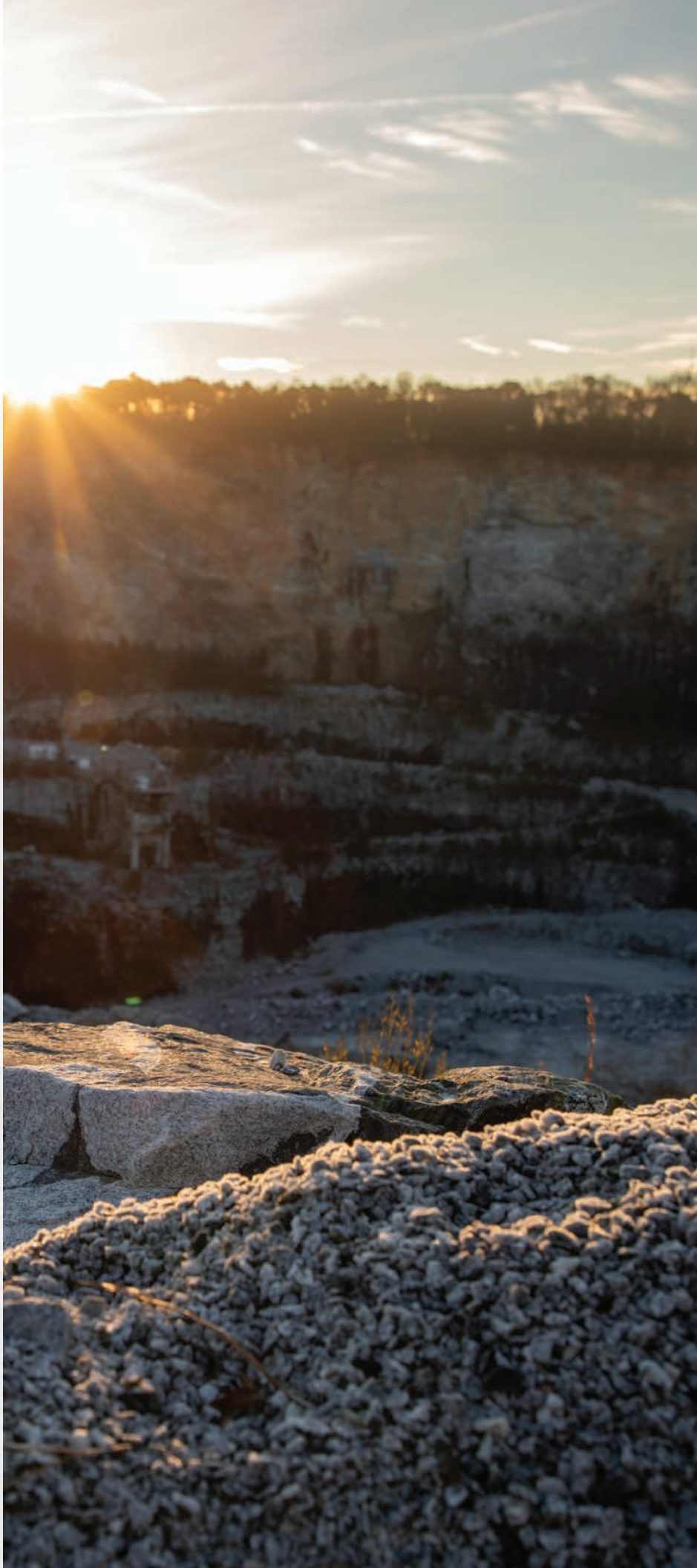
Martin Marietta

SUSTAINABILITY REPORT 2019

BUILDING.
CARING.
GROWING.
TOGETHER.





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A MESSAGE FROM OUR CEO

To our Stakeholders,

As we take this moment to reflect on another milestone year, it is my honor to share with you the many successes that drove Martin Marietta's remarkable and sustainable growth in 2019. Equally exciting is having the opportunity to discuss how our continued achievements have positioned our company, our people and our communities for greatness in the future.

From a purely financial perspective, our company performed impressively in 2019, continuing to deliver exceptional value while supplying the building materials needed to help our towns, cities and communities thrive. While our financial performance highlights Martin Marietta as a strong company striding confidently ahead as the industry leader, that is only a portion of our story.

Our true success isn't just measured in figures and facts; it's measured in faces and families. None of our accomplishments, and nothing we have achieved, would be possible without our employees — the people who both drive our work and are most affected by it. These individuals are the heart of Martin Marietta. They and their loved ones are the reasons we remain committed to making our business safer and ever more sustainable.

Our people and operations received an extraordinary amount of recognition in 2019. Among other things, we achieved a level of safety that continues to set a standard for the industry. Such accomplishments have come to be expected from Martin Marietta year in and year out. In addition, as promised to our stakeholders, we've enhanced disclosure related to the environmental impact of our operations and provided detailed information that will help you better understand our story. This includes new disclosures of our greenhouse gas emissions across all of our business lines, as well as our emissions reduction targets for 2030. In this year's Sustainability Report, you also will read and learn more about our initiatives and accomplishments as we do our part to protect the planet. We recognize that this is a continuing effort, and we are taking steps to ensure this performance will only improve with time.

We also established a new employer brand — ONE — that reflects the thoughts, feelings and hearts of employees at every level of our company. We designed a standard approach to safety mentoring that ensures every employee has the knowledge and resources needed to complete their work safely and efficiently. Our World Class Task Force continued its mission to improve Martin Marietta, moving forward with multiple projects and fostering a level of communication never before seen at our company. We have taken these steps not to earn plaudits, but to better allow our company to grow responsibly.

Like most businesses and communities across the globe, we are confronting the challenges and uncertainties presented by the coronavirus (COVID-19) pandemic as we publish this report in April 2020. During this pivotal time, we have been engaged across our enterprise to work in partnership with our employees, customers, suppliers, communities and other stakeholders to navigate this uncertain situation. We remain open for business and ready to meet our communities' product and service needs, and we are also committed to safeguarding the health and well-being of all who are touched by our business.

Accordingly, we are closely monitoring national, regional and local COVID-19 developments and proactively taking actions so our stakeholders and business remain safe, healthy and prosperous. Our current focus is largely four-fold: **Communication, Resource Management**, and the resiliency of **Essential Work Functions**, allowing for **Business Continuity**.

We have taken responsible steps to prepare for and respond to this pandemic, including remote work, enhanced protocols and social distancing, equipment and facility cleaning, ensuring consistency with the Centers for Disease Control and Prevention's guidelines and our industrial hygienist group doctors that are familiar with our operations. We have established task forces related to COVID-19 planning and communications, canceled all non-essential in-person meetings and business travel, and established contingency plans with respect to facility staffing.

Together with our Board of Directors, we will continue to actively monitor and assess the COVID-19 situation as it develops and respond to its impact on our operations, business relationships and employees.

As you review this report, know that all of us at Martin Marietta are proud of the work we have done to make our company a truly sustainable enterprise. While we move forward confident that we are prepared for the road ahead, we know there remains much to do. We cherish the partnerships with our employees, our customers, our vendors, our communities and you, our stakeholders. Together, we will strengthen Martin Marietta, ensuring that our positive impact will forever endure.

Sincerely,

C. Howard Nye
Chairman, President and
Chief Executive Officer





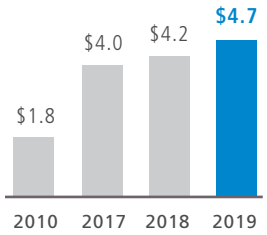
COMPANY OVERVIEW

Martin Marietta provides the foundation upon which our communities improve and grow. Our products build the roads, homes, schools, offices and hospitals that anchor the communities where our employees, families, friends, neighbors, customers and vendors live. As such, we operate with a wholehearted focus on creating a better future for all of us.

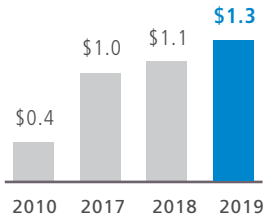
COMPANY HIGHLIGHTS

While there has been a recent push for companies to more thoughtfully consider the needs of both stakeholders and shareholders, this has always been at the forefront for Martin Marietta. Our 2019 results underscore our commitment to excellence in all that we do, as well as the importance of continued responsible investment in our facilities to maintain a safe and healthy workplace. Equally important is our steadfast investment of time and resources to ensure our employees, customers, vendors, communities and the environment are taken care of and protected. We believe it is both the smart and right thing to do.

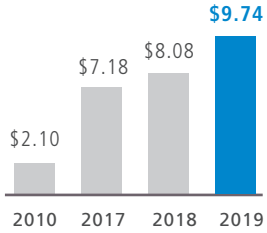
Total Revenues *(in billions)*



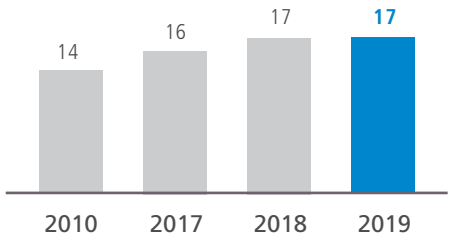
Adjusted EBITDA[1] *(in billions)*



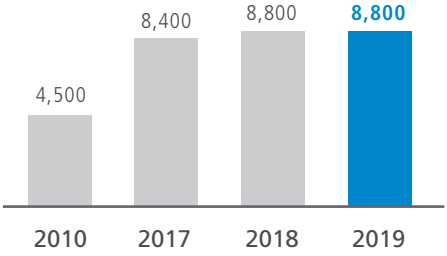
Adjusted EPS[2]



Aggregates Reserves *(in billion tons)*

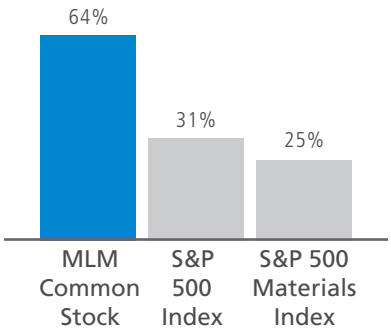


Employees

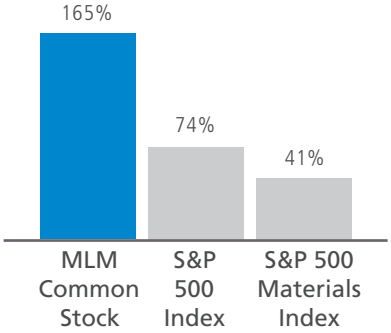


Our ability to deliver these record results while enhancing our corporate governance practices, delivering world-class safety performance and strengthening our sustainability reporting, has been rewarded by the public markets. The following graphs highlight Martin Marietta's total shareholder return for the one- and five-year periods ending December 31, 2019.

One-Year Return



Five-Year Return



[1]Represents a non-GAAP measure. See Appendix for additional detail and reconciliation to net earnings attributable to Martin Marietta.

[2]Represents a non-GAAP measure. See Appendix for additional detail and reconciliation to reported earnings per diluted share.

8,800+
Employees

300+
Aggregates Quarries, Mines, Yards

2
Cement Plants

141
Ready Mixed Concrete Plants

7
Asphalt Plants

12 Mg

2
Magnesia Specialties Facilities

Figures as of December 31, 2019

CORPORATE GOVERNANCE SERVES AS OUR FOUNDATION

Martin Marietta has a culture dedicated to ethical business behavior and responsible corporate activity. We believe strong corporate governance is the foundation for delivering on our commitments.

OUR BOARD OF DIRECTORS

As stewards of Martin Marietta, our Board plays an essential role in determining strategic priorities and considers sustainability issues an integral part of its business oversight. Our Corporate Governance Guidelines, available on our website, set forth a flexible framework within which the Board, assisted by its committees, directs the affairs of Martin Marietta. The Ethics, Environment, Safety and Health Committee of the Board of Directors has, for decades, overseen our ongoing efforts to hone truly sustainable business practices.

OUR EMPLOYEES

Martin Marietta employees play a critical role in enforcing good governance and sustainability practices. It is their commitment to each other and to our communities that elevates our efforts and performance as a company. Our employees understand the importance of acting with integrity in all of their interactions. We provide them with a variety of resources to guide them in daily decision-making and support them should they have questions. These resources include an engaged senior leadership team, our Code of Ethical Business Conduct, a confidential ethics hotline managed by an independent third party and annual ethics training.

40%

Women or minorities represent 40% of our Board nominees

100%

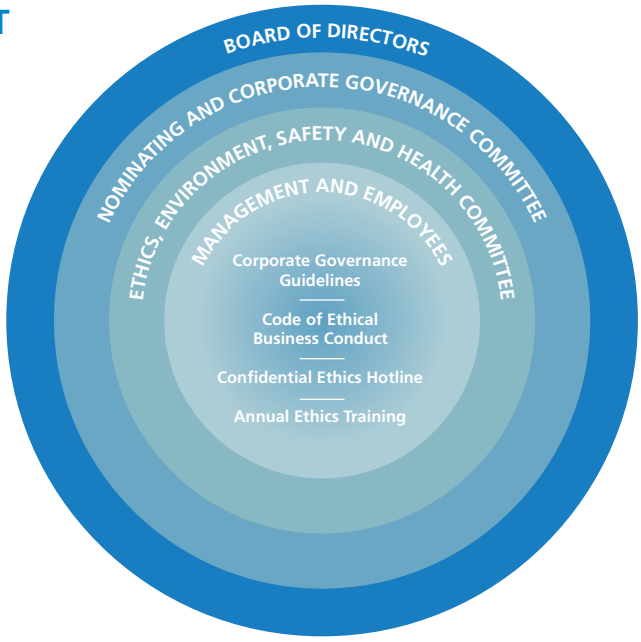
All Board members attended 100% of the Board and Committee meetings on which they serve

100%

All Board members comply with our Corporate Governance Guidelines, including those relating to overboarding; all directors sit on fewer than three public company boards

OUR CODE OF ETHICAL BUSINESS CONDUCT

As a company dedicated to fulfilling its mission and living its values, we understand how important it is to provide resources that help guide our hardworking Martin Marietta team members in the countless decisions they make every day. Our Code of Ethical Business Conduct, which has been in place since the 1980s, is regularly updated. This code provides our policies and expectations on a number of topics, including our commitment to good citizenship, promoting a positive and safe work environment, avoiding conflicts of interest and operating with integrity in all that we do. The Code of Ethical Business Conduct applies to everyone on the Martin Marietta team, including Board members, and annual ethics training is required to ensure our policies are communicated and understood.



BOARD WITH DIVERSE SKILLS AND EXPERIENCE

As of December 31, 2019

90% of directors are independent

64.4 years average director age

6.8 years average director tenure

40% of directors are women or minorities

50% of directors are current or former public company CEOs

CORPORATE GOVERNANCE HIGHLIGHTS

- Directors elected annually to serve one-year terms
- Adopted proxy access
- Established robust stock ownership guidelines for officers and directors
- Eliminated excise tax gross-up, walk-right and value of perquisites in the severance calculation in Employment Protection Agreements
- Eliminated single-trigger vesting in equity award agreements for grants beginning in 2019
- Implemented hedging and pledging policy
- Adopted clawback policy
- Added five new Board members since 2016

OUR AWARD-WINNING IMPACT

All awards are meaningful, but it's particularly gratifying when we're recognized for achievements consistent with our core values of safety, stewardship and community. Martin Marietta aggregates operations were well represented in 2019, receiving 38 awards in these areas from the National Stone, Sand & Gravel Association (NSSGA).

2019 NSSGA SAFETY EXCELLENCE AWARDS

Gold
Onslow Quarry (NC)

Bronze
Iowa Grading 2 (IA)
Charlotte Quarry (NC)

2019 NSSGA ENVIRONMENTAL EXCELLENCE AWARDS

Gold
Benson Quarry (NC)

Silver
Bonds Quarry (NC)
Midlothian Quarry (VA)
Medford Quarry (MD)
Bridgeport Stone (TX)
Tin Top Sand & Gravel (TX)

Bronze
12 winners

2019 NSSGA COMMUNITY RELATIONS AWARDS

Gold
Texas Quarry (MD)

Silver
St. Cloud Quarry (MN)

Bronze
15 winners



Texas Quarry, pictured here, received gold-level recognition for the NSSGA's 2019 Excellence in Community Relations Awards.

In 2019, Martin Marietta's financial performance was recognized on the Fortune 1000 listing and on Forbes' Global 2000 World's Largest Public Companies. Our disciplined and significant growth, plus key financial metrics, including sales, assets and market capitalization, landed us on these impressive lists.

MARTIN MARIETTA: A GREAT PLACE TO BUILD A CAREER

IN 2019 MARTIN MARIETTA WAS RECOGNIZED AS A TOP EMPLOYER IN TWO MAJOR METROPOLITAN AREAS

In November 2019, the company was selected for inclusion on *The Dallas Morning News*' Top 100 Places to Work list, a ranking that highlights the best employers in the 10 counties surrounding Dallas-Fort Worth. The recognition comes just months after *The Denver Post* named the company to its list of Top Workplaces of 2019, ranking #21 out of 150.

West Division President Abbott Lawrence believes *The Denver Post*'s Top Workplaces award accurately reflects employee opinions about company culture.

> *"This gives us a chance to tell people what we already know — that Martin Marietta is a great place to build a career."*

"Because this recognition is a direct result of employee feedback, it is especially gratifying," said Lawrence. This gives us a chance to tell people what we already know — that Martin Marietta is a great place to build a career."

Martin Marietta placed 25th on *The Dallas Morning News*' Top 100 Places to Work list, a ranking that was also determined by an extensive employee survey focused on various elements of workplace culture.

"We're confident that our people have long understood that we want them to be safe and that we want them to act ethically," said Derek Gordon, vice president-general manager, DFW ready mix."All of our employees — regardless of responsibility or experience — strive to create a positive working environment. This recognition tells us that those efforts are having an impact."

The opportunity for a long career and employee well-being are encouraged by the benefits we provide, which include comprehensive medical, dental and vision coverage and prescription drug coverage, as well as a pension plan and 401(k) match. In addition, our tuition reimbursement program, college scholarship program and adoption assistance program provide our employees with the ability to explore their highest potential. These programs allow our employees to thrive. In the words of our employee who submitted this anonymously:

"I am able to be a part of an organization that provides opportunity for leaders whose passion evokes belief they can make a difference, make things happen regardless of the odds and continue to develop other transformational leaders within the organization. This is an organization with momentum to be the leader in the industry without compromising values."

