

**Eagle Materials Inc.**  
*Environmental and Social  
Disclosure Report*

# Disclosure Report Topics

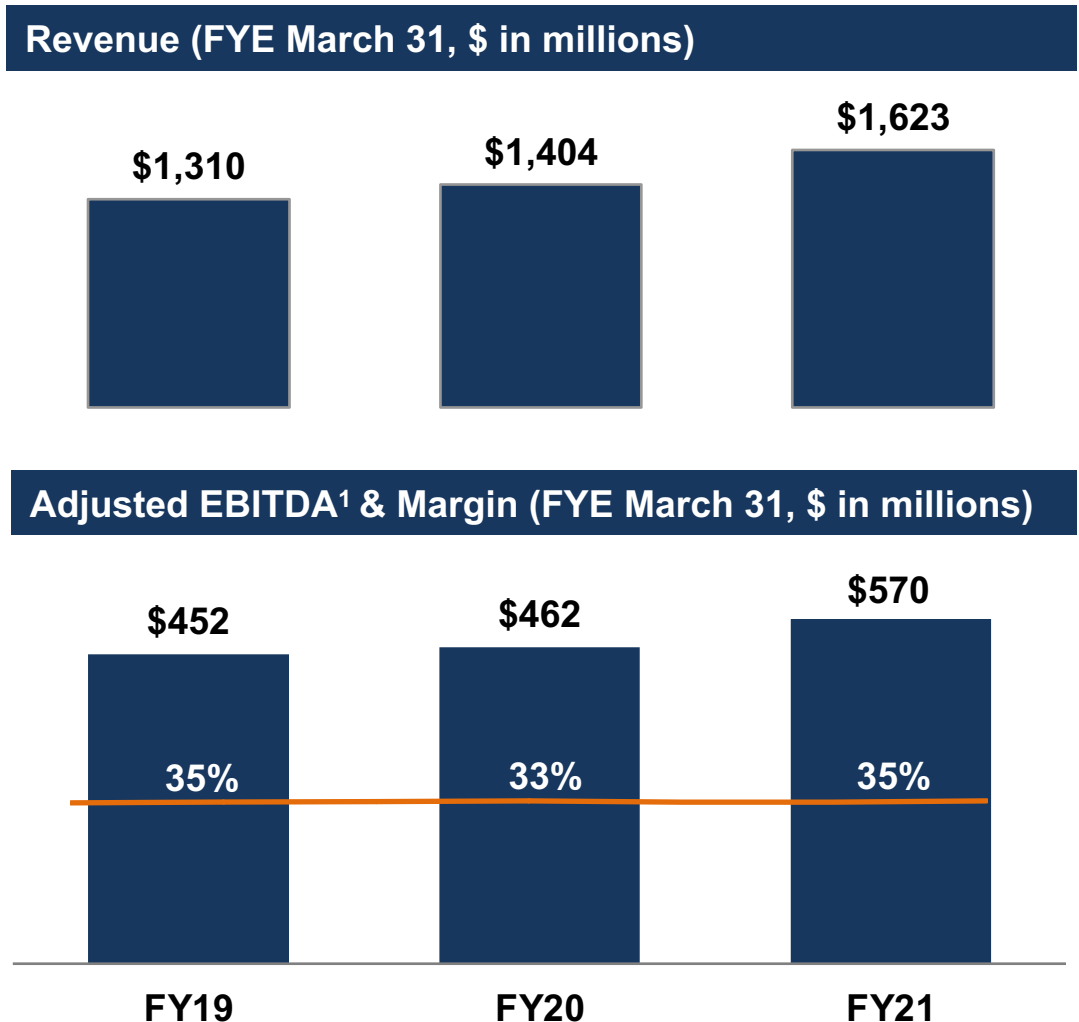
- **Eagle Materials: Who We Are and What We Stand For**
- **Environmental**
  - Special Challenges: Carbon and Climate
  - Management of Environmental Risks and Opportunities
  - Natural Resources
  - Waste and Toxicity
- **Social**
  - Human Rights
  - Labor, Health and Safety
  - Stakeholders and Society
  - Product Safety, Quality and Brand

# Who We Are

## A Nearly 60 Year Track Record of Achievement

- Founded in 1963 as a subsidiary of Centex Corp.
- In 2004, Centex spun off Centex Construction Products which became Eagle Materials Inc.
- Today Eagle is a \$6 billion market cap enterprise

**NYSE: EXP**



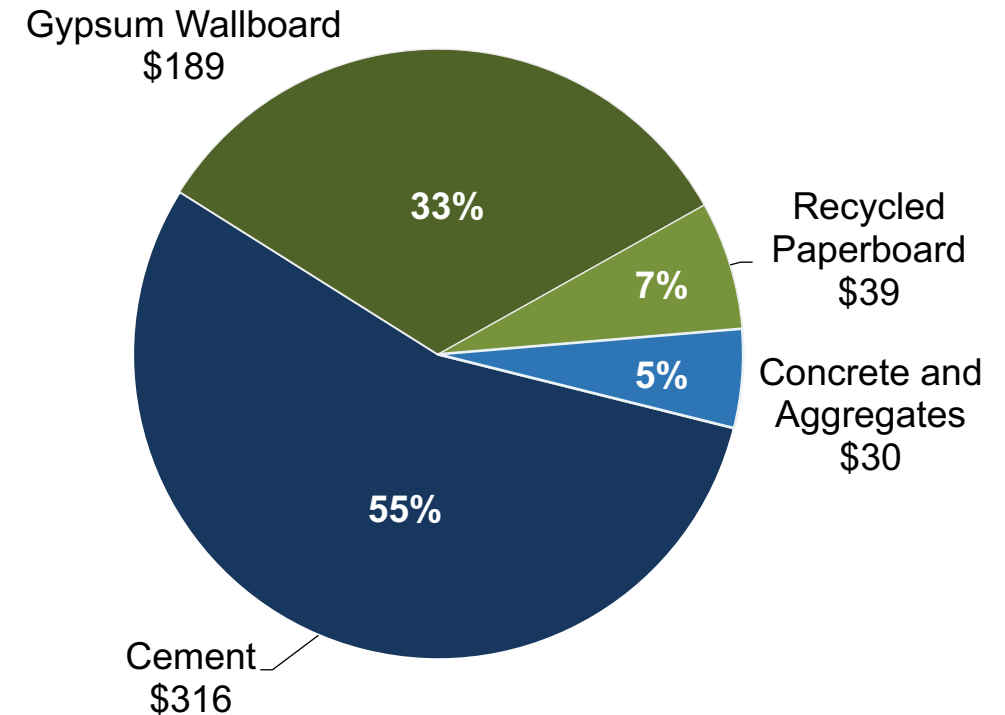
<sup>1</sup> Adjusted EBITDA is a non-GAAP measure; see final slide for reconciliation

