



BUILDING.
CARING.
GROWING.
TOGETHER.

2020

Sustainability
Report

*Our Hatton Quarry
Cove, Arkansas*



Contents

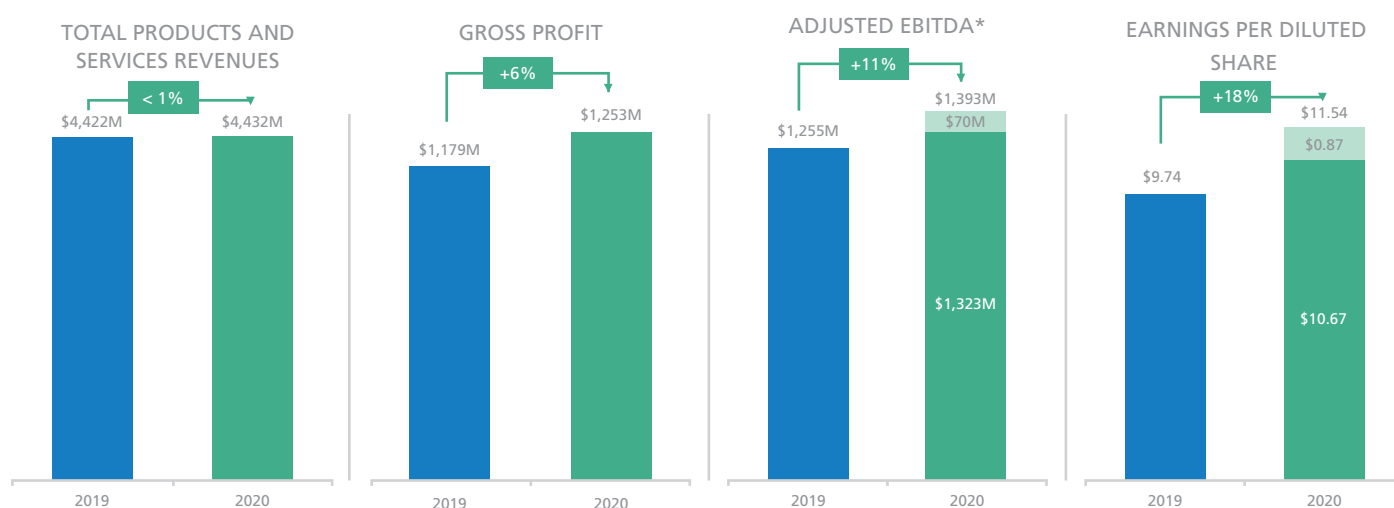
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A Message From Our CEO

To our Stakeholders,

For Martin Marietta and our employees, 2020 was an unprecedented year of uncertainties, resiliency, progress and growth. I am grateful and proud to say that our Company has been navigating the challenges of a historic pandemic while delivering record-setting financial, safety and other performance as we also support our local communities. We believe these accomplishments demonstrate both our commitment, and how we are positioned, to create a positive, lasting impact and to succeed in delivering exceptional, sustainable value to our employees, customers, investors and the communities in which we live and operate. This report will provide you with more details on these important topics.

In last year's letter, published in April 2020 at the beginning of the coronavirus (COVID-19) outbreak, I noted that we, together with our Board of Directors, were actively monitoring emerging developments, taking steps to prepare for and respond to the challenges and uncertainties posed by the pandemic, and proactively implementing responsible actions across our enterprise to keep our employees, stakeholders and business safe and healthy. Throughout 2020, and as of the date of this letter, we have remained open for business, and as we continued to meet our customers' needs, the Company achieved record profits and earnings.



*Adjusted EBITDA and earnings per diluted share for 2020 included \$70 million and \$0.87, respectively, of nonrecurring gains on surplus, non-core land sales and divested assets. Adjusted EBITDA is a non-GAAP financial measure. See Appendix for reconciliation to nearest GAAP measure.

To do this, we established internal task forces on COVID-19 planning and employee communications, implemented robust health safety protocols consistent with the recommendations of the Centers for Disease Control and Prevention and maintained close contact with our industrial hygienist group doctors. This has included rules for social distancing, enhanced cleaning, canceling all non-essential in-person meetings and business travel, and establishing contingency plans with respect to facility staffing, all of which resulted in recording to date only a handful of employee-to-employee transmission cases.

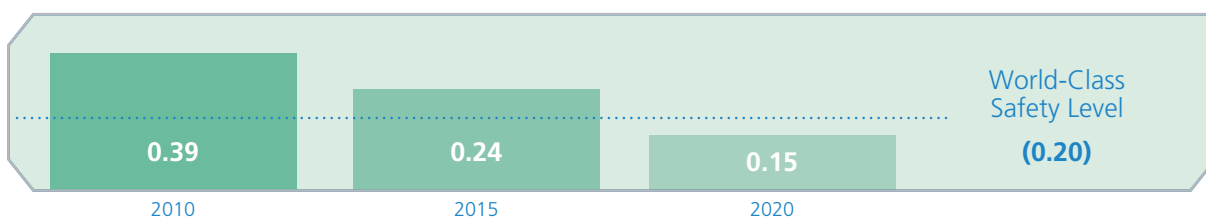
Our ability to manage the potential risks of COVID-19 to our business, even while being an essential business and operating every day all across the country, is both a reflection of, and testament to, the care we have for our employees' well-being and our commitment to operating our business responsibly.



WE CONTINUE TO PROVE THAT ZERO IS POSSIBLE



Over the years, we have built a solid foundation for ensuring our employees and managers have the information, tools and resources to operate our business safely and efficiently and, in 2020, it was tested and shown to be robust and resilient. For the fourth year in a row, Martin Marietta delivered a world-class safety performance in our industry with 99.8 percent of our approximately 9,000 employees experiencing zero lost-time incidents. In 2020, our performance represented the best safety record in Martin Marietta's history with Company-wide lost time and total injury incident rates at 0.15 and 0.93, respectively. We recognize that our employees are our most valuable assets so we continue to strive for zero incidents and to set a standard for our industry.



Note: Safety data current as of 12/31/2020. LTIR per 200,000 man hours worked. World-class levels based on general industries.

Sustainability is also a core value at Martin Marietta, as well a driver for continuous improvement and a key element of delivering greater long-term value to our stakeholders. This commitment is shared throughout our enterprise — from our Board of Directors to our managers to our employees — and is integral to each of our businesses and their day-to-day operations. As part of our commitment to sustainability and acting in an environmentally responsible manner, we also recognize the global threat posed by climate change and the need for a global and ambitious response.

Martin Marietta has vigorous governance and oversight in place relating to climate and other environmental matters. With respect to climate concerns in particular, in 2020, we established reduction targets for the direct greenhouse gas (GHG) emissions associated with our cement and magnesia specialties businesses which, although responsible for a small portion of our revenue, generate the vast majority of our GHG emissions. We also have made new investments expanding our ability to use alternate fuels and new operational changes, such as vertical integration at our Hunter, Texas cement facility, to reduce our GHG footprint. We also have continued to enhance our disclosure related to the environmental impact of our operations. In this year's report, we provide additional information about GHG emissions related to our operations, including reporting our Scope 2 emissions, and our efforts to implement new initiatives to achieve our commitments.

Earlier in 2021, we hosted our virtual Investor Day. The program's theme was **SOAR to a Sustainable Future** and focused on our disciplined execution of a proven strategy, business model, outlook and other topics that are important to our investors. SOAR, our five-year Strategic Operating Analysis and Review, is the foundation on which our business, people and communities continue to thrive. Importantly, we also reaffirmed our commitment to a world-class safety culture, operating in an environmentally responsible manner, supporting and investing in our people, and robust governance protocols with oversight by an engaged Board of Directors.



We are proud of the work we have done in the past year, achieving and even surpassing certain of our goals despite the challenges of the COVID-19 pandemic and resulting global economic disruptions, while continuing to build a world-class enterprise that delivers sustainable, long-term value to our stakeholders. We look forward to more conversations with you about our work to continue strengthening Martin Marietta and its impact, as well as our achievements. We are excited about our Company's progress and, while there remains much to do, we know that our partnership with you on this journey makes us ever more able to conquer whatever challenges lie ahead and to continue making a positive impact on our communities and environment.

Sincerely,



C. Howard Nye
Chairman, President and
Chief Executive Officer



*Our Garner Quarry
Garner, North Carolina*





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.



Our Red Oak Quarry
Red Oak, Georgia



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 2020 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.



8,600+
Employees



300+
Aggregates
Quarries,
Mines, Yards



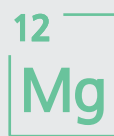
2
Cement
Plants



120
Ready Mixed
Concrete Plants

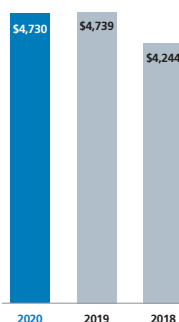


8
Asphalt
Plants

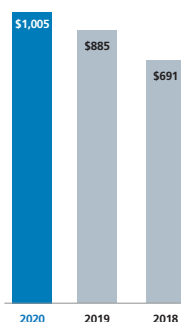


2
Magnesia
Specialties
Facilities

TOTAL REVENUES
(in millions)



EARNINGS FROM OPERATIONS
(in millions)

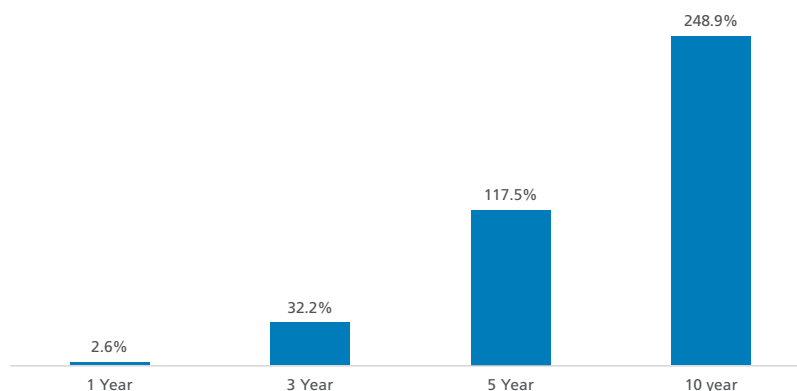


**NET EARNINGS ATTRIBUTABLE TO
MARTIN MARIETTA²** (in millions)



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-, three-, five-, and ten- year periods ending December 31, 2020.

**Martin Marietta Common Stock
Total Return (Including Dividends)**



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 Board receives a report from each of these committees on its work relating to sustainability matters. Importantly, as discussed in the next section, the Board's strategic review and risk assessments also includes management's sustainability goals, our performance relating to sustainability and our engagement 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."

Our Ethics, Environment, Safety and Health (EESH) Committee

- Established in 1994 and meets at least twice annually, increased to at least three times annually in 2021
- Comprised wholly of independent directors, whose members are diverse and have relevant expertise to provide appropriate oversight in helping us achieve sustainable growth and reduce our risks
- Reviews our Sustainability Report and our sustainability performance commitments and goals, including capital investments and improved practices that reduce greenhouse gas (GHG) and other emissions
- Reviews the input we have had from, and our engagement with, investors on sustainability matters

- Monitors our safety performance, Ethics Office activity, and 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
- Has the authority to investigate any matter falling within its purview
- Reports to the full Board

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.

45%

Women or minorities represent 45% of our Board

7 OUT OF 11

7 out of 11 new Board members since 2016, increasing refreshment and blending new ideas with experience

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

91%

Board members are non-management and independent

Our Other Board Committees

In addition to our EESH Committee, we have established a number of Board committees with overlapping responsibilities for sustainability matters. We believe this approach has been effective in integrating sustainability as a core element of our corporate governance:

- Our **Management Development and Compensation Committee** reviews management's performance with regard to its sustainability goals and considers those achievements in determining incentive pay
- 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 as well as all our political contributions



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.

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

91% of directors
are independent

45% of directors
are women
or minorities

63.9
YEARS average
director age

3 of our 11
directors are
women

6.8
YEARS average
director tenure

45% of directors 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
- No poison pill
- Eliminated excise tax gross-up, walk-right and value of perquisites in the severance calculation in Employment Protection Agreements
- Proactive, year-round engagement with shareholders
- Lead Independent Director
- Independent chairs of Board Committees
- Eliminated single-trigger vesting in equity award agreements for grants beginning in 2019
- Implemented anti-hedging and anti-pledging policy
- Adopted clawback policy
- Added seven new Board members since 2016

*Our Chattanooga Quarry
Chattanooga, Tennessee*



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 2020, receiving 69 awards in these areas from the National Stone, Sand & Gravel Association (NSSGA).



2020 NSSGA Safety Excellence Awards



Gold

Oslo Quarry (NC)
Benson Quarry (NC)



Silver

Charlotte Quarry (NC)



Bronze

San Pedro Quarry (TX)
Moore Quarry (IA)

2020 NSSGA Environmental Excellence Awards



Platinum

Berkeley Quarry (SC)



Gold

Berkeley Quarry (SC)
Riverbend Sand
and Gravel (CO)



Silver

Cumming Quarry (GA)
Parsons Sand and Gravel (CO)
Red Canyon Quarry (CO)
Specification Agg Quarry (CO)
Tyrone Quarry (GA)
Woodworth Aggregate (LA)



Bronze

33 winners

2020 NSSGA Community Relations Awards



Platinum

Cumming Quarry (GA)



Gold

Cumming Quarry (GA)



Silver

Lithonia Quarry (GA)



Bronze

19 winners





Berkeley Quarry, pictured here, received the NSSGA's Platinum Award for Environmental Excellence in 2020



Annual Boulder Dash held at Cumming Quarry prior to COVID-19 as fundraiser for local high school



Cumming Quarry sponsors Dream Kids seen here prior to COVID-19



In 2020, 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.