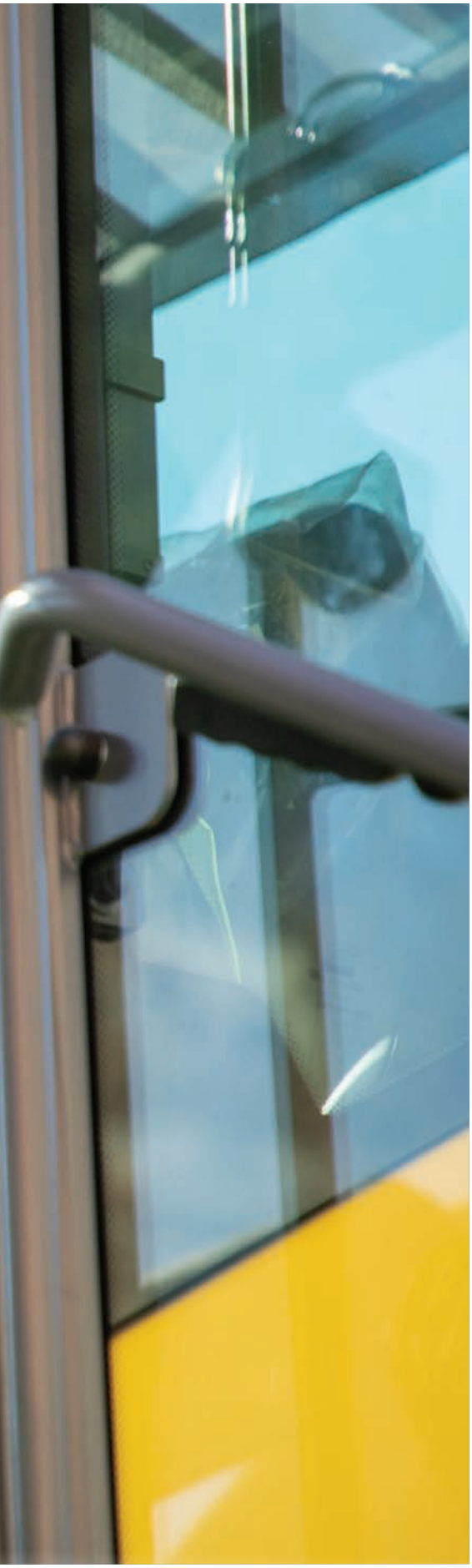
> *"When you adopt safety as a culture, it ends up touching the lives of those who matter most to you. That's something I'll pass on to generations of my family and I have Martin Marietta to thank."*

Webb Road Ready Mix Plant Supervisor Artis White said that, in addition to opportunity, employee engagement, communication and other elements of the workplace environment are incredibly valuable. That being said, he cited our safety focus as his greatest reason for continuing his career with our company.

"I taught my daughter how to drive safely using the training system I learned at Martin Marietta," White said. "When you adopt safety as a culture, it ends up touching the lives of those who matter most to you. That's something I'll pass on to generations of my family and I have Martin Marietta to thank."

Plant Operator Conroy Michael at Red Oak Quarry in Georgia.





OUR SUSTAINABILITY APPROACH

Sustainability isn't just a word at Martin Marietta. It's the embodiment of our commitments to creating value for all of our stakeholders — including our employees, customers, communities, vendors and investors. Underpinning our sustainability approach is our pledge to protect and enhance the environment and responsibly use the Earth's resources while creating the products that build communities.

SAFE OPERATIONS

Keeping safe all who come into contact with our business, and fostering a culture of responsible leadership

ENVIRONMENTAL STEWARDSHIP

Remaining cognizant of and responsive to our impact on climate, air, water, wildlife and other natural resources

EMPLOYEE WELL-BEING

Engaging with our colleagues in a manner that recognizes our shared and diverse culture that encourages employee growth and development

COMMUNITY WELL-BEING

Being a responsible neighbor and caring for the communities in which we live, work and serve



Employees at Garner Quarry in North Carolina help each other safely use hand tools.

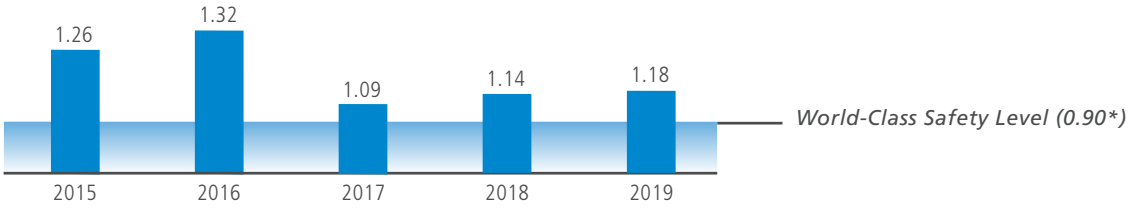
SAFE OPERATIONS

At Martin Marietta, safety is a shared responsibility and a core value. Our commitment to operational excellence and workplace safety is good for business, our employees, the environment and our neighbors in the communities in which we live, work and serve.

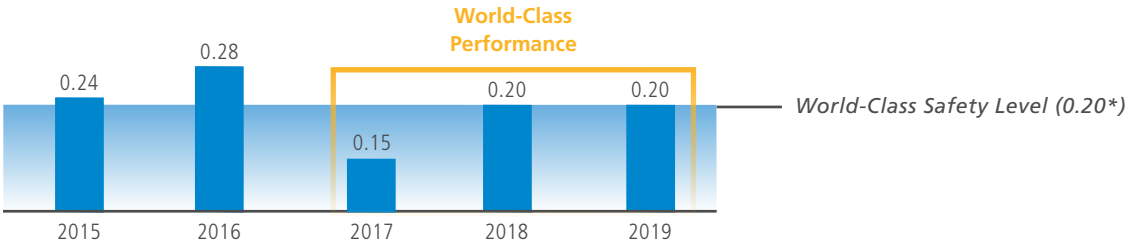
WORLD-CLASS SAFETY PERFORMANCE

Our companywide safety performance, inclusive of our more recently acquired operations, continues to deliver near or better than world-class safety levels. In 2019, 90 percent of our business units worked without a reportable incident, and 98 percent of our business units worked without a lost-time incident; the resulting overall lost-time incident rate of 0.20 is impressive by any standard. We strengthened our Guardian Angel safety culture by achieving a world-class lost-time incident rate for the third consecutive year. Additionally, we reduced total reportable cases and lost-time incidents by 62 percent and 83 percent, respectively, at our legacy Bluegrass Materials operations acquired in 2018.

TOTAL INJURY INCIDENT RATE (TIIR)



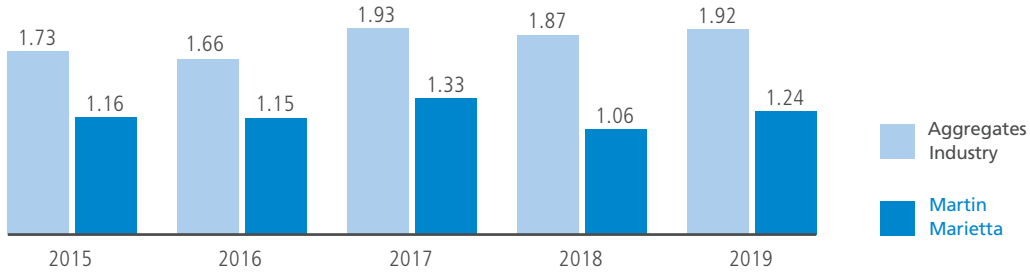
LOST-TIME INCIDENT RATE (LTIR)



*TIIR and LTIR rates are per 200,000 man hours worked. All data as of December 31, 2019. World-class levels determined by external benchmarking against companies inside and outside the aggregates industry.

MSHA CITATIONS

The United States Department of Labor's Mine Safety and Health Administration (MSHA) inspects each surface mine at least twice a year and each underground mine at least four times a year. As shown below, citations per inspection at Martin Marietta operations are significantly lower than the aggregates industry.



WE CONTINUE TO PROVE THAT ZERO IS POSSIBLE.

99.8% of employees experienced ZERO lost-time incidents in 2019

98.6% of employees experienced ZERO incidents in 2019

74 business units have worked more than 500,000 hours with ZERO lost-time injuries

‘EFFICIENCY WAS A SECONDARY BENEFIT’

EMPLOYEE HEALTH AND SAFETY LIES AT CENTER OF MAGNESIA SPECIALTIES AUTOMATION PROJECT

Many of our efforts to improve our sustainability also result in operational efficiencies — and cost savings. Our Magnesia Specialties business recently achieved this in an automation project.

Carlos Hernandez is sitting in a cushioned chair, using his steel-toed feet to load sack after sack of MagShield® S magnesium hydroxide powder. Six months ago, he’d take the same seat, knowing all the while that he’d soon have to step away from the pedal-controlled load system to do a lot of bending, lifting and straining before he could call it a day.

“This used to be quite a workout,” the Manistee, Michigan, packhouse operator said. “We were stacking 55-pound sacks on pallets and moving about 15-20 pallets a day. You definitely felt it by the end of your shift.”

Daily, packhouse operators were moving more than 26,000 pounds of product by hand.

> *“That line of thought fails to consider that our people are our most precious resource.”*

“Our team is tough and works hard, so we could have continued on that way and been successful from a production perspective,” said Manistee’s Maintenance Services Manager Shawn Mortensen. “But that line of thought fails to consider that our people are our most precious resource.”

Driven primarily by the desire to prevent muscle strains and overuse injuries to the shoulders, backs, hips and knees of their packhouse operators, Magnesia Specialties leadership began to investigate how automation could alleviate the potential hazards of their workflow. It wasn’t long before they realized they needed “the cell.”

Operational since January, the cell (also known as “the robot”) has automated the process of palletizing MagShield® S and given Manistee’s packhouse operators a much-needed physical break.

Senior Project Engineer Randy Jesberg came to Martin Marietta in March 2018. A former auto industry professional with experience designing automated processes, one of his first tasks was to conceptualize the cell and how it would function at Manistee.

To many, the idea of a machine doing the work of a human immediately calls to mind images of lost jobs. Jesberg and Magnesia Specialties’ leadership, however, see things differently.

> *“Our operators are still a vital part of this process. We’ve simply eliminated the most physically demanding part of their work.”*

“Decreasing our headcount was never the intent of this project — not in any way, shape or form,” Jesberg said. “Our operators are still a vital part of this process. They fill the sacks and prepare the stacked pallets for shipment. We’ve simply eliminated the most physically demanding part of their work.”

In typical Martin Marietta fashion, the entire unit is built with safety in mind. The cell and its stacking area are guarded from foot and equipment traffic. If the guard’s gate were to open for any reason during the stacking process, the cell would come to a controlled stop within a matter of milliseconds. Jesberg said the emergency stop has been programmed to prevent the cell or the sacks from toppling unexpectedly, which could cause injury or equipment damage.

> *“This is making our lives much easier. It’s a good investment that I know will pay for itself in no time at all.”*

Near the pallet space, a series of electronic sensors serves as yet another safety measure. If the beam between the pair of sensors is broken during the stacking process for any reason, the entire unit again comes to a controlled stop.

Hernandez, the packhouse operator, said working with the cell is nothing short of amazing.

“You couldn’t ask for anything better than this,” he said. “For us, it’s as simple as sitting here and getting it programmed. Then, it just takes off. This is making our lives much easier. It’s a good investment that I know will pay for itself in no time at all.”

Production in the packhouse will eventually surpass the levels seen prior to the robot's arrival, according to Mortensen. Still, he reiterated that increased safety and not production was the main driver behind the cell's installation.

> *"That attitude is yet another example of how Martin Marietta is a world-class organization — particularly when it comes to safety."*

"This project wasn't needed for the sake of efficiency. It was needed because our people were working incredibly hard, and we have a commitment to do everything within our power to keep them healthy and safe," Mortensen said. "That our leadership consistently looked at the increased efficiency the cell would bring as a secondary benefit of this project speaks a lot about who we are. That attitude is yet another example of how Martin Marietta is a world-class organization — particularly when it comes to safety."

The cell is capable of lifting 400 pounds at a time. One of the driving forces behind its purchase was to help the Manistee staff avoid musculoskeletal injuries.



SAFETY AUDIT TEAM

Initiated in 2017 as a way to increase individual and team accountability for safety, the Safety Audit Team has quickly become an integral part of the safety culture at Martin Marietta. The program now consists of seven teams and focuses on identifying and sharing best practices.

In 2019, audit teams visited 20 operations, surveying nearly **950 employees** and inspecting more than **1,000 pieces of mobile equipment**.

In 2020, the fourth year of the program, audit teams will, in addition to inspecting equipment and facilities, emphasize evaluation of our safety culture and processes.

2019 AUDITS BY THE NUMBERS

143 **BEST PRACTICES IDENTIFIED AND SHARED**

947 **HOURLY EMPLOYEES INTERVIEWED**

1,018 **PIECES OF MOBILE EQUIPMENT INSPECTED**

18% **FEWER REPORTABLE INCIDENTS AT AUDITED SITES** (32 VS. 39)

25% **IMPROVEMENT IN TOTAL INJURY INCIDENT RATE VERSUS PRIOR YEAR** (1.26 VS 1.68)

‘A GREAT BENEFIT’

COMPANYWIDE SAFETY MENTOR PROGRAM STRENGTHENS OUR SAFETY CULTURE

He was new to the industry and had been on the job for just three months, but sitting in his truck and listening as a contractor put on the pressure to do something unsafe, Ready Mix Driver Richard Adame remained calm. He’d been given the tools to succeed.

“He wanted me to back into a spot with a sharp decline, but it was just too tight,” Adame said, recounting a pivotal moment in his Martin Marietta career. “He kept pushing, telling me that it was the quickest way to do the job. I took a breath, then calmly explained that backing into the spot wouldn’t be safe for me, his crew or my truck.”

Adame got out of the vehicle, took a few moments to analyze the jobsite and then presented the contractor with another idea.

> *“In that moment, I realized that I could take everything my safety mentor (Chris Hill) had taught me and put it into action.”*

“He heard me out,” Adame said. “The work took a bit longer, but we got it done in a safe way. In that moment, I realized that I could take everything my safety mentor (Chris Hill) had taught me and put it into action.”

In an incredibly difficult situation, Adame’s confidence came from his thorough training. He and Hill had spent countless hours going over the key points of his new position — from the company’s safety standards, to the equipment and its operation, to the many attitudes he may encounter on the job.

While such lessons are common for all employees regardless of their geography, responsibility or business line, the way they’ve been taught has varied at Martin Marietta. In 2020, that will change.

“A significant percentage of our reportable incidents in the past few years have involved employees with fewer than two years of service,” said Vice President of Safety and Health Michael Hunt. “Recognizing this concerning trend, the World Class Task Force’s Safety Team identified the need for a uniform, structured Safety Mentor Program across the enterprise.”

Jim Reithel, Magnesia Specialties vice president of operations and the Safety Team’s leader, says the team and others aimed to create a comprehensive and effective Safety Mentor Program by eliminating the relatively minor differences that exist in the divisions’ current mentoring procedures.

Des Moines District Production Manager Ryan Bender, a Safety Team member, said the companywide program will incorporate mentor training practices from multiple divisions, and that much of the program’s success will be based on the mentors themselves.

Hill said his experiences as a safety mentor since joining the company in 2016 have been excellent and he’s excited to see what may come once a standardized program is put in place.

“I’m confident this program will be a great benefit,” he said.

Division leaders will train mentors and fully adopt the program in 2020, said Hunt. By the year’s end, all divisions will be expected to incorporate the Safety Mentor Program into their operations.

> *“I’m confident this program will be a great benefit.”*



Chris Hill (left), a mentor at Highway 85 Ready Mix in Colorado, works with mentee Richard Adame.

MARTIN MARIETTA
SAFETY MENTOR

This logo will be included in all Safety Mentor Program materials.



The crew at Medford Quarry.

THE MARTIN MARIETTA WAY

'EVERYTHING WE DO IS ABOUT BEING SAFE'

Drive more than an hour into the rural farm communities northwest of Baltimore and you'll find a close-knit group of miners. As part of the Bluegrass Materials acquisition, they're fairly new to Martin Marietta; but they, too, are committed to our safety culture. They prefer to go about their business quietly and so they didn't make too much fuss while celebrating something few other teams have — 42 years without a lost-time incident.

> *"This group communicates. We set plans and we follow through. We don't falter. It's also about training. I've seen a lot of big companies that train very well, but at Martin Marietta's Medford Quarry, it just shines."*

"At Medford, we're all about ownership and pride," said Foreman Brian Singer. "This team is out here to get a job done. They're not afraid to chip in or to get dirty."

"Everything we do is about being safe," said Kevin Gillingham, a Maryland District senior explosives engineer based at Medford. "This group communicates. We set plans and we follow through. We don't falter. It's also about training. I've seen a lot of big companies that train very well, but at Martin Marietta's Medford Quarry, it just shines."

As if their 42-year milestone is not impressive enough, there are a host of other Medford numbers that are truly astounding. By mid-August, the team's safety stretch reached 2.75 million man hours. Of the crew's 21 members, 11 have worked the site for more than 30 years.

Four of those miners have more than 40 years of service, while one — Truck Driver Randy Gist — recently celebrated his 47th work anniversary. Plant Manager Tom Lombardi said his team easily made the transition to Martin Marietta and its safety culture.

"The most important element of work at this company is the Guardian Angel Creed, but that's something our people have believed for years. Each of us has always been empowered to shut something down if it appears unsafe," Lombardi said. "We were happy to see our beliefs fall right in line with Martin Marietta's values."

Noting that a large part of the group's success has resulted from its collective experience, Lombardi said the most impressive aspect of the team is that the more senior members have been able to impart their knowledge to the newer employees most eager to learn. In this respect, everyone at the site is playing their part to ensure safe practices remain a constant at Medford.

> *"The most important element of work at this company is the Guardian Angel Creed, but that's something our people have believed for years. Each of us has always been empowered to shut something down if it appears unsafe."*

"When we find someone who is really willing to work, we take them under our wing," said Lombardi. "We train them the safe way — the Martin Marietta way — and it works out well."

‘WE CARE ABOUT OUR PEOPLE’

OCCUPATIONAL HEALTH PROGRAM GOES ABOVE AND BEYOND TO ENSURE EMPLOYEE WELL-BEING

Truck Driver Johnny Fowler forces his breath into the spirometer. He feels a bit ridiculous breathing into this plastic tube and, after three strong efforts, needs a few moments to steady himself. Before heading on to the next test, the miner looks over and admits the task is definitely not one of his favorites. Still, he knows it’s something he must do.

> *“I’ve worked for other companies where all they wanted was for me to put in my hours, but Martin Marietta seems to care about me as a person and not just as an employee.”*

“It’s for my health, so it’s understandable,” he said, while gathering up his sweatshirt and medical forms. “I’ve worked for other companies where all they wanted was for me to put in my hours, but Martin Marietta seems to care about me as a person and not just as an employee.”