# Who We Are

## We Manufacture Necessities Not Luxuries

- Our two major product lines are Portland **cement** and gypsum **wallboard**, today proportionately 60/40 (heavy and light)
- Both building products have essential roles in the growth and renewal of America
- We strategically operate with limited vertical integration, e.g., meaning distribution and ready-mix concrete
- We own virtually all of our raw material and enjoy relative self-sufficiency with many decades of supply that is highly proximate to our production facilities

Operating Earnings + DD&A by Segment  
for FYE Mar-21 (\$ in millions)



# Who We Are

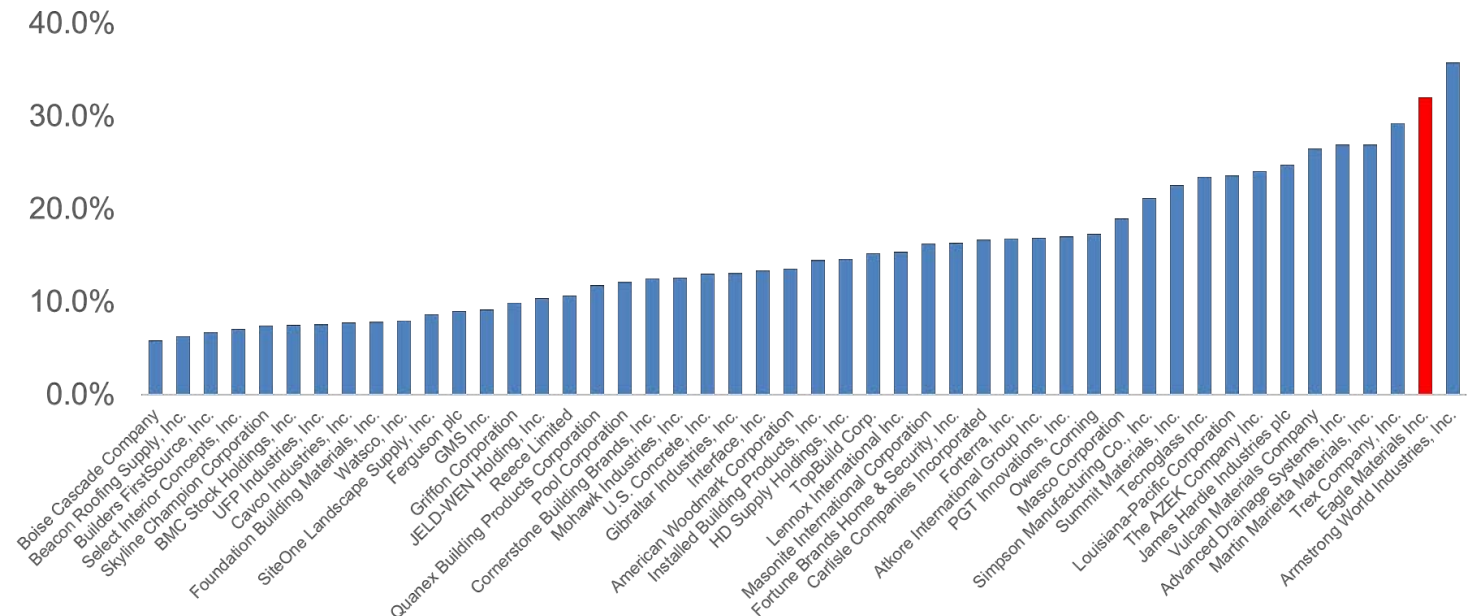
Doing More With Less Has Always Been Our Goal

We are distinguished and broadly recognized over decades as a **low cost producer** of our products: *sustainability is the fundamental key to our success*

*Our primary focus of innovation is on using less raw material, less energy, less water – less of everything -- to consistently make building materials to US end-use specifications*

*Our margin performance is not only industry leading, it is also distinguished across all building materials industry sectors, both domestic and international*

Comparative on Building Products EBITDA Margins  
CY 2020E



# Who We Are

## US-Only Producer

- We are dedicated 100% to US markets -- with a strategic focus in the **US heartland** for cement and the **US sunbelt** for wallboard
- We have clear strategic boundaries and disciplined criteria for new investment
- Our plant locations are proximate to our owned raw materials which minimizes inbound logistics and its associated carbon footprint

### Cement US Heartland System

Strategic Geographic Focus, Away from US Coastlines (Imports)



<sup>1</sup> Represents cement grinding production capacity; generally, a plant's cement grinding production capacity is greater than its clinker production capacity  
<sup>2</sup> One short ton equals 2,000 pounds

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### Gypsum Wallboard and Paperboard System