The Pinnacle of Safety

Tennessee Team Earns Top Industry Honor as One of the Safest Mines in the Country

The East Division's Chattanooga Quarry, in Chattanooga, Tennessee, was awarded the National Mining Association's Sentinels of Safety Award. This award recognizes coal and mineral mining operations in 10 categories for recording the most hours in a calendar year without a single lost-time injury. A minimum of 4,000 hours is required for award consideration. Initiated in 1925 by then Commerce Secretary Herbert Hoover, a former mining engineer, the Sentinels of Safety Award program remains the nation's most prestigious recognition of mine safety and has helped foster a strong safety commitment on the part of U.S. mines.

Mark Brown, Chattanooga's plant manager, has been in the mining industry since 1984 and says winning the award is the pinnacle of his career. Though thrilled to be leading a Sentinels of Safety team, he's quick to take a back seat, preferring instead to recognize the men and women who drive the site's success.

"With a mixture of experience and enthusiasm, the team balances perfectly between tried-and-true methods and a willingness to experiment," Brown says. As a result Chattanooga has been increasingly productive while going more than five years without a reportable incident.

"The most important thing we do is communicate," Brown says. "We have tailgate meetings in the morning and it just goes down the line. We talk before, during and after each job. If you're in the pit, you'll hear the radio chatter going on. It's a little communication, but it's important. It tells you that everyone is looking out for one another."

Mechanic Sean Barry, a safety mentor at Chattanooga, says that in addition to maintaining safety, the team's high level of communication results in a great deal of education, which is equally important.

"There are questions here every day and if I can't handle them, we have about a half-dozen others who can," he says. "We work through it together. It's a round-robin approach. If you're in mining and you think you know it all, or have seen it all, then you're in the wrong business."

The East Division's Chattanooga Quarry, in Chattanooga, Tennessee, was awarded the National Mining Association's Sentinels of Safety Award.



Thomas Shillings, a quality control technician at the site, sums up the feelings of many employees with regard to the Company's attitude toward safety: "I've worked in construction and similar fields for a long time and I've never felt as safe as I do here. That radiates throughout this quarry. It's an honor to be at a place where they really care."

Looking beyond the Chattanooga team, Brown says the efforts of employees in the North Georgia District and East Division also contributed greatly to Chattanooga's Sentinels of Safety Award. Division President Ron Kopplin acknowledges the work of the Chattanooga team which deserves to be singled out for its achievements.

"This honor places Chattanooga in an exclusive group as just a handful of Martin Marietta's operations have earned a Sentinels of Safety Award," he says. "What Mark and

every member of this team have accomplished is extraordinary. They've set an example not just for our operations in the East Division, but for operations across the Company."

"I've worked in construction and similar fields for a long time and I've never felt as safe as I do here. That radiates throughout this quarry. It's an honor to be at a place where they really care."



Troy Heckert,
management associate,
Chattanooga Quarry



A replica of the Sentinels of Safety trophy
stands at Chattanooga Quarry





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. Sustainability is a core value at Martin Marietta and, both in the quarry or the boardroom, stands at the heart of every Company decision. As an organization reliant upon the Earth's natural resources, our sustainability approach helps us remember that our purpose is to bring value to all Company stakeholders. Our pledge is to protect and enhance the environment while creating the products that build communities. As an organization built upon the strength of its employees, our approach also reflects that we care deeply about their safety, well-being, and being able to welcome and include a diverse workforce.

Our Stamper Mine
Kansas City, Missouri

The four pillars are integral to our day-to-day and long-term strategies and drive our ability to create value for all our stakeholders:



Safe Operations

Keeping safe all who come into contact with our business by providing the environment, resources and knowledge necessary to always make the prudent decision, 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

Encouraging and assisting our people in their growth and development, while recognizing that the diversity of our employees is a strength that enhances our entire Company



Community Well-Being

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



Sustainability Highlights for 2020



Safe Operations

- Fourth consecutive year of world-class lost time incident rate (LTIR) performance
- Continued improvement in total injury incident rate performance, with safest year on record
- 99 percent of our employees worked without a reportable safety incident
- MSHA citations per inspection continue to be well below industry average
- Chattanooga, Tennessee quarry received prestigious Sentinels of Safety Award from the National Mining Association
- Very limited employee-to-employee transmission of COVID-19, despite nearly continuous operations as an “essential” business



Environmental Stewardship

- Only 15 notices of violation across more than 400 operating locations, all of which were minor with no fines assessed
- Reduced coal in our cement kiln fuel mix from 70 percent to 23 percent percent of total fuel usage
- Implemented filter press systems that allow use of recycled water for as much as 70 percent of production needs
- Set carbon intensity reduction targets for 2030 for our cement and magnesia businesses that we believe will continue to position us ahead of the U.S. domestic cement industry average
- Disclosed Scope 1 CO₂e emissions across all business lines in the 2019 Sustainability Report issued in 2020, as well as Scope 2 CO₂e emissions in this year’s Sustainability Report
- Beneficial use of synthetic gypsum, a by-product of flue-gas desulfurization by coal-powered plants, helps divert this material from overburdened landfills





Employee Well-Being

- Implemented new benefits for our hourly workforce, including an enhanced Paid Time Off policy
- Launched Inclusion and Engagement Task Force
- Implemented Career Development Framework program to provide employees and managers resources for development and career growth
- Named a top workplace, including the *Denver Post's* Top Workplaces for the second consecutive year
- Created the internal Martin Marietta HealthHub to provide employees with easy access to current information regarding the COVID-19 pandemic and safety protocols



Community Well-Being

- Our magnesia-based products are used to purify drinking water, reduce sewer system pollution and improve electricity efficiency
- Finalized safe harbor agreement at our Berkeley quarry for the protection of the endangered Red Cockaded Woodpecker
- Maintained our water quality efforts at our Woodworth Louisiana facility which has allowed an increase in the endangered Pearl Shell Mussel in nearby Bayou Clear
- Our teams across the country contributed to their local communities, including donating more than 50,000 face masks as well as making cash donations and in kind service efforts to those most affected by the COVID-19 pandemic



Martin Marietta's Investor Day Focuses on Sustainability: *Soar to a Sustainable Future*

Martin Marietta incorporates sustainability in its long-term strategy, day-to-day operations, and assessment of how well the business is performing. We refresh our Strategic Operating Analysis and Review, or SOAR, every five years, and include performance objectives relating to our sustainable growth and performance. Execution of our SOAR objectives has led to a dynamic 10 years of growth; our most recent SOAR 2025 was presented to our Board of Directors in 2020. We have achieved this growth responsibly, and with a focus on Safety, the Environment, our Employees, our Communities, as well as Growth and Capital Allocation.



As you will read in this report, 2020 was the safest year in our Company's history despite 2020's public health and other pandemic-related challenges. Our Company-wide total injury incident rate, or TIIR, and lost-time incident rate, or LTIR, exceeded or almost reached world-class levels. This means more of our colleagues go home safely at the end of each shift than ever before. It's the right thing to do, and it's good business. Safety sets the foundation for achieving our long-term objectives. Safety is part of our culture, it is part of our strategy, it is part of our day-to-day operations, and it is part of our performance objectives, as are the other pillars of our Sustainability program. These were all a focus of our Investor Day in February 2021 as a way for us to create more value for our stakeholders.

"Our business is guided by its Mission, Vision and Values. Its foundation is to operate Safely, Ethically, Sustainably, and to pursue Operational Excellence. In doing this we focus on our four pillars of Safety, Environmental Stewardship, Employee Well-Being and Community Well-Being. And we undertake what we view as our duties, not just as a building materials Company, but as a world-class organization:

- ✓ ***Building a better organization***
- ✓ ***Building a more valuable organization"***

– **Ward Nye, Chairman and CEO**





Safe Operations

Safety is present in every element of Martin Marietta, from our operational excellence and proven best practices to the science-based protocols adopted to ensure the health and well-being of our employees, neighbors and communities during the COVID-19 pandemic. Safety is a shared responsibility that every member of our team takes seriously.



*Our Kentucky Avenue Underground Mine
Indianapolis, Indiana*



World-Class Safety Performance

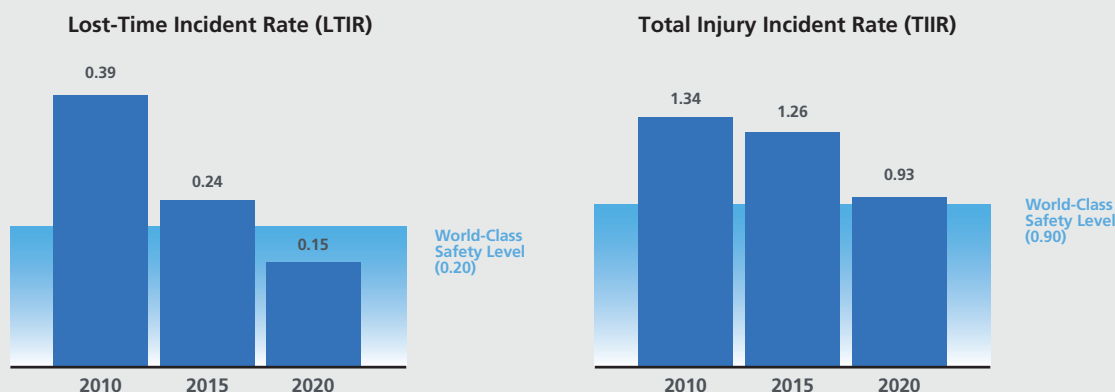


Given the nature and physical demands of our quarrying activities, operating our business safely is at the core of our long-term success and our ability to continue delivering value. We believe our employees are our most valuable asset and, in 2020, we continued our impressive safety performance.

“In 2020, our lost-time incident rate was 0.15, meaning 99.8 percent of our ~8,600 employees experienced zero lost-time incidents, a world-class level for the fourth straight year.”

And our 2020 performance is the best safety record in Martin Marietta’s history, despite nearly continuous operations as an “essential business” during the COVID-19 pandemic, with Company-wide lost time and total injury incidents near or exceeding world-class levels. In 2020, our lost-time incident rate was 0.15, meaning 99.8 percent of our ~8,600 employees experienced zero lost-time incidents, achieving a world-class level for the fourth straight year. We believe that we are on the right track to realizing our goal of zero incidents and our Guardian Angel safety culture is a key part of our ongoing efforts to keep our employees safe.

Achieving World-Class Safety



*LTIR and TIIR are per 200,000 man hours worked. World-class levels determined by external benchmarking against companies inside and outside the aggregates industry.

Safety Highlights

- Safest year on record, with TIIR of 0.93, slightly above the world-class rate of 0.90
- East, Southwest and Magnesia Specialties Divisions exceeded world-class Total Injury Incident Rate (TIIR) with TIIRs of 0.60, 0.82 and 0.81, respectively
- World-class LTIR for the 4th consecutive year
- Safety performance sets the foundation for long-term financial strength and successful SOAR execution
- 99.8% of employees worked with ZERO lost-time incidents in 2020
- 98.9% of employees worked with ZERO incidents in 2020
- 79 business units finished 2020 with ZERO lost-time incidents during 500,000+ consecutive hours of work

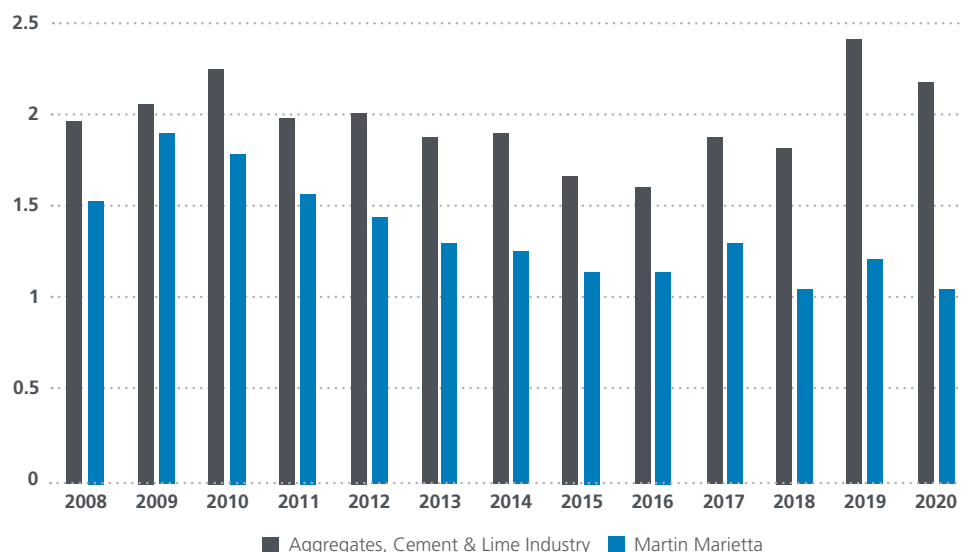




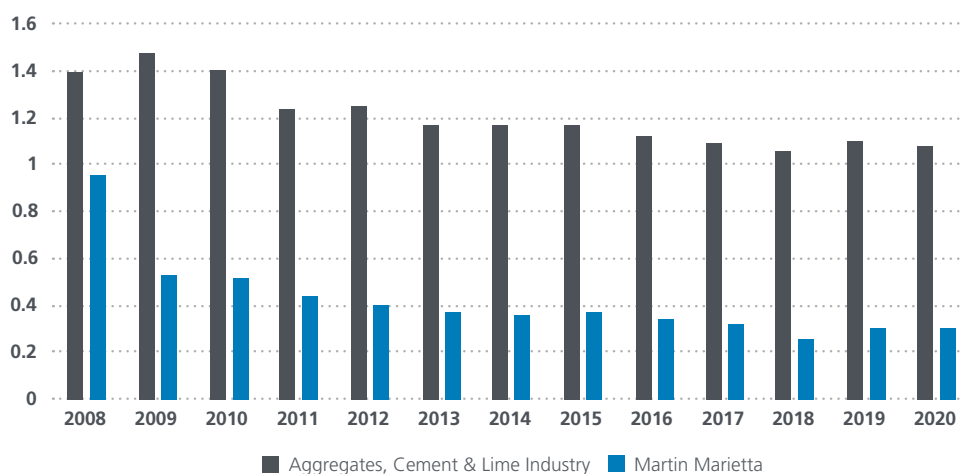
MSHA Citations

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, cement and lime industry average.

