relief following natural disasters, such as hurricanes, tornadoes, fires and floods. Since it was established in 2005, the Foundation has assisted more than 200 Martin Marietta employees and their families. Requests are carefully reviewed by a committee before relief funds are disbursed.



The Central Texas Aggregates District focused on family fitness and community service during a day playing kickball to raise awareness of and funds for the San Antonio Food Bank.

Tuition Reimbursement and Scholarships

Martin Marietta's Tuition Reimbursement Program provides up to \$5,250 per year for undergraduate and graduate degree-seeking employees who have at least one year of company service.

Additionally, the company awards up to six scholarships annually to the children of active employees and retirees. Scholarships are awarded to graduating high school seniors and are renewable for three more years providing the students maintain good grades.

Volunteer Programs and Giving

Martin Marietta's Education Gift Matching Program matches donations to the college or university of an employee's choice. The minimum contribution is \$25 and the maximum is \$10,000 per employee per year.



Oftentimes, Martin Marietta's benefits extend beyond just employees ...

For Executive Assistant Trina Easley and daughter Danielle Hunt, education is key. Trina, an 11-year employee, is utilizing the company's Tuition Reimbursement Program, working on her Bachelor's degree in Business Administration from Strayer University. Danielle is a Martin Marietta Scholarship recipient who graduated cum laude from the University of North Carolina at Chapel Hill in 2015.



MARTIN MARIETTA SCHOLARS: MAKING AN IMPACT

Martin Marietta believes that our commitment to our employees extends to their families. It is this belief that is at the heart of the Martin Marietta Scholarship program. The scholarship program awards up to six scholarships annually to a four-year college or university for qualified children of active employees or retirees. Along with their academic achievement, applicants are evaluated on their community involvement. Their impact extended to many of the same areas where we as a company have focused, including healthcare, hunger reduction and education. Here are just a few of the highlights:



Anna Collins blends her love of art by volunteering as an art teacher at a local school for children with special needs. She is the daughter of Donald Collins, Garner Quarry office manager, and studies at North Carolina State University.

Jonah Kinser serves his community by working with the San Antonio Food Bank, Habitat for Humanity and the San Antonio Road Runners. He is the son of Pat Kinser, New Braunfels plant manager, and Anna Kinser, safety data clerk. Jonah attends The University of Texas at San Antonio.



Since its inception more than 20 years ago, the Martin Marietta scholarship program has awarded more than \$1.1 million in scholarships to more than 100 children of Martin Marietta employees.

Matthew Gray leverages his talent to work with other students. Not only has he volunteered his time to organize several elementary school track meets, he also regularly tutors. He is the son of Ohio Customer Service Coordinator Jack Gray and attends Centre College.



Abigail Kirk is active in both the 4-H Club and Future Farmers of America and through those organizations has volunteered her time with churches and toy drives. She is the daughter of Mark Kirk, Greenwood Quarry truck driver, and attends Northwest Missouri State University.

Sarah Serrano works with The Spirit of Giving, a local charity. She also passes out free lunches to the less fortunate in her community and volunteers in a local hospital. She is the daughter of former Martin Marietta employee Mike Serrano, and she attends Texas A&M University.



Tarin Stephens has literally given blood to help his community. Not only does he regularly help the Red Cross to organize and staff local blood drives, he has donated blood seven times already. He is the son of Mill Creek Quarry plant operator David Stephens and studies at The University of Oklahoma.

Photo courtesy of Northwest Missouri State University.



COMMUNITY WELL-BEING

Martin Marietta recognizes that what we do is critical to communities across America. We take our role in local communities seriously and we strive to be good neighbors. In communities large and small, the relationships that we build in our own backyards define Martin Marietta.

Our employees are the driving force behind these relationships. In 2016, we focused our efforts on housing, hunger reduction and healthcare. From our local facilities to corporate headquarters, the lives of our employees were enriched as their efforts impacted our community neighbors. Martin Marietta activities ranged from building homes to providing first responders with valuable hands-on training opportunities to assisting with urban farms.

The actions and passions of our employees define who we are as a company, and it is they who create our national footprint with local interactions. Not only are they engaged in our communities, they are empowered and quick to act, making Martin Marietta a ready and willing community partner, able to assist in times of need.