US Sunbelt Strategic Geographic Focus

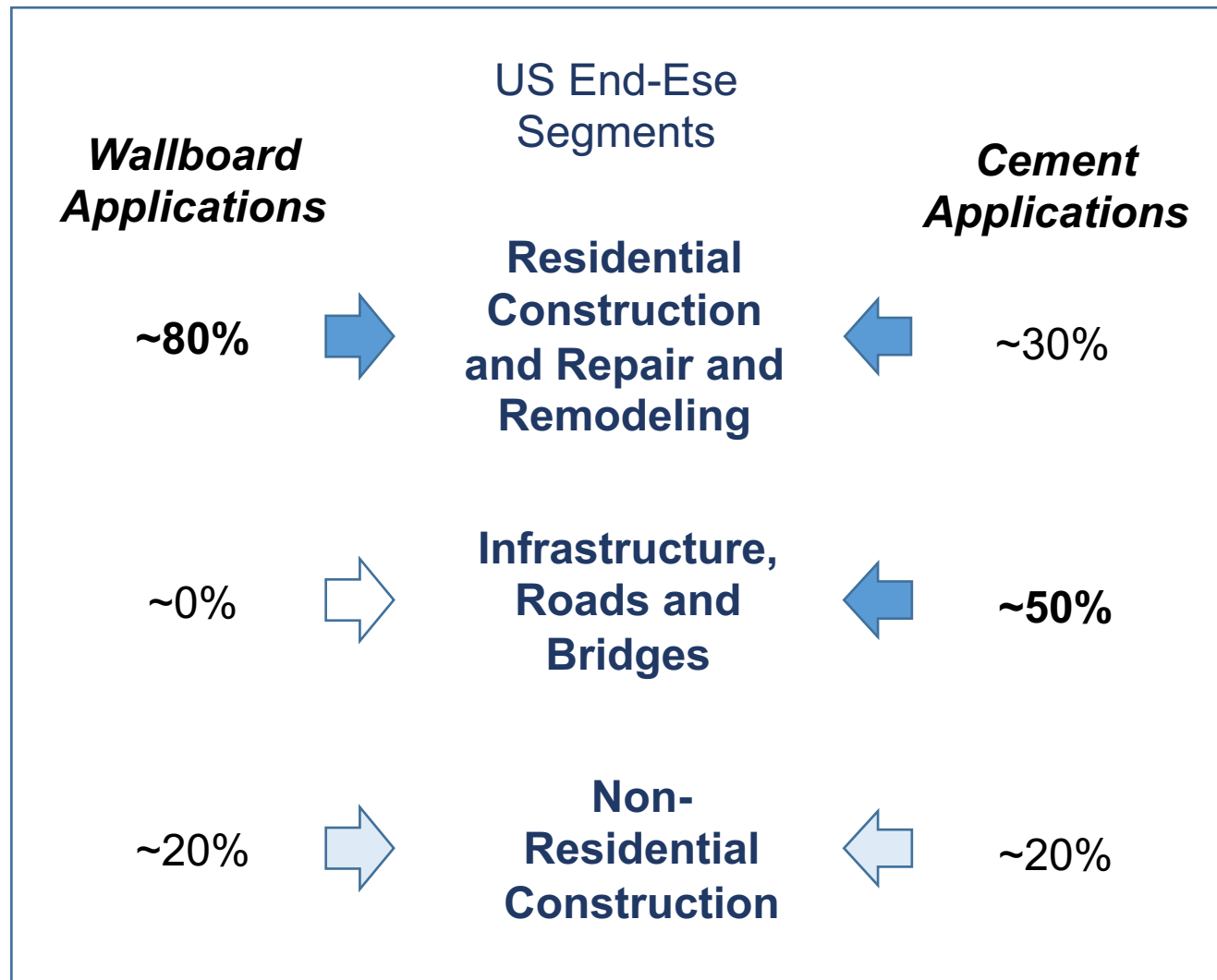


# Who We Are

## End-Use Applications Are US Building Code and Specification Driven

The water molecule imbedded in the gypsum **wallboard** chemistry provides an inherent fire resistance benefit that is essential in meeting US construction specifications

There are few practical substitutes, and wallboard is not generally imported to the US from offshore



**Cement** is the essential binding material in concrete which has

- Unrivalled strength, durability, longevity and resilience
- Energy efficiency
- Doesn't burn, rust or rot
- Malleable at the jobsite
- Few practical cement substitutes, and some substitutes have diminishing availability, e.g., fly ash
- Provides comparable if not superior performance in terms of embodied carbon, resilience, safety, and climate adaptability when compared with other building materials

**Concrete is the most used building material in the world, and one that is critical for sustainable development**

# What We Stand For

## As Evidenced by Our Track Record

- Safe and healthy operations
- Continuously doing more with less has always been our goal – less raw material, less energy, less water – less of everything -- to make the same commodity products as others
- Pursuing and promoting a lower carbon footprint throughout all phases of the product life-cycle and poised to contribute to a net zero US carbon future
- Strict compliance with environmental regulations
- Bringing diverse perspectives to bear on business challenges and opportunities in service of continuous improvement
- Operating with the highest levels of ethics and integrity in all decision-making
- Being a preferred employer and good neighbor in every community in which we operate
- Being counted on to meet product standards, consistently and dependably
- Benchmark performance in customer satisfaction
- Cultural intolerance for waste, with reliance on process disciplines and reliable methods over unnecessary bureaucracy
- A belief in sound strategy, exceptional execution, stringent investment returns criteria, balance-sheet cycle-management and a sustained ESG focus as the keys to shareholder value creation, with a balanced emphasis on returning cash to shareholders over cycles



# Disclosure Report Topics

- **Eagle Materials: Who We Are and What We Stand For**



- **Environmental**

- Special Challenges: Carbon and Climate
- Management of Environmental Risks and Opportunities
- Natural Resources
- Waste and Toxicity