MSHA citations per inspection



MSHA citations per day at Martin Marietta operations are lower than industry average





Despite the numerous challenges, concerns and distractions associated with the pandemic, we have demonstrated dramatic safety improvements over the prior year. One of the values we embrace that has enabled this achievement is our Guardian Angel Creed. With Guardian Angel as the foundation of our safety culture, safety performance, ownership and engagement of the safety process extends beyond division lines and allows our employees to be consistently reminded that each one of us is responsible for their own and each other's safety.

In this regard, we established a Safety Task Force in 1999, comprised of employees from across the enterprise who engaged in extensive benchmarking of companies within and outside of the mining industry. From this effort, the foundational elements of Martin Marietta's safety program were developed. Their task was to pursue safety and occupational health functional excellence. Some of the initiatives that came from continuing these efforts in 2020 were standardization of personal protection equipment so that employees could easily recognize potential hazards, an enhanced safety learning management system, task training modules and consistent safety communications.

To further emphasize the importance of safety, Martin Marietta annually awards Diamond Awards, and one of its facilities receives the Diamond Elite Award.

The Diamond Awards is a recognition and commitment that at Martin Marietta, we view ourselves as an industry leader, respected for the work we do to help make things possible. Whether it's roads or bridges or buildings, our specialty is building strong foundations. The foundation of our success as a Company are the dedicated, talented teams of employees who day in and day out work hard, safely and ethically to provide our customers with quality products and materials. In many ways, we vow that our people are our most precious asset, essential to everything we accomplish.

To recognize our employees' excellent efforts, **DIAMOND AWARDS** are presented each year to the "best of the best" at Martin Marietta. Consisting of three tiers (**Achievement**, **Honor** and **Elite**), the Diamond Awards program rewards exceptional performance in all of our divisions and business segments.

The criteria for each of our award levels are:

1. **No reportable safety incidents** during the previous calendar year;
2. **No environmental notices of violation** during the previous calendar year; and
3. **Return on assets that exceeds the Company's weighted average cost of capital** for the previous calendar year, in addition to other financial performance.

All operations that achieve this criteria receive Martin Marietta's **Diamond Achievement Award**. To be considered for a **Diamond Honor Award**, an operation must meet the criteria for no environmental violations and the financial metric for three consecutive years. They must also show continuous safety improvement over a three-year period, with zero incidents the third year. The **Diamond Elite Award** winner is recognized for performance and achievements above all the rest.



Our Diamond Elite Award trophy



KEY DIAMOND AWARD PERFORMANCE METRICS

- Lost-time incidence rate
- Total incidence rate
- Environmental stewardship
- Sustainability
- Productivity
- Corporate citizenship
- Innovation
- Weighted average cost of capital
- Return on investment
- No environmental notices of violation

In 2020, Lemon Springs Quarry was recognized as our Diamond Elite Award winner for a second consecutive year. This was the first team to win back-to-back Diamond Elite Awards, but its achievements were exemplary. Lemon Springs hasn't experienced a reportable incident since 2013 or a lost-time incident since 2011. That stretch is significant enough to earn the site the North Carolina Department of Labor's Certificate of Safety Achievement in each of the past eight years.



*Our Lemon Springs Quarry
Sanford, North Carolina*

Corporate Safety Audit Initiative

Our corporate safety audit initiative has been an essential element in our safety journey. Originally implemented with a core team of seven safety professionals, the audit team was expanded in recent years to include all safety professionals and operational staff as well. The purpose of the initiative was to share best practices and to identify process and communication improvements to further the Company's safety performance to world-class levels. In doing so, the corporate safety audit teams have already conducted 55 comprehensive audits of the safety and health programs in place at Company locations, inspected nearly 3,000 pieces of mobile equipment, and conducted safety surveys with more than 2,500 hourly employees. Importantly, audited sites have consistently showed improvement in incident rates versus the prior year.

COVID-19 and related travel safety concerns paused the corporate safety audit team's activities in 2020. However, recognizing that the audit process has become an important element of the Company's safety program, we asked local personnel to act as safety auditors to continue driving better performance. In total, these audit teams conducted 188 safety audits across the Company's footprint in 2020. Led by hourly employees, the audits were accompanied by safety blitzes conducted by operations leadership, including our Division Presidents. This process allowed our teams to maintain a strong, boots-on-the-ground presence, which contributed to Martin Marietta's safest year on record. In this regard, our citation per inspection (CPI) rate of 1.05 and our citation per inspection day (CPD) rate of 0.30 outperformed the 2020 aggregates/cement/lime industry averages of 2.17 and 1.08, respectively.

*We Continue to Prove
that Zero is Possible*

99.8% of employees experienced ZERO lost-time incidents in 2020

98.9% of employees experienced ZERO incidents in 2020 business

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



“Essential Business” Operations During COVID-19 Pandemic

The COVID-19 pandemic has had an unprecedented impact on the world, including our business and community, over the past year. As Martin Marietta’s business has to date been considered “essential” under applicable governmental orders, we have continued to meet the needs of our customers and communities, all of whom depend on us being able to continue operating, and to do so safely.

Some of the responsible steps we implemented in response to the pandemic include:

- Enhancing facility and equipment cleaning
- Implementing personal safety protocols, social distancing and remote work (where possible), consistent with the guidelines from the Centers for Disease Control and Prevention and our industrial hygienist group medical physicians
- Establishing task forces related to COVID-19 planning and communications
- Cancelling all non-essential in-person meetings and business travel
- Developing contingency plans with respect to facility staffing
- Active monitoring of the COVID-19 pandemic and its consequences and our need to respond to its impact on our operations, business relationships and employees

These measures allowed us to continue serving our customers and our communities, providing a safe workplace for our employees, and building the critical infrastructure of our states and nation. Despite our almost 9,000 employees and 400 sites, we experienced very few employee-to-employee COVID-19 transmissions.



*Our Drennan Yard
Colorado Springs, Colorado*

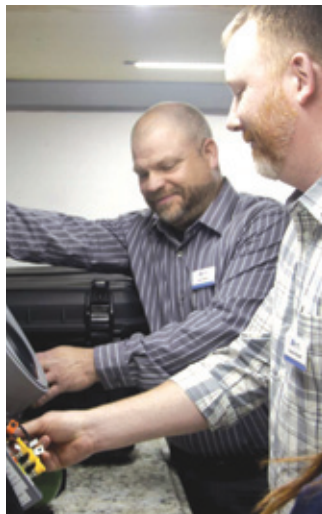


Biennial Mine Safety Conference

Brings Together Company's Brightest Underground Professionals

Martin Marietta's Central Division is the largest operator of underground aggregate mining operations in the country with 14 underground mines spread across the Midwest. As such, we maintain an in-house team of operations and safety professionals with particular expertise in this type of mining. This community comes together biennially for two days of learning, networking and sharing of best practices.

The February 2020 Underground Mine Safety Conference in Collinsville, Illinois, was the largest to date. The event featured in-depth presentations and discussions led by Martin Marietta professionals on topics like underground electrical safety, communications, ventilation and mine rescue. Other presenters included an industrial hygienist, who discussed occupational health; an attorney, who spoke about Mine Safety and Health Administration (MSHA) regulations; and several vendors, who focused on such topics as fall prevention. Des Moines District Production Manager Ryan Bender helped plan the conference alongside Vice President of Safety and Health Michael Hunt, Des Moines District Vice President-General Manager Todd Clock, Director of Explosives Mike McGill and Indiana District HR and Safety Manager Jeff McIntosh.



Indiana District Senior Safety Representative Dave Metcalf (left) teaches North Indianapolis Assistant Plant Manager Charles Waychoff about the equipment used by the district's Mine Rescue Team.



*Ames Underground Mine
Ames, Iowa*



The program's primary goal was to continue sharing best practices in underground mining to achieve our goals of operational excellence. These included discussions relating to re-emphasis of our underground safety culture, mine rescue protocols and drills, mine engineering and development, ground control, and other relevant topics.

This event speaks volumes about Martin Marietta's values.

"Putting on an event like this requires a tremendous amount of time and resources, but from our corporate executives to our division presidents and vice president-general managers, it's supported at every level," Bender said. "It's the type of event that really demonstrates our Company's commitment to advancing our safety culture."

The next Underground Mine Safety Conference is tentatively scheduled for 2022.



Nearly 70 of the Company's top underground professionals gathered for a two-day conference in February 2020 in Collinsville, Illinois.

Why I Work Safely Campaign Continues to Grow

From the moment his steel-toed boots first touch down on quarry ground, Plant Manager Keith Flynn is focused. He has rock to crush, orders to process and decisions to make that will ultimately affect his well-being as well as that of his crew, their families and the Company.



Included in Flynn's Why I Work Safely story is this family photo



"We don't just work safely because of a motto, or a sign, or a tagline. We work safely for the people involved – the family members, the friends and the other loved ones."

Not long into the morning, he's all about business as he meets with the Porcupine Mountain Quarry team. They talk about equipment maintenance and the important projects of the day. They talk about special work taking place and make sure everyone knows about the visitors they expect onsite. It's business talk and it's all necessary, but when the topic of safety comes up (and it does frequently), something changes in Flynn's tone. This change is why he shared his story for the Why I Work Safely campaign.

"This is a reminder that safety is personal," he says about a photo of his wife and three sons.

The idea of highlighting personal photographs and safety testimonials at Martin Marietta isn't a new one. Operations and offices across the Company have long utilized such photos and stories to varying degrees.



This past summer, Jenifer Padgett, an East Division senior safety manager, and Southwest Division Safety Manager Jeff Cross worked with the rest of the Company's Safety Leadership Team to formalize the photo/testimonial effort. The result is the Companywide Why I Work Safely campaign.

"Where I come from in Ohio, we've done this for a long time, and one of the things I noticed was that people took ownership of the safety process," Padgett says. "They really take pride in doing things the safe way."

"We don't just work safely because of a motto, or a sign, or a tagline. We work safely for the people involved – the family members, the friends and the other loved ones."

When the Safety Leadership Team began calling for *Why I Work Safely* submissions, they asked employees to share photos along with a brief description explaining their thoughts on safe work. Initially, Padgett and Cross expected enough stories to populate the Company's digital signs for about a month. Currently, the campaign has received so many submissions that new slides will be running through the year.

"This has been great because we never really wanted this to be just a one-month safety topic or just part of our training for new employees," Padgett says. "We want this to continue. It's easy to say that focusing on why we work safely is part of our safety program, but really working to keep it in focus is another way we show our dedication to

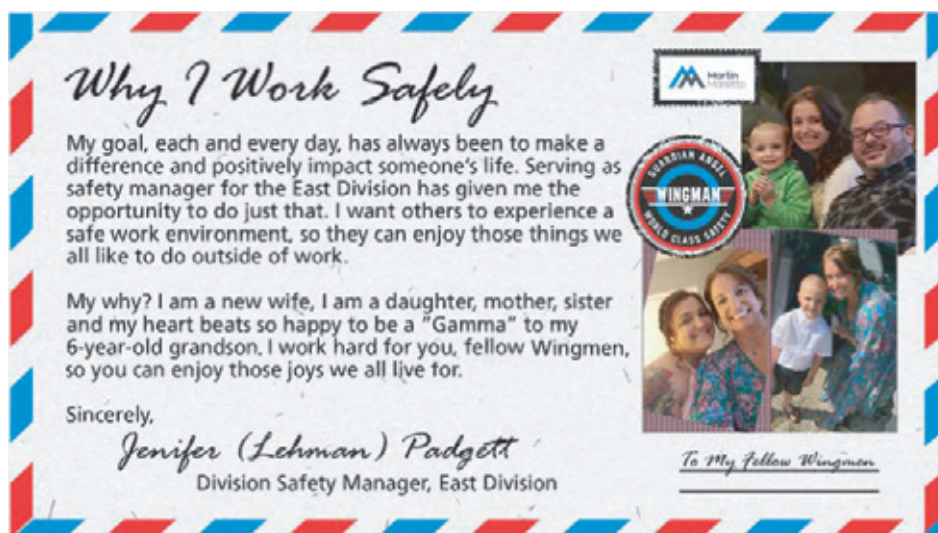
safety. It keeps us engaged with our Guardian Angel culture."

Carolina South District Area Production Manager Justin Nelson agrees and says that just taking the time to think about why he works safely forced him to realize how his attitude has changed over time. The experience, he says, was quite valuable.

"I started my career with Martin Marietta as a college student who just wanted to enjoy life, but I realized quickly the role that safety plays in our business. I formed strong bonds with my peers and, naturally, did what I could to prevent them from getting hurt," he says. "When I got a little older and had a family of my own, I still wanted my work family to be safe, but my attitude evolved because I now had to provide for my wife and kids. With my kids now getting older, my attitude continues to evolve. I realize more and more that safety can't just be a focus at work, it has to be ingrained into my life so that I take it home to my family as well."

Flynn, whose team in Nova Scotia last year celebrated 2 million hours of safe work, seconded the notion that the exercise is worthwhile. He says he'd be more than willing to share his story again and that he hopes others feel the same way.

"Sharing my story was my way of showing that safety is of the utmost importance," he says. "I wanted to share it so that the people here at Porcupine Mountain and others across the Company understand that safety is part of who we are and everything we do."



Among the first to submit a Why I Work Safely form, Padgett chose to highlight her roles as daughter, mother, sister, wife and "Gamma."