Prior to the spirometry lung function test, Fowler sat through an audiometric examination. Afterward, he’ll stand for a chest X-ray. Combined, the morning’s testing constitutes the medical surveillance element of Martin Marietta’s Occupational Health Program, a longtime initiative that meets and exceeds the regulations of federal agencies.

> *“We go above and beyond to ensure our people are working in a suitable environment with all of the appropriate safeguards in place.”*

“This program is a perfect example of our Guardian Angel culture in action,” said Southeast Division President Joe Reilly. “All employees who work in a production setting are tested. We go above and beyond to ensure our people are working in a suitable environment with all of the appropriate safeguards in place.”

Employees submit to three tests — the spirometry test, chest X-ray and audiometric exam — at the time of their hiring to establish a baseline of health. After, employees submit generally to a spirometry lung function test and chest X-ray every three years and an audiometric exam annually.

Employees expected to wear a respirator (even if only during an emergency) must meet a certain lung function standard on the spirometry test. The chest X-ray aims to ensure an employee’s lungs are clear. The audiometric exam is completed to ensure an employee’s hearing is being properly protected on the job.

In 2019, Examinetics — the mobile health screening and testing service employed by the company — performed a combined 1,026 days of testing at more than 400 Martin Marietta sites. Those tests were then analyzed by a board-certified physician.

Martin Marietta also conducts industrial hygiene sampling of its employees annually and has been doing so long before it was required by regulators.

The process involves the companywide testing of air and materials based on several factors, including the type of material, past sampling activity and a variety of regulatory requirements. The goals are to ensure site leadership is taking all necessary steps to minimize excessive noise conditions and limit the presence of contaminants in the air.

Plant Manager Will Dennis, Fowler’s supervisor at Auburn Quarry in Georgia, said advanced planning keeps the Occupational Health Program from interfering with the site’s daily production. Having seen the impact of the program on his team, Dennis agrees that extra effort is worth its weight in crushed granite.

> *“They motivate us to really focus on our best practices when it comes wearing proper PPE (personal protective equipment) and suppressing dust.”*

“First, these tests show everyone that Martin Marietta cares,” said Dennis. “Even more importantly, they motivate us to really focus on our best practices when it comes wearing proper PPE (personal protective equipment) and suppressing dust.”

Agreeing with Dennis, Auburn Maintenance Mechanic Jimmy Wade, a relatively new miner with just over one year on the job, said the Occupational Health Program truly does encourage him to work safer.

"When it comes to wearing proper PPE, we're top-notch here," Wade said. "I'm using this hearing test to hold myself accountable. It forces me to think about my hearing and the steps I can take to protect it."

While Wade is focused on the day-to-day efforts he can make in the quarry to maintain his long-term health, West Division Safety Manager Eddie Oliva said he's seen the program have impacts that extend far beyond the quarry walls.

In several instances, Examinetics tests have returned abnormal results unrelated to an employee's work at Martin Marietta. In some cases, Oliva said, those results drove employees to seek outside medical care that ultimately proved life-saving. In other cases, the results simply drove employees to make positive lifestyle changes that will help preserve their health down the road.

> *"To stay in compliance, all we have to do is test employees who are exposed to a certain decibel level, but that's not what we do. We test everyone, regardless of their exposure, because we care about our people."*

"This is one reason why we push further with our testing than we're required," said Oliva. "To stay in compliance, all we have to do is test employees who are exposed to a certain decibel level, but that's not what we do. We test everyone, regardless of their exposure, because we care about our people."

2019
MEDICAL SURVEYS OF MARTIN MARIETTA EMPLOYEES

EXAMINETICS PERFORMED

7,718 **AUDIOMETRIC TESTS**

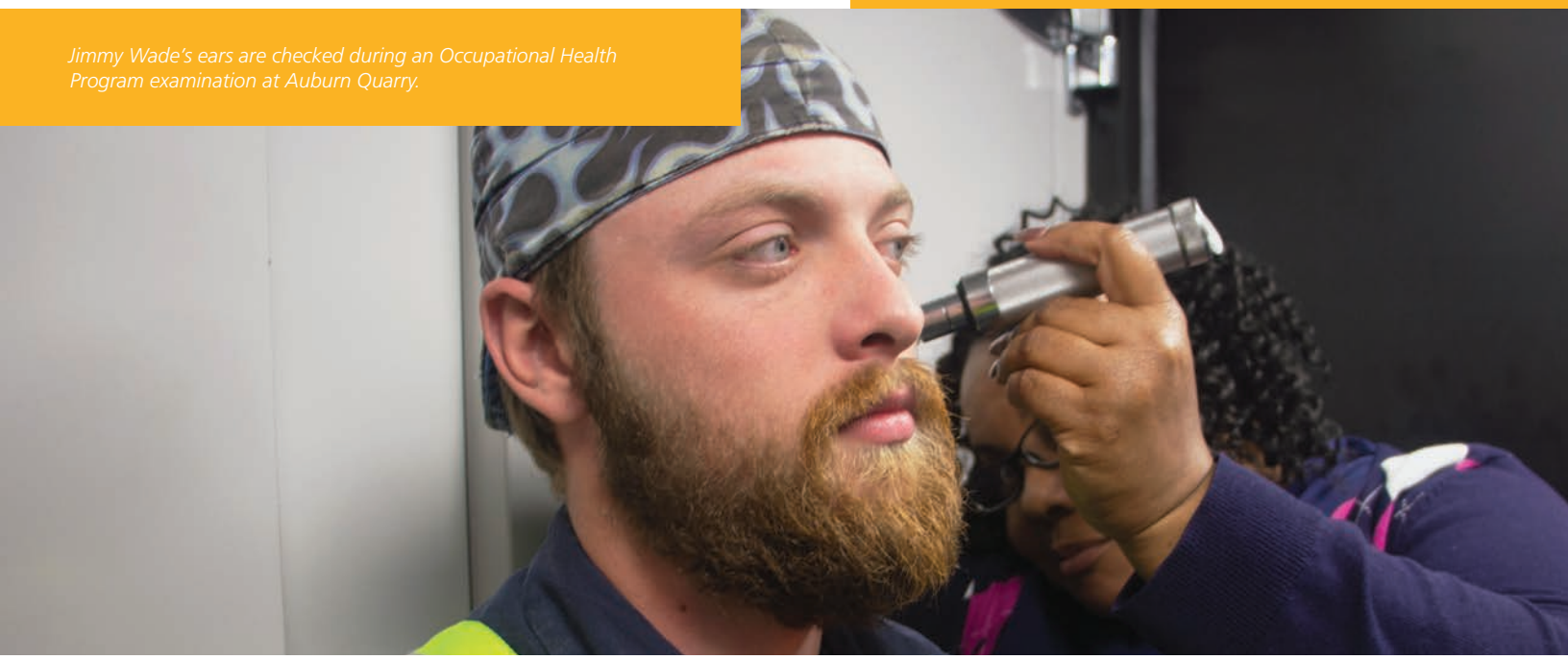
5,876 **SPIROMETRY TESTS AND CHEST X-RAYS**

2019
INDUSTRIAL HYGIENE SAMPLING

96 weeks

OF INDUSTRIAL HYGIENE TESTING AT MARTIN MARIETTA FACILITIES

Jimmy Wade's ears are checked during an Occupational Health Program examination at Auburn Quarry.





ENVIRONMENTAL STEWARDSHIP

Environmental stewardship plays a fundamental role in Martin Marietta's journey to build a world-class organization. We're committed to continuously improving our business, and responsibly using natural resources helps us improve our performance while minimizing our environmental impact. We continue to embed sustainable processes and behaviors throughout our company to help maximize our contributions to society.

OUR APPROACH

Martin Marietta is committed to operating in an environmentally responsible and safe manner and reporting our performance with respect to key areas of focus as well as how our sustainability practices and goals are embedded in our corporate strategy.

All aspects of our sustainability approach, including environmental stewardship, are an integral part of Martin Marietta's annual planning process and day-to-day business. We strive to safely and sustainably manage our business and to pursue our economic objectives. Various aspects of our business are highly regulated, including by governmental standards and permitting requirements related to air emissions, water discharges, waste management, noise and dust control, land use and other environmental matters. It is our policy to continually meet and, where possible, exceed compliance with applicable environmental laws and regulations, which in the U.S. (where almost all of our operations are conducted) can be stricter than in Europe or other parts of the world. We also continually invest in new or upgraded equipment and processes to maintain compliance and to outperform in building value for our shareholders.

THE ROLE OF OUR MANAGEMENT AND BOARD

Martin Marietta has robust governance and oversight in place as it relates to environmental matters, including climate change-related issues. We place primary responsibility for compliance with our operations management and view it as an important part of our ongoing strategy. In this regard:

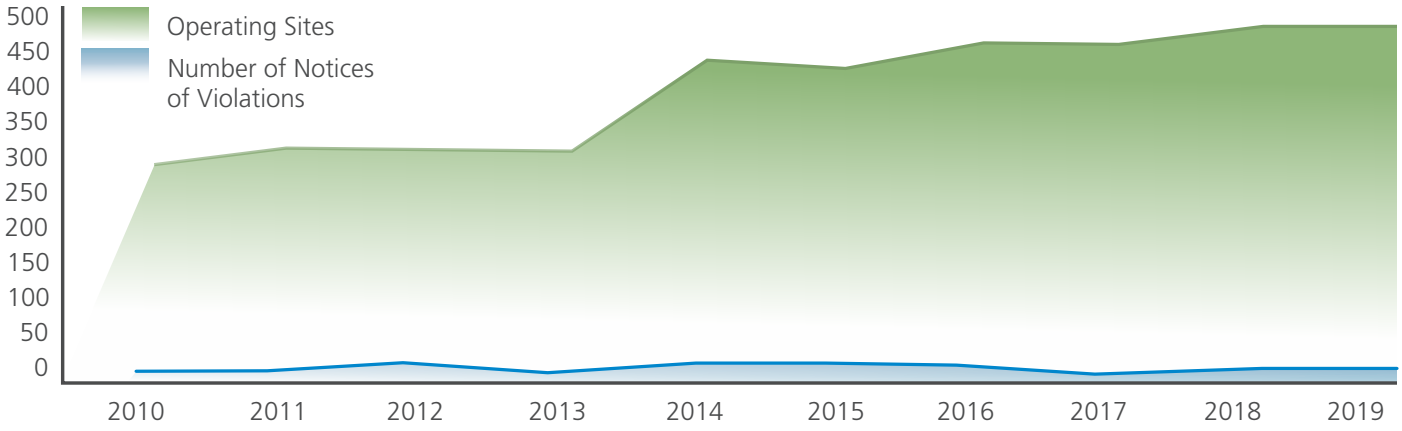
- We have a strong commitment to environmental matters at both the management and operating levels.
- We strive for improvements in our environmental performance and view it as an area that can also create business opportunities for us.
- We view sustainability as a part of our day-to-day and long-term strategies and as a driver of our ability to create value.
- Our stewardship programs are guided by a combination of industry best practices, innovative operational improvements and the use of clean technologies.
- We include environmental matters in our management discussions, goals and compensation.

To achieve our environmental-related goals, we employ a full-time staff of engineers and managers who have significant expertise in environmental compliance and sustainability. Most of our environmental staff hold degrees in various engineering disciplines or environmental-related sciences, including mining and civil engineering, geology, biology and soil science. Many are members of, or have leadership positions in, industry associations and hold professional certifications that require continuing education and training. In addition, a number of our personnel are former staff of regulatory agencies or of organizations that are dedicated to wildlife and conservation, such as The Nature Conservancy, which is a global environmental nonprofit working to create a world where people and nature can thrive. Notably, many of our environmental professionals and operations managers are outdoorspeople with a keen interest in wildlife and habitat conservation, as evidenced by their active memberships in organizations such as Ducks Unlimited, the Rocky Mountain Elk Foundation and the Wildlife Habitat Council.

> *"Our proactive management of environmental matters at our sites and the high skill level of our employees, coupled with advice from qualified outside advisers when appropriate, has allowed us to achieve an impressive compliance record."*

Our operations are subject to periodic self-audits, as well as regular inspections by regulatory authorities, and our confidential ethics hotline is available for reporting suspected environmental issues and bringing those issues to the attention of management. Our internal practices and procedures typically go beyond regulatory requirements. For example, our Magnesia Specialties business has maintained ISO 9001 quality management certifications for both of our magnesia facilities since 1996.

Our proactive management of environmental matters at our sites and the high skill level of our employees, coupled with advice from qualified outside advisers when appropriate, has allowed us to achieve an impressive compliance record. As we have responsibly grown our business, we have maintained our focus on these goals by prioritizing environmental stewardship and compliance during integration. For example, as seen in the chart on the following page, even as the number of our operating sites has grown by 150 percent since 2010, we have successfully kept the violations we have received relative to environmental matters to a very low level. We are proud of this performance and view it as evidence of our success in practicing stewardship and compliance.



We also have formalized our sustainability approach at the Board of Directors level. We have an Ethics, Environment, Safety and Health (EESH) Committee, comprised wholly of independent directors, which meets at least twice annually to review and discuss our sustainability goals, including an update on capital investments and improved practices that reduce greenhouse gas (GHG) and other emissions, and performance with respect to these undertakings. Our EESH Committee members are diverse and have relevant expertise to provide appropriate oversight in helping us achieve sustainable growth and reduce our risks. In particular, our EESH Committee is tasked with reviewing and monitoring compliance with environmental laws and regulations, as well as our public reporting and disclosure with respect to climate change-related risks and opportunities and other environmental issues, and has the authority to investigate any matter falling within its purview. The EESH Committee receives reports relating to environmental, safety, ethics and other sustainability matters, including GHG emissions, directly from management, which in turn receives quarterly updates from operating personnel directly responsible for compliance in these areas. The EESH Committee reports to the full Board.

> *"Our EESH Committee members are diverse and have relevant expertise to provide appropriate oversight in helping us achieve sustainable growth and reduce our risks."*

In addition, we have established several overlapping responsibilities that we believe have been effective in integrating sustainability as a core element of the oversight provided by our Board and its committees, including the following:

- The EESH Committee reviews our environmental and GHG matters, our annual Sustainability Report, the input we have had from investors on sustainability matters, and our progress in setting and achieving sustainable goals.
- Our Management Development and Compensation Committee reviews management's performance with regard to its sustainability goals and considers those achievements in determining incentive pay, as well as programs that incentivize management's performance.
- Our Audit Committee reviews our significant environmental matters and assesses the potential risks and liabilities they may pose to our business.
- Our Finance Committee reviews large capital projects relating to sustainability and growth.
- Our Board of Directors receives a report from each of these committees as to its work relating to sustainability matters and also includes, in its strategic review and risk assessments, management's sustainability goals, its performance relating to sustainability and conversations with investors with regard to sustainability matters.

These examples reflect the ways in which sustainability is a priority in our risk oversight, strategic planning and management, as well as the ongoing dialogue with our shareholders.

In the sections that follow, we further detail our performance with respect to various issues that are, or may be, material to our business. This includes the issue of climate change-related risks and goals, which are increasingly important considerations for our business as well as our shareholders. On the following pages, we provide important information regarding the carbon footprint of our overall business and important steps we have taken and plan to take in reducing the carbon intensity of our operations. With respect to our cement and magnesia specialties businesses, this includes providing Scope 1 CO_2e emissions intensities on a per metric tonne of product basis. Moreover, we are also committing to CO_2e emissions intensity reduction targets for those businesses by 2030 (as compared to a baseline year of 2010), as further detailed below.

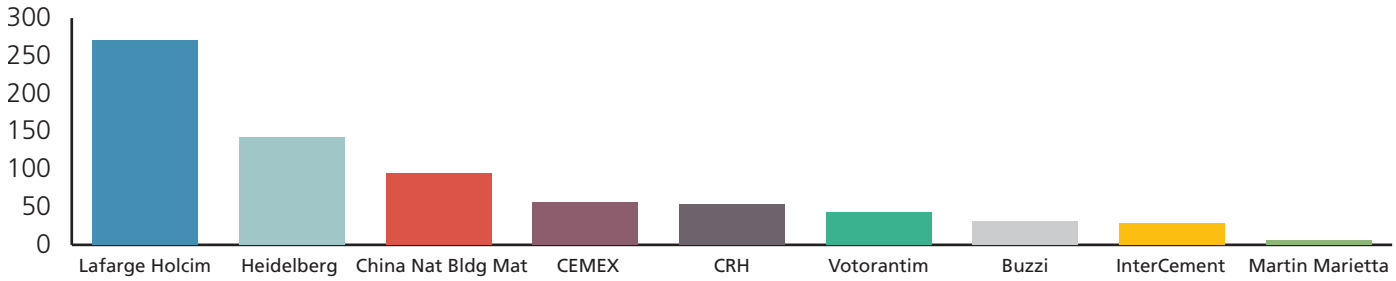
GREENHOUSE GAS EMISSIONS

OVERVIEW

This year we are reporting for the first time on our Scope 1 CO_2e emissions for all business lines: aggregates, cement, ready mixed concrete, asphalt and paving services and Magnesia Specialties. Martin Marietta is, first and foremost, an aggregates-led company (crushed stone, sand and gravel). In fact, the vast majority of our facilities are associated with our aggregates business, including more than 300 quarries, mines and distribution yards. Construction aggregates businesses are not large emitters of GHGs, with the predominant source being diesel fuel used in trucks and other mobile equipment. We also operate a small, but strategic, cement business and the magnesia specialties business. Finally, we have two targeted downstream businesses: ready mixed concrete and asphalt and paving services.

The small size of our cement operations compared to our overall business — both in terms of revenue and production — is an important and significant differentiator between Martin Marietta and other companies operating in the cement industry. Our cement business is located solely in the United States, with two plants in Texas. The number of locations we have is significantly fewer than other companies in the cement business.