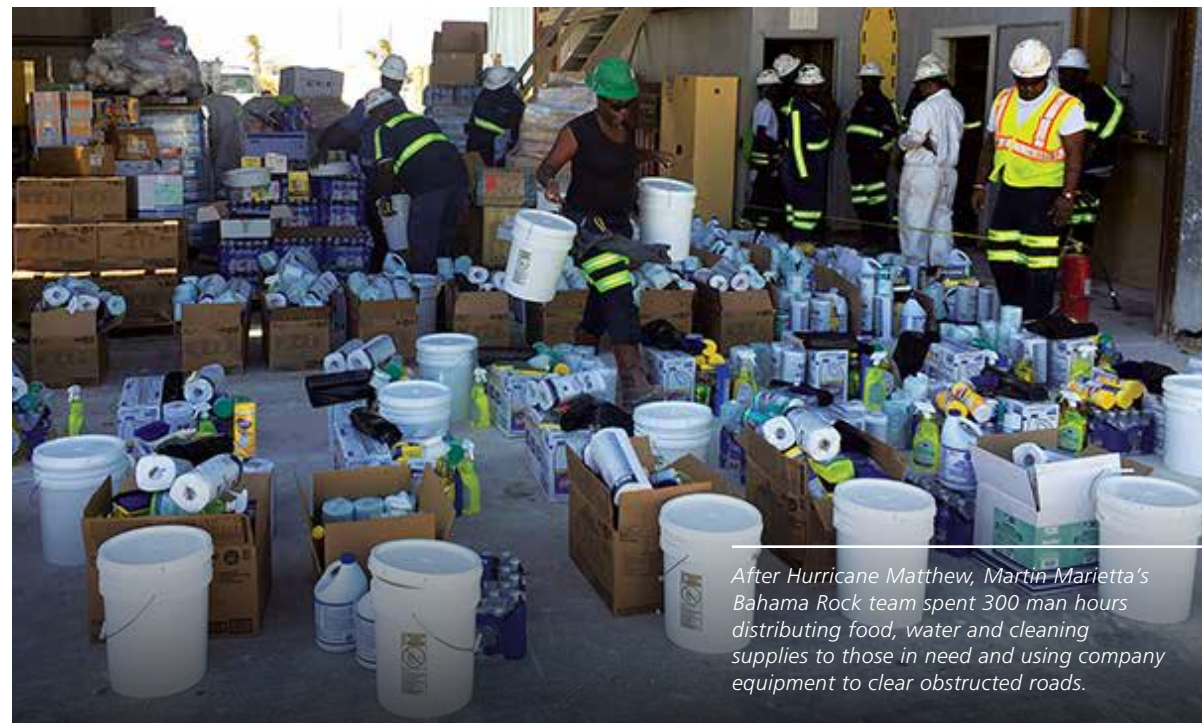
SUPPORTING OUR COMMUNITIES IN A TIME OF NEED:
HURRICANE MATTHEW RELIEF EFFORTS

Martin Marietta is committed to helping people affected by disasters, whether big or small. Hurricane Matthew first made landfall in The Bahamas before making its way to the United States on October 8, 2016. The hurricane brought up to Category 4-force winds, heavy rain and storm surges to communities across the Southeast. Officials reported damage of at least \$10 billion, making Matthew the costliest storm since Hurricane Sandy in 2012.

Martin Marietta's Bahama Rock operation wasn't expected to be open in the days leading up to and after Hurricane Matthew, but that didn't stop Plant Manager Lance Brown from doing what he could to help his team and the community manage the storm's effects.

Before Matthew struck the island, Brown and his team checked on employees and neighbors, offering surplus building materials and physical assistance to those unable to board up their own windows and doors. While making his rounds, Brown visited many others in the community, providing fresh food and water to those in need. When one homeowner expressed concern about flooding, Brown helped move her belongings to higher ground and invited her and her family to ride out the storm at his home.

In the storm's aftermath, Brown continued checking on employees while distributing more food and bottled water across the community. When necessary and without hesitation, he and the Bahama Rock team used company equipment to clear public roads of trees, sand and debris. At a local church, they provided cleaning supplies along with additional rations of food and water.



After Hurricane Matthew, Martin Marietta's Bahama Rock team spent 300 man hours distributing food, water and cleaning supplies to those in need and using company equipment to clear obstructed roads.

Stepping in to help their peers and friends, Administrative Manager Alisa Lockhart-Anderson and Foreman T.J. Mackey served as liaisons, bridging the gaps between employees, the community and the Bahamian government to provide much-needed assistance.

"Many families have thanked us," said Brown. "It was truly a team effort that wouldn't have been possible had so many not stepped up to act."

As recovery efforts in the Bahamas took shape, Matthew moved on, claiming lives and causing billions in damage across the southeastern United States. When the scope of the storm's destruction became known, Martin Marietta's leadership recognized that a monetary donation could help provide necessary aid. As it has done with other natural disasters, Martin Marietta donated funds to the relief efforts, in this case \$50,000 to the American Red Cross of Eastern North Carolina for Hurricane Matthew response and relief efforts.