- **Social**

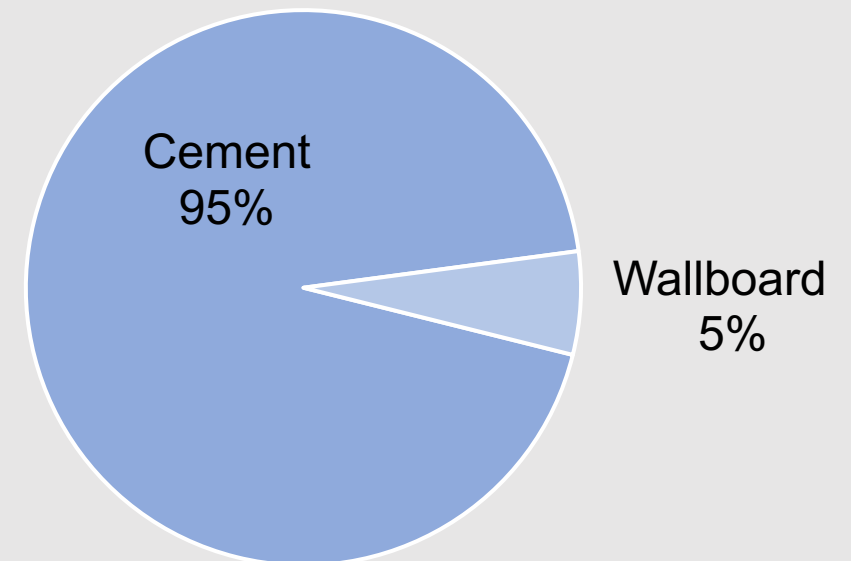
- Human Rights
- Labor, Health and Safety
- Stakeholders and Society
- Product Safety, Quality and Brand

# Environmental Special Challenges

- Eagle's investment agenda at every plant, both heavy (cement/concrete/aggregates) and light (wallboard/paperboard), has always focused on
  - efficiency improvement
  - long-term sustainability
  - scrupulous attention to meeting US environmental regulations
- Eagle has an enviable track record here and has a robust continuous improvement agenda

*We recognize that cement demands special attention at Eagle given the inherently higher carbon footprint of a cement plant in relation to a wallboard plant and due to our more numerous cement plants*

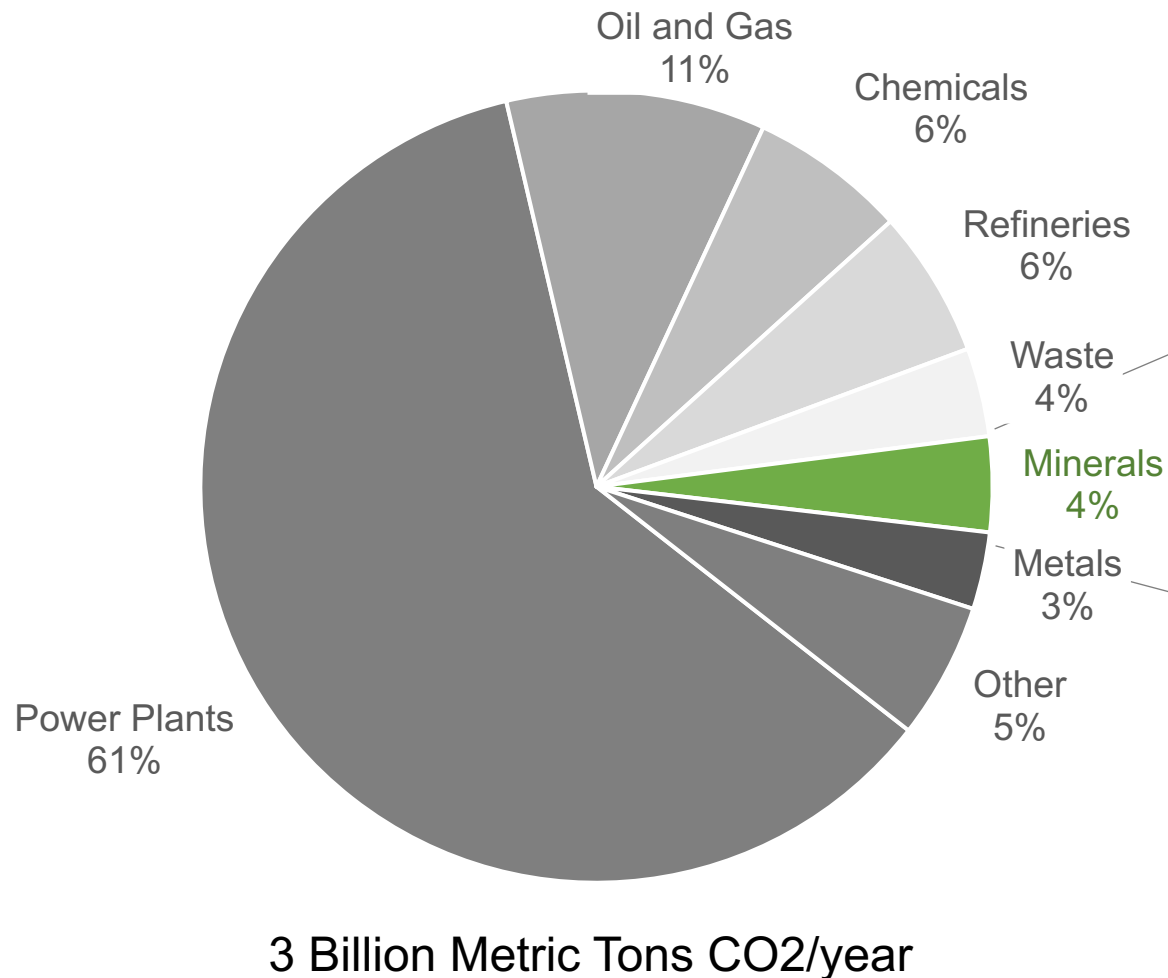
Relative Company Segment  
Annual CO2 Intensity