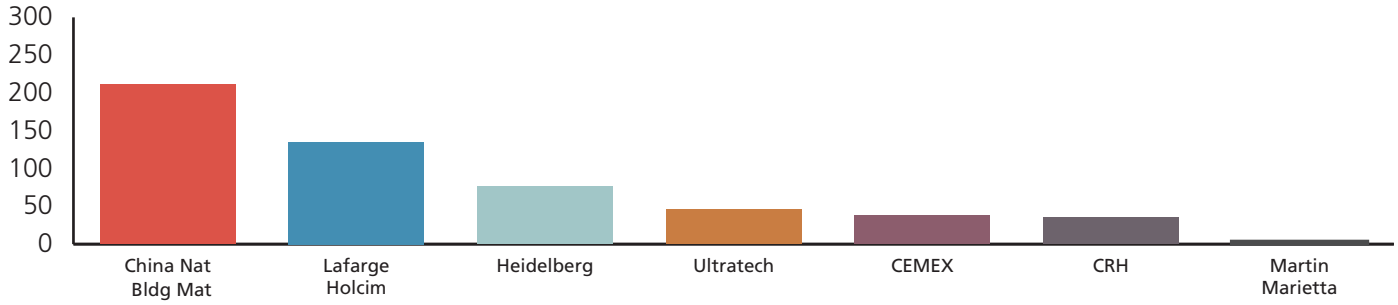
SELECT EXAMPLES OF NUMBER OF CEMENT PLANTS WORLDWIDE



Sources: 2018 Annual Reports and Sustainability Reports

Not surprisingly, our total GHG footprint in absolute terms — from our cement operations as well as all our other business lines — is a small fraction of the footprint of many domestic and international cement companies. Our 2019 Scope 1 CO_2e emissions were 4.50 million metric tonnes of CO_2e across all business lines (including stationary and mobile sources), of which 2.52 million metric tonnes were attributable to emissions from our cement business. This level of Scope 1 CO_2e emissions constitutes less than 4 percent of total GHG emissions attributed to the cement industry in the United States, as reported to the U.S. Environmental Protection Agency (USEPA) in 2018. On a global basis, the emissions from our cement business constitute less than 0.2 percent of the worldwide CO_2e emissions from cement production in 2018[1].

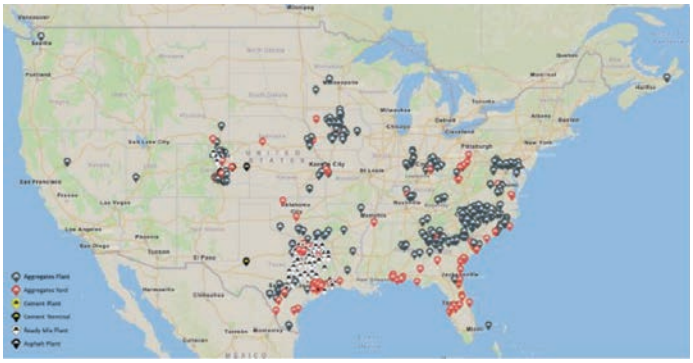
SELECT EXAMPLES OF SCOPE 1 GHG FOOTPRINTS (million metric tonnes CO_2e)



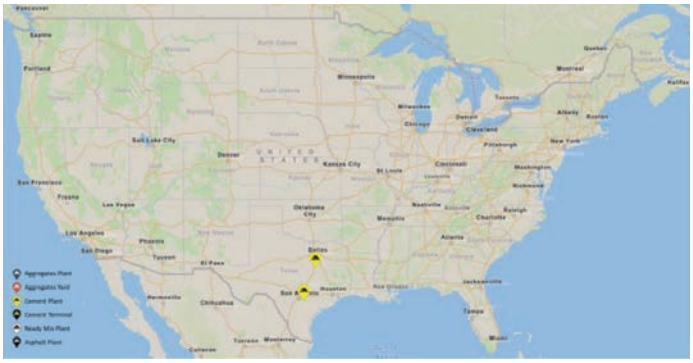
Sources: 2018 Annual Reports, Sustainability Reports, USGS, USEPA and PCA

[1] Total GHG emissions attributed to the cement industry in 2018 were 1,507 million metric tonnes of CO_2 (1.50 ± 0.12 Gt CO_2). See Andrew, R. M., 2019. Global CO_2 emissions from cement production, 1928-2018. Earth System Science Data, 11(4), 1675-1710, DOI: 10.5194/essd-11-1675-2019. Available at: https://www.earth-syst-sci-data.net/11/1675/2019/.

Put succinctly, we are a very small contributor to the Scope 1 CO_2e emissions attributed to the global cement sector. This is consistent with the fact that our cement operations represent a small share of our overall business. In fact, those operations, together with our Magnesia Specialties business, accounted for approximately 15 percent of our consolidated revenue in 2019. This is in stark contrast to other operators in the cement sector who have a substantially greater number of cement plants, total Scope 1 GHG emissions, and percentage of their revenue derived from such cement operations.



Martin Marietta Aggregates, Concrete and Asphalt Plants

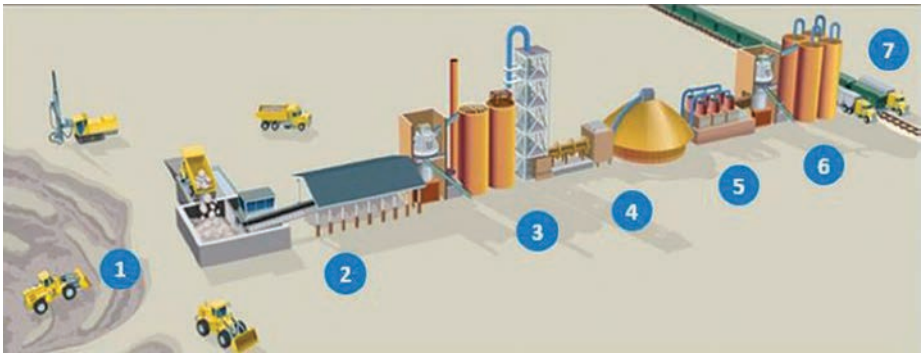


Martin Marietta Cement Plants

OUR CEMENT BUSINESS

Cement and aggregates are critical components of building materials, such as concrete, in the construction and maintenance of roads, buildings, bridges and other infrastructure assets that are vital to economic growth and quality of life. While it is well known that the cement sector is a significant contributor to global GHG emissions, a holistic approach that takes into account the environmental impacts of embodied carbon during the entire life cycle of cement and concrete building materials (including materials sourcing, distribution, use, productive reuse, recycling and disposal) means that cement and concrete products can play an important role in a sustainable low-carbon economy.

OVERVIEW OF CEMENT MANUFACTURING PROCESS









1. Limestone and other raw materials quarried
2. Raw materials are ground and blended
3. Raw materials are heated to 2,850° F in a kiln
4. Heat transforms the materials into pellets of "clinker"
5. Clinker is ground with gypsum into a fine gray powder to make cement
6. Cement is stored and shipped via truck or rail
7. Primary end use consumption is concrete

In assessing and targeting opportunities to achieve reductions in GHG emissions associated with cement operations, however, it also is important to understand both how such products are produced and that carbon dioxide (CO_2) emissions are an unavoidable component of manufacturing cement due to the nature of the raw materials and chemical reactions involved. In fact, our GHG footprint is largely driven by the operation of our two cement kilns and, in particular, the calcination process that is chemically necessary to transform the raw materials used in manufacturing cement.

During the calcination process, limestone is heated in excess of 2,800 degrees Fahrenheit. This breaks down the molecular structure of the stone into clinker (mainly comprised of calcium oxide (CaO) compounds) and CO_2 gas. While the solid clinker is subsequently ground and incorporated into cement, the CO_2 is emitted from the plant. In a modern kiln, more than 50 percent of the Scope 1 GHG emissions are a result of this calcination process, with the remaining emissions coming from the combustion of fuels needed to heat the kiln and the on-site generation of electricity.[2]

> *"This also places us well below the U.S. domestic cement industry average intensity of 0.81 metric tonnes of CO_2e/ metric tonnes of domestic cement in 2018 (the most recent year for which data is available from the USEPA) and makes us one of the more carbon efficient cement producers in the United States."*

Cement producers have limited ability to abate or reduce process emissions resulting from calcination due to the fundamental chemical composition of the limestone. While carbon capture and storage technologies may one day be sufficiently developed to offer new, practical means of addressing the CO_2 emitted from limestone, according to the Portland Cement Association (PCA), at this time "there is no commercially viable and scalable technology to prevent or reduce the released CO_2" from the cement manufacturing process.[3] Instead, U.S. plants must focus on opportunities to use lower-carbon fuel sources and improving energy efficiency in the manufacturing process.

OUR INVESTMENTS IN REDUCING OUR CARBON INTENSITY

We have worked hard and invested heavily in our sustainability practices and improved carbon intensity in our cement manufacturing operations, including employing and improving on patented production processes, upgrading equipment, improving fuel efficiency and increasing our use of lower-carbon alternative fuels and reducing total air emissions. In fact, since 2008, we have invested more than $1 billion to upgrade kilns and equipment at both cement plants, including replacing "wet process" cement production with modern pre-calciner technology and installing state-of-the-art emissions control equipment at our Midlothian Cement Plant. We believe our two cement plants are now among the most modern in the United States.

As a result of these efforts, we have successfully reduced the carbon intensity of our cement business to 0.74 metric tonnes of CO_2e/metric tonnes of domestic cement as of 2019. This also places us well below the U.S. domestic cement industry average intensity of 0.81 metric tonnes of CO_2e/metric tonnes of domestic cement in 2018 (the most recent year for which data is available from the USEPA) and makes us one of the more carbon efficient cement producers in the United States.

Not surprisingly, in 2015, the company's Midlothian Cement Plant was recognized by the USEPA as a high performing, energy efficient facility following investments in innovative air pollution control technologies and usage of alternative fuels.



Martin Marietta's Hunter Cement Plant is outside New Braunfels, Texas.

[2] Testimony for the Congress of the United States House of Representatives Select Committee on the Climate Crisis hearing on "Solving the Climate Crisis: Reducing Industrial Emissions Through U.S. Innovation", September 26, 2019. Jeremy Gregory, PhD, MIT on behalf of the PCA.

[3] PCA Response to House Select Committee on Climate Crisis dated 11/22/2019, pg. 2.

UNDERSTANDING THE IMPACT OF BLENDING AND FUEL CHOICE

While we are proud of these achievements — and, in fact, as discussed below with respect to our 2030 reduction goals, we have committed to further reduce the carbon intensity of our cement and magnesia businesses — we also believe it is important to recognize critical regulatory differences between the U.S. and the European Union (and other international jurisdictions) that result in meaningful differences in the makeup of corresponding end-products and reported emissions metrics. Those differences, in turn, make like-for-like comparisons of the emissions performance of such companies challenging.

For example, outside of the U.S., the allowable rate of "clinker substitution" — the replacement of ground clinker in cement with alternate materials such as pozzalan, slag and fly ash — is much higher than it is in the U.S. because of the limitations imposed by the American Society for Testing and Materials, Inc. (ASTM) and Department of Transportation (DOT) standards for domestic cement. While our clinker substitution rates (like other U.S. producers) generally does not exceed 10 percent, the average clinker substitution rates for international cement companies is in the range of 28 percent to 50 percent, depending on the type of cement.[4] Accordingly, even where their clinker intensity (the amount of CO_2 generated in producing a tonne of clinker) is comparable to our 2019 rate of 0.81 metric tonnes of CO_2e/metric tonnes of clinker (and in many cases is actually higher), international cement companies can reduce the carbon intensity they publicly report by simply substituting higher percentages of non-clinker products for clinker in their end product, rather than actually reducing total emissions or improving efficiencies in the manufacturing process.

In addition, in the U.S., alternative fuel use by the cement industry averages only 15 percent of the fuel mix, compared to 36 percent of the fuel mix used in the European Union and as high as 60 percent in Germany.[5] In large part, this is because combustion of secondary alternate fuels is incentivized in the European Union, whereas in the U.S. environmental laws and USEPA regulations create hurdles to using these materials as fuel sources. Moreover, the calculation of reportable CO_2 emissions under international regulations differs materially from the calculation allowed under USEPA regulation.

We believe that our track record of achieving comparably favorable clinker intensities, despite these regulatory differences, highlights our record of investing in our plants. It further underscores our continued dedication to sustainable practices in our operations.

Reclamation at Midlothian Quarry in Virginia.



[4] European cement standard EN 197-1 "Cement – Part 1: composition, specifications and conformity criteria for common cements", as reported by CEMBUREAU.

[5] PCA Response to House Select Committee on Climate Crisis dated 11/22/2019, pg. 5.

Accordingly, although our actual carbon emissions from clinker production may be comparable to or better than European producers, their ability to calculate reportable CO_2 emissions differently leads, in part, to a lower carbon intensity calculation.

Simply put, because U.S. producers are more heavily regulated in using alternative fuels in production and must both report a greater amount of the related CO_2 emissions than their European competitors and use more higher-CO_2 clinker in cement, carbon intensities are effectively calculated differently for U.S. and European producers.

Despite these regulatory constraints, Martin Marietta views the use of alternate fuels and improving fuel efficiency as important components of our overall commitment to sustainability, including climate change-related issues and concerns. In this regard, in addition to significant plant upgrades and other modernization in which we have invested, our accomplishments include the following:

- As noted later in this Sustainability Report, we have made a significant investment in tire processing systems at our Midlothian Cement Plant and are actively exploring adding such equipment to our Hunter Cement Plant in the next several years. Our permits for our Midlothian and Hunter plants, however, cap our use of tires as alternate fuels to, respectively, 28 percent and 25 percent of the fuel mix.
- In the last five years, we have dramatically reduced the use of coal in our kiln fuel mixes at both cement plants from approximately 70 percent to 23 percent of our total fuel usage. In particular, at Midlothian, coal makes up less than 9 percent of the kiln's fuel, as compared to 59 percent in the past. At Hunter, the percentage of coal in the fuel mix is 41 percent, down from 77 percent, and we are actively exploring ways to obtain additional supplies of natural gas at Hunter as an alternative to coal use.

OUR MAGNESIA SPECIALTIES BUSINESS

After our cement business, our magnesia specialties business, which has two plants — one in Ohio and one in Michigan — is the second largest contributor to our Scope 1 GHG footprint. This is due almost entirely to the operation of our Woodville, Ohio, plant where we operate six lime kilns of varying ages. The calcination process at Woodville is very similar to our cement business, except that Woodville processes dolomitic limestone, which contains a higher CO_2 component than the high calcium limestone used in our cement plants. In contrast to cement, our magnesia specialties business cannot achieve GHG reductions through substitution for our calcined lime product since both internal and external customers require that we maintain extremely high purity to allow further processing.

Members of the U.S. Air Force visit the Midlothian Cement Plant in Texas to observe the Tire Derived Fuel system.



Woodville Lime Plant pollution control devices under construction.







Nevertheless, we have seen a considerable reduction in GHG emissions intensity in our Magnesia Specialties business in recent years. This is primarily driven through our investments in modernizing the Woodville plant, most notably construction of a new, more efficient kiln that was completed in 2012. In 2018, under a consent decree negotiated with USEPA, the company committed to spend an additional +/- $30 million at this site to add preheaters and other state-of-the-art control technology to two other large kilns. While primarily designed to control NOx and SO_2 emissions, we believe this project may also result in GHG emission reductions. This project is well under way. We are currently evaluating systems to achieve additional reductions through implementation of heat recovery systems, improvements in combustion efficiency through new product mixes, process changes and upgraded equipment, and minimizing the generation of fines and other byproducts.

> *"Notably, our products manufactured at this plant help control emissions and result in other environmental benefits."*

We also manufacture magnesia-based products at our Manistee, Michigan, facility, which are a relatively insignificant source of direct GHG emissions. Notably, our products manufactured at this plant help control emissions and result in other environmental benefits.

Some of those applications for our products include:

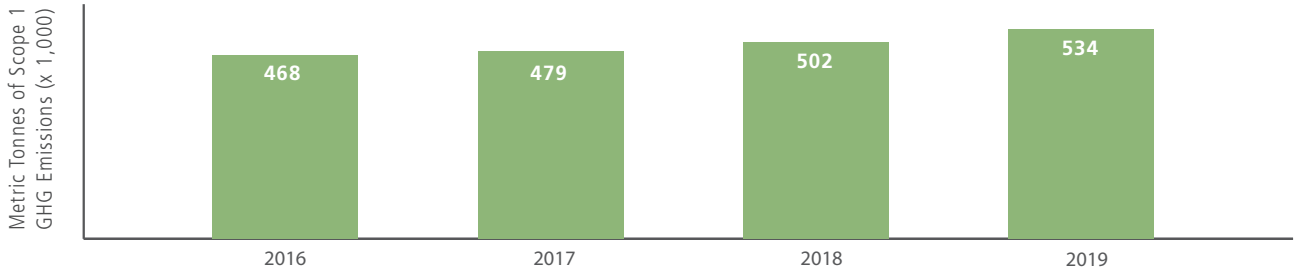
- Purification of drinking water as well as industrial and municipal wastewater
- Optimization of transformer electricity transmission
- Replacement of hazardous chemicals with our non-hazardous magnesium oxide and hydroxide products
- Sulfur oxide pollution reduction
- Nuclear waste neutralization
- Improvements in gas turbine electric generation efficiency
- Reduction of chemical usage in pulp bleaching and improvements in paper grade pulp yield,reducing wood demand, fertilizers to maximize crop yield and to replenish soil nutrients
- Reduction of sewer system pollution, such as hydrogen sulfide gas

OUR AGGREGATES AND DOWNSTREAM BUSINESSES

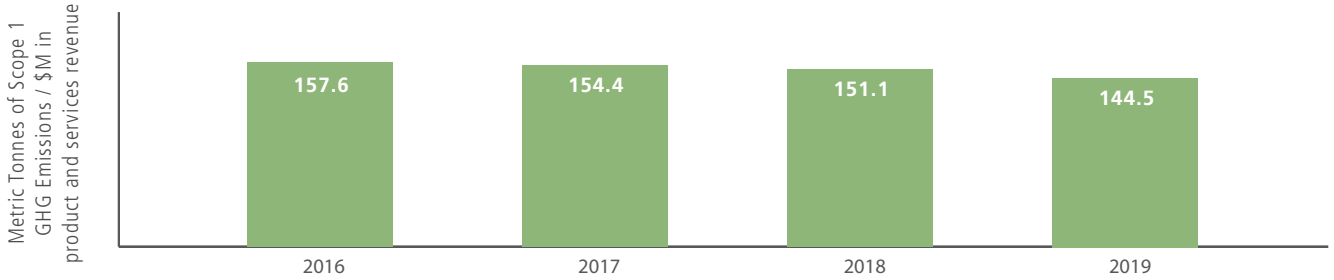
In our aggregates product line, which is the largest of our businesses, the primary source of our Scope 1 CO_2e emissions is the consumption of diesel fuel in our quarry operations. The same is largely true of some of our targeted downstream operations, namely ready mixed concrete and asphalt and paving services, that have similar mobile combustion sources, including off-road and on-road equipment. These downstream businesses also use natural gas in their processes, and those emissions, while considerably smaller than their diesel-related emissions, are included in the total carbon footprint provided in this report.