"I am proud of the actions of Martin Marietta and its employees during the devastation caused by Hurricane Matthew. Employees did not hesitate to act when storm victims needed food, shelter and medical attention. This is a testament to Martin Marietta's outstanding company culture."

— Mike Quillen
Lead Independent Director, Martin Marietta

A SHARED MISSION

MARTIN MARIETTA, HABITAT FOR HUMANITY WORK TO BUILD DECENT, AFFORDABLE HOUSING

It's a place where he and his wife can relax at the end of each day, a place where his three boys can lay down to sleep feeling safe and secure, a place in which he can feel pride and ownership.

Standing on a foundation of Martin Marietta material donated by the company's Mid-Atlantic Division, Tyrell Mebane's home was constructed during Habitat for Humanity's 2016 Home Builders Blitz, a weeklong event in June.

For Mebane, 27, the house on Skinner Drive in Raleigh, NC, is home. And he's forever grateful for those who helped him get there.

"Things like this don't happen every day," he said. "Just to be here to see the people of this community volunteer alongside my family to help build our home – it's amazing and truly heartwarming."



During Habitat for Humanity's 2016 Home Builders Blitz, the nonprofit, its volunteers, partners and sponsors built or repaired nearly 250 homes in 69 communities across 31 states.

Following a 2015 pledge to support the Home Builders Blitz nationally, Martin Marietta contributed \$50,000 to the effort in 2016 and worked with Habitat offices across the country to provide much-needed materials. The relationship between the two organizations did not end there, however.

continued on page 29



The foundation of Tyrell and Kristle Mebane's new home was built using materials donated by Martin Marietta.





"As we were painting, one of the homeowners walked through and there was just this wonderful sense of community. I really enjoyed that feeling and felt great about our work."

-Bianca Taylor
Administrative Assistant, Raleigh, NC



Throughout the year, Martin Marietta teams formed and strengthened bonds with local Habitat offices. Together, they worked toward the shared goal of alleviating an affordable housing shortage described by Jonathan Reckford, CEO of Habitat for Humanity International, as "probably the worst since they started counting for affordable housing in the United States."

In Cedar Rapids, Iowa, this joint effort meant the donation of crushed stone and sand for three Habitat homes. Greg Hulbert, Cedar Rapids Quarry plant manager and sales representative, facilitated the donation and said the experience was rewarding.

"We worked closely with underground folks who were installing sewer and electrical systems as well as those pouring the foundations," he said. "Later, we donated landscaping gravel that really dressed those homes up nicely. They looked great."

Elsewhere, Martin Marietta employees brought their own muscle to the effort, volunteering time to help build and paint homes.

Bianca Taylor, an administrative assistant in the Raleigh, NC, office, supports several nonprofit organizations in her free time and jumped at the opportunity to work with Habitat.

"My family and I are always trying to contribute and help where we can because it's important to give back," Taylor said. "As we were painting, one of the homeowners walked through and there was just this wonderful sense of community. I really enjoyed that feeling and felt great about our work."

In 2017, Martin Marietta teams will continue building relationships with Habitat and its national network of offices.

"Partnering with Habitat for Humanity enables us to strengthen the communities where we live and work," said Larry Roberts, president of Martin Marietta's Southwest Division. "We are honored to work with an organization that has such a lasting and meaningful impact."

BETTER NEIGHBORS AND PARTNERS

MARTIN MARIETTA SUPPORT FOR MEDICAL FACILITIES BRINGS COMFORT AND HEALING

To some, it means a facility that will meet the needs of an expanding community. To others, it means a comfortable room where a child can go to be healed.

Martin Marietta often focuses on the importance of safety and the value of good health, but when illness or injury impede that lifestyle, it's the company's financial support that can make all the difference.

Over the next five years, Martin Marietta has pledged \$250,000 to benefit the North Carolina Heart and Vascular Hospital at UNC REX in Raleigh, NC.

When the 114-bed facility opens in 2017, it will serve more than 1 million people living in Wake County, which has been growing at a rate of 30,000 people each year.