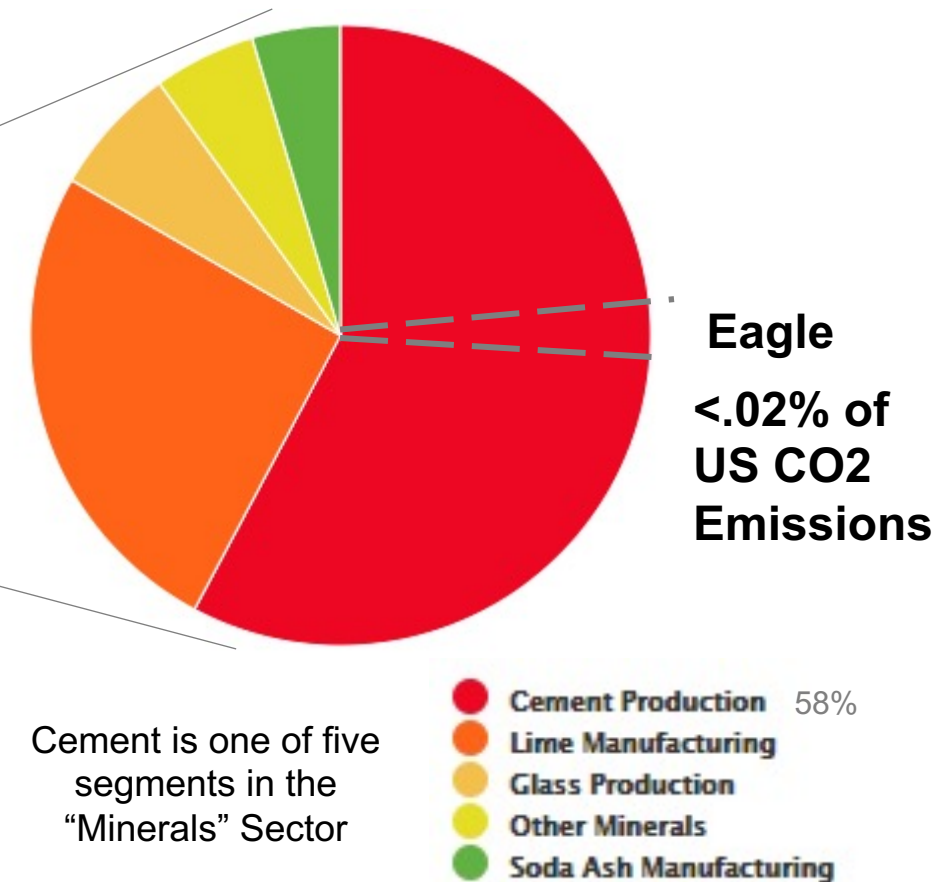
# Environmental

## Special Challenges

US CO2 Emissions by Sector (EPA, 2018)



US CO2 by Minerals Sector (EPA, 2018)



# Environmental Special Challenges

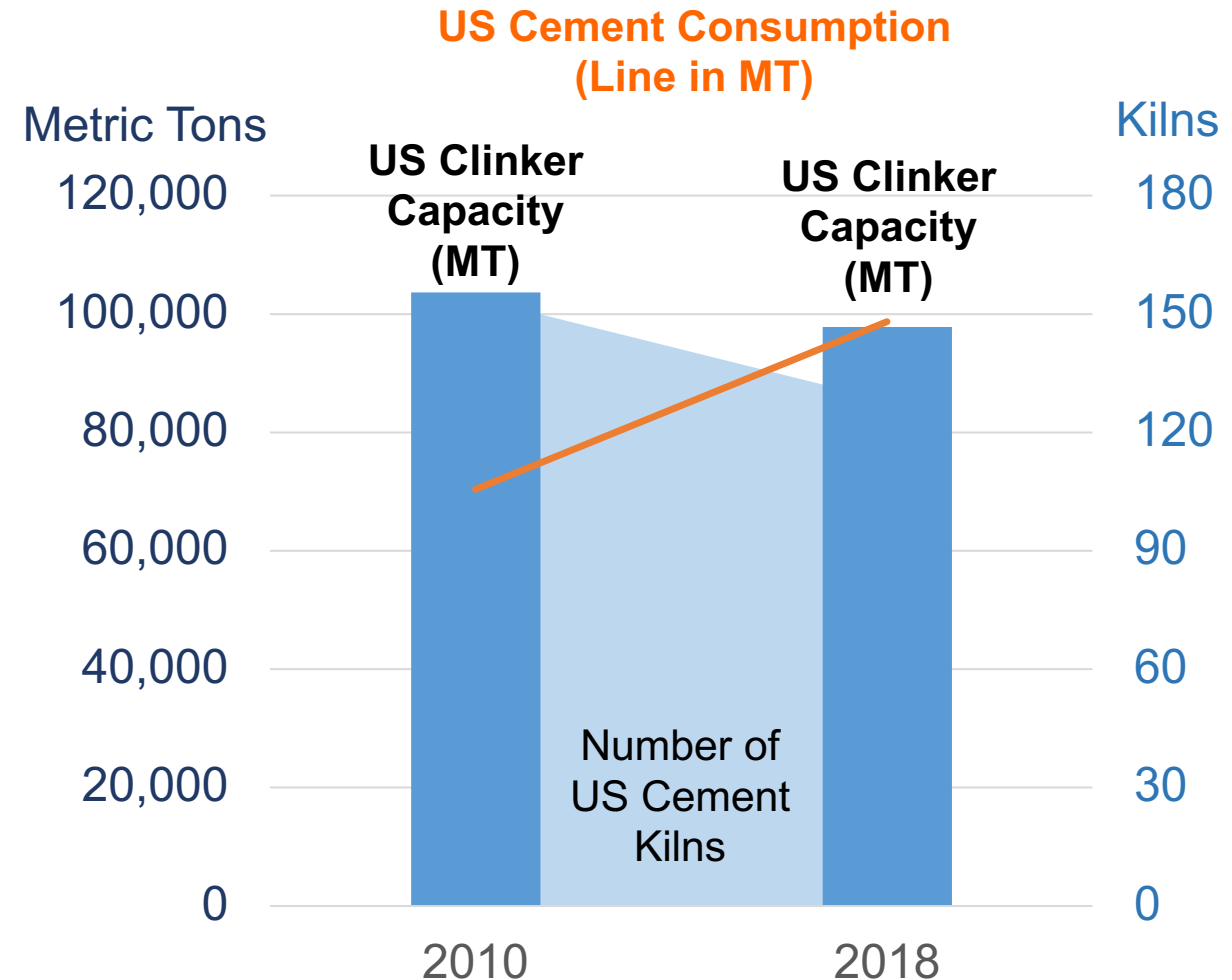
Total US cement demand is close to or above US total productive capacity today