Scope 1 GHG Emissions[1] (in metric tonnes)

Aggregates and Targeted Downstream Businesses



Scope 1 GHG Emissions[1] Financial Performance Ratio



[1] Scope 1 GHG Emissions = Direct emissions, less transportation and international operations.

In an effort to mitigate the risks to the company associated with GHG emissions while ensuring and improving financial sustainability, we have made significant capital investments in our mobile fleet in both the aggregates and targeted downstream businesses. We have also invested significant capital to right-size our operations, which can result in an operation using fewer pieces of equipment and, for the aggregates business, shorter haul distances from the mine to the crushing plant.

> *"In an effort to mitigate the risks to the company associated with GHG emissions while ensuring and improving financial sustainability, we have made significant capital investments in our mobile fleet at both the aggregates and targeted downstream businesses."*

Our strategy includes:

- Using alternative fuels such as biodiesel
- Reducing overall fuel use by converting from quarry trucks to conveyor belt systems
- Right-sizing quarry trucks to marry the appropriately sized truck with the size of production to reduce the number of required trips
- Replacing older rail cars with more efficient, high-capacity models that reduce the number of required trips and adding rail capacity in lieu of truck movements
- Installing emissions monitoring equipment and real-time fleet management software

Notably, like our Magnesia Specialties business, our aggregates business also produces material that is used by others to reduce emissions. For example, our limestone aggregate operations produce substantial quantities of scrubber stone sold to power producers for use in reducing the sulfur dioxide (SO_2) emissions generated by their coal-fired plants. As noted earlier, **our aggregates production — although it represents the majority of our facilities and consolidated revenue — has a small direct GHG emissions footprint.**

ENHANCED DISCLOSURE AND 2030 GHG REDUCTION GOALS

Notwithstanding our operational focus on aggregates, we have made considerable strides in reducing the intensity of our GHG emissions from our cement and magnesia specialties plants, as described previously.

In connection with our continuing commitment to sustainability, including concerns relating to climate change, we commit to a total of:

15% **REDUCTION IN THE INTENSITY OF OUR SCOPE 1 CO_2e PROCESS EMISSIONS FROM OUR CEMENT OPERATIONS AS COMPARED TO 2010[1] LEVELS BY 2030**

10% **REDUCTION IN THE INTENSITY OF OUR SCOPE 1 CO_2e PROCESS EMISSIONS FROM OUR MAGNESIA SPECIALTIES BUSINESS AS COMPARED TO 2010[1] BY 2030**

These two businesses (four plants) are responsible for approximately:

87% **OF MARTIN MARIETTA'S OVERALL SCOPE 1 CO_2e EMISSIONS**

[1]Facilities in most source categories subject to the USEPA's Greenhouse Gas Reporting Program (codified at 40 CFR Part 98), including cement production, began reporting emissions in 2010. Thus, we believe 2010 is a year with reliable and comparable data across a wide range of facilities in the U.S.

Last year, Martin Marietta issued enhanced climate-related disclosures, including information about the physical and transition risks and opportunities relating to climate change, in our annual report to the SEC. We believe this enhanced disclosure helps to facilitate more informed business and investment decision-making, including by comparison with our peers in our industry, and is consistent with the objectives of the Task Force on Climate-related Financial Disclosures Recommendations and Sustainability Accounting Standards Board (SASB) guidelines for the construction materials sector. All our public reports are available on Martin Marietta's website.

Our long-term reduction targets were selected based on a number of factors, including the significant investment we have made in our plants in the past two decades; the use of improved technologies in our plant processes that has resulted in a reduction in GHG emissions; the current limited ability in the United States to use alternative fuels to operate our plants, both from a regulatory and a customer perspective; the stringent requirements included in all of our air permits for our cement and magnesia specialties plants; and the absence of high-emissions sources, such as wet or older cement plants, that could be shut down or removed. We chose 2010 as our base year because that was the first year that most sources were required to, and started reporting, emissions to the USEPA resulting in reliable and comparable data.



Tire chips and wire being separated.

To achieve these reduction targets, we expect to evaluate a number of potential operational improvements and alternatives, including:

- Coal replacement and tire derived fuel (TDF) investments.
- Continued use of synthetic gypsum as a substitute for natural gypsum. Whereas natural gypsum is mined, synthetic gypsum is a byproduct of flue gas desulfurization (FGD) — a scrubbing technology utilized by many coal-fired power plants to reduce SO_2. Recaptured synthetic gypsum provides the same chemical (calcium sulfate dihydrate) and physical properties as natural gypsum, and its use diverts this material from overburdened landfills.
- Leadership positions in trade associations that support actions to control climate change, such as the PCA and National Ready Mixed Concrete Association (NRMCA).
- Support of the MIT Sustainability Hub, which conducts research supporting the beneficial use of low-carbon footprint concrete and brings together leaders from academia, industry and government to develop a holistic approach that will achieve durable and sustainable homes, buildings and infrastructure in ever more demanding environments.
- The addition of slag to our process, as was reflected in our CemStar patented technology. In 2019, the slag addition represented almost 4 percent of our clinker production.
- Use of additional alternative fuels, including the purchase of wind energy and other renewables.

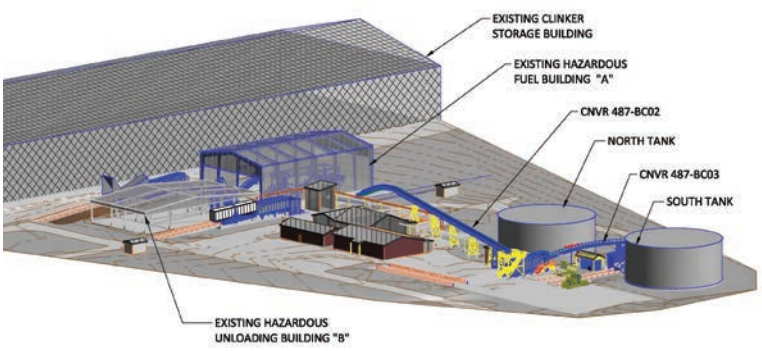
In addition, we are active in the cement and lime industry associations and are following with interest the innovative technology testing that is ongoing throughout the world. As new technologies are proven to be effective, we will look to incorporate those into our operations as we upgrade our facilities.

We also recognize the importance of continuing to set goals for sustainability and to increase transparency around GHG emissions reporting, and thus, we expect to make additional reports and commitments for our businesses in the years to come. For example, we anticipate the next iteration of our Sustainability Report will include, for the first time, reports on our Scope 2 CO_2e emissions across all business lines. In addition, if appropriate, we plan to consider the consistency of any future emissions targets with science-based methodologies and their alignment with international objectives such as the Paris Agreement.

Tire shredding in action.



Midlothian, Texas, Tire Derived Fuel System



WATER MANAGEMENT

We use water for production, maintenance activities, environmental controls and reclamation. We recognize that water availability is critical to the future of our communities and our operations. We also recognize that our diversion and discharge of water into the environment impacts our communities and the ecosystem. We are committed to responsible and efficient water management and continuously seek opportunities to use renewable and recycled sources. As with our GHG emissions strategy, we invest in new processes and technologies following appropriate testing.

In 1972, the U.S. Congress enacted the Federal Water Pollution Control Act, now known as the Clean Water Act (CWA). This law, as amended, established the basic framework for regulating water pollution in the United States. Compliance with water quality requirements under the CWA is a critical aspect of Martin Marietta's environmental stewardship.

While we make significant efforts to reuse and recycle water in our processes, we do have discharges at or from a number of our locations. In those cases, we have obtained permits under the National Pollutant Discharge Elimination System (NPDES) that contain site-specific limits designed to maintain the health of the receiving water body and the aquatic species that call it home. We use treatment systems designed to ensure that permit compliance is maintained and conducts regular monitoring and reporting to ensure compliance.

In addition, stormwater discharges associated with industrial activity are regulated pursuant to the CWA. These regulations require that the site operate under either a general permit applicable to all similar facilities or a site-specific permit depending upon many factors. The storm water permitting system is designed to minimize and reduce pollution in the runoff from industrial facilities. Sites must maintain a Storm Water Pollution Prevention Plan, implement Best Management Practices, and undertake certain sampling and reporting.

In 2019, we operated more than 400 facilities across the United States and recorded a total of only seven CWA-related violations, all of which were minor, with aggregate penalties totaling $875.00.

Expansive lake created at reclaimed site in Georgetown, South Carolina.



WATER AND THE NEEDS OF OUR COMMUNITIES

Not only do we focus on ensuring that our discharges do not diminish the quality of local water resources, we also are committed to being responsible users of the available water in the communities in which we operate. Martin Marietta's production processes rely on water. Importantly, we implement water management practices recognizing that clean and reliable water is also critical to our local communities.

To this end, in 2018 we undertook to examine the water stress levels of these communities, measured as a ratio of annual water withdrawals to total available annual renewable supply. A higher percentage indicates that there are more water users competing for the water resource.

> *"Importantly, we implement water management practices recognizing that clean and reliable water is also critical to our local communities."*

Areas with high water stress are those with a range of 40 percent to 80 percent and areas with extremely high water stress are those greater than 80 percent. We analyzed our operating locations by zip code, using the World Resources Institute's Water Risk Atlas tool, known as Aqueduct. A profile of our building materials operations (which includes all businesses other than Magnesia Specialties) is shown below:



32

aggregates locations in areas classified as high water stress



18

ready mixed concrete locations in areas classified as high water stress



40

aggregates locations in areas classified as extremely high water stress



1

cement plant located in an area classified as extremely high water stress



24

ready mixed concrete locations in areas classified as extremely high water stress

Geographically, the majority of our locations classified as high water stress are located in Texas; those classified as extremely high water stress areas are primarily in Texas and Colorado. In those areas, responsible water use and recycling are critical, and we have made significant efforts to reduce water waste, as described in the following examples.

TEXAS

Over the past several years, Martin Marietta has invested in water recovery equipment at Medina Rock & Rail Quarry, Beckmann Quarry, Chico Quarry, Black Spur's Bird Hill Plant and Hunter Stone Quarry, each located in Texas. For example, at Hunter Stone Quarry, we installed a $5 million plate press that eliminated the need for a settling pond, thereby reducing water loss due to evaporation and infiltration.

The water recovery system at Beckmann Quarry, installed in 2010, continues to provide significant benefits and reduced the facility's water withdrawal by an average of 50 percent compared to 2009. This equates to a pumping reduction of more than 20,000 acre-feet, resulting in billions of gallons of additional Edwards Aquifer water that is available to South Central Texas communities for other beneficial uses.

In 2019, our Texas ready mix operations undertook a number of initiatives designed to reduce water waste. Nine Shumaker Industries "Load and Go Ready Mix Truck Wash"® systems were installed in our Dallas-Fort-Worth-area ready mix plants. These systems dramatically reduce the amount of water used to clean ready mix trucks after loading, reducing both water use and runoff. In addition, two plants installed filter press technology and a third installed a new Fortrans pH control system.

COLORADO

The West Division continues to work in cooperation with the City of Denver to create a much-needed new fresh water reservoir at our Riverbend Sand & Gravel site that will supply additional water to the growing population of Denver. Work at the site has progressed, and two of the planned storage cells were completed in 2019. We also have similar projects at each of our 35th Avenue, Ditullio, Duckworth and Heaton facilities with the opportunity to repurpose more pits in the future.

At our Taft Sand & Gravel operation, located in Fort Collins, Colorado, a series of five lined reservoirs has been completed as part of our reclamation efforts. These former gravel pits were converted in partnership with local utility Tri-Districts as a way to provide water to the local communities. The reservoirs provide more than 500 million gallons of water to the Tri-Districts Utility. Additional reservoirs will be created as part of the site's reclamation plan supplying additional water storage to the surrounding communities.

Sunset at our Medina Rock & Rail facility near Hondo, Texas.



WASTE MANAGEMENT

We are committed to improving resource efficiency through reuse, recovery and/or recycling of waste materials in our businesses. We also dispose of waste using safe and responsible methods.

In recent years, following the failure of the Brumadinho Dam at a Vale iron mine in Brazil, there has been increased attention by regulators and the public to the environmental and safety risks associated with the storage and disposal of mine tailings. Although our aggregrates operations result in certain waste products, ours are meaningfully different than tailings produced through metals mining. Whereas, in a metals mine, a very high percentage of the mined material becomes waste or tailings (e.g., some copper mines waste in excess of 80 percent of their raw material),[7] the waste fraction in our quarries and mines is generally less than 20 percent of the mined stone.

Further, tailings in metals mines can release toxic metals, such as arsenic and mercury, and may lead to acid mine drainage (caused by microbial action on sulfide ores) which can result in significant environmental impacts, particularly in the case of a sudden release. Our operations, on the other hand, involve mining limestone and granite; the resulting fines are non-hazardous.

Notwithstanding these important differences, we attempt to minimize the need to store and/or dispose of aggregates waste products at our facilities by selling the fine material from our processes for reuse in other commercial activities. We often sell fine material as a replacement for natural sand where customer specifications allow. To the extent that we maintain settling basins for fine material on our mine sites, these are generally constructed below grade in mined out areas of our pits or in specially engineered settling basins. These pits and basins are regulated by MSHA, as well as various state laws, and are subject to multiple inspections each year. Further, to the extent water is discharged from a pit or basin, it is regulated by the CWA and various state laws and subject to periodic monitoring.

These pits and basins often serve as more than simply a place to collect the fine rock fraction. As an adequate supply of water is essential at any aggregate mining operation for processing and dust control, water from our settling basins is reintroduced to our process. This reduces our reliance on other water sources and lessens stress on local aquifers and surface water bodies.

The 282-foot-high Brumadinho Dam in Brazil was built using the "upstream" method in which terraced embankments are constructed successively higher on the upstream side of the dam as the impoundment fills with tailings. Thus, it was not a single engineered structure. Brazil has now banned new upstream tailings dams and ordered the removal of existing ones. None of Martin Marietta's 34 dams, all of which are located in the United States, were constructed using the upstream method. The vast majority of our dams are under 30 feet, and none exceeds 70 feet in height. All of our dams are designed and operated in compliance with stringent U.S. regulations, including those of MSHA, various states and the Army Corps of Engineers. Additionally, these structures are regularly inspected by our qualified personnel. The majority of our dams are maintained in connection with fresh water ponds.

Below grade settling pond at Medina Rock & Rail.



[7] D. R. Nagaraj "Minerals Recovery and Processing" in Kirk-Othmer Encyclopedia of Chemical Technology, Wiley-VCH doi:10.1002/0471238961.1309140514010701.a01.pub2

BIODIVERSITY AND LAND USE

We own or lease significant land holdings on which we operate our businesses. We are committed to minimizing operational impacts on local ecosystems' biodiversity. In addition to complying with applicable laws and regulations, we integrate various protection measures into the way we operate, as described below. Further, our environmental management practices consider the relevant ecosystem throughout the lifecycle of an operation, including reclamation.



Indiana Bat



Prebble Jumping Mouse

U.S. Department of Energy



Snorkel Wort in granite vernal pool

James Henderson, Golden Delight Honey, Bugwood.org

HABITAT AND SPECIES PROTECTION

Throughout the duration of our operations at a particular location, we take a variety of steps to mitigate impacts on habitats and species and to restore disturbed ecosystems. Our environmental staff works in concert with our mine planners and operations teams to ensure sensitive areas and species are not impacted. We follow the U.S. Fish and Wildlife Service guidelines and regulations for operations near endangered or threatened species, and we obtain required permits and conduct necessary mitigation in connection with our activities in or near waters of the United States.

Additionally, many of our quarries benefit biodiversity by creating and maintaining valuable habitats for many species of wildlife, including threatened or endangered species. This occurs both in the ordinary course of maintaining large rural sites and through set-asides and conservation easements we have granted. For example, in our Central Division, we have set aside portions of our Racoon River property as habitat for the endangered Indiana Bat. In our West Division, a portion of our Lyons facility has been set aside to protect the Prebble Jumping Mouse. And in our Southeast Division, a portion of the Appling property was set aside to provide a habitat for the snorkel wort plant. In addition, in many of our sand and gravel operations, we create wetland features that improve water quality long term and water-storage basins that help to supply local water needs.

Because we own and lease many thousands of acres of land, we are also active managers of significant forest resources. Management and replenishment of this resource is top of mind for our operations. For instance, beginning in 2015, our Mid-Atlantic Division implemented a timber management program. To date, the division has planted more than 250,000 trees reclaiming many acres of forest.

Our sites also actively partner with local agencies, as well as organizations like the Wildlife Habitat Council of which we are a member. For example, our Hatton Quarry west of Little Rock, Arkansas, participates in the Arkansas Acres for Wildlife Program administered by the Arkansas Game & Fish Commission. Sixteen acres of quarry property have been identified as an area that can be improved for quail, deer and turkey habitat. Besides reserving the acreage for the project, the quarry has donated equipment and manpower to implement the Habitat Management Plan for this area. In addition, forested areas have been thinned to a basal area of 50-60 square feet. This ensures that enough sunlight will reach the forest floor to stimulate the growth of desirable vegetation, and routine prescribed burns are being conducted annually on a third of the managed acreage. The Hatton Quarry has set aside an additional 10 acres for improved quail habitat and is partnering with Quail Forever to manage this acreage. The site is now a lifetime member of Quail Forever.

Similarly, our Milford, Utah, quarry has provided assistance to a consortium of groups, including the Wild Sheep Foundation, Rocky Mountain Elk Foundation, the Utah Stockman's Association, the Federal Bureau of Land Management and the Utah Division of Wildlife Resources, for the installation of guzzlers on an area devastated by a wildfire 10 miles from the quarry. The guzzlers provide a sustainable source of water for livestock and the native elk, deer and other wildlife in the area, as well as a water source that will help with the reintroduction of desert bighorn sheep into the area.

Consultants conduct a fish study for us at our Vanceboro, North Carolina, site.



Reclaimed quarry in Rocky Point, North Carolina.



LAND RECLAMATION ACTIVITIES

Our approach to reclamation includes the protection of the environment while we are quarrying as well as its restoration after mining, both of which we typically plan before we open a new site. In so doing, we commit to activities that include minimizing impacts to neighboring properties, wildlife and fauna, adjacent streams and water quality. We are generally required by state or local laws, or pursuant to the terms of an applicable lease, to reclaim quarry sites after use, which usually includes a requirement to post a reclamation bond to guarantee performance of that work. During the process of applying for permits, we include extensive information regarding our reclamation activities, and consider any concerns expressed by local communities and other stakeholders.