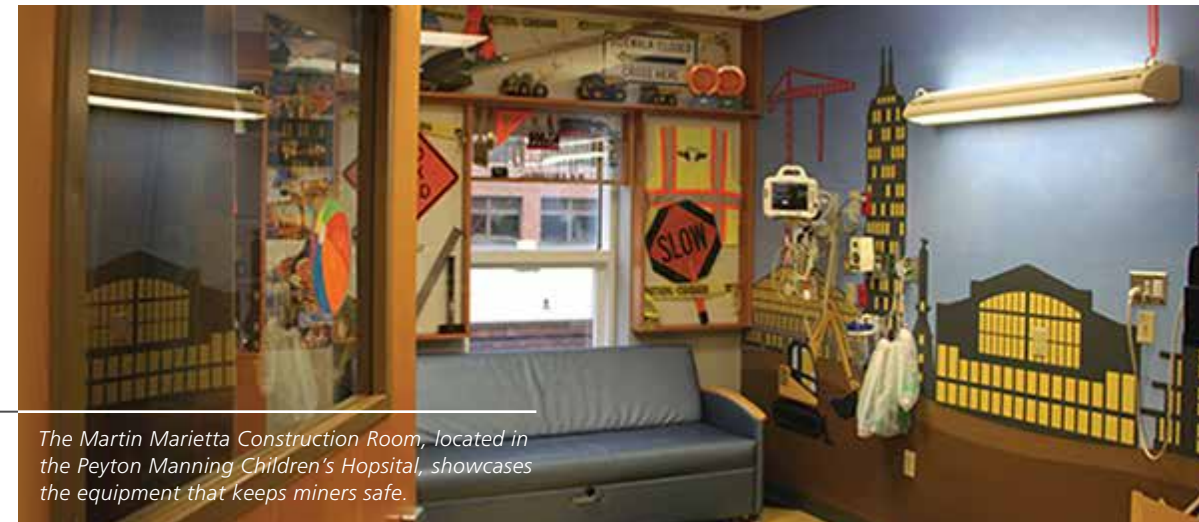
Steve Burriss, president of UNC REX, said Martin Marietta's support has been vital as the world-class hospital takes shape.

"Providing treatment, rehabilitation and education in one centrally-located facility, the Heart and Vascular Hospital will be a resource for many in central and eastern North Carolina," he said. "We cannot think of better neighbors and partners than the folks at Martin Marietta."

In the Mideast Division, the company's leadership has spent a decade cultivating a neighborly relationship with the Peyton Manning Children's Hospital at St. Vincent.



The North Carolina Heart and Vascular Hospital at UNC REX located in Raleigh, NC.



The Martin Marietta Construction Room, located in the Peyton Manning Children's Hospital, showcases the equipment that keeps miners safe.

In 2005 – as the Indianapolis pediatric hospital first discussed the idea of themed treatment rooms – Martin Marietta was the first company to offer \$25,000 for the Fossil Room. The hospital has since secured funding for more than 20 additional themed rooms.



In 2016, Martin Marietta reaffirmed its support to the Children's Hospital, donating an additional \$25,000 to redesign and refurbish its original space.

Dedicated in April, the new Martin Marietta Construction Room provides children and their families with a first-hand look at the equipment that keeps miners safe.

"When a child is brought into a decorated room, they see what's happening in a completely different light," said Rachael Smock, director of the children's hospital. "It helps take away that fear and that anxiety."

Martin Marietta's Chairman and CEO Ward Nye understands the importance and significance of such efforts. A volunteer who serves as vice chair of the UNC REX Board of Trustees, he has witnessed the demand across the country for medical facilities that offer the latest and best methods of care. "We're honored to partner with UNC REX and proud to assist the Peyton Manning Children's Hospital," Nye said. "These healthcare organizations are committed to providing healing environments for their patients complete with world-class physicians utilizing the most advanced medical knowledge, treatment methods and technology. By combining truly innovative practices with time-tested kindness and compassion, they'll offer their patients – many of whom will be our employees, their neighbors and their families – unrivaled experiences for decades to come."



Martin Marietta's meal packing event to support Stop Hunger Now packaged more than 30,000 meals for children.

GOOD CORPORATE CITIZENS

MARTIN MARIETTA FIGHTS FOOD INSECURITY

It's an astonishing fact. More than 42 million people woke up at some point in the past year, hungry, in a food-insecure home, uncertain of where they would find the money or resources needed for their next meal.

That those 42 million people are Americans living in the world's largest economy during one of the most affluent periods in human history shifts the issue from shocking to heartbreaking. But there are groups out there working for a change and Martin Marietta is proud to partner in their efforts.

Each year, our employees from just about every part of the country step up to assist food pantries, soup kitchens and meal packaging programs working to bring aid to local communities and beyond.

In late 2015, Jeff Robinson, a sales representative in the North East Texas Ready Mix district, helped organize his group's inaugural Holiday Food Drive, which collected more than 3,200 pounds of non-perishable donations for the East Texas and North East Texas food banks.

Looking to build on the drive's success, Robinson, along with Sales Representative Jeri Evans and Maintenance Shop Manager Ed Hacker organized a second drive in late 2016. Again, team members opened up their hearts, providing enough donations to fill two large pallets with food.