US environmental regulations for cement are stringent and US NESHAP regulations that were enacted in 2011 and other US regulations have made permitting of new plants or expansion of clinker capacity at existing plants very challenging (cost and technology)

- If fact, in recent years as cement consumption has increased by 40%, the number of US cement kilns has been reduced by 20% and clinker capacity has dropped by 6%, reflecting the difficulty of meeting these regulations

Cement imports are required to fill the gap, and these imports inherently entail substantially more carbon intensity than domestic production (e.g., due to logistics, ocean freight, foreign emissions standards)

- This carbon intensity from import logistics can well exceed that of the product manufacturing itself

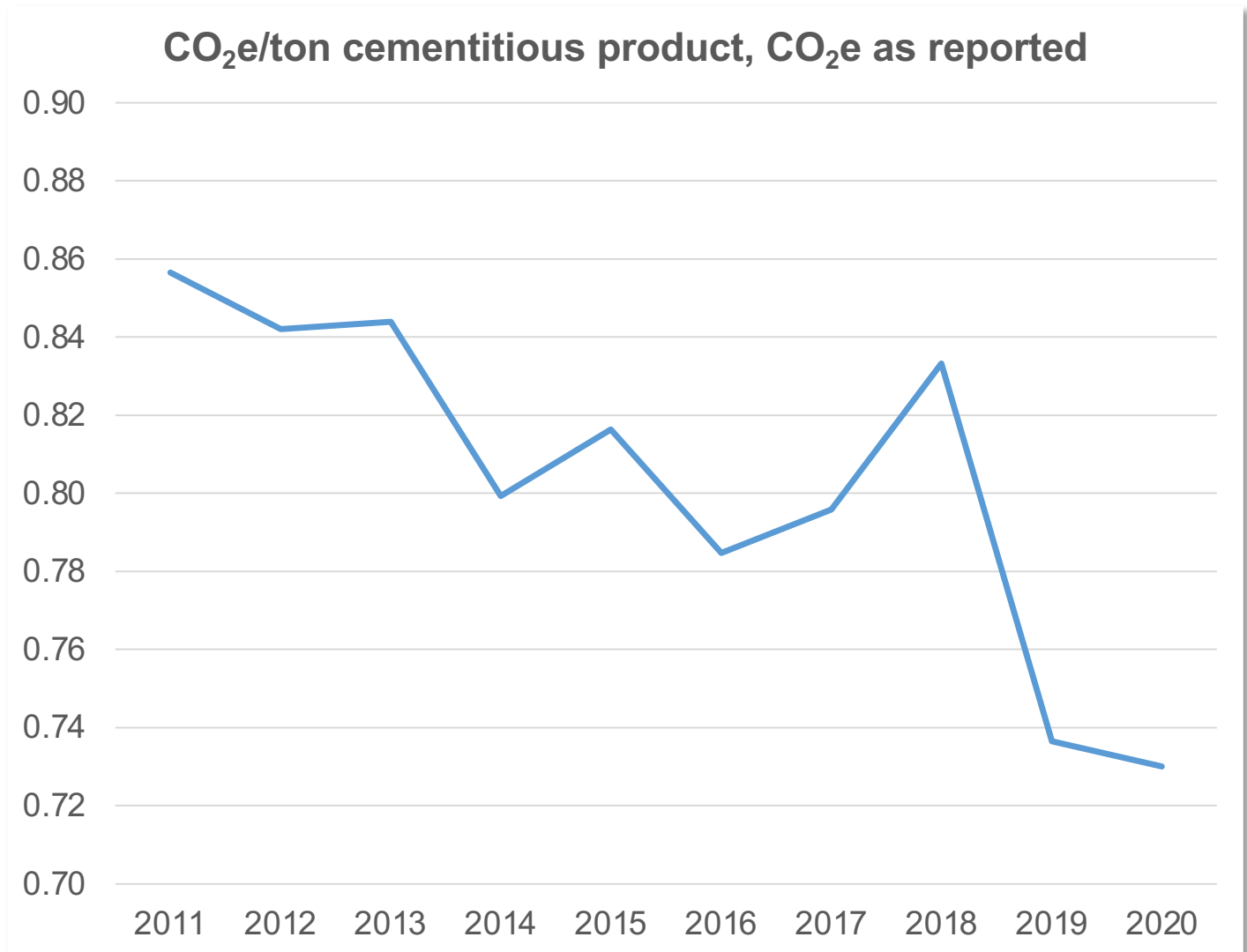


# Environmental Special Challenges

Notwithstanding our growth in cement (growing our asset base 3x over recent years) ...