We own or lease more than 250,000 acres of land and have developed reclamation or restoration management plans for approximately 90 percent of our operating quarry sites. Generally, we perform reclamation activities on an ongoing basis as an integral part of the normal quarrying process. For example, the perimeter and interior walls of an open pit quarry are sloped and benched as they are developed to prevent erosion and provide stabilization. An important aspect of reclamation is returning the land to beneficial use. Lands that are reclaimed are often improved by a more diverse plant community and weed control. As such, reclaimed lands often provide valuable wildlife habitat. Other common land uses for our reclaimed quarries post-mining include water storage and reservoirs, parks and other recreational uses and sometimes commercial development.

Our reclamation activities at our Specification Aggregates Quarry in Golden, Colorado, have been featured on ReclamationColorado.com. The quarry is situated on the eastern edge of the foothills with much of the quarry area visible from many parts of the Denver metropolitan area. A primary goal for reclamation of the mining area is to minimize visual impacts by creating a topographic and ecological setting that is similar to that of the hillside areas surrounding the quarry. The landscape of the surrounding area is dominated by grassland communities interspersed with patches of scrub oak and scattered evergreen trees.

Our reclamation activities are carried on concurrently with mining, and the result is a landscape that blends in with the surrounding undeveloped land, enhances wildlife habitat and habitat diversity, and provides winter forage for elk and mule deer. Since the reclamation activities are ongoing, the restoration also yields habitat with diverse age-class plant communities. Once mining is completed on the site, a large reservoir will remain, which will serve as a source of municipal water for the region and may also serve as a recreational feature.

This photo shows the reclamation process at our Specification Aggregates Quarry in Golden, Colorado; native slope at the top of the hill, reclaimed slope immediately below it, seeded slope with new vegetation next down, then regraded and mulched slope before seeding, and mined but unreclaimed slope at eye level. Mining started at the top of the slope and is progressing downward.





Our Specification Aggregates Quarry operation in Golden, Colorado.

These are just a few examples of our efforts to keep sustainability a priority in our operations and strategy. Rooted in our core values and commitment to being responsible stewards of the Earth's resources, our sustainability approach allows us to create lasting results that benefit our employees, customers, communities and society as a whole.

Largely because of our efforts to maintain habitat diversity, we easily coexist with wildlife at our Specification Aggregates Quarry in Colorado.

GOOD FOR BUSINESS, GREAT FOR OUR EARTH

NEW SYSTEM PROVIDES MIDLOTHIAN CEMENT WITH ALTERNATIVE FUEL SOURCE THAT CONSERVES NATURAL RESOURCES AND DRIVES PROFIT

Discarded tires are a problem.

That's not an opinion. It's a fact.

The USEPA says the United States produces about 290 million tires each year. Besides being an eyesore, discarded tires are a fire hazard and, after capturing rainwater, become an ideal breeding ground for mosquitoes that eventually spread disease.

But what if we could take millions of discarded tires out of the equation while finding an environmentally friendly purpose for them?

That's exactly what's happening at our Midlothian Cement Plant just south of Dallas.

> *"Our new system is a true win-win for our company and the environment. And our state and federal environmental agencies have been completely supportive."*

"I'm truly excited about this because I love the environment and want my family — especially my two young daughters — to enjoy it as I have," said Midlothian Plant Manager Ricardo Del Valle Favela. "Our new system is a true win-win for our company and the environment. And our state and federal environmental agencies have been completely supportive."

Since 2008, Midlothian has used a mixture of fuel sources, including whole tires, to power its cement production, according to Vice President of Cement Operations Alan Rowley.

Recently, the team added a new system to its operation that shreds whole tires. The system is allowing the plant to produce an alternative fuel source that is equally as efficient as its traditional competitors.

"Tires are an engineered product made of highly refined rubber, and that is what's really important to us when we think of them as an alternative fuel," Rowley said. "That rubber offers a high heat value. It's as uniform as natural gas and, in our kiln system, more uniform than coal."

Midlothian has traditionally relied on alternative fuel sources to provide about 10 percent of its total fuel. With the new system in place, Rowley and the team hope to dramatically increase that figure in the next few years, ultimately relying far less on coal.

The change also means Midlothian now consumes more tires than ever before, a fact that the division's Director of Environmental Services Michael Meinen and others appreciate.

> *"Tires are an engineered product made of highly refined rubber, and that is what's really important to us when we think of them as an alternative fuel."*

"While this system is helping us minimize our dependence on fossil fuels, it's also helping the Texas Commission on Environmental Quality (TCEQ)," Meinen said. "Managing the tires discarded across the state is a challenge for the TCEQ, so they're constantly seeking safe and efficient recycling methods."

According to Rowley's research, more than 16 million of those 290 million annually discarded tires across the United States are found in Texas. With the new shredding system in place, Midlothian is positioned to use about 16,000 of those tires each day. Combine that figure with the shredded tires the site already purchases separately and the impact expands greatly; Rowley said the plant set a record in August 2019 when it consumed 45,000 tires in a single day.

Extrapolate those numbers across an entire year, and they become astounding. On an annual basis, Martin Marietta can now take millions of discarded tires out of the environment while drastically reducing the potential for dangerous fires and the risks for mosquito-borne illnesses.

Environmental impact aside, the system is also great for business. An engineering marvel, the shredding system takes in whole tires by the truckload, then runs them to the kiln in a methodical and controlled manner. Tires are moved onto a conveyor one at a time and then pushed through a number of grinders that shred them into very small chips. About 15 percent of an average road tire's weight comes from the steel lining beneath the rubber, so the shredding system involves a series of magnets to remove that lining.

By the time a tire has passed through the entire shredding system, the rubber — now resembling very fine chips — is moved off to the kiln for use in the cement-making process. The metal is collected in a large bin and later sold for scrap.

The system can handle tires of any size — from large ones like those used on tractor-trailers to the small ones you might find on a standard lawnmower.

While the system works smoothly now, Del Valle Favela said its adoption was not without its challenges.

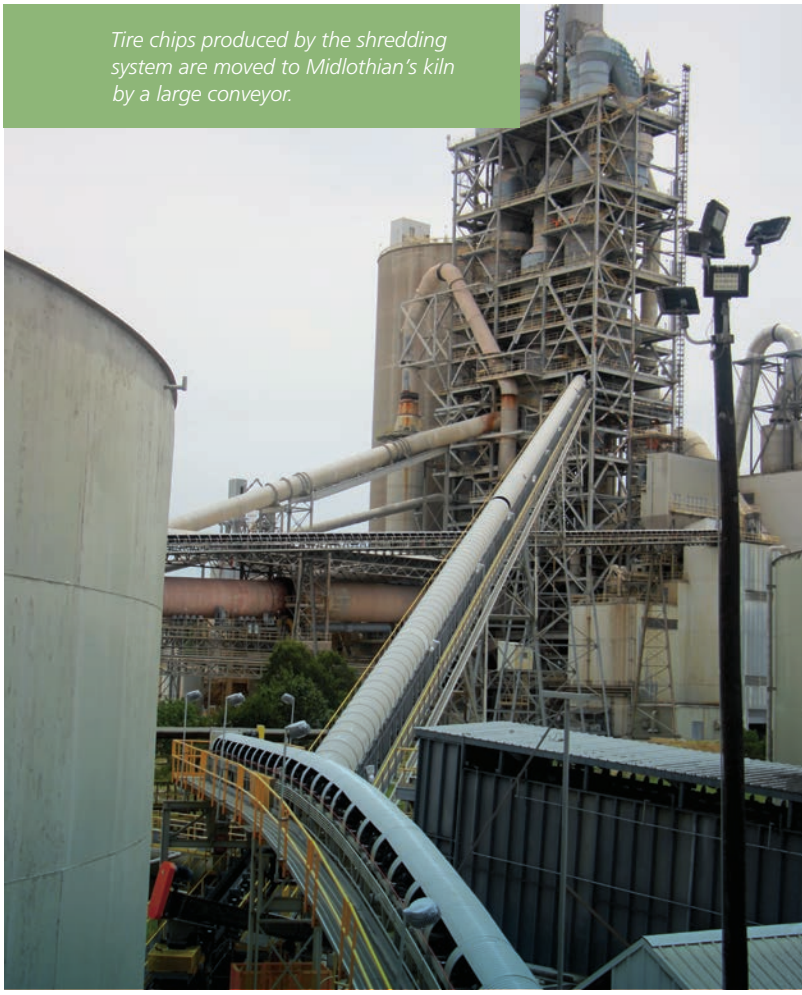
"There's nothing like this anywhere else, so there were growing pains," he said. "We had to fine-tune it. We had to figure out how to make it grab one tire at a time at just the right rate. The grinders generate heat, so we had to figure out how to prevent fires."

> *"It's helping us control costs while driving profits. Overall, it's been a spectacular investment."*

With a bit of experimentation, the team was able to conquer the shredding system's most significant challenges. Midlothian then added four new employees, creating a team of nine to run the system nonstop. Now, the plant has an environmentally friendly fuel source that helps maintain high operating standards and efficiencies.

"It's helping us control costs while driving profits," Del Valle Favela said. "Overall, it's been a spectacular investment."

Tire chips produced by the shredding system are moved to Midlothian's kiln by a large conveyor.



Discarded tires move along a conveyor en route to becoming an alternative fuel source at the Midlothian Cement Plant in Texas.



TEXAS TEAMS SHARE SUSTAINABLE PRACTICES DURING MEETING WITH MEXICAN OFFICIALS

Martin Marietta's environmental focus was on full display in December 2019 when Beckmann Quarry served as the backdrop for a gathering of officials intent on furthering sustainable business practices along the United States' border with Mexico.

Meeting at the San Antonio operation were representatives from the Border Affairs Division of the Texas Commission on Environmental Quality (TCEQ), the state's environmental agency, and the Coahuila Secretariat of the Environment, a comparable department that regulates environmental matters in the Mexican state of Coahuila.

According to the TCEQ, the agencies have long worked together to improve environmental conditions along the border and, in August, signed a four-year agreement that aims to "increase the exchange of knowledge, experience and technology related to protecting human health and the environment."

Kevin Stone, environmental services manager in Martin Marietta's Southwest Division, worked with Central Texas Aggregates District Vice President-General Manager Bill Podrazik and Beckmann Plant Manager Jeremey Smith to coordinate the event.



Members of the TCEQ and the Coahuila Secretariat of the Environment learned about concrete crushing and recycling during a tour of Beckmann Quarry.

> *"Our aim was to show how concrete recovered during the demolition process can be crushed and reused as base material and other valuable products."*

"The main topic of our meeting was concrete crushing and recycling," Stone said. "Companies in Coahuila have been doing a great deal of demolition in recent years and sending the material directly to the landfill, which is incredibly wasteful. Our aim was to show how concrete recovered during the demolition process can be crushed and reused as base material and other valuable products."

Meeting participants listened to a 30-minute presentation by Southwest Division Quality Control Manager Mark Huffman and then toured the Beckmann facility, which includes a ready mixed concrete operation.

Senior Environmental Engineer Leslie Mackay said the tour allowed members of the Mexican delegation to seek clarification on some of the more technical elements of the concrete crushing process.

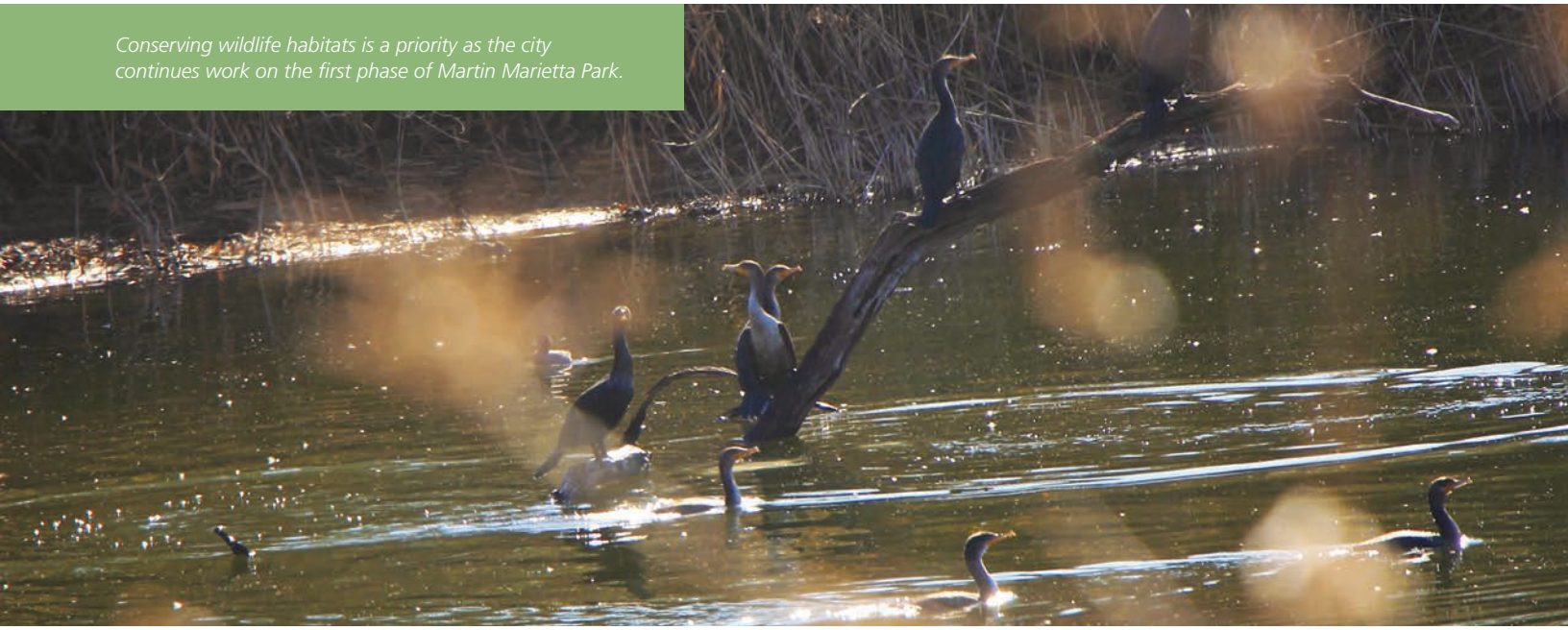
"We showed them the portable crusher we use to crush the concrete and introduced them to several Spanish-speaking members of our operations team," Mackay said. "It was really a great starting point that we hope provided the group with enough information to take back to their businesses in Mexico."

> *"Sharing a border means we share resources, so encouraging our neighbors to operate in an environmentally friendly way is beneficial to everyone."*

While the event is unlikely to yield any substantial gains from a business perspective, Mackay said the meeting was important for other reasons.

"Sharing a border means we share resources, so encouraging our neighbors to operate in an environmentally friendly way is beneficial to everyone," she said. "Martin Marietta has developed some truly innovative and sustainable business practices and we're grateful for the opportunity to share that information."

Conserving wildlife habitats is a priority as the city continues work on the first phase of Martin Marietta Park.



COMMUNITY PARK BEGINS TO TAKE SHAPE AT SITE OF FORMER QUARRY

Officials in New Bern, North Carolina, broke ground in June 2019 on Phase I of Martin Marietta Park, a nearly 900-acre open space once home to New Bern Quarry.

During a ceremony held near the anticipated spot of a future waterfront facility that will host weddings and other special events, city Mayor Dana Outlaw and others spoke about the importance of the space.

> *"We're proud that this land, which provided the crushed stone needed to build the region's infrastructure, is going to be used in a sustainable manner that will continue to benefit the people of the city, county, region and state for generations to come."*

"I want to start this whole presentation by saying something three times," Outlaw said. "Martin Marietta! Martin Marietta! Martin Marietta! We wouldn't be here today if … Martin Marietta hadn't been open to the ideas that we had."

New Bern Quarry produced limestone at the site for nearly five decades until operations shifted to nearby Clarks Quarry around 2000. In the years that followed, the city gradually acquired portions of the property from Martin Marietta at below market value.

In late 2017, NC-East District Vice President-General Manager Buzz Crosby oversaw a donation of the final 55 acres New Bern needed to gain full control of the 888-acre property. The gift, valued at $1.65 million, allowed the city to move forward with the park, which officials believe will be a regional draw.

"Martin Marietta is honored to be part of the city of New Bern's vision for this space," Crosby said after the groundbreaking. "We're proud that this land, which provided the crushed stone needed to build the region's infrastructure, is going to be used in a sustainable manner that will continue to benefit the people of the city, county, region and state for generations to come."

The first phase of construction, expected to conclude in spring 2020, will bring improved trails and roads, fishing and boating access, restrooms, a playground, a picnic shelter and parking to the site. Other amenities, like an adventure ropes course and an amphitheater, will be added during additional construction phases as the city obtains funding. Many of the residents on hand to witness the groundbreaking said the park will be a true benefit.

"It means a great deal to us," said city native Jan Cahoon. "This is going to bring people here from other areas, which will be great for tourism. My family will also enjoy this land. Personally, I like to kayak and bike ride. I'm sure I'll also walk these trails nearly every day."

FOR COLORADO QUARRY, RECLAMATION IS ABOUT MORE THAN AESTHETICS

TEAM'S EFFORTS ALSO BENEFIT LOCAL WILDLIFE

Parkdale Quarry, located outside of Canon City, Colorado, provides railroad ballast and construction materials for asphalt and concrete plants in southern Colorado and southwestern Kansas. As the only rail-served quarry in the state of Colorado, it is an integral part of our business in the western United States. It is also a shining example of reclamation done well.

Recently praised by the Colorado Division of Reclamation, Mining and Safety, Parkdale isn't waiting until its reserves are exhausted to begin its reclamation efforts. As a matter of fact, according to Manager of Geology and Survey David Bieber, such efforts began well before any mining at the site took place.

"One of the first questions we ask ourselves when looking at a prospective mining site," he said, "is what will be the use of the site when mining is completed?"

Utilizing a top-down mine plan, Parkdale reclaims portions of its quarry soon after being mined and concurrent with overall mining operations on the site. While mining continues down the slope, mined-out areas are backfilled, re-graded and mulched or seeded.

"For us, reclamation is integral to the mining process," noted Plant Manager Josh Esquivel. "Concurrent reclamation helps ensure the quarry will be viewed in a positive light in the community, and that's extremely important to our team. They are very proud of their reclamation efforts."

"Our goal is that if someone flies over this site when we're done with it, they won't be able to tell that any mining occurred here," added West Division Aggregates Southern General Manager Mike Sheahan.

While employees at Parkdale mine portions of their quarry, they are actively reclaiming others.



When Parkdale's mining days are done, the hope is people won't be able to tell that quarrying took place there.



Reclamation at Parkdale is about more than just aesthetics, however. Among other things, it's about lending a hand to the animals that call the quarry home. The area is a habitat for bighorn sheep and mule deer. As part of the Parkdale team's reclamation activities, they are removing invasive species and enhancing the site with vegetation that more closely resembles predevelopment conditions.