Poteet Crew's Milestone Just One More Stop on Safety Journey

Experience and Commitment Lead Texas Team to 500,000 Injury-Free Hours



The Poteet Sand Plant is located about 35 miles south of San Antonio in the Company's Southwest Division.

Hard working. Professional. Knowledgeable. Driven. Safe. The list of adjectives Company leaders have used to describe the Poteet Sand Plant team is expansive, but as crew members pause to celebrate their accomplishment of reaching 500,000 hours without a reportable injury and continuing their journey to 1 million hours and beyond, their new leader has a few more adjectives he'd like to add.

"One of the first things I was told before joining this team is that it's probably one of the most experienced we have," says Kyle Pfitzinger, Poteet's plant manager since April 2020. "I was told this was a solid team that is committed to safety and committed to each other. From what I've seen, everything I've heard is true."

"Once everyone bought into the culture, it made a big difference," he says. "Now, we follow the Guardian Angel Creed every day, and none of us are afraid to shut things down if we have to. We have toolbox meetings every morning to discuss our safety concerns and perform a job safety analysis before every project we do. Safety matters here."

While stressing the word "experienced," Pfitzinger notes that more than half of the site's employees have worked at the plant for more than 20 years. Perhaps none of these employees is more familiar with the grounds than Weighmaster Roy Esquivel Jr., whose father began work at Poteet long before it was owned by Martin Marietta.

"My dad came here in the late 1960s to help open the place up, and they built him a house right here on the property," Esquivel says. "I grew up just steps away from where they'd park the equipment at the end of the day."

Esquivel, who has worked at the sand plant for 20 of his 38 years with Martin Marietta, says that while safety improved gradually over the years, it wasn't until Martin Marietta's Guardian Angel Culture really began to take hold in the early 2000s that the team was able to take leaps forward in safety.

"Once everyone bought into the culture, it made a big difference," he says. "Now, we follow the Guardian Angel Creed every day, and none of us are afraid to shut things down if we have to. We have toolbox meetings every morning to discuss our safety concerns and perform a job safety analysis before every project we do. Safety matters here."

Poteet Sand is:

<i>Employee</i>	<i>Years of Service</i>
Rudy Cardona	27
Alejandro DeLeon	41
Roy Esquivel Jr.	36
Jeffrey Felan	3
Esteban Guillen Ramirez	1
Alfredo Lambardia Jr.	20
Frank Montemayor	24
Enrique Pequeno III	13
Toral Tinsley	8
Agapito Zapata	35
Kyle Pfitzinger	Plant Manager

Pfitzinger says his primary mission is to help the crew continue its incredibly strong performance.

"I know that I'm joining a team that has had tremendous success, and my job is to help us keep it going," he says. "The amount of pride they take in doing their jobs safely is huge, and they really take the Guardian Angel message to heart. I want to provide whatever assistance the team needs."





Environmental Stewardship

As stewards of our natural resources, we strive to minimize our environmental impact while providing the materials on which our communities grow. Sustainable business practices are necessary for our Company's long-term success, but beyond that, they help ensure the preservation of our air, water and land so that each may be enjoyed for generations to come.

*Our Marshalltown Sand Plant
Marshalltown, Iowa*



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.

The Role of Our Employees, 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 day-to-day 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 each of the Board, management and operating levels.
- 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.
- We strive for improvements in our environmental performance and view it as an area that can also create business opportunities for us.
- 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.

"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."

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. To achieve our environmental-related goals, we employ a full-time staff of engineers and managers with significant expertise in environmental compliance and sustainability.

- Most 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.
- Many are former staff of regulatory agencies or of organizations that are dedicated to wildlife and conservation, such as The Nature Conservancy.
- 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 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 often 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, have 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.

At the Board of Directors level, we have an Ethics, Environment, Safety and Health (EESH) Committee, comprised wholly of independent directors, which now meets at least three times 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 by the Board with reviewing and monitoring our compliance with environmental laws and regulations, 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 at least 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 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 CO₂e emissions intensities on a per metric tonne of product basis. Moreover, as reported in the past and further detailed below, we also have committed to Scope 1 CO₂e emissions intensity reduction targets for those businesses by 2030 (as compared to a baseline year of 2010). With respect to our business as a whole, in this report we are for the first time reporting our Scope 2 CO₂e emissions.



Greenhouse Gas Emissions

Overview

This year we are reporting for the first time on our Scope 2 CO₂e emissions for all business lines: aggregates, cement, ready mixed concrete, asphalt and paving services and magnesia specialties. This is in addition to our existing disclosures on Scope 1 CO₂e emissions across our business lines, as well as our Scope 1 CO₂e emissions reductions commitments for our cement and magnesia specialties businesses.

Martin Marietta is, overwhelmingly, an aggregates-led Company (crushed stone, sand and gravel) in terms of our revenue and operational footprint. 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 have two targeted downstream businesses: ready mixed concrete and asphalt and paving services. Finally, we operate a small, but strategic, cement business and the magnesia specialties business that, collectively, account for 87 percent of our Scope 1 GHG emissions.

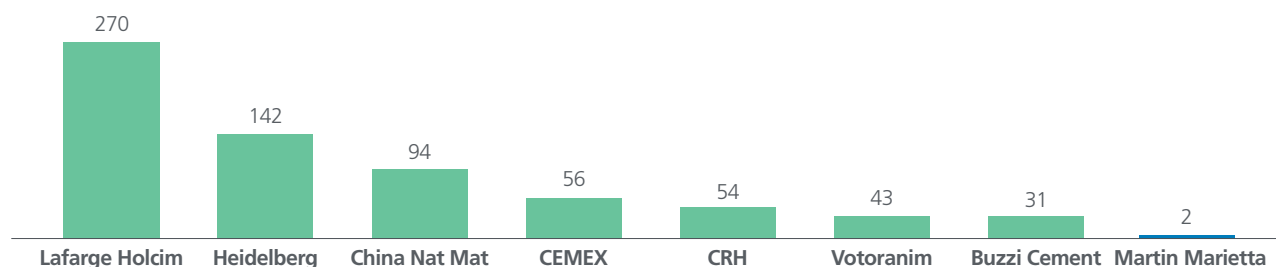
2020 GHG for All Business Lines

We previously reported our Scope 1 emissions for all business lines in our most recent Sustainability Report. In this report, we are reporting our Scope 2 emissions for all our business lines for the first time.

Scope 1 4.505 million metric tonnes CO₂e

Scope 2 0.671 million metric tonnes CO₂e

Select Examples of Number of Cement Plants Worldwide



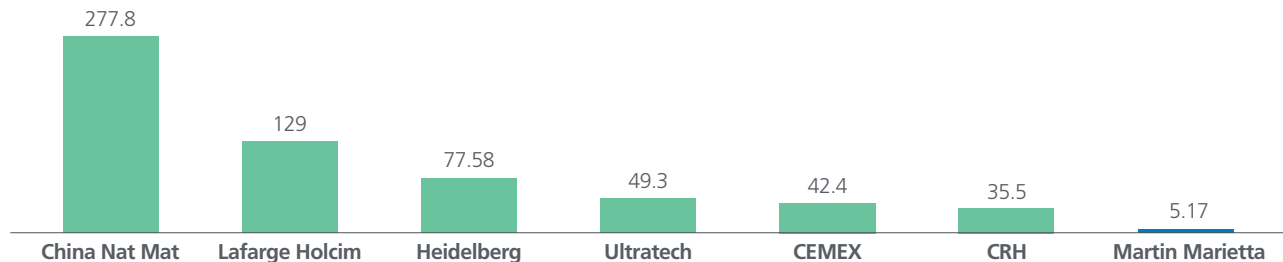
Sources: 2019 annual reports, sustainability reports and corporate websites

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 2020 Scope 1 CO₂e emissions were 4.505 million metric tonnes of CO₂e across all business lines (including stationary and mobile sources), of which 2.6 million metric tonnes were attributable to emissions from our cement business.



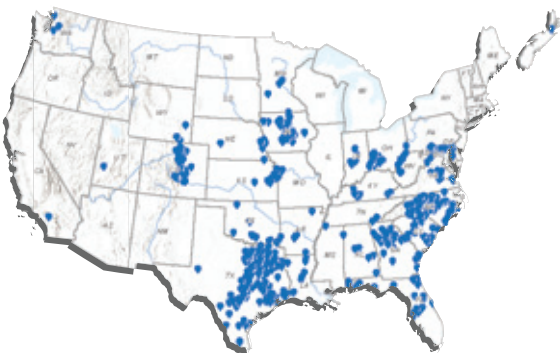
This level of Scope 1 CO₂e emissions constitutes less than 4 percent of total GHG emissions attributed to the cement industry in the United States, as reported to the USEPA in 2019. Our 2020 Scope 2 CO₂e emissions were 0.671 million metric tonnes across all business lines. On a global basis, the emissions from our cement business constitute less than 0.2 percent of the worldwide CO₂e emissions from cement production and our combined Scope 1 and 2 emissions for our entire business is only a fraction of those of our global competitors as shown in the chart below.¹

Select Examples of Scope 1 and 2 GHG Footprints (million metric tonnes CO₂e)



Sources: 2019 Annual Reports, Sustainability Reports, USGS, USEPA and PCA

Put succinctly, we are a very small contributor to the CO₂e 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 2020. This is in stark contrast to other operators in the cement sector who have a substantially greater number of cement plants, total GHG emissions, and percentage of their revenue derived from such cement operations.



Martin Marietta aggregates, concrete and asphalt plants



Martin Marietta cement plants

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:

- Operates from two modernized, efficient plants, both in the state of Texas, that have benefitted from more than \$1 billion in investments since 2008
- Accounts for 9.6 percent of our consolidated revenue in 2020
- Has a carbon intensity better than the U.S. cement industry average
- Represents 58 percent of our gross CO₂e emissions, but still less than 0.2 percent of total GHG emissions from the cement industry worldwide

¹ Total estimated GHG emissions attributed to the cement industry in 2020 worldwide were 1.5 gigatonnes or, 1,500 million metric tonnes, of CO₂e according to R.M. Andrew of the Global Carbon Capture Project.

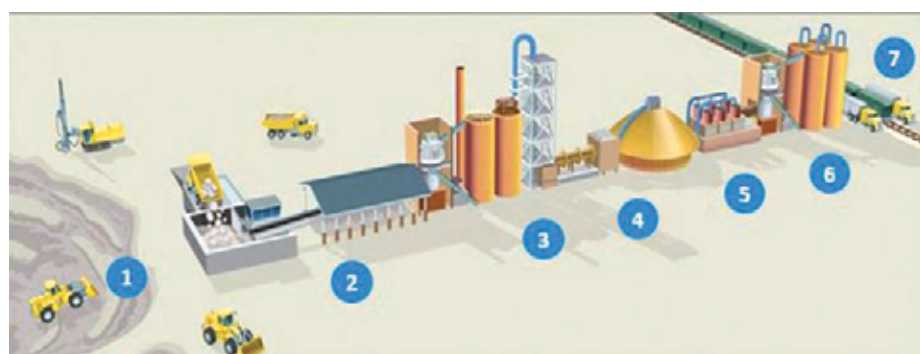


Our Cement Business

Cement and aggregates are critical components of building materials, such as concrete, and 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.

Emerging research suggests that up to 25 percent of the CO₂ originally emitted during cement production can be captured over the lifecycle of concrete through the process of “recarbonation”. According to Cembureau, the European Cement Association, recarbonation is a slow process that occurs in concrete where lime (calcium hydroxide) in the cement reacts with carbon dioxide from the air and forms calcium carbonate. At the end of their useful life, buildings and infrastructure (reinforced concrete structures) are demolished. If the concrete is then crushed, its exposed surface area increases and this further increases the recarbonation rate. The amount of recarbonation is even greater if stockpiles of crushed concrete are left exposed to the air prior to reuse.²

Carbon dioxide (CO₂) 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.



- 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



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 CO₂ gas. While the solid clinker is subsequently ground and incorporated into cement, the CO₂ 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.³

² <https://lowcarboneyconomy.cembureau.eu/5-parallel-routes/downstream/recarbonation/>

³ 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.



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 CO₂ emitted from limestone, at this time the technologies are still in early stage development and testing. For the moment 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-calcliner 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.

While our carbon intensity is reported in terms of CO₂e emissions net of emissions from biogenic sources, it is notable that our net and gross emissions from our operations do not materially differ. This is due to the fact that the use of alternative fuels is significantly less incentivized in the U.S. (where we operate) than in the European Union, including that biogenic sources are only partially credited in calculating emissions required to be reported to the USEPA. In addition, we report our carbon intensity in terms of metric tonnes of “cement” we produce (which is comprised of clinker and certain blend materials) rather than “cementitious material” typically used by EU cement companies. Although our cement includes some blending with non-clinker materials, like other U.S. operators, we are not permitted to substitute clinker at the higher percentages permitted in the EU. Therefore, we use the term “cement” to differentiate the products. The above considerations are discussed in

greater detail below in “Understanding Blending and the Impact of Fuel Choice”. **As a result of these efforts, we have successfully reduced the carbon intensity of our cement business to 0.75 net metric tonnes of CO₂e/metric tonnes of cement as of 2020 over the 2010 intensity of 0.836.** This also places us well below the U.S. cement industry average intensity of 0.79 metric tonnes of CO₂e/metric tonnes of cement in 2019 (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. 2020 saw a slight uptick in our intensity due to EPA rules which required us to include the biogenic GHG previously excluded from our calculations for the year.

“As a result of these efforts, we have successfully reduced the carbon intensity of our cement business to 0.75 net metric tonnes of CO₂e/metric tonnes of cement as of 2020 over the 2010 intensity of 0.836.”

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.