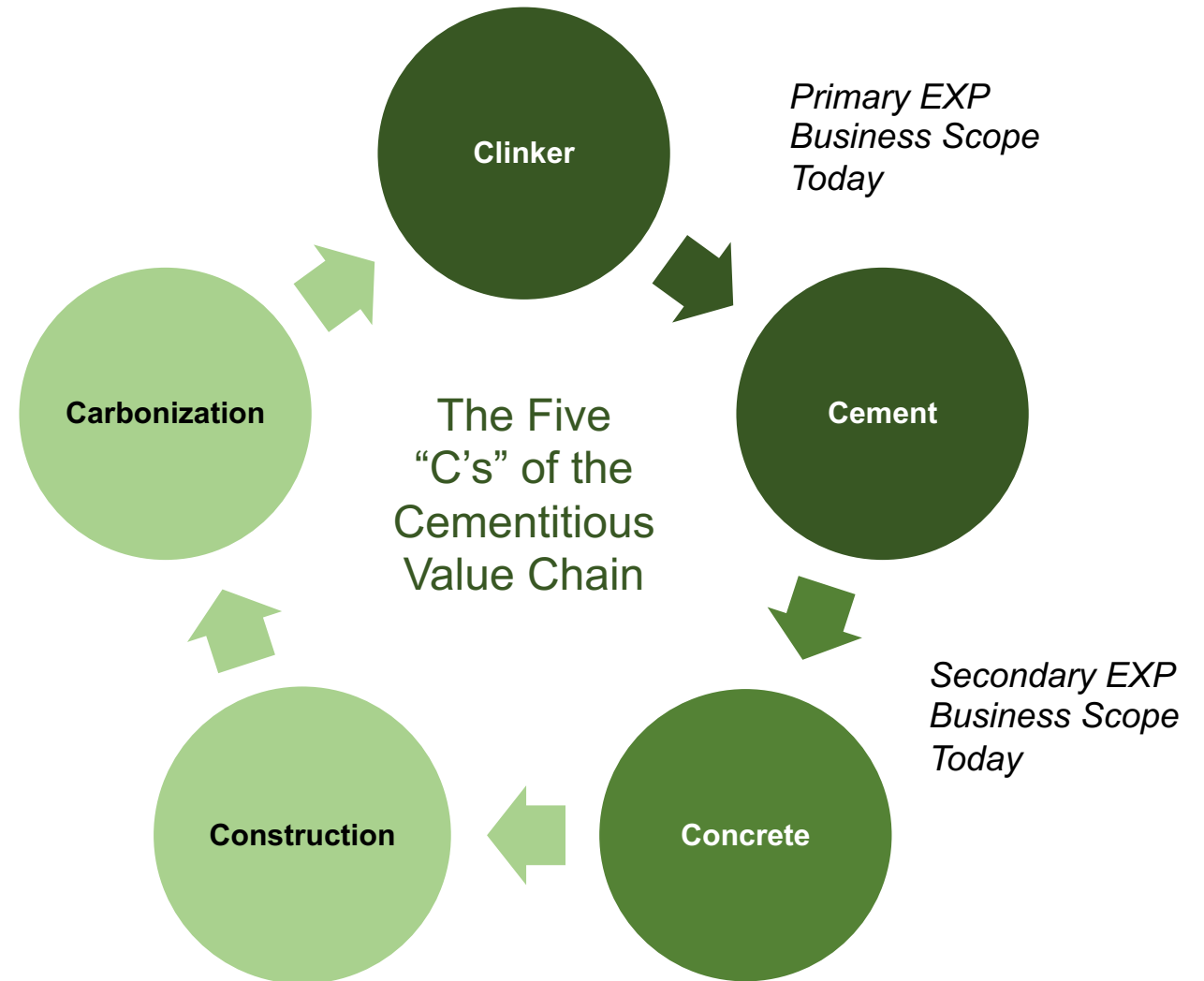
*... we have continued to make significant progress in reducing our per unit CO<sub>2</sub> emissions – on our journey to carbon neutrality for the value chain*

Note: Eagle Materials CO<sub>2</sub> intensity has been independently reviewed and verified by a third-party environmental consultancy (SLR Consulting, headquartered in the UK)



# Environmental Issues and Agenda

- It is essential to consider the entire cementitious value chain, as each element represents *opportunities and constraints* that inform the agenda for a
  - Net zero CO<sub>2</sub> cementitious value chain for the US
  - Net zero America
- Our agenda embraces each element of the value chain and the value chain in its entirety, recognizing that the strategic boundaries of our business model focus primarily on the upstream manufacturing elements today
- This section explains the
  - Key **issues** associated with each of the five “C’s” and
  - Eagle **agenda** with respect to *each and overall*