> *"It's the right thing to do. That's true at Parkdale, it's true across the West Division, and it's true throughout our company. It's simply the Martin way of doing business."*

In addition, upon a recommendation from the Colorado Department of Parks and Wildlife, some parts of the site are left bare and rocky, to mimic existing landscape and to provide sheep with a safe haven from predators.

While many aspects of reclamation are mandated by law, Martin Marietta routinely goes above and beyond the regulations. The reason, noted West Division President Abbott Lawrence, is simple.

"It's the right thing to do. That's true at Parkdale, it's true across the West Division, and it's true throughout our company. It's simply the Martin Marietta way of doing business."

Reclamation efforts at Parkdale provide food and shelter for bighorn sheep.



A member of our corporate team, Benefits Specialist Hector Cotto is based in Raleigh, North Carolina.



EMPLOYEE WELL-BEING

People are the foundation of our success at Martin Marietta. We believe there is power in bringing together our employees' unique perspectives, experiences and talents to drive our company forward. We are committed to providing the resources, programs and inspiration to help our employees and their families lead full, satisfying lives.

A WORLD-CLASS COMPANY FOR A WORLD-CLASS TEAM

Our people have always made Martin Marietta great, and in 2019, their ideas and actions helped make our company greater than ever. With these efforts expected to continue in 2020 and beyond, our shared future looks incredibly bright.

Two years ago, we organized a World Class Task Force comprised of nearly 70 employees representing various specialties and product lines, differing levels of professional responsibility and our vast geographic footprint. Broken down into nine teams, task force members were charged with improving Martin Marietta's performance in certain key areas: safety, people, ethics, customer focus, cost discipline, operational excellence, sustainability, innovation and brand recognition.

> *"We've spent the past two years making sure we were leaving nothing uncovered. We really wanted to understand what we had in place before we made any effort to strengthen or change things."*

"It's taken a long time, but that was purposeful," said Suzanne Osberg, vice president of investor relations and the person charged with overseeing each of the task force teams. "We've spent the past two years making sure we were leaving nothing uncovered. We really wanted to understand what we had in place before we made any effort to strengthen or change things."

When changes did begin to take place, they were highly noticeable.

In August, we celebrated our 25th anniversary as a public company by doing something we'd never done before: broadcasting a live town hall event with Chairman and CEO Ward Nye to every employee in the company. Throughout the fall, we began installing digital screens at every company operation. Updated regularly, these screens now help inform our people about vital company announcements and safety initiatives as well as events like employee service anniversaries. Additionally, our company magazine adopted a new column, The Customer Corner, to highlight the many public structures built with our materials.

Perhaps the most visible impact the World Class Task Force had came in October 2019 when we launched a new employer brand, ONE.

Created based on the thoughts and ideas of scores of our people, ONE focuses on three themes: **Legacy**, **Truth** and **Heart**. Its primary purpose is to strengthen our culture by uniting every employee around the same ideas, regardless of where they're located or what their role may be.

"Our goal is to improve the overall employee experience," said Sean Foley, vice president-general manager of the North Texas/Oklahoma District and member of the task force. "We want to make sure we're putting our best foot forward and being transparent with our people and recruits. ONE will help us do that."

Looking to 2020, the World Class Task Force has a host of planned initiatives that will solidify Martin Marietta's safety training, improve the experience of our job applicants and further enhance our already strong reputation.

"Now is the point where we will start to see the excitement and momentum build," Osberg said. "The World Class Task Force is about continuous improvement and about moving forward as a unified company. Ultimately, we're all working together to benefit Martin Marietta for the future."

Quality Supervisor Carly Paige spoke about her quality control work in Denver. In an effort to highlight the ONE brand, we turned her thoughts into engaging content for our digital signs.



ONE TEAM. ONE PURPOSE. ONE FUTURE.

NEW EMPLOYER BRAND ARTICULATES CULTURE

Engineers, executives, equipment operations and more. As Martin Marietta sought to understand exactly what elements of the work, company and industry truly spoke to our people, we turned our ear their way, listening to our employees to uncover exactly who Martin Marietta is and what we stand for. From the individual voices, we found ONE.

In a world that's focused on the power of many, we believe in the power of ONE — the magic of bringing together our unique perspectives, experiences and talents to evolve a shared vision and future.

Powered by a legacy of safety and doing the right thing, Martin Marietta teams are anchored in the truth and fortified by a collective heart of genuine, hardworking people who take care of each other.

There's a great story at Martin Marietta, and ONE gives us the common language needed to tell it best. At the brand's center are the three themes most commonly highlighted by employees: **Legacy**, **Truth** and **Heart**.

"From what I've seen of this company, these themes are present everywhere," said Indiana District Production Manager Matt Schwent. "When I think of legacy, I think about how far we've come, how far we have yet to go and what a great story that will be. When I think of truth, I'm drawn to the strong ethics we practice here. When I think of heart, well, this industry isn't always rosy and pretty, so for the thousands of us who stick with it, we know we work with our full hearts every day."

> *"When I think of legacy, I think about how far we've come, how far we have yet to go and what a great story that will be."*

ONE emerged after months of effort by the World Class Task Force's People Team. After identifying the need for a unifying framework, the team partnered with an outside research firm for assistance. The group then polled scores of Martin Marietta people from all over the country, including more than 165 hourly and salaried employees, 10 executives, six division presidents, six division HR/safety managers and three vice president-general managers. The feedback became the base upon which ONE was built.

In October, the brand debuted companywide, touting the sentiments shared and felt by our people through department and sitewide meetings. Launch day featured an employee-centric video, introducing the brand and its tenets while sparking discussion among teams. Managers received talking points to help guide conversation, answer questions and encourage employees to consider how ONE plays out in their daily routines. Employees also had the chance to don some ONE swag, claiming a free ONE-branded item from our company store. Choices included trucker hats, socks, mugs and more.

Company leaders say the goal is for ONE to become a brand on par with Martin Marietta's Guardian Angel safety culture, uniting all company employees around the themes of Legacy, Truth and Heart.

"Together, we not only make each other safer and better, but we assure our business is done in a fashion consistent with our values of safety, integrity, excellence, community and stewardship," said Chairman and CEO Ward Nye. "These values distinguish us and define our culture. That's why it's so vital that we focus on moving forward as one unified company."

Our mission, vision and values chart our path forward, but ONE is the blueprint which guides how we'll get there and how we'll work each and every day.

Corporate Recruiter Josh Jones shows off his ONE volunteer shirt while helping at a Raleigh food bank.



A STORM OF SUPPORT

MARTIN MARIETTA AND VENDORS OFFER SUPPLIES, SUPPORT AND RELIEF IN WAKE OF HURRICANE DORIAN

Complete devastation.

That's how Plant Manager Jaquan Wright describes the effects of Hurricane Dorian, the worst storm in the history of The Bahamas.

Bahama Rock, a Martin Marietta aggregates operation in Freeport, made arrangements prior to the storm's arrival, but no one could have prepared for the destruction it caused after making landfall in September, noted Regional Production Manager Phil White.

With no power, no water and no cell phone service, the Bahamian people relied on another resource — each other.

"Our plant vehicles were surprisingly OK," White said. "As soon as we were able to account for our people, we helped transport utility company staff so they could assess the city, gauge the devastation and determine what was needed to restore power."

With available company labor, equipment and resources, Martin Marietta team members helped restore power to the city, and soon, water as well. Employees also conducted emergency rescues, restored roads and provided supplies to the community, White says.

Stateside, company employees organized relief and support while battling suspended travel and severed communications. Within days, management had large shipping containers stocked with supplies en route to the island nation.

"It couldn't have happened any quicker," Wright said.

Vendors also contributed, immediately sending non-perishable food items, generators and other donations. Tractor & Equipment Company, along with Applied Industrial Technologies, donated critical supplies.

Along with suspended travel and severed communications, the company faced another challenge when international restrictions prevented the distribution of funds from the Martin Marietta Employee Relief Foundation, a charitable venture fully funded by employees. Without hesitation, the company donated thousands of dollars directly to employees and purchased thousands more in supplies.

"Whenever possible, we provided the same level of support to the community as we provided to our employees," Wright said. "One of our guys lived far away from the city, and we couldn't get in touch with him for a while. When we finally did, we gave him and his neighbors the donated items they needed."

> *"Whenever possible, we provided the same level of support to the community as we provided to our employees."*

With power restored, water running and food on site, residents began the road to recovery, supported by relief efforts that not only focused on physical necessities, but mental and emotional needs as well.

"You hear stories about floating bodies or family members being unaccounted for — it's all too real," Wright said. "It has a psychological effect."

The Bahama Rock team tapped into the Employee Assistance Program, bringing in a psychologist to meet with and counsel employees. The two-hour group session helped employees see the situation through a new lens and encouraged them to practice gratitude and focus on the road ahead, Wright says, adding that team members were thankful for the assistance.

From grief to gratitude, a range of emotions overwhelmed the Bahamian people.

"It really hits home when you hear your employees say, 'We have a new normal,'" said Hank Weil, human resources manager in the Southeast Division. "There was still a lot of recovery going on from Hurricane Matthew in 2016. The Bahamas don't have as strong of an economy as we do in the United States. It's going to take some time to recover."

And while The Bahamas rebuilds, they won't be starting from scratch. They'll find comfort in building upon a foundation already made strong by community.

Employees at Bahama Rock unload donations and supplies following Hurricane Dorian in September.



BY THE PEOPLE, FOR THE PEOPLE

DIGITAL SIGNS LOCALIZE CULTURE ACROSS COMPANY

Four hundred thirteen. That's how many digital signs are currently across Martin Marietta, with more to come. They first appeared in the Southwest before spreading to the Rocky Mountains. In 2019, installations swept across the enterprise, bringing digital signage to our corporate office in Raleigh, the Mid-Atlantic and the Mideast. By spring 2020, they'll be companywide.

The initiative, a cross-functional effort led by the World Class Task Force People Team, aims to improve employee communication and engagement across the enterprise. The signage not only provides a new channel to complement existing communications platforms, but features meaningful, localized content created and managed entirely in-house. The idea is a direct response to feedback expressed by our team members.

> *"What's really exciting is that this program gives us a greater ability to recognize the individual people and teams who make Martin Marietta successful. Ultimately, these signs will help us all learn so much more from each other."*

"We conducted a survey in 2018 and listened to employees at various operations. One of the things we found was that we need to improve the way we communicate with our employees," said Tom Draur, senior environmental engineer in the Central Division and member of the People Team. "This initiative is a strong step forward on that path. What's really exciting is that this program gives us a greater ability to recognize the individual people and teams who make Martin Marietta successful. Ultimately, these signs will help us all learn so much more from each other."

And that they have. The signs are a key tool in telling the story of Martin Marietta to the people of Martin Marietta — within individual operations, between districts and divisions, and across the enterprise. Content ranges from best practices and staff recognitions to safety, health and wellness tips, as well as goal progress and operational performance.

Tom Zais, regional vice president-general manager in the Cement and Southwest Ready Mix Division, was among the earliest to champion use of digital signs. The idea first came to his attention several years ago while he was having a company vehicle serviced.

> *"The notion that we could apply this technology to enhance our communication of safety practices, company news and benefits information was immediately clear."*

"While waiting in the car dealership, I noticed a TV screen spooling promotional, informational and educational material related to several brands and emerging technologies," Zais said. "The notion that we could apply this technology to enhance our communication of safety practices, company news and benefits information was immediately clear."

Though it took some time, the signs appeared across the Cement and Southwest Ready Mix Division in 2012. Soon after, they spread to the Southwest Division's aggregates sites and the West Division's ready mix plants.

"One of our main objectives has always been to communicate with employees in the field who don't have a company email address and who don't spend much time in an office setting," said an employee in the Southwest and Cement and Southwest Ready Mix divisions. "Luckily, we've found these signs are equally effective for teams in offices, shops and other diverse locations."

Today, signage is also in place at our corporate office in Raleigh, and across our Mid-Atlantic, West and Central divisions as well as our Magnesia Specialties operations. Our Southeast Division and sites in Indiana and Ohio are soon to follow.

"Digital signage gives us more opportunities to improve employee morale, continue our focus on consistent safety messaging, create a stronger sense of community, and celebrate our people, their milestones and accomplishments," said Draur. "It helps strengthen our company's brand and improve retention so that our excellent employees stay within the Martin Marietta family."

Talent Development Specialists Pamella Ford and Ray Rogers stop to check out the messaging on a digital screen placed in their location's breakroom.



Much of the content shared on digital signage is geared specifically toward employees and covers a range of topics.





PLANNING FOR A SUCCESSFUL FUTURE

Martin Marietta's commitment to our employees extends to their families.This belief is at the heart of our scholarship program.

We are excited to see how this year's bright students grow through their college careers.



BRUCE BANKS IV
- Ferris State University
- Mason County Central High School (MI)
- Son of Magnesia Specialties (Manistee) Laboratory Supervisor Jody Banks and Bruce Banks III



RIO BONHAM
- Oklahoma State University
- Madill High School (OK)
- Son of Mill Creek Limestone Equipment Operator Marc Bonham and Dana Bonham



LANIE FULK
- University of North Carolina at Chapel Hill
- East Rowan High School (NC)
- Daughter of Salisbury Shop Field Services Leadperson Wesley Fulk and Christie Fulk



CHAZ MAY
- East Carolina University
- Croatan High School (NC)
- Son of Clarks Quarry Leadperson Joseph Liskey and Holly Liskey



ANGELICA MORALES
- Baylor University
- Samuel Clemens High School (TX)
- Daughter of South Metro Ready Mix District Maintenance Helper Manuel Morales and Angelica Morales



ALY SINGER
- Indiana University Bloomington
- Lambert High School (GA)
- Daughter of Sales Audit Administrator Stacey Singer (Southeast Division) and Andy Singer



JOSH SINGER
- Georgia College & State University
- Lambert High School (GA)
- Son of Sales Audit Administrator Stacey Singer (Southeast Division) and Andy Singer



NOAH WAXLER
- Oklahoma State University
- Midlothian Heritage High School (TX)
- Son of Tech Services Mix Specialist Kara Waxler (Southwest Division)

MARTIN MARIETTA TAPS INTO A GREAT TALENT PIPELINE: AMERICA'S VETERANS

It's the type of partnership where everybody wins.

Martin Marietta gets to meet with highly qualified military veterans, introducing them to an exciting and worthwhile industry. In turn, those veterans learn more about potential career paths, allowing them to take an important step in their transition to civilian life.

Heroes MAKE America is able to make that dream a reality. Led by The Manufacturing Institute, the National Association of Manufacturers' workforce and education partner, the initiative builds a pipeline from the military to manufacturing, giving veterans the opportunity to complement their experience with the skills and training needed for a successful career in the industry.

> *"Employers are eager for skilled workers to fill a multitude of job openings in the sector."*

"The manufacturing industry consistently cites the inability to attract and retain talent as a top concern," said Babs Chase, the Institute's vice president of military and veterans programs. "Employers are eager for skilled workers to fill a multitude of job openings in the sector."

And that's where 'Heroes' comes in.

"Every year, more than 200,000 U.S. service members return to civilian life," said Chase. "These are men and women who put their talents to work in a mission larger than themselves, are accustomed to working in teams toward common goals, and are in possession of skills and talents that would make them excellent additions to any manufacturing team."

As of year-end, the program has graduated 268 service members with a 90 percent job placement rate.

> *"As they prepare to step away from the military, many soldiers are looking for an environment that offers that same support and sense of community. The culture here at Martin Marietta is similarly strong."*

"The military veterans' market is a great untapped resource for us," said Andrea Wun, talent acquisition manager. "As they prepare to step away from the military, many soldiers are looking for an environment that offers that same support and sense of community. The culture here at Martin Marietta is similarly strong."

The partnership has long-term benefits as well.

In fall 2019, Martin Marietta hosted several Heroes MAKE America groups, giving our team members the opportunity to share their stories and connect with veterans at quarries in North Carolina and Texas.

Beckmann Quarry in San Antonio hosted one such gathering. Senior Human Resources Generalist Elizabeth Balderrama, who has organized several Heroes MAKE America visits, said the program was rewarding.

"Heroes MAKE America allows participants to see the numerous opportunities we offer within Martin Marietta — opportunities they may not learn about otherwise," she said. "That's exactly why this program is important."

Heroes MAKE America looks to the future with plans to serve more veterans. As the program expands its footprint, Chase said she and other program leaders welcome the opportunity to expand our partnership by involving teams at other Martin Marietta sites.

> *"Heroes MAKE America allows participants to see the numerous opportunities we offer within Martin Marietta — opportunities they may not learn about otherwise."*



A Heroes MAKE America group pauses for a photo while touring Pomona Quarry in Greensboro, North Carolina.



Senior Environmental Engineer Gus Buttar (right) assists Suzanne Shoemaker of the Owl Moon Raptor Center while re-nesting a red-tailed hawk chick at Frederick Quarry in Maryland.

COMMUNITY WELL-BEING

In communities large and small, the relationships that we build in our own backyards define Martin Marietta. We are committed to being a responsible neighbor and supporting the communities that are home to our operations and colleagues. We are invested in each community's well-being and proud to serve as a ready and willing partner.

COMMITTED TO OUR COMMUNITIES

In 2019, we implemented corporate giving priorities to focus our philanthropic giving and community support activities to create a deeper, more meaningful impact in the areas where we live and work.

Based on an examination of previous years' contributions through the filter of our sustainability focal areas and corporate values, we determined partnering with programs focused on disaster preparedness and response; meeting families' basic needs; education and workforce development; and environmental preservation gives us the best opportunity to create the most value for our diverse stakeholders.



DISASTER PREPAREDNESS AND RESPONSE

Safety is a core value of Martin Marietta and a key sustainability focal area. In line with our uncompromising commitment to the safety and health of our people and our neighbors, we support programs that help our communities prepare for and respond to disasters.



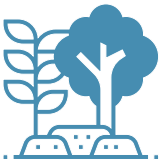
MEETING FAMILIES' BASIC NEEDS

Our mission statement says we provide the foundation upon which our communities improve and grow. It's hard for communities to flourish if working families are struggling to make ends meet. As such, we support programs focused on meeting the basic needs of families, including food, shelter and access to healthcare.



EDUCATION AND WORKFORCE DEVELOPMENT

An educated and skilled workforce is critical to a community's foundation and to the future of Martin Marietta. We support educational programs that help young people develop the knowledge, skills, attitudes and values that will help them succeed and contribute to society. Additionally, we support programs that provide young or transitioning adults with training and technical skills to equip them for satisfying and productive careers.