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 EU (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 pozzolan, 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 cement. While our clinker substitution rate (like other U.S. producers) generally does not exceed 10 percent, the average clinker substitution rate 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 CO₂ generated in producing a tonne of clinker) is comparable to our 2020 rate of 0.836 net metric tonnes of CO₂/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 fact, if we were to use a hypothetical 75% clinker factor for our cements, we estimate our intensity would be reduced from 0.75 to approximately 0.62 net metric tonnes of Absolute Gross CO₂/metric tonnes of cement equivalent.**

“This also places us well below the U.S. cement industry average intensity of 0.79 metric tonnes of CO₂e/metric tonnes of domestic cement in 2019 (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.”

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 CO₂ emissions under international regulations differs materially from the calculation allowed under USEPA regulation. The European Union Gross CO₂ Emission rates exclude CO₂ emissions from alternative fuels while the widely reported Net CO₂ emission rates do not include the biogenic or alternative fuel CO₂ contributions. **Again, if we used a hypothetical 75% clinker factor and calculated our emissions using the Global Cement and Concrete Association (GCCA)/European calculation method and our current fuel mix, we estimate that our intensity would see a further reduction to approximately 0.53 Net metric tonnes of CO₂/metric tonnes of cement equivalent basis.**

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.



*Our Midlothian Cement facility
Midlothian, Texas*

We believe that our track record of achieving comparably favorable clinker intensities to European producers, despite key regulatory differences affecting how emissions intensity is calculated in the U.S., highlights our record of investing in our plants and continually improving our processes. It further underscores our continued dedication to sustainable practices in our operations.

Accordingly, although our actual carbon emissions from clinker production may be comparable to or better than European producers, their ability to calculate reportable CO₂ emissions differently leads, in part, to a seemingly 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 CO₂ emissions than their European competitors and use more higher-CO₂ 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.”

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 additional equipment to our Hunter Cement Plant in the next several years. Our permit for our Hunter plant, however, caps our use of tires as alternate fuels to 25 percent of the fuel mix.
- In the last six years, we have dramatically reduced the use of coal in our kiln fuel mixes at both cement plants from approximately 70 percent to 12.9 percent of our total fuel usage. In particular, at Midlothian, coal makes up less than 7.3 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 17.5 percent, down from 77 percent in 2014, and we are actively engaged in a pipeline project 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 CO₂ 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.

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 NO_x and SO₂ 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, and fertilizers to maximize crop yield and to replenish soil nutrients

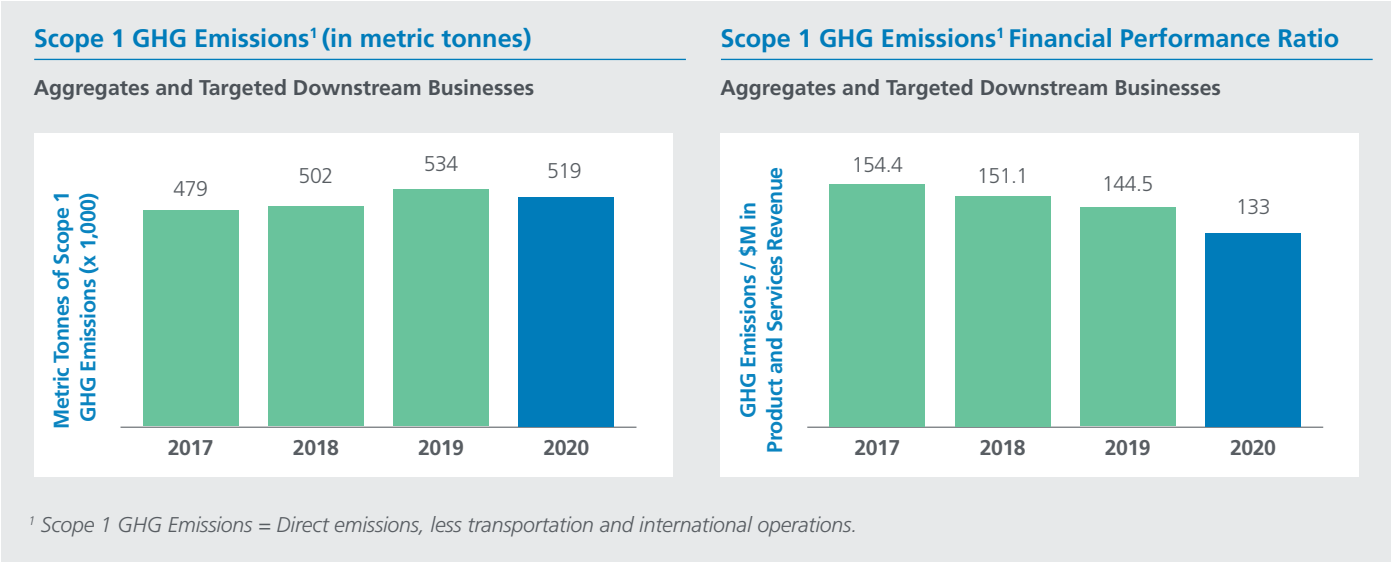


Reduction of sewer system pollution, such as hydrogen sulfide gas



Our Aggregates and Downstream Businesses

In our aggregates product line, which is the largest of our businesses, the primary source of our Scope 1 CO₂e emissions is the consumption of diesel fuel in our quarry operations. The same is largely true 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.



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. See “Our Roadmap” starting on page 41 of this report.

“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.”

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 (SO₂) 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.**



Climate Change Lobbying

Given our businesses' relatively low GHG emissions profile, Martin Marietta does not conduct, at the federal or state level, any direct lobbying on climate change. We are a member of only three national trade associations (two of which represent the aggregates and ready mix industries) in addition to the U.S. Chamber of Commerce. We periodically review lobbying registrations submitted by these associations, and do not believe that any have taken any position as part of its lobbying efforts that is inconsistent with the Paris Agreement.

- The Portland Cement Association (PCA), a major industry group for U.S. cement manufacturers (and the only cement industry association in which we are a member), recently announced its commitment to helping its member companies achieve carbon neutrality across the value chain by 2050. To this end, the PCA expects to adopt and publish its own roadmap to carbon neutrality later this year.
- The U.S. Chamber of Commerce, which represents U.S. businesses across all sectors, has stated since 2019 its support for U.S. participation in the Paris Agreement as well as its position that our climate is changing, that humans are contributing to these changes and that mitigating GHG emissions, increasing fuel efficiency and use of renewable fuels and investing in commercially-viable technological solutions for lower-carbon infrastructure and carbon capture or storage, are essential for managing climate risks.

As recognized by a number of international organizations (including the International Energy Agency) as well as various industry associations, the cement sector's ability to contribute to limiting GHG levels in a manner consistent with the goals of the Paris Agreement depends on successful future development and implementation of carbon capture and sequestration (CCS) technologies on a commercial scale. Similarly, acceptance of lower clinker content cements by Departments of Transportation and ASTM in the United States will also be critical in allowing the cement sector to achieve carbon neutrality across the value chain by 2050. We are monitoring these developments closely.



*Our Hunter Cement Plant
New Braunfels, Texas*



Roadmap to Achieve 2030 GHG Reduction Goals

Our 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 CO₂e process emissions from our cement operations as compared to 2010 levels by 2030¹

10% Reduction in the intensity of our Scope 1 CO₂e process emissions from our magnesia specialties business as compared to 2010 levels by 2030¹

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

87% of Martin Marietta's overall Scope 1 CO₂e 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. Our Scope 1 CO₂e emissions intensity associated with our cement operations in 2010 was 0.836. Notably, when we announced our 2030 emissions reduction targets in 2019, as described above, we took into account that we have been investing heavily over the past decade to reduce our cement and magnesia emissions, which is reflected in our favorable CO₂e intensity performance relative to the U.S. cement industry average. We also believe this has allowed us to achieve significant environmental benefits from reduced emissions well ahead of many other operators in the industry and will position us not only to achieve our targets but to be in a good position to evaluate additional actions in the future.

Martin Marietta continues to issue enhanced climate-related disclosures, including information about the physical and transition risks and opportunities relating to climate change, in our annual reports 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
- Is consistent with the objectives of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and Sustainability Accounting Standards Board (SASB) guidelines for the construction materials sector

All of 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.



Midlothian Cement Tire Processing



Our Roadmap

Our roadmap to achieving these reduction targets includes numerous actions we have committed to, through current or recent investments and operational improvements, as well as future steps we are evaluating, including:

Coal replacement and tire derived fuel (TDF) investments

- In 2019, we invested in an improved handling system at the Hunter Cement plant allowing the plant to utilize a substantial amount of tire-derived fuel. We are currently considering additional upgrades at this facility.
- We are in the process of permitting and installing a larger natural gas line to the Hunter Cement Plant which is expected to be completed in 2021 and will further reduce our coal usage.
- We have reduced coal in the fuel mix at our cement plants by an additional 10% in 2020 from 2019.

Use of additional alternative fuels, including the purchase of wind energy and other renewables

- In 2020 we used 806,254 gallons of B99 Biodiesel, which emits 21% less CO₂ than ordinary diesel.
- We are currently evaluating both wind and solar power projects in both our cement and magnesia businesses.

Continued use of synthetic gypsum as a substitute for natural gypsum

- Synthetic gypsum is a byproduct of flue gas desulfurization (FGD) — a scrubbing technology utilized by many coal-fired power plants to reduce SO₂.
- In 2020 we reduced our need for mined gypsum by 46% over 2017.
- Using recaptured gypsum helps to divert 51,000 tons from overburdened landfills.

Capital investments in more efficient, lower emission transportation systems and emissions reduction equipment

- Reduced fuel use in our aggregates business by converting from quarry trucks to conveyor belt systems, right-sizing trucks and installing fleet management software.
- Replacing older rail cars with more efficient, high-capacity models
- Continued upgrading our mobile equipment fleets to newer, cleaner burning equipment

Operational improvements

- Adding slag to our process, using our CemStar patented technology. In 2020, the slag addition represented almost 4 percent of our clinker production.
- We are conducting pilot studies of the CarbonCure system in our ready mix business. This system injects recycled CO₂ into the concrete mix to reduce its carbon footprint without impacting its performance.

Investments in our business to develop and market products that deliver meaningful environmental benefits, including reducing emissions and chemical use

- Scrubber stone produced by our limestone operations is used by power producers in controlling sulfur dioxide emissions.
- Products manufactured by our magnesia specialties business assist in purifying industrial and municipal wastewater, neutralizing nuclear waste and reducing chemical usage and wood demand in paper production.

Leadership positions in industry and advocacy associations that support actions to control climate change

- Participating in working groups at both the PCA and NRMCA to evaluate the feasibility and/or opportunity associated with PCA's 2050 working "roadmap", along with other developments relevant to commercial-scale CCS technologies that we anticipate being considered by the industry in the coming years.
- Support for 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.

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, Scope 2 emissions reductions targets.



Engineering, Vertical Integration and a Sustainable Business Model Drive Success at Hunter Facility

Our Hunter facility operates across all our business lines -- aggregates, cement and ready mix plants. The aggregates facility, completed just five years ago, operates with some of the newest and most efficient equipment on the market. And, while vertical integration is a financial benefit for the Company, it's also an environmentally friendly business model.

Our Hunter Cement Plant New Braunfels, Texas



The site uses a filter press system that allows Hunter Stone to use recycled water for as much as 70 percent of its production needs, greatly reducing the need for underground water in a water-challenged area. "Our filter press system allows us to truly minimize the amount of water we need to pump from underground sources," Aggregate Plant Manager Pat Kinser said. "That has greatly reduced our environmental impact and has helped preserve the Trinity Aquifer."

Additionally, the filter press system allows Hunter Stone to operate without an inground settling pond, a fact that Kinser said is greatly appreciated. "While necessary at most operations, settling ponds take up real estate, mean more work hours and more hours on the equipment for building the ponds and maintaining the accompanying berms and dams," he said. "The filter press system allows us to operate without those concerns. It replenishes itself daily and makes us incredibly efficient."

In 2019, Hunter Cement installed an alternative fuel handling system that allows the site to utilize a substantial amount of tire-derived fuel to make its product. The method allows Hunter to better regulate the temperature in its kiln, making for a more stable production environment. Additionally, the system helps Hunter minimize the amount of fossil fuels it consumes and pulls discarded tires out of communities across Texas, helping the state rid itself of an unwanted environmental hazard.



Filter press equipment at our Hunter aggregate plant



The Hunter plant has also transitioned to synthetic gypsum, a vital material in cement production, which reduces the amount of natural rock gypsum that must be mined. In addition, because synthetic gypsum is a byproduct of other industrial operations such as power plants, we are able to find ways to beneficially reuse their waste. "Power plants can't use the synthetic gypsum they create, but we certainly can," Cement Plant Manager Julio Folhadella said. "Moving to synthetic gypsum, has helped us reduce our environmental impact. We're still able to use high-quality materials in our cement, but we don't have to mine for it, which opens up land for other uses and eliminates the emissions created by a mining operation."

The Hunter ready mix site was constructed in such a way that it recycles all rainwater and runoff from truck washing. "All wastewater stays on site and goes right back into the cement plant," Folhadella said. "Conserving water resources is generally a good thing, but here in Texas, where we don't always get much rain, it's essential. We have to do everything we can to recycle."

Finally, since raw materials needed by each of the three production facilities are already on site, the need to import products from distances outside of Hunter is dramatically reduced. The combined result means lower emissions from equipment like haul trucks and railcars.



Our Hunter Stone's filter press system eliminates the need for an inground settling pond, which makes the operation more efficient



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 conduct 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 2020, we operated more than 400 facilities across the United States and recorded a total of only ten CWA-related violations, all of which were minor, with no penalties assessed.



An expansive lake created at a 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 2020 we undertook to re-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.