"Our hope is that we bring healthy meals to folks in need and a little sunshine to people who may be going through a dark time," Robinson said. "We want people to know that they're important and that there are others out there who care about them."

Neil Grant, the Midwest Division's natural resource manager, had similar thoughts when he noticed that several employees in Iowa had recently mentioned working with Meals from the Heartland, a nonprofit that provides food to communities across the state, country and beyond.

Grant contacted the organization and scheduled an event for about 40 divisional employees. "What really impressed me is that I arrived 20 minutes before the start of the event thinking I'd be early, but by then our crew was already there, had received training and was ready to begin," he said. "We worked hard and had a lot of fun in the process. Meals from the Heartland is a great organization serving an even greater cause: reducing hunger."



The Midwest Division identified multiple ways to help in the fight against hunger, from packaging more than 25,000 meals paid for by a \$5,000 Martin Marietta donation to providing Meals from the Heartland with 16 tons of gravel for use at its new facility.

Aware that the issue is a global concern, Vice President of Corporate Tax Pam Kelly organized a day of service in September for more than 100 people on Martin Marietta's corporate finance team in Raleigh, NC.

Working with Stop Hunger Now, an American organization with a global network of offices that provides meals to needy people in underprivileged countries, Kelly's team – with company assistance – funded and packed more than 30,000 meals for hungry children and adults.

"Food insecurity is real, so as a person with the wherewithal to help, I feel obligated to do so," Kelly said. "Martin Marietta as a company shares that sense of obligation. We want to be good corporate citizens and providing nutritious food for those in need is a great way to do that."

ENVIRONMENTAL STEWARDSHIP

ACHIEVING POSITIVE INCREMENTAL CHANGES

At Martin Marietta, we recognize the importance of being good stewards of the environment. We are committed to continuous improvement in order to revalidate our social license to remain in the communities in which we operate every day.

Environmental Stewardship is about optimization – generating the maximum output while utilizing the minimum input. With a focus on achieving more with less, we strive for continuous improvement in the areas of water conservation, energy conservation, emissions reduction and waste reduction.

We will continue to embed sustainable processes and behaviors throughout our company and seek ways to continually improve. We recognize the long-term value of these investments.



WATER CONSERVATION: QUICK FACTS

At its Manistee, Mich., facility, Martin Marietta is investing in a \$1 million multi-year project to **decrease its water consumption from the Great Lakes system**. Once completed, the new process will also substantially reduce the site's electrical demand. In addition, the new process will allow for more efficient washing of products, which will improve product quality.

Martin Marietta initiated a public-private partnership with the Onslow Water and Sewer Authority (ONWASA) to reduce water use at its Onslow, NC, quarry. This partnership sets aside **land for placement of a series of water supply wells and a treatment plant that creates a viable drinking water source for the local community**. The goal of this project is to support thousands of homes in Eastern North Carolina.

ENERGY CONSERVATION: QUICK FACTS

Many Martin Marietta locations, such as the new aggregates operation, Medina Rock and Rail, in Hondo, TX and its 100,000 square foot central shop in Salisbury, NC have **converted traditional lighting systems to low energy LEDs, reducing energy consumption by up to 50 percent** and greatly reducing heat output compared to traditional systems.

Both the Hunter and Midlothian, TX cement plants are permitted to utilize a wide variety of **alternative fuels including wood chips, tires and non-hazardous liquid fuels as well as other bio-derived materials to offset traditional fuels**.

Martin Marietta's Woodville Lime and Stone facility, located in Woodville, Ohio, is home to a new briquetter that produces dolomitic lime briquettes. **The machine has enabled the operation to run more efficiently and decrease its overall energy cost**. Additionally, it has provided more control over the pit and decreases the pressure on the operation's reserves.

MAGNESIA SPECIALTIES DELIVERS SUSTAINABLE SOLUTIONS FOR CUSTOMERS

It's no secret that Martin Marietta is committed to reducing its impact on the environment. Less known, however, is that the company's Magnesia Specialties business actually makes a number of products that allow customers to do the same. Among the highest selling products are non-hazardous, environmentally-friendly magnesium oxide and magnesium hydroxide.

Used globally across 36 countries on six continents for a variety of purposes, the products are often used specifically to limit pollution caused by industrial production.

Magnesium oxide is a valuable material used in purification systems that provide immeasurable amounts of drinking water for people across the world. It is also used to neutralize nuclear waste.

