

Attracting, developing and retaining the best talent in our industry is important to all aspects of AZZ's long-term strategy and continued success. We recognize that an engaged workforce directly contributes to our efforts to improve AZZ's sustainability performance, and we believe employees are inspired to go the extra mile, if they identify with and align with their organization's business.

## Our Employees

As of February 28, 2021, we employed approximately 3,883 people worldwide (which excludes 868 variable workforce employees), of which 3,341 were employed in the U.S. and 542 were employed outside the U.S. (Brazil, Canada, China, Poland and the Netherlands). This workforce consisted of approximately 82% hourly employees and 18% salaried employees. The 868 variable workforce employees work under collective bargaining agreements with various labor unions. We believe our current relations with our workforce are strong.

## Diversity and Inclusion

We embrace the diversity of our employees, customers, vendors, suppliers, stakeholders and consumers, including their unique backgrounds, experiences, creative solutions, skills and talents. Everyone is valued and appreciated for their distinct contributions to the growth and sustainability of our business.

Equal Opportunity Employment is a fundamental principle of our Company, where employment and applications for employment are evaluated based upon a person's capabilities and qualifications without discrimination based on actual or perceived race, color, religion, sex, age, national origin, disability, genetic information, marital status, veteran status, sexual orientation, or any other protected characteristic as established by applicable local, state, federal law or international laws. This principle is incorporated into all of AZZ's policies and procedures relating to recruitment, hiring, promotions, compensation, benefits, discipline, termination and all of AZZ's other terms and conditions of employment. We seek to continuously improve our hiring, development, advancement and retention of diverse talent and our overall diversity representation.

As of February 28, 2021, our U.S. employees had the following race and ethnicity demographics:

White	54.00 %
Hispanic	33.00 %
African American	8.40 %
Asian	1.40 %
Multi-Racial	1.60 %
American Indian or Alaska Native	0.67 %
Native Hawaiian or Other Pacific Islander	0.93 %

Approximately 45% of our employees are diverse, as reported to the Equal Employment Opportunity Commission on an annual basis.

As of February 28, 2021, our employees had the following gender demographics:

	Women	Men
<b>U.S. Employees</b>	13.3%	86.7%
<b>Global Employees</b>	12.4%	87.6%

Additionally, 12.5% of the executive team and 22.2% of our independent directors are female.

## Employee Compensation and Benefits

We are committed to paying our employees competitive and fair compensation that is commensurate with their position and performance and is competitive in the markets in which they work. We conduct regular surveys of the market rates for jobs to ensure that our compensation is competitive. We offer annual merit-based increases, as well as annual short- and long-term incentive packages that are aligned with the Company's vision and key business objectives and are intended to motivate strong performance.

We believe our employees are critical to the success of our business and we structure our benefits package to attract and retain a highly talented and engaged workforce. We are continuously evolving our programs to adapt to our employees' and