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:

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



42 aggregates locations in areas classified as high water stress

28 aggregates locations in areas classified as extremely high water stress



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

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



1 cement plant located in an area classified as 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 our Medina Rock & Rail plant between 2018 and 2020 we completed a number of operational

improvements, including an on-site water recycling pond as well as paving 4 miles of roadway. While the plant's production of washed products has increased dramatically over time, these improvements still led to an estimated 20 percent drop in water usage per ton of stone produced or an annual savings of approximately 390 acre feet of water.

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 2020, our Texas ready mix operations undertook additional initiatives designed to reduce water waste. Three additional Shumaker Industries "Load and Go Ready Mix Truck Wash"® systems were installed in our Dallas-Fort-Worth- area ready mix plants, and twelve more are planned for 2021. These systems dramatically reduce the amount of water used to clean ready mix trucks after loading, reducing both water use and runoff.

Colorado

The West Division continues to work in cooperation with the City of Denver, the City of Aurora and the State of Colorado to create a much-needed new fresh water reservoirs at our facilities. These water projects include on-going projects at our Riverbend Sand & Gravel, 35th Avenue, Ditullio, Duckworth, and Heaton facilities

with the opportunity to repurpose more pits in the future. The West Division is also working to develop storage facilities in other locations within its footprint. Our Colorado Front Range operations are situated adjacent to rivers, streams and ditches that provide vital water for agricultural, residential and commercial purposes. This system of water distribution through streams and ditches was established in the 1880's supplying water from the Mountains to the Front Range below. Through our numerous water rights, 3 state approved reservoirs and 4 leases, Martin Marietta operates to ensure there is no net water loss to the stream system. This means that our total water usage is returned back monthly to the stream system and the surrounding aquifers. In 2020, Martin Marietta returned over 130 million gallons of water back to the environment through this process.



*Our Medina Rock & Rail water recovery pond
Hondo, Texas*

While water conservation and protection is key in our western operations, it is not neglected elsewhere. For example, in 2020 our Northeast Quarry in Maryland invested \$3.9 million in a new fines recovery plant which included a 40 foot clarifier, two belt filter presses, four slurry pumps, two clean water pumps, a polymer system, advanced piping and electrical systems and process controls. By recovering 90-95 percent of the water used during production and reducing the sediment load of the remaining discharge, this system benefits both surface and groundwater resources in the area.

Similarly, our Tyrone Georgia operation also invested \$1.1 million in its own clarifier system in 2020. This system consists of a 40 foot clarifier, a clarifier underflow pump, and three prefabricated containers plumbed to a series of settling ponds to collect the concentrated mud from the clarifier. It also includes a fully automated polymer mix, flocculant and feed system. This system is designed to eliminate fine material from entering the stream running through the property, preserving its surface water quality.



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.

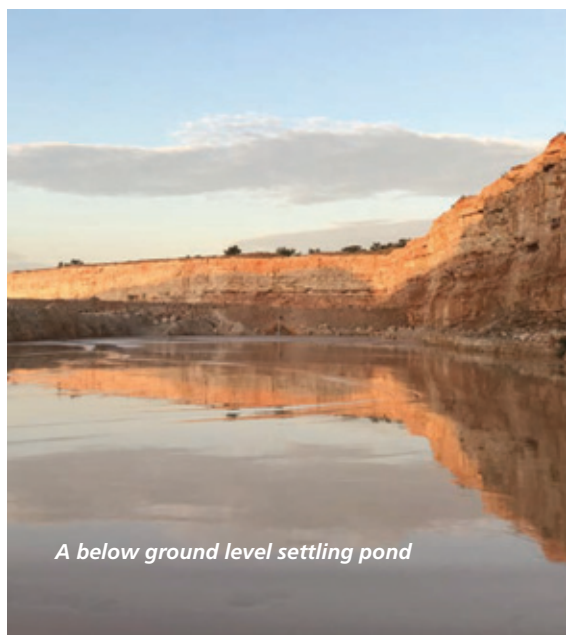
In recent years, following the failure of the Brumadinho Dam at a Vale iron mine in Brazil, there has been increased attention by regulators and the public to the environmental and safety risks associated with the storage and disposal of mine tailings. Although our aggregates operations result in certain 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.



A below ground level settling pond

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.

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.

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.

An excellent example of this practice can be found at our Woodworth facility in Louisiana which borders Bayou Clear, home to the endangered Louisiana Pearl Shell Mussel. This mussel is restricted to only two river drainages in central Louisiana, and as a result had declined by over 80% during the last few decades.

As both sedimentation and water diversion could impact the Pearl Shell Mussel, during construction of the



Prebble Jumping Mouse

Woodworth facility a number of steps to prevent such impacts were taken including the use of substantial buffers between operations and stream banks; levees constructed on a 3-1 slope; and the use of matting, silt fencing, and seeding to prevent sedimentation from erosion. The facility also installed a closed loop water recycling system to prevent any discharges of process water. In part due to these efforts, during the last mussel survey conducted in late 2019 by the Louisiana Department of Fish and Wildlife, it was found the numbers of mussels has increased.

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 East 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 East Division implemented a timber management program. To date,



Pearl Shell Mussels



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 Berkeley Quarry has undertaken significant steps to encourage the protection and enhancement of wildlife. In 2020 the Company entered into a Safe Harbor Agreement with the South Carolina Department of Natural Resources covering 2,050 acres at its Berkeley property for the protection of the endangered Red Cockaded Woodpecker. This 99 year agreement includes habitat buffers to protect the existing nesting tree, along with annual habitat enhancement activities including thinning, controlled burns and construction of artificial nesting boxes to encourage additional birds into the habitat. This site also participates in the South Carolina Wildlife Federation's W.A.I.T. (Wildlife and Industry Together) program. This program encourages the protection and enhancement of wildlife on industry lands.



*Endangered Red
Cockaded Woodpecker*

Similarly, our Milford, Utah, quarry continues to provide 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 maintenance of facilities in an area devastated by a wildfire 10 miles from the quarry. This includes guzzlers that provide a sustainable source of water for livestock and the native elk, deer and other wildlife in the area, including as a water source that will help with the reintroduction of desert bighorn sheep into the area.



*A 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.

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.

A prime example of this approach is found in the reclamation activities at our Specification Aggregates Quarry in Golden, Colorado, which 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.

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. 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.

Although concurrent reclamation is our usual practice, there are times when reclamation must be brought current after a period of mining has occurred. At our Garwood, Texas sand mine, in 2020 the team completed three phases of reclamation on almost 1500 acres that had previously been mined over the past 30 years. This project involved the movement of more than 5 million cubic yards of material at a cost of approximately \$3 million. The landowner is exploring post-mine land uses including recreation and water storage at the site west of Houston.



*Concurrent reclamation
at our Specification
Aggregate Quarry*



*Our Specification Aggregates Quarry
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*



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.

Praised by the Colorado Division of Reclamation, Mining and Safety, Parkdale isn't waiting until its reserves are exhausted to begin its reclamation efforts.

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."



While employees at Parkdale mine portions of the 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 pre-development conditions.

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. As noted by West Division President Abbott Lawrence:

"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."

"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



Enhanced by Our Presence

Winner of NSSGA Platinum Environmental Excellence Award Champions Stewardship

Each year, the National Stone, Sand and Gravel (NSSGA) issues Awards of Excellence for Environment in platinum, gold, silver and bronze. These awards recognize specific producer member operations' active contributions to the preservation of the environment in and around their operations. It is not an aesthetic or beautification award, but rather recognizes the corporate commitment to meeting and exceeding technical regulatory requirements and an exemplary use of environmental controls and systems. Of the Gold level winners (nine in 2020), only one is selected for the Platinum level award. The Company's Berkeley Quarry was selected for this honor in 2020, and anyone familiar with the operation knows the recognition was years in the making. The Platinum Award recognizes the best of the best in environmental responsibility in the building materials industry by showing its commitment to the environment every day in their business operations.



Berkeley Quarry's grounds provide ample wetlands for local plant and animal species



A wet mine utilizing an electric dragline, the 4,500-acre site naturally offers an abundance of environmental resources, including a habitat for endangered species. East Division Vice President of Environmental Services and Land Brian North says quarry management's desire to always live up to Martin Marietta's own high standards helps support their efforts to maintain and expand those resources.

"The Platinum Award recognizes the best of the best in environmental responsibility in the building materials industry by showing its commitment to the environment every day in their business operations."

"Our primary goal is to responsibly care for this land. Stewardship is a core value at Martin Marietta, so when it comes to compliance, we don't just meet the minimum requirements, we go above and beyond," North says. "Another one of our goals is education. We want people to understand our operation and to know that the wildlife we have here is enhanced by our presence."

Plant Manager Lin Kramer has led Berkeley Quarry for the past eight years and says the site has achieved perfect regulatory compliance during his tenure, receiving zero notices of violation. The Company became owners of a portion of land in 2017 that was previously owned by the neighboring Walworth Plantation. Since then, Kramer and his team have welcomed students to the facility from the surrounding area for educational workshops on mining and the plants, birds and animals that are native to the region.

Although the COVID-19 pandemic brought a temporary halt to student activities at Berkeley in 2020, the site's management continued its cooperation with numerous environmental agencies and advocates.

As an example, Martin Marietta's East Division partnered with American Forest Management, a Company that helps landowners responsibly care for their woodlands. Working with the forest management Company has allowed the

Berkeley team to ensure that its forest is healthy and providing the habitat necessary for local animals to thrive, including the endangered Red Cockaded Woodpecker.

Martin Marietta also continued its sponsorship of the South Carolina Wildlife Federation in 2020. The non-profit organization, which works to preserve the state's natural resources, has long partnered with Kramer and his team in various efforts to educate the public.

Pausing to reflect on the NSSGA awards and the excellent achievements of the Berkeley team, Kramer summed up the Company's approach to sustainability.

"What this award comes down to is that we're doing the responsible thing at Berkeley by maximizing the resources we've been given while minimizing our overall environmental impact," Kramer says. "We're also helping to educate the next generation so that they know that Martin Marietta works with the land, not against it."



*Our Berkeley Quarry
Cross, South Carolina*



Texas Team Goes Above and Beyond to Minimize Environmental Impact

Working in a part of town not served by the city's waste management department, employees at the Katy Cement Terminal in Texas have taken it upon themselves to make sure their plastic bottles are disposed of properly.

Elrick St. Clair, the terminal's manager, says the team typically goes through 1,500 bottles of water and sports drinks each month to battle dehydration under the blistering Texas sun.

"The use of bottled water is very important to keep us hydrated," St. Clair said. "These bottles also allow us to be efficient because they allow our employees to have fluids close to their work areas."

As the city of Katy was not able to assist in establishing a recycling program, the employees started their own by locating a nearby recycling center and creating a recycling area on the terminal grounds.

St. Clair and Terminal Coordinator Bret Freudenberg now make regular visits to the recycling center, carrying two pickup trucks' worth of bottles each time. St. Clair estimated the team has recycled more than 15,000 bottles since the program began.

"These bottles also allow us to be efficient because they allow our employees to have fluids close to their work areas."



The team at the Katy Cement Terminal started its own recycling program after learning their site was located outside of the city's pickup zone





Employee Well-Being

Behind every great success at Martin Marietta, you will find a committed group of diverse people all working toward the same goal. We believe our people are our greatest asset and remain dedicated to ensuring that each has the programs, resources, support and opportunity necessary to grow.



Senior Safety Representative Caitlin Darnall



A Career, Not a Job

Company Workforce Enjoys Improved Martin Marietta Experience

Social distancing and remote working in 2020 brought with it certain challenges, including how to effectively attract, recruit, hire and develop employees. At Martin Marietta, one of our goals is to make sure our people know that if they're going to invest their time in us, we're going to do the same for them, and that we have shared goals to work together to build a legacy.

Among the initiatives adopted in 2020 was the launch of a new Martin Marietta Careers website and applicant tracking system. Designed primarily to enhance the experience of job candidates, the site highlights the overall diversity of the Martin Marietta workforce and business while offering a better understanding of the Company, its history, Mission, Vision and Values, benefits, and opportunities. Our team intends to expand this to a newly designed internal job board to improve the candidate experience for current employees seeking other opportunities within Martin Marietta.



“Martin Marietta has helped me grow and learn about the type of professional that I want to be.”

– Kyle Vincent, Manager of Infrastructure and Network Architecture

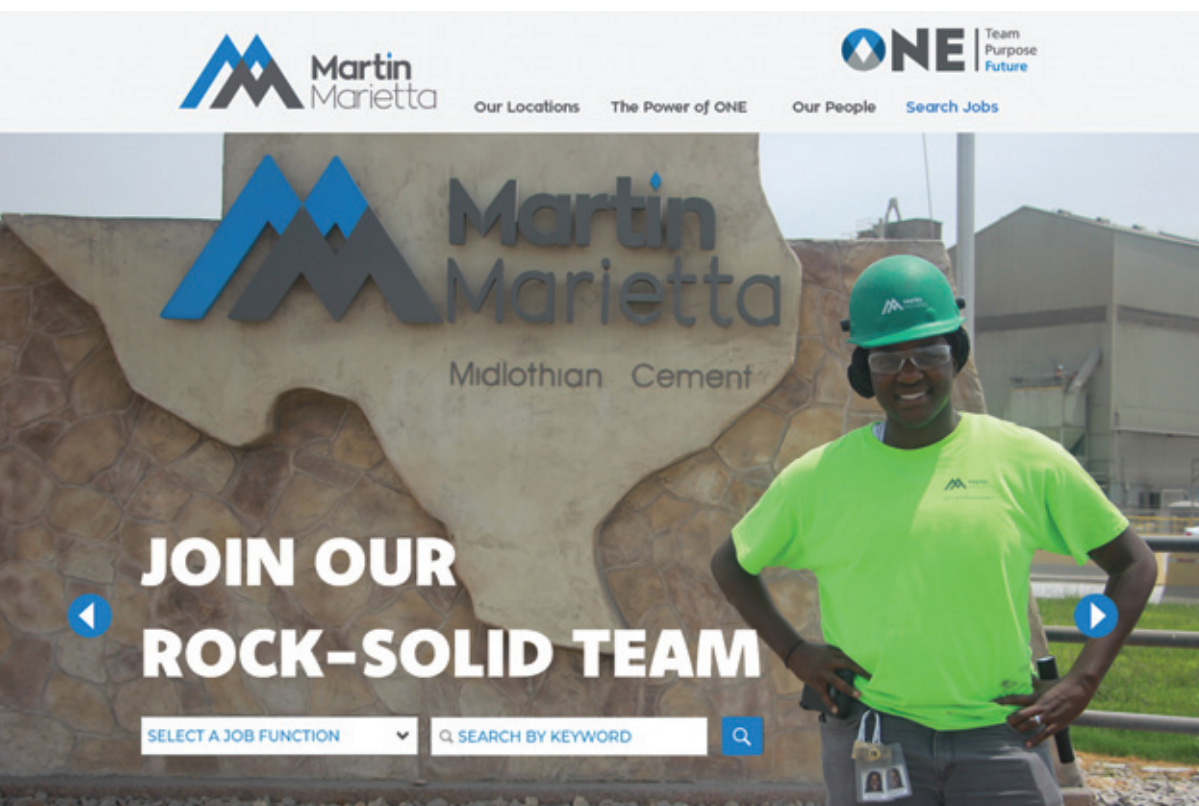
The onboarding process was also improved to ensure that all newly hired employees receive a package of materials that are informative, thorough and consistent in all locations in the Company. The onboarding process is heavily focused on the Company's ONE culture and Mission, Vision and Values, and in 2020 was primarily moved to an online format, allowing newly hired individuals to complete all necessary paperwork at their own pace and, in light of the COVID-19 pandemic, without person-to-person contact.