Widely used in wastewater and air pollution control systems, magnesium hydroxide can decrease the amount of wastewater sludge disposed of in landfills and the amount of sulfur oxide released into the atmosphere by electric generating plants. In the paper industry, it can increase the yield of wood pulp, reducing the demand for fresh lumber from our forests.

The same product is also used to reduce sewer system corrosion, to neutralize industrial wastewater for reuse in land irrigation and to improve the efficiency of gas turbine electric generators.



The Magnesia Specialties plant in Manistee, MI.

While the effects of these products can be felt wherever someone takes in a deep breath of fresh air or fills a glass from a pitcher of ice water, the Magnesia Specialties business uses statistics to illustrate the true effectiveness of these products.

Best of all, magnesium oxide and magnesium hydroxide are made from natural materials run through an environmentally-friendly process that uses natural gas and recycled water. Even the byproduct of this process is put to good use as a feedstock material, meaning the creation of the magnesia products leaves next to no waste.

Magnesium oxide is used in purification systems that provide drinking water for people around the world. It is also used for acid neutralization, heavy metal removal and to clean-up biological and oil refinery wastewater.

Mg(OH)₂
Magnesium Hydroxide



50%
Magnesium hydroxide can decrease the amount of wastewater sludge disposed of in landfills by as much as 50 percent.

75%
Magnesium hydroxide can decrease the amount of sulfur oxide released into the atmosphere by electric generating plants by as much as 75 percent.

3%
In the paper industry, magnesium hydroxide can increase the yield of wood pulp by as much as 3 percent, reducing the demand for fresh lumber from our forests.

RECLAMATION HIGHLIGHT:

FROM QUARRY TO QUARRY SPRINGS PARK

COLFAX SAND & GRAVEL

LIFESPAN:
MORE THAN 50 YEARS

OPENED:
LATE 1950s

LAST SHIPMENT:
2014

What was formerly known as Colfax Sand & Gravel is today a thriving partnership between Martin Marietta and the city of Colfax, Iowa – a true testament to reclamation and economic development.

A 480-acre site, Colfax Sand & Gravel had been in operation since the late 1950s. During its lifespan, it sold 100,000 to 150,000 tons of sand and gravel each year, serving as a strategic sand source for customers working along Interstate 80, Highway 330 and several other major roadways.

Martin Marietta took ownership of the site in 1997. By 2014, the plant had reached the end of its lifespan. Around that same time, Doug Garrett, president of the Colfax Parks and Recreation Auxiliary Board, connected with Todd Clock, vice president and general manager of Martin Marietta's Des Moines District, to discuss the land's future.

In December 2014, Martin Marietta and the city reached an agreement through which the land and an additional \$200,000 would be donated to Colfax for the city's public use. Since then, Colfax officials have opened Quarry Springs Park, which offers ample opportunities to fish, camp and rent kayaks and canoes.

"Taking ownership of the Martin Marietta land was a perfect solution for the city," Garrett said. "There was nothing toxic in the land. All we had to do was remove the electric transformers. There was no underground fuel storage, so it was easy to clear out."

City officials used the initial \$200,000 donation as seed money to obtain an additional \$53,000 grant from the Iowa Department of Natural Resources. In September 2016, the city kicked off a capital campaign aiming to raise an additional \$50,000 for park development. The park, which is open to hikers, joggers and bikers at no charge, has cost the city's taxpayers nothing.



MIDLOTHIAN PLANT EARNS ENERGY STAR® STATUS

The Martin Marietta Midlothian cement plant, located in Texas, was awarded the 2016 ENERGY STAR® by the U.S. Environmental Protection Agency (EPA) for its superior energy performance. The ENERGY STAR is the distinguishing mark of energy efficiency for cement manufacturing plants in the U.S. and identifies the plant's status among the most energy-efficient based on its performance on EPA's energy performance scale.

In 2016, the Midlothian plant reduced its energy consumption by 5 percent from the previous year, using 22,445,000 fewer kilowatt hours of electricity and burning 1,033,000 fewer MMBtus of coal.



"The employees at the Martin Marietta Midlothian cement plant should be commended for their ability to reduce energy use and protect the environment through energy efficiency."

– Jean Lupinacci

Director, Commercial and Industrial Branch, ENERGY STAR®



In recent years, the Augusta Canal has become a hotspot for locals and tourists seeking a peaceful recreational experience. Its well-maintained paths offer ample jogging and cycling opportunities while the iron railings near its head gates have become a destination for couples wishing to express their devotion with "love locks."

A SHARED HISTORY

QUARRY, CANAL RELATIONSHIP RUNS DEEP IN GEORGIA

You can read about it online or learn about it while touring the preserved historic buildings near its shores, but to hear the liveliest, most complete history of the Augusta Canal, you'll want to seek out a passionate storyteller – someone like Martin Marietta Senior Field Services Specialist Bill Heubel.