ENVIRONMENTAL PRESERVATION

Stewardship is a core value of Martin Marietta, and it embodies our commitment to making tomorrow's world better today. In line with our operational practices, we support projects that provide tangible improvements to the environment, such as ecosystem conservation and restoration; improvements in air or water quality; waste reduction; and conservation education.

A DREAM COME TRUE

COMPANY DONATION DRIVES SCHOOL SPIRIT FOR STUDENTS, STAFF AND PRINCIPAL

It took weeks, and not every day was better than the one before. But gradually, she felt a physical change sweep over the girl.

On the one hand, it's sad that anxiety has become so common in children. On the other, that commonality has meant a greater understanding of the condition than ever before. Neither point means much when a 7-year-old overcome with emotion is resisting her siblings, her parents and her teachers because she can't handle the stress of simply walking into school.

"She was having a hard time even getting on the school bus," said Shannon Peeples, EdD. "We went to her home because her family didn't have a phone at that point, and we spoke with her parents. Then I asked the bus driver, 'Will you pick me up in the morning so I can ride with you?' For the better part of the next two months, I rode with her on my lap, assuring her that it was OK and that we would be all right."

Many months on, the 7-year-old still suffers with anxiety. But she also rides the bus on her own each morning and, without a physical struggle, walks into Cone Elementary School in Greensboro, North Carolina, where she thrives in the second grade. Peeples, who is largely responsible for the girl's growth, isn't a miracle worker. What she is — who she is — is an educator and what she's achieved with her student is just part of the job.

> *"Living with anxiety isn't my reality, but that doesn't mean that it's a reality I can't understand."*

"What we've done for this girl is just one way we really work to meet our families where they are," says Peeples, Cone's principal. "Living with anxiety isn't my reality, but that doesn't mean that it's a reality I can't understand."

Peeples is among the rare few who never had a job or a career. She had a calling.

A military brat, she bounced around the country as a child, but always excelled in the classroom — the only place, she says, that ever felt consistent. When it came time to attend university, she found a home in Greensboro, where she earned degrees from Greensboro College and, later, the University of North Carolina at Greensboro. She's since dedicated the past 23 years of her life to educating the local community.

For the past two years, Peeples' calling has brought her to Cone Elementary, where nearly all 502 students are eligible for free or reduced meals.

"When I first started, there were some in the community who said, 'Oh, you don't want to work at Cone,' but that's not how I see this place," she said. "I see a home. I see a welcoming community. We have great kids. We have a great staff and a lot of things are going on here. We should celebrate that."

Peeples' earliest goals as Cone's principal centered on improving the school environment. She took steps to foster better working conditions for the staff, instituted policies designed to keep the building cleaner, and encouraged all ideas that would make the school a "brighter and more child-focused" place.

Employees from Central Rock Quarry, the local Martin Marietta operation, meet with staff from Cone Elementary. From left: Leadman Billy Ashby, Yokeisha Colvin, Shannon Peeples and Shane Hopson.



One such idea – acquiring a spirit rock – initially seemed like a pipe dream. That is until Peeples received a bit of help from the school's Youth Development Coordinator Yokeisha Colvin.

Colvin took ownership of the project and eventually came in contact with Plant Manager Shane Hopson and Foreman Jerry Easter, who welcomed her and Peeples into Central Rock Quarry in October. After picking out their 3,500-pound boulder, Colvin arranged for a local firm to transport the spirit rock at no cost. The youth development coordinator says the excellent performance by both the students and Peeples made her efforts to bring the spirit rock to its new home well worth it.

> *"I know it was a dream for Dr. Peeples. She's really helped us all to flourish here. There's something about her that just shouts, 'Go! Do! Fly little chick!' She's supportive and has set a foundation for greatness. She deserves this, too."*

"The children immediately started asking to take photos next to it. On the first day, they thought it was a meteorite that had fallen from the sky," said Colvin. "And I know it was a dream for Dr. Peeples. She's really helped us all to flourish here. There's something about her that just shouts, 'Go! Do! Fly little chick!' She's supportive and has set a foundation for greatness. She deserves this, too."

The rock, now painted Carolina blue and featuring the Cone Cougar, has already meant much to the school. It's allowed Cone to visibly project its pride into the community. It's given parents and families a picturesque scene for school-related photos. It's provided the students with a place to focus their school spirit.

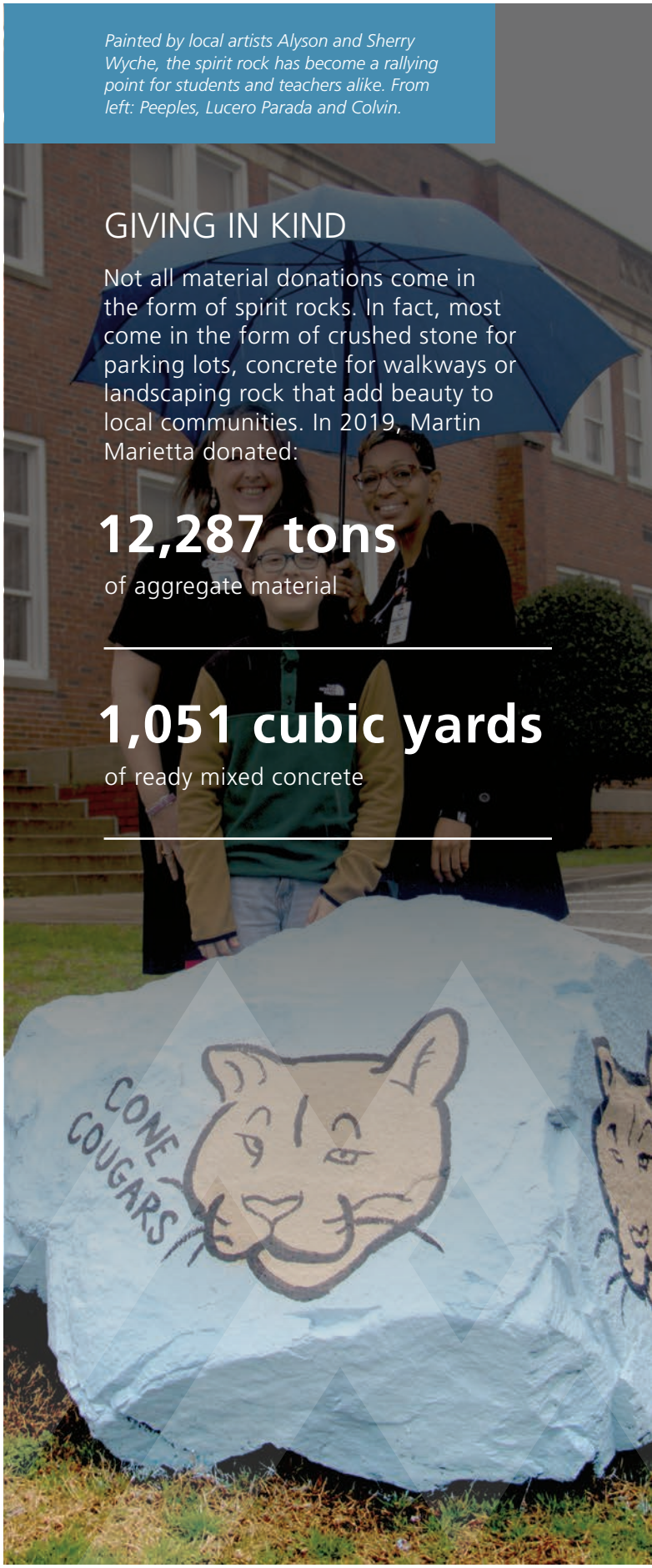
George Lucero Parada, 11, a fifth-grader and Cone's student body president, agreed.

"I don't think our school spirit has been as high as it should, but the spirit rock will help," he said. "It's a motivator for me. Every time I see it, I get excited to come to school."

For Peeples, the rock has been an especially important gift — one she says has helped strengthen relationships across the school community simply by its presence.

"So much of what we do here is about greeting people with a smile — whether that comes with a fist bump or a hug — and the spirit rock has gone a long way to help foster that," she said. "It shows people that we care. This building is from 1935, so it may look a bit more like a high school or middle school, but the spirit rock adds a bit of whimsy. It makes people realize that we have kids here who are capable of great things."

Painted by local artists Alyson and Sherry Wyche, the spirit rock has become a rallying point for students and teachers alike. From left: Peeples, Lucero Parada and Colvin.



GIVING IN KIND

Not all material donations come in the form of spirit rocks. In fact, most come in the form of crushed stone for parking lots, concrete for walkways or landscaping rock that add beauty to local communities. In 2019, Martin Marietta donated:

12,287 tons
of aggregate material

1,051 cubic yards
of ready mixed concrete

CYCLING FOR A CAUSE

COMPANY, EMPLOYEE EFFORTS RAISE THOUSANDS FOR MULTIPLE SCLEROSIS, CANCER SUPPORT

Scores of company employees in North Carolina made it a priority in 2019 to give back to their communities through unique charity cycling events.

In late September, a Martin Marietta team comprised of employees, friends and family participated in a local, two-day Bike MS event, raising thousands for the National Multiple Sclerosis (MS) Society. Two weeks later, on Oct. 12, an employee participated in a female-only ride for which Martin Marietta is a longtime sponsor. That event, le Tour de Femme, annually raises money and awareness for local cancer support organizations while empowering women through the sport of cycling.

Since its founding in 1946, the National MS Society has raised more than $1 billion for MS research, and Bike MS rides have been the organization's fundraising powerhouse. In each of the past 10 years, a sizable Martin Marietta team has participated in the Bike MS event in New Bern, North Carolina. The team's fundraising has been impressive, said Associate General Counsel John Gillan, while adding that in the past two years alone, the team has raised more than $70,000 for the charity.



Anne Bari (kneeling) poses with a group of le Tour de Femme charity ride participants in front of Martin Marietta's platinum sponsor sign. Photo by Laksham Vijarajan

"This is just one more way that we can do outreach in the communities where our business operates," said Gillan.

On top of being a positive way to give back, Steve Whitt, director of environmental services in Raleigh, repeat Bike MS participant and the team's captain, pointed out that Bike MS and philanthropic events like it are in line with company values like community, stewardship and integrity.

> *"This is just one more way that we can do outreach in the communities where our business operates."*

"This ride is something many of us look forward to, and we have a really wonderful core group that comes back year after year," he said. "This series of charity events is unique. Most of us train for months to prepare, and as you can imagine, the relationships developed over the years are strong. They make this event what it is, and the support we receive is greatly appreciated."

Anne Bari, a senior project manager based in Raleigh, participates annually in the le Tour de Femme charity ride, an event that has collected more than $600,000 for cancer research and local support programs since 2006. Since 2013, Martin Marietta has been a sponsor of this event, which has benefitted such organizations as the Kay Yow Foundation and UNC Rex Healthcare's Angel Fund.

> *"Most of us train for months to prepare, and as you can imagine, the relationships developed over the years are strong. They make this event what it is, and the support we receive is greatly appreciated."*

"The community and atmosphere at the event are heartwarming, fun, positive and infectious. I think it builds healthy connections and camaraderie. This is why I ride and this is why I support this event with such passion," said Bari. "I hope that getting word out about this event will encourage other female Martin Marietta employees to participate in the years to come."



A Martin Marietta team participating in the Bike MS Tour to Tanglewood raised more than $45,000 in 2019. Pictured from left are Senior Sales Representative John Bryant and Director of Environmental Services Steve Whitt, along with friend of Martin Marietta Richard Arett. Photo courtesy of the National MS Society.

GOLF EVENTS RAISE MORE THAN $316,000 FOR COMMUNITY PARTNERS

Martin Marietta continues to embrace and give back to its communities through annual events and charitable donations. In 2019, we hosted four golf tournaments that together raised more than $316,000 for local charitable organizations.

In April, our Arkansas District held its third annual Martin Marietta Charity Golf Tournament, collecting nearly $44,000 for its local St. Jude Children's Research Hospital. (In even-numbered years, the event is held in support of the local Shriners Hospitals for Children.)

District Administrative Assistant Pennie Norman, one of several tournament planners, said the group was pleased to provide so much support to those who need it.

> *"Illness and other conditions affecting children are so common and have impacted several members of our district, so we're all familiar with how good of a cause this is."*

"Illness and other conditions affecting children are so common and have impacted several members of our district, so we're all familiar with how good of a cause this is," she said. "It's a wonderful feeling to help support so many children and their parents."



Martin Marietta Fleet Manager Donovan Stowe (second from left) hams it up with gold sponsors at the company's Arkansas golf tournament.

In Charlotte, North Carolina, local employees held their inaugural Martin Marietta Golf Tournament in May, collecting more than $62,000 to benefit Urban Promise Charlotte and Dream on 3, a pair of charities that also work hard to provide children with greater opportunity.

"Our fundraising goal was $50,000, but the outpouring of support from our customers and business partners sent us well beyond that mark," said District Sales Manager Scott Gibbes, an event organizer. "One hundred percent of the proceeds went to our two charities, which were chosen because we know them well and because they passionately focus their efforts on bettering the lives of children."

In September, we hosted our fifth annual Rocks, Woods & Irons Scramble in Tishomingo, Oklahoma. The more than $95,000 raised at the tournament benefited the Mill Creek School District. Martin Marietta operates two quarries in Mill Creek.

> *"I am very proud to work for a company that not only says it cares for its communities, but does something about it."*

"I am very proud to work for a company that not only says it cares for its communities, but does something about it," said Mill Creek Granite Office Manager Whitney Gayler, a tournament organizer. "Everyone at the school is so appreciative of our efforts. I really enjoy the check presentation at a home basketball game. To see the smiles and get the hugs and handshakes is priceless."

In October, our Central Texas Aggregates District held its 14th annual Martin Marietta Charity Golf Tournament in San Antonio, an event that raised more than $115,000 in donations — the largest amount yet.

The San Antonio Food Bank was the primary recipient of the tournament's proceeds. Other recipients included such local charities as the Family Life Center, the Serve Outdoors organization and Steps for Life.

"It feels good," noted Hunter Stone Office Manager Lisa Rogers, who organizes the event. "When you actually give the organizations the money, you see how appreciative they are and it's incredible. They're just so grateful."

ANNUAL FOOD DRIVE AND SHRIMP BOIL RAISES RECORD TOTAL FOR HOUSTON CHARITY

For nearly a decade, the Gulf Coast District Sales Team has combined its customer appreciation efforts with a focus on community well-being by hosting an annual Food Drive and Shrimp Boil.

The 2019 event resulted in the group collecting a record 7,534 pounds of food and personal care items for a local charity, Humble Area Assistance Ministries (HAAM). HAAM strives to assist community members in crisis by providing essential resources along with education and employment services. The organization had a tremendous community impact in 2019, providing 67,580 in-need individuals with food in the Northeast Houston area.

> *"Lifting up community members in need presents a message of unity and strength among Martin Marietta, our customers, and our Gulf Coast area neighbors."*

"Being able to give back to our surrounding communities is an honor," said Sales Representative Chris Burger. "Lifting up community members in need strengthens the unity that exists among Martin Marietta, our customers and our Gulf Coast area neighbors."

Gulf Coast District Sales Coordinator Charlcey Taylor said the event is more than just a great way to give back to the community. It's a great way to show appreciation to some of the people who matter most.

> *"Our customers love giving back to our community. We nearly tripled the donation amounts from the previous year."*

"We invite our customers and haulers as a way to say thank you and to let them know that we appreciate them," said Taylor. "Our customers love giving back to our community. We nearly tripled the donation amounts from the previous year."

The 2019 event was a record-breaking success, but Taylor has no doubt that the 2020 event will be even better.

Martin Marietta employees work with a Houston-area charity to help make a difference in the lives of those struggling to make ends meet.



APPENDIX

Non-GAAP financial measures disclosed by management are provided as additional information to investors in order to provide them with an alternative method for assessing our financial condition and operating results. These measures are not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies.

Earnings before interest; income taxes; depreciation, depletion and amortization (EBITDA); the noncash earnings/loss from nonconsolidated equity affiliates; the impact of Bluegrass Materials Company (Bluegrass) acquisition-related expenses, net; the impact of selling acquired inventory after the markup to fair value as part of acquisition accounting; and the asset and portfolio rationalization charge (Adjusted EBITDA) is an indicator used by the Company and investors to evaluate the Company's operating performance from period to period. Adjusted EBITDA is not defined by generally accepted accounting principles and, as such, should not be construed as an alternative to earnings from operations, net earnings, or operating cash flow. However, the Company's management believes that Adjusted EBITDA may provide additional information with respect to the Company's performance. Because Adjusted EBITDA excludes some, but not all, items that affect net earnings and may vary among companies, Adjusted EBITDA as presented by the Company may not be comparable to similarly titled measures of other companies.

The following table presents a reconciliation of net earnings attributable to Martin Marietta to Adjusted EBITDA (in millions):

YEARS ENDED DECEMBER 31,	2019	2018	2017	2010
Net Earnings Attributable to Martin Marietta	$611.9	$470.0	$713.3	$97.0
Add back (deduct):				
Interest expense	128.9	137.1	91.5	68.5
Income tax expense (benefit) for controlling interests	136.3	105.6	(94.4)	29.3
Depreciation, depletion and amortization expense and earnings/loss from nonconsolidated equity affiliates	377.4	328.4	282.4	182.3
Bluegrass acquisition-related expenses, net	-	13.5	8.6	-
Impact of selling acquired inventory after markup to fair value as part of acquisition accounting	-	18.7	-	-
Asset and portfolio rationalization charge	-	18.8	-	-
Adjusted EBITDA	**$1,254.5**	**$1,092.1**	**$1,001.4**	**$377.1**

Adjusted earnings per diluted share (Adjusted EPS) for the year ended December 31, 2018, excludes Bluegrass acquisition-related expenses, net; the impact of selling acquired inventory after the markup to fair value as part of acquisition accounting; and the asset and portfolio rationalization charge. Adjusted EPS for the year ended December 31, 2017, excludes the one-time impact of the 2017 Tax Cuts and Jobs Act.

The following reconciles reported earnings per diluted share to adjusted EPS:

YEARS ENDED DECEMBER 31,	2018	2017
Reported earnings per diluted share	$7.43	$11.25
Add back (deduct):		
Bluegrass acquisition-related expenses, net	0.20	-
Impact of selling acquired inventory after markup to fair value as part of acquisition accounting	0.22	-
Asset and portfolio rationalization charge	0.23	-
Impact of the 2017 Tax Cuts and Jobs Act	-	(4.07)
Adjusted EPS	**$8.08**	**$7.18**



MARTIN MARIETTA
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COVER AND BACK PHOTOS: A new day breaks at Martin Marietta's Red Oak Quarry in Georgia.

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