Another improvement made in 2020 was responsive to employees' needs for personal time off. Introduced in the spring, Martin Marietta's new paid time off (PTO) policy provides most employees with additional days off that can be used for vacations, illness, dependent care, or any other event that would prevent someone from attending work.

Additionally, the Company engaged in an effort to more formalize its succession process that began by encouraging all employees to complete a talent profile detailing their career aspirations. Talent Management Specialist Rebecca Sperry played a key role in the project and said the information provided by employees allowed them to think about and articulate their career aspirations, and allow managers to gain better insight into their teams. The talent profile data along with other assessments are used to bolster the Company's bench strength for succession planning, as well as serving a basis for professional and personal development opportunities for employees.

“The great thing about this project is that it provides valuable tools for succession management,” Sperry says. “The talent profiles give our employees a venue to





Martin Marietta's newly launched Careers website aims to enhance the job applicant experience with Martin Marietta.

At Left: Octavia Langston, Reliability Engineer at Midlothian Cement

clearly communicate their goals, their perceived strengths and areas for improvement, their willingness to relocate, and other details. This data then allows managers and human resources professionals to align the goals and aspirations of the employee with the strategic talent needs of the business, with more than 400 locations in 27 states in 2020 and two international facilities. This is good for our employees, our managers and the Company as a whole."

Perhaps the most impactful change at Martin Marietta in 2020 was the introduction of an additional medical coverage plan designed to give employees more choices that are better tailored to their specific situations.

Unveiled in late summer in advance of the 2021 annual enrollment period, our new high-deductible health plan (HDHP) with a health savings account (HSA) provides employees with medical coverage and a tax-advantaged savings and investment vehicle that offers a new way for employees to save money.

"This is a great option for many of our employees because the HDHP provides comprehensive health insurance while the HSA provides greater freedom in terms of how employees can save for a variety health-related expenses they may encounter at any point in the future," says Benefits Director Scott Mancini. "This is really about offering our people additional benefit options that work for them and their families."

Additional Employee Well-Being Highlights



We maintain a full slate of health and welfare and retirement plans. Importantly, in addition to a retirement savings plan that includes a company match of employee contributions, we provide a qualified pension plan to which we contributed \$75 million in 2020 and is fully funded.



Martin Marietta partnered with a new benefits administrator (Alight Solutions) that began serving the Company's workforce on Jan. 1, 2021.



The ONE culture continued to grow as it provided a rally point around which the entire workforce could unite.



Employees were offered greater access to flu shots as part of an ongoing effort to ensure the overall health of the workforce.



Digital signage (installed Companywide in 2019) was used heavily in 2020 to convey vital information directly to employees regarding a number of topics, including updates on COVID 19 pronouncements, wellness and safety.



An Employer of Choice Continues to Evolve

Inclusion and Engagement Task Force Dedicated to Strengthening Company Culture

In 2020, Martin Marietta formed an Inclusion and Engagement Task Force intended to set the Company on a journey that will ensure our culture is consistently welcoming and engaging with new and innovative thoughts, based on feedback from its current and future employees.

Led by Chairman and CEO Ward Nye and Senior Vice President and Chief Human Resource Officer Craig LaTorre, the task force is comprised of 14 leaders who represent the Company's various divisions and corporate functions as well as a diversity of opinions, experience, race, gender, sexual orientation, tenure and background.

"When we first met as a group, we realized quickly that the work of this task force will help strengthen our already extraordinary culture," Nye says. "We're looking at this as a continuous improvement journey. The best elements of Martin Marietta have always come from task forces like this – committees of our people. Guardian Angel is a perfect example. Our World Class Task Force and the emergence of our ONE employee branding effort are others. Just as we've done historically, this committee will act deliberately to position our people and Company for sustainable growth and long-term success."

Referring to the effort as "a roll up (from the people) rather than a rollout (from leadership)," Manny Sifuentes, director of competitive intelligence and a task force member, agrees with Nye's assessment and says it's exciting to be part of this next phase in the Company's evolution.

"The team has a unique moment to help shape the next generation of thought leadership at Martin Marietta; that's not an opportunity we're taking lightly," he says. "This responsibility compels us to be our best. Our interactions have been energetic and highly engaging. It's been great."

While the group's formation ran parallel to many of the national events that garnered media attention in 2020, the team had actually been in the works for quite some time and will focus on matters that go much deeper than the headlines, task force members say.

"This team is discussing inclusion and engagement from a diversity perspective, but we're also discussing elements like trust, valuing the opinions of others, and feeling a sense of belonging – elements that align perfectly with the sentiments behind Guardian Angel and ONE," says Aileen Gibson, Magnesia Specialties vice president of technical services and a task force member, added, "By working toward an even more inclusive culture, we'll be better able to engage our employees, which will make Martin Marietta more productive and more innovative."

"This isn't about hitting some type of a quota or settling on some pre-determined number, this is about new voices and opportunity," Sifuentes says. "We want our people, and anyone considering a career with us, to know that opportunity is available to all here. We want everyone to understand that this journey we're on together will lead to a stronger Martin Marietta."



A Year Like No Other

Adapting to and Succeeding in the COVID-19 World

Martin Marietta's safety performance in the midst of the COVID-19 crisis in 2020 was extraordinary, and we are extremely proud of our employees for what they continue to do -- day in and day out -- to work safely in the face of unprecedented challenges.

Difficult times can test character, so we rely upon our values, beliefs and culture to guide us. This is what makes Martin Marietta so special. Our collective commitment to ethics and safety is deeply rooted in our DNA. It's who we are. Embracing our Guardian Angel safety culture and its

Wingman principles while always acting as ONE team in 2020 enabled us to not only adapt quickly to a host of operational and safety changes brought about by the pandemic, but to post our safest year on record in the process.

Our approach to managing the COVID-19 pandemic, though we were deemed an "essential business" and operated nearly continuously throughout 2020, has been multi-faceted from the outset. Non-essential travel was restricted in early March as a majority of our support staff

***Fernando Ocampo Rodriguez,
a lab technician at Arkansas'
Hatton Quarry, dons a face
covering while testing a sample
of the site's granite.***



Exceptional Execution

COVID-19 safety protocols were implemented across all Company operations in 2020 to help ensure the health of our employees:

- Adherence to safety protocols ensured **minimal employee-to-employee transmission**
- Operational planning and flexibility enabled the Company to maintain its **“essential business” designation and continuing operating during 2020**
- Creation of a **Martin Marietta HealthHub** internal website to give employees easier access to Company policies and guidance, as well as fast-changing educational materials from the CDC and the government relating to COVID-19

The Move to Remote Work

In order to prevent the spread of COVID-19 in our offices, a majority of our support staff transitioned to primarily remote work environments:

- Approximately **1,300 employees** remotely supported Martin Marietta’s operations in 2020
- Transitioning this portion of our workforce to remote work provided **greater control over our work environments** and allowed our teams to effectively implement COVID-19 social distancing requirements
- Virtual quarterly and annual external audits were conducted in 2020 with **no delays in internal or external financial reporting**
- We experienced **ZERO** significant deficiencies or material weaknesses

transitioned to remote work. Our executive leadership team quickly mobilized to provide the framework needed for an effective Company response. We leveraged our long-standing business relationship with our occupational medical provider to help draft safety protocols that were quickly implemented across the Company. Our proactive and rapid management response to the COVID-19 pandemic involved a cross functional Corporate Response Team, which oversaw the development, implementation and maintenance of safe working protocols that allowed for uninterrupted business at all of our 24-hour operations; we experienced only very modest shutdowns across other operations.

These protocols have allowed us to navigate an effective response to the COVID-19 pandemic and the evolving guidance from the Centers for Disease Control and Prevention (CDC) while operating our business safely. All the while, we maintained the flexibility needed to meet all operational, business and regulatory demands.

As COVID-19 infection rates fluctuated nationwide throughout the year, our protocols remained effective. We continue to see little employee-to-employee spread. As the virus and its impacts persist through 2021, we will remain true to our Guardian Angel and ONE cultures and continue to follow the protocols that have so effectively protected our employees’ health and well-being.



Covid-19 Strategy & Response

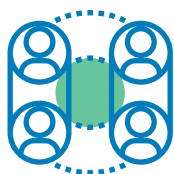
Guiding Principle

Ensure the safety, health, and well-being of our employees, customers, visitors and other constituents, and the continuity of essential functions



COVID-19 Operating Structure

- Executive steering committee
- Corporate response team
- Re-opening committee
- Field HR and safety professionals
- Corporate communications
- Corporate and division point of contacts



Strategic Business Partner

- Partnered with industrial medical physicians who know our operations and employee base well
- Screening and triage
- Medical consultation
- Case management
- CDC guidance
- Data trend analysis



Health & Safety Protocols

- Face coverings
- Employee and visitor screening
- Cleaning and disinfecting
- Task training
- Re-opening protocol
- Travel safety precautions



Operational Agility

- Remote work
- Virtual meetings
- Staggered shifts
- Meeting size restrictions
- Online training
- Electronic visitor sign-in and screening
- Digital signage



Company's Tuition Reimbursement Program is Changing Lives

They had their health, but in the earliest days of the pandemic, life in the Gutierrez household grew considerably harder.

"My wife, Helen, was in marketing for the travel industry, so when travel shut down, she was let go pretty quickly," said Justin Gutierrez, a talent acquisition specialist based in the Southwest Division office in Dallas. "I'm in graduate school, and the last thing we needed at that stage was a giant tuition bill. Luckily, we had our finances in order. Martin Marietta had a hand in that."

Gutierrez, who has been with the Company for about three years, is studying to earn a master's degree in industrial and organizational psychology from Angelo State University. Through the Martin Marietta Tuition Reimbursement Program, the Company is helping him foot the bill.

"Before coming to Martin Marietta, I was going to school part time while working two jobs to pay tuition. But working through the Tuition Reimbursement Program has been great. I don't have to work two jobs anymore, so I have more time to concentrate on my studies."

HR Operations Specialist Jessica Holmes administers the program from her office in Raleigh and said it is available to any full-time employee who has been with the Company for more than one year and is pursuing an associate, bachelor's or master's degree in a subject that aligns with his or her career path or current job responsibilities.

Annually, the program is allowed to provide up to \$5,250 in reimbursement benefits, Holmes said, adding that the money can cover costs like tuition, books, program fees and other related charges.

Talent Acquisition Specialist Justin Gutierrez plans to soon complete a master's degree in industrial and organizational psychology.



"There is an application involved, and anyone wishing to enroll in the program must receive the proper approvals," she said. "We also request that each student-to-be submit a letter of intent that outlines their academic plan – details like how many credits they'll need to graduate and whether they'll be attending live classes or an online program. The school must also be an accredited college or university."

Depending upon the employee's role with Martin Marietta and/or the proposed degree type, the necessary application approvals range from an immediate supervisor all the way up to a division president or executive vice president, Holmes said.

Once approved for the Tuition Reimbursement Program, students must maintain at least a C average to retain eligibility. Holmes said program participants are also provided with thorough instructions detailing exactly how and what documents to submit for reimbursement.

"One thing that's important to note is that there's no timeline on this program," she said. "As most of us realize, life happens. Sometimes we think it's a good time to enroll in an academic program, but then our circumstances change. We understand that you may need to take some time away from the classroom. All we ask is that you notify us if that's the case."

One person who appreciates the program's no-timeline clause is Regina Woodard, office manager in the East Division's Ball Ground Quarry in Georgia.

Woodard began her studies in 2006, about 11 years before Ball Ground was acquired by Martin Marietta. Taking two classes per semester while continuing to work full time, Woodard said the site's former owners offered little help in the way of tuition reimbursement. At one point, work, combined with a host of other circumstances, forced Woodard away from the classroom for several years.

Once the Ball Ground team became part of the Martin Marietta family, Woodard leapt at the opportunity to utilize the Tuition Reimbursement Program.

"It took a while, and I'm still working to get where I want to be, but this is something I've always wanted to do, so I'm determined to finish," she said.