"If you look at the rock in the original walls, it is grayish and black and red and pink," he says. "It could not have come from any place other than our pit."

An amateur historian, Heubel knows that Augusta Quarry and the canal came into existence about the same time. The shared history of the landmarks is one of many reasons why he suggested that company leadership support the organization that cares for the land, the Augusta Canal Authority.

It was 2010 when Heubel and Martin Marietta first reached out to aid in the organization's mission.

"I spoke to a woman with the Canal Authority and when she heard my idea, she loved it. In fact, she had been trying to organize something similar for years," he said of the Canal Authority's Adopt-a-Canal Trail program. "Our stretch is about 1.9 miles along the historic towpath, from the head gates of the canal to the I-20 Bridge."

Offering an annual donation and bi-annual cleanings by volunteer teams of employees, family and friends, Martin Marietta was the first to take over a stretch of the 13-mile Augusta Canal National Heritage Area. Today, dozens of other companies, churches and citizens participate in the program as well.

Juliana Shurtleff, the Canal Authority's development and volunteer coordinator, said the benefits of keeping the land free of litter and debris are numerous.

"Much of the canal's popularity is because of the recreational activities it offers, but this is also a habitat for freshwater plants and animals like birds, turtles, snakes, fish and river otters," she says. "It's important to keep that ecosystem safe and cleaning with the Adopt-a-Canal Trail program is a large part of that."



An Old World Technology Made New

A boon for the city of Augusta in its earliest days, the canal's water helped power the local industry through the industrialization of the late 19th and early 20th centuries. As the use of electricity became widespread in the 1890s, the city turned to the canal, which provided enough hydroelectric energy to supply an electric streetcar system and electric street lighting. Today, the canal still produces hydroelectric energy, which is sold back to the local utility at a profit. The Canal Authority uses the added revenue to further its mission of preserving the canal and its history.

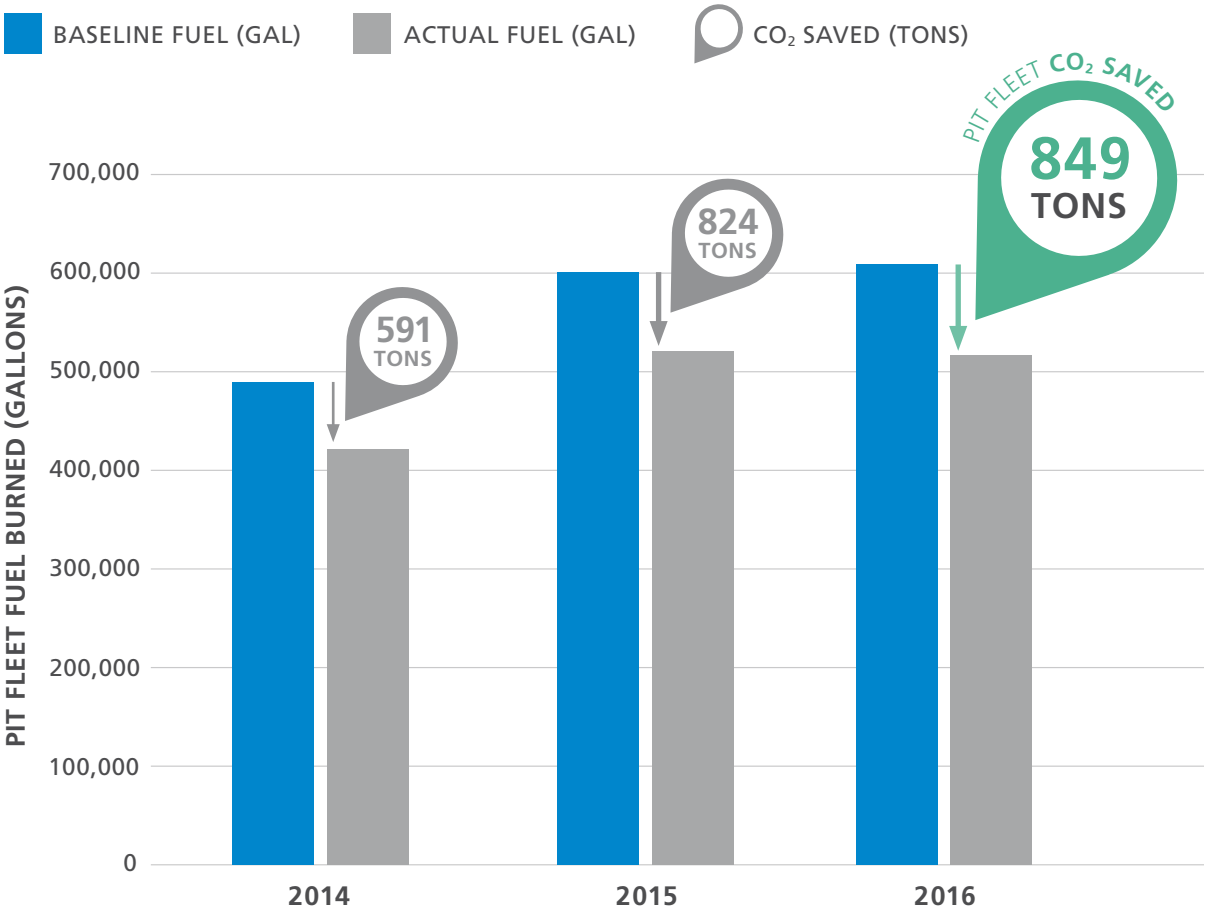


PARTNERING FOR POSITIVE ENVIRONMENTAL IMPACT

At Martin Marietta, we promote long-term relationships with suppliers that align with our pillars of shareholder value, including sustainability. We continually look for ways to partner with these suppliers and bring the power of that partnership to furthering the success of both companies.

For the past several years, we have partnered with a premier equipment manufacturer to implement a site specific solution addressing almost all aspects of the quarry operation, including reducing emissions and energy use.

In Martin Marietta's Rocky Mountain Division, where we implemented this solution at two of our largest aggregates operations, the impact was meaningful from the beginning. The implementation began with site optimization, which included right sizing the fleet of mobile equipment and eliminating bottlenecks. An optimized operation drives reductions in emissions and energy use.



At the Specification Aggregates Quarry in Colorado and the Granite Canyon Quarry in Wyoming, where implementation began, Martin Marietta has reduced fuel burned by 12 percent and saved more than 2,000 tons of CO₂ through fleet upgrades.

*Data provided by supplier



EMISSION REDUCTION: QUICK FACTS

Martin Marietta is upgrading its mobile equipment fleet to **Tier IV engines that are capable of burning 20 percent less fuel** than the units they are replacing while delivering up to 15 percent more output.

States like Texas and Ohio have Emissions Reduction Programs, known as TERP in Texas, that monitor reductions in environmental impacts. **Over the past five years, Martin Marietta has replaced 91 units in support of the TERP goals for emissions reduction.** These projects include not only replacing mobile fleets, but also installing conveyor belts in lieu of diesel-powered haulage.

Martin Marietta has experimented with **using bio-diesel in our Midwestern operations for up to as much as 90 percent of our diesel needs**, particularly in underground mobile fleets. Not only is this a renewable fuel, but it also reduces diesel particulates and NOx.



WASTE REDUCTION: QUICK FACTS

Martin Marietta has engaged a leading specialist in waste handling and recycling solutions to assist in minimizing environmental impacts by diverting waste from landfills. To date, this partnership has successfully **diverted over a million pounds of trash to recycling centers.**

Martin Marietta reduces waste by recycling concrete and asphalt. In Indiana, the company provides a valuable service to its customers by utilizing its crushing expertise and equipment to recycle asphalt at a number of its quarry locations. **Since 2014, the company has assisted with placing 700,000 tons of recycled material back into the construction process.**

CLOSING REMARKS

Martin Marietta's sustainability initiatives and efforts are rooted in a foundation that spans decades. As our journey continues, we strive for a more sustainable future and we remain committed to creating new value for our stakeholders.

In 2016, we made significant progress in advancing our sustainability priorities in the key focus areas of Safe Operations, Employee Well-Being, Community Well-Being and Environmental Stewardship. Our journey has been one of impact, and as featured within the pages of this report our employees have been a driving force, making a difference through positive and long-lasting contributions within the communities we proudly operate.

We continue to follow the lead of our employees as their passions and work speak volumes and align with our long-term goals. We accept the challenges of a changing world as we shape our approach for optimal success. We have always looked for ways to further our investment portfolio, and we continue to do so as our journey continues, with a heightened focus on innovation.

At Martin Marietta, excellence is our goal as we strive to achieve a more sustainable future.

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Martin Marietta, an American-based company and a member of the S&P 500 Index, is a leading supplier of aggregates and heavy building materials, with operations spanning 26 states, Canada, the Bahamas and the Caribbean Islands.

Dedicated teams at Martin Marietta supply the resources for the roads, sidewalks and foundations on which we live. Martin Marietta's Magnesia Specialties business provides a full range of magnesium oxide, magnesium hydroxide and dolomitic lime products.