High Achievers

Among the Tuition Reimbursement Program participants earning degrees this year are:

- **Charlie Charping**, senior GIS analyst, master's degree in geospatial information science and technology, May 2020, North Carolina State University
- **Rafael Fajardo**, operations manager, MBA, December 2020, University of Texas at Tyler
- **Joe Gohrs**, senior field services specialist, master's degree in information technology management – specialization in cybersecurity, November 2020, Colorado State University Global
- **Elizabeth Hecker**, senior accountant, master's degree in professional accountancy, August 2020, Colorado State University Global
- **Jeff Jones**, electrical engineering manager, MBA, May 2020, Campbell University
- **Robyn Marra**, office manager, associate degree in business administration – human resource management, May 2020, Gaston College
- **Suzanne Marucci**, business reporting administrator, bachelor's degree in business, December 2020, Tarleton State University
- **Rebecca Sperry**, talent management specialist, master's degree in organizational management, project management specialization, June 2020, Ashford University
- **April Tranmer**, ready mix sales auditor, bachelor's degree in general business, August 2020, Colorado State University Global
- **James Wallace**, estimator/project manager, master's degree in management, May 2020, Colorado State University Global
- **Regina Woodard**, office manager, bachelor's degree in accounting, July 2020, Georgia Southwestern State University





***Ball Ground Quarry
Office Manager
Regina Woodard
earned a degree in
accounting in July.***

In July, Woodard completed her undergraduate program, earning an accounting degree from Georgia Southwestern State University. Now, she's planning to spend the next year taking the tests necessary to become a certified public accountant. Eventually, she hopes to pursue a master's degree as well.

"Everyone here at Martin has been so supportive," she continued. "(District Production Manager) Matt Waligora and my supervisor, (Plant Manager) Chuck Schlumbrecht, are both on board and have been so helpful making sure my program forms make it to the proper people."

Holmes said the program currently has about 73 active participants and that more than a dozen have already graduated in 2020 or plan to do so before the end of the year. She said their efforts are truly impressive.

"I think our Tuition Reimbursement Program offers our employees a great opportunity to move forward with their development – both personally and professionally,"

Holmes said. "We're proud of everyone going through this program. It's not easy to juggle a full-time career, education and family commitments."

Gutierrez said the program has not only improved his professional outlook, but also the collective outlook for the next generation of his family.

"My wife and I are from similar backgrounds and we didn't always have a lot growing up," he said. "What we did always have were large families; between the two of us, we have 25 nieces and nephews. We both feel like we're setting a good example for them. We're showing them that hard work and dedication can pay off."

For Woodard, the program has strengthened the sense of community she feels at Martin Marietta.

"It comes down to feeling valued," she said, "and having this opportunity does that for me. It makes me feel like I'm part of a team here – like I'm working with people who really care about me."



Scholarship Recipients

In Year of Pandemic, Company Awards 8 Student Scholarships

Each spring, Martin Marietta provides as many as eight high school graduates with scholarships that may be used to attend any accredited college or university. Well-rounded students with exceptional marks in the classroom and worthwhile service in the community, these scholarship recipients receive \$3,500 annually (\$14,000 over the course of a four-year degree program) while pursuing any course of study they desire. With economic conditions tightened for many in 2020 because of pandemic-driven societal shutdowns, these scholarships were even more important than in past years.

Megan Collins

- North Carolina State University
- Lee County High School (NC)
- Daughter of Lemon Springs Quarry Office Manager Donald Collins and April Collins

Wade Dobbs

- University of Georgia
- Monroe Area High School (GA)
- Son of North Georgia District QC Supervisor Chad Dobbs and Tonya Dobbs

Samuel Gentry

- The University of Texas at Tyler
- Arp High School (TX) Son of East Texas Ready Mix Group Senior Mechanic and Welder Tom Gentry and Heather Gentry

Jonah Johannes

- University of North Dakota
- Annandale High School (MN)
- Son of St. Cloud Quarry Driller Delroy Johannes and Victoria Johannes

The class of 2020 missed out on proms, rallies, graduations and many of the other activities that make high school memorable. Still, many of our scholars appear to have handled the pandemic with grace and gratitude. Martin Marietta is proud to offer these young men and women assistance as each strives to find their place in the post-pandemic world.

Nicole Kaminski

- Michigan State University
- Manistee Catholic High School (MI)
- Daughter of Magnesite Chemicals Senior Office Administrator Debra Kaminski and Phil Kaminski

Avery Koeppen

- University of North Carolina Wilmington
- Sanderson High School (NC)
- Daughter of Senior Software Engineer Jaime Koeppen and Elizabeth Ciereszko

Wyatt Moore

- Oklahoma State University
- L.V. Berkner High School (TX)
- Son of North Texas Ready Mix Group Safety Manager Mark Moore and Leigh Moore

Madeline Rouze

- American University
- Holy Family High School (CO)
- Daughter of Denver Metro Ready Mix Group Mixer Truck Driver Carl Rouze and Kerri Reilly





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.

Mary, a third grader in Wake County, North Carolina, reads while wearing a face covering provided by Martin Marietta. The Company donated more than 47,000 face coverings to the school district, which is the state's largest.



A Trusted Community Partner: Corporate Giving

Our corporate philanthropic priorities focus our giving and community support activities to create a deeper, more meaningful impact in the areas where we live and work. Our philanthropic support is in four key areas: disaster preparedness and response, meeting families' basic needs, education and workforce development, and environmental preservation. Our commitments in these areas helps us be a good neighbor and trusted partner in the more than 400 communities in which we live and work, while creating the most value for our diverse stakeholders. In 2020, this included assisting our communities as they struggled to respond to the COVID-19 pandemic.



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, and that bring aid to our communities when in need.



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 people develop the knowledge skills, and expanded views 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

Environmental stewardship, a core value of Martin Marietta, embodies our commitment to making tomorrow's world better than today. We support projects that provide tangible improvements to the environment, such as ecosystem conservation and restoration, improvements in air and water quality, waste reduction, and conservation education.



We're All Going Through This Together

Company Donations During Pandemic Bring Comfort to Communities Across the Country

As COVID-19 began to spread across the globe in early 2020, it became clear to Martin Marietta's employees that it would take a collective effort by all to protect people against the virus.

Deemed an essential business in the pandemic's earliest days, and operating nearly continuously during 2020, Martin Marietta's employees across the Company not only strove to keep each other safe, they worked tirelessly to ensure the health and well-being of our communities.

In Johnstown, Colorado, Batchman Charles Carney at the Highway 34 Ready Mix Plant took it upon himself to lead the effort to keep the site's work surfaces cleaned and disinfected. In addition to his regular duties, Carney also maintained a steady supply of cleaning solution for the rest of the crew. He also enlisted the help of his wife, April Carney, who quickly sewed more than 60 cloth face coverings for the team, in the early days when supplies were scarce and largely reserved for medical practitioners.

"Soon after COVID emerged, it became a mandate that we had to wear face masks pretty much everywhere," Charles Carney said. "But many of us had trouble finding them early on. April sat down and went to work making masks for anyone in need. In the past year, she's probably given away more than 500 masks to friends, family, neighbors and co-workers."

While April Carney's efforts earned her the gratitude of the operation team and West Division leadership, Charles Carney's efforts earned him a divisional Wingman of the Month honor.

In Manistee, Michigan, home to Magnesia Specialties' Magnesia Chemicals operation, Process Engineer Kris Kacynski and Furnace Superintendent Brett Ballard, representing Martin Marietta as part of the local Chamber of Commerce's Leadership Program, were involved in organizing the community's Big Day of Serving.

Brett Ballard (left) and Kris Kacynski worked alongside 10 members of the Manistee Area Chamber of Commerce's Leadership Program to distribute 6,500 pounds of food during the Big Day of Serving.





The team at Bakers Quarry collected 500 pounds of food for a local non-profit organization. Their efforts were matched by nearby Matthews Quarry, which contributed an additional 582 pounds of food.

"In past years, the Chamber has organized hundreds of volunteers and completed dozens of hands-on projects all on the same day," Kacynski said. "But our 2020 team had to coordinate this event around COVID-19, and what we realized pretty quickly was that our community doesn't need its parks painted right now. Our seniors don't need their lawns raked right now. What our community needs most is food."

After collecting donations from the local business community, including Martin Marietta, Kacynski, Ballard and the rest of the Chamber group distributed 6,500 pounds of food to more than 260 area families.

"Knowing there are so many in our community who have trouble securing enough food is humbling," Ballard said. "But it feels good to help. And it feels good knowing that I work for a really good Company that's always willing to help, too."

To help address increased food insecurity during the pandemic, Martin Marietta teams across the Company organized similar types of food drives. In the East Division's Charlotte District, teams at Matthews and Bakers quarries collected more than 1,000 pounds of food. At the Company's corporate headquarters in Raleigh, employees contributed almost 25,000 meals. In Texas and Colorado, teams also purchased hundreds of meals for first responders in hospitals, fire houses and police departments.

"Helping our community helps give Martin Marietta a good name," says Director of Transportation and Logistics Julia Larson, who spearheaded a donation of 500 meals for staff at a Denver area hospital and 2,000 face coverings for students in a local school district, "but more importantly, it shows that we're a part of this community. We're all going through this together."

COVID-19 Donation Highlights



Martin Marietta's Corporate Office in Raleigh donated 47,000 face coverings to the Wake County Public School System, the largest school district in North Carolina.



The Southwest Division's Midlothian Cement and Hunter teams donated more than 4,750 N-95 masks to various first responder agencies across Texas along with several hundred large bottles of hand sanitizer.



The East Division's NC-East District provided the Boys and Girls Clubs of Wake County with \$10,000 to support virtual programming and food distribution to local families in need.



Southwest Division Team Shows Support for Residents of Historic Freedmen's Community

In late August 2020, Martin Marietta's Southwest Division team worked with Dallas' South Central Civic League to bring aid to a community first settled by newly freed men and women in the late 1860s.

Rail Operations Manager Bradley Jackson worked with Production Supervisor Randy Rutledge, Management Associate Ashley Trappe and Executive Administrative Assistant Nancee Trinh to source, package and deliver 88 backpacks filled with school supplies, along with 160 bottles of hand sanitizer and 160 face coverings, to the children of Joppa, an historic Dallas neighborhood near the Company's Miller Rail Yard in southeast Dallas.

Joppa, occasionally spelled Joppee, Joppie or Joppy, was first settled by formerly enslaved people from a nearby plantation shortly after the Civil War. It is said to be one of three Freedmen's Communities remaining in Texas and one of the best preserved in the country.

Jackson said the Martin Marietta team's contribution was part of an effort coordinated by Shalondria Galimore, president of the South Central Civic League. The South Central Civic League, whose main goal is to improve living conditions for local families, was founded in 1948 by Mrs. Laurabelle Foster and has been instrumental in the completion of many projects that benefited the Joppa neighborhood, including the addition of paved streets, better schools, the installation of street lights, and sewer line extensions.

Delivered directly to the students and families, each backpack contained pencils, coloring books and stress relief safety cones, Jackson said.

"This is the type of event that goes a long way with our neighbors in the community, especially the children," Jackson said. "For many of these parents, affording school supplies isn't possible and for others, it's a real sacrifice. We wanted to help where we could."



From left: Randy Rutledge, Shalondria Galimore and Bradley Jackson deliver backpacks to the families of Joppa, Texas



Corporate Human Resources Team Lends a Virtual Hand to Non-profit Women's Organization

In early 2020, the Corporate Human Resources team began a partnership with Dress for Success Triangle, the Raleigh, North Carolina chapter of an international non-profit that provides assistance to low-income women in achieving economic independence. Dress for Success offers women help in many ways, according to Megan Eilenberger, director of programs for the Triangle branch. First, the organization offers quality professional attire to help women looking to enter or re-enter the workforce. Additionally, the non-profit organization offers skills training, along with guidance on interviewing and resume writing, so that each woman is prepared for the professional world.

Martin Marietta began the relationship with Dress for Success when plans were made to hold an in-person service event.

Although the initial event had to be canceled because of the COVID-19 pandemic, the Company and the non-profit found other ways to work together. First in the spring 2020 and then again later in the year, members of the

Martin Marietta Human Resources team met virtually to host mock interview sessions to help 18 Dress for Success clients sharpen their interview skills. After completing the hour-long sessions, Martin Marietta staff provided the women with feedback and interview tips.

"I really enjoyed working with Dress for Success," said Corporate Recruiter Josh Jones, a member of the five-person group that first reached out to the non-profit. "Helping the women in the Dress for Success program hone their interview skills, while providing tips and tools that will help each woman land her next opportunity feels like a great way to pass along what I've learned during my 10 years of recruiting."

Eilenberger said mock interviews have become an increasingly important piece of the Dress for Success program in the past year and praised Martin Marietta for its willingness to contribute.

"We're thrilled companies like Martin Marietta are still able to give back and still able to engage with us," she said.

Members of Martin Marietta's Corporate Human Resources Team meet virtually with clients of Dress for Success Triangle.



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; and the earnings/ loss from nonconsolidated equity affiliates (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,	2020	2019
Net Earnings Attributable to Martin Marietta	\$721.0	\$611.9
Add back:		
Interest expense, net of interest income	117.6	128.9
Income tax expense for controlling interests	168.2	136.3
Depreciation, depletion and amortization expense and earnings/loss from nonconsolidated equity affiliates	386.0	377.4
Adjusted EBITDA	\$1,392.8	\$1,254.5





*Our Red Canyon Quarry
Colorado Springs, Colorado*





Safe Operations

Keeping safe all who come into contact with our business by providing the environment, resources and knowledge necessary to always make the prudent decision, and fostering a culture of responsible leadership



Employee Well-Being

Encouraging and assisting our people in their growth and development, while recognizing that the diversity of our employees is a strength that enhances our entire Company



Environmental Stewardship

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



Community Well-Being

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



Martin Marietta
4123 Parklake Avenue
Raleigh, NC 27612
(919) 781

www.martinmarietta.com
NYSE Stock Symbol: MLM