# Environmental

## Clinker Issue

### The Immutable Laws of Science

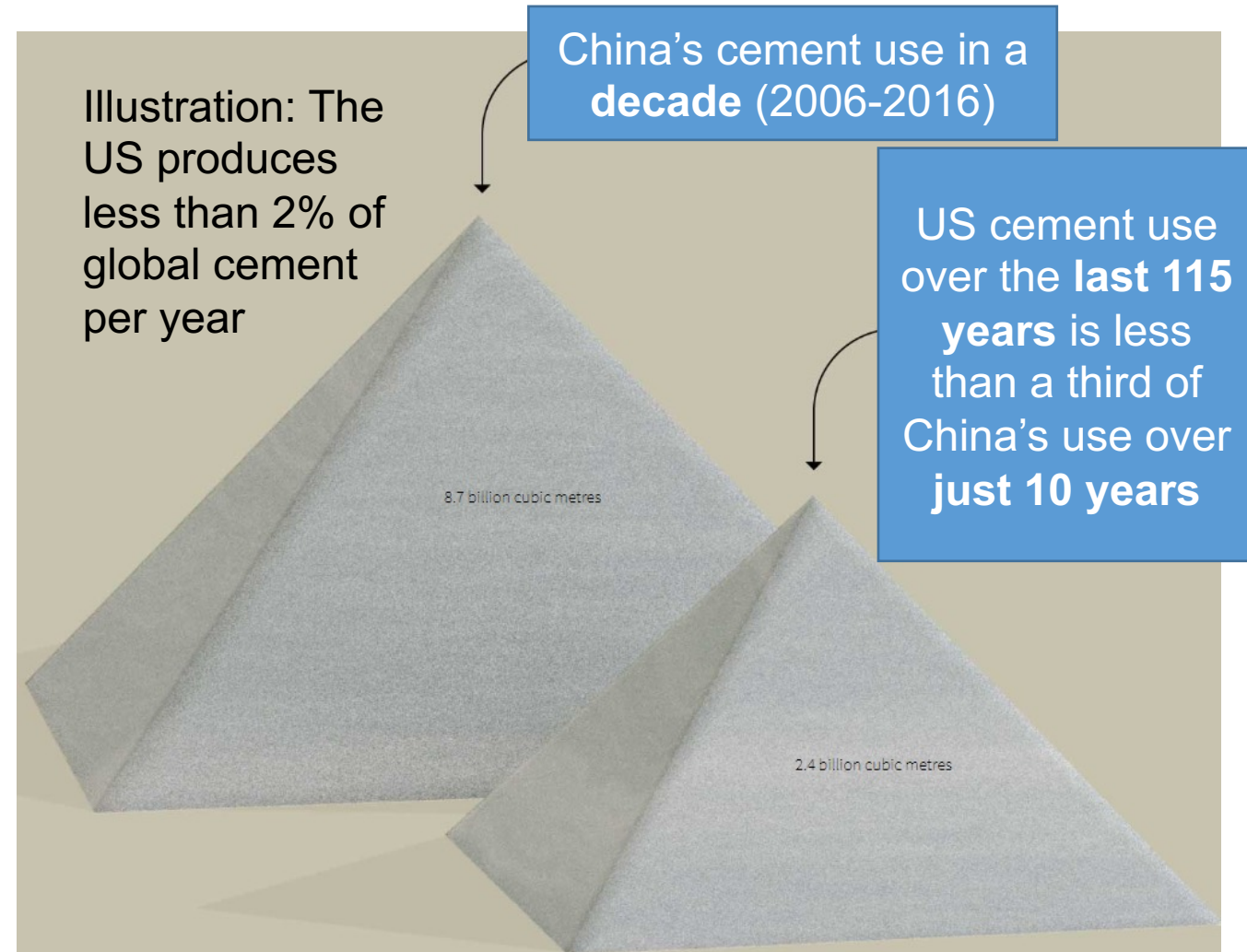
- The chemical process of heating limestone to 1450 degrees C in a rotary kiln to produce clinker inherently creates most of the CO<sub>2</sub> at a cement plant
- Fuel combustion to heat the kiln contributes to the remainder of plant emissions. Thermal process efficiency at US cement plants generally reach values above 80% of the theoretical maximum. Although incremental thermal energy efficiency gains can be made, they have the smallest opportunity for CO<sub>2</sub> reductions.

### Carbon Capture

- Innovation and new technologies for carbon capture, transport, use, and/or storage could most materially address primary kiln emissions
- These would also have the advantage of being “tailpipe” measures and hence scalable across all plants worldwide, a critically important consideration
- There is much research underway in this area

### Climate Change is a Global Issue

Best CO<sub>2</sub> solutions for clinker will be scalable



# Environmental Clinker Agenda

## Continuous Improvement

- Cross functional improvement teams at Eagle (including corporate engineering, plant operations) are focusing on lower carbon fuels mix opportunities at **every** cement plant

## Carbon Capture

- Carbon capture is an emerging technology with great promise
- Corporate teams are monitoring and evaluating the myriad of research developments across sectors, indirectly and through consortia, and are poised for direct participation in the operational testing of the most promising avenues

### Example of Fuel Mix Proportion Changes Attributable to Project Team Work

+ 4.4%	Fuel Quality Waste
+ 2.7%	Bio-Mass (Landfill Gas)
+ 2.2%	Alternative Fuels
+ 7.4%	Natural Gas



# Environmental Cement Issue

There is broad consensus that cement will need to play an essential -- and larger role -- in building a Net-Zero America

US performance standards for most structural applications dictate a high proportion of clinker to achieve those performance standards (US standards are not universal worldwide)

There are also some less demanding US applications (some of which are non-structural) that should be able to use cement with a lower clinker content

- In these cases *clinker can be blended with limestone* to produce a cement with fit-for-purpose performance characteristics

There is an opportunity to revise US codes to better accommodate blended products and there is an opportunity for end-use education so the default purchase position is not always the highest clinker content cement

## Groundbreaking Princeton University Research Completed in 2020

- From the report: “A growing number of pledges are being made by major corporations, municipalities, states, and national governments to reach net-zero emissions by 2050 or sooner. This study provides granular guidance on **what getting to net-zero really requires** and on actions needed to translate these pledges into tangible progress. Using state-of-the-art modeling tools, this study provides economically plausible energy system pathways for the US to reach net-zero emissions by 2050.”



## Key Conclusions for Cement in the Report

- *Conventional cement production will be the norm through 2050 in all scenarios*
- *Key Assumption: “Energy use for cement production will actually increase over time, while the industry is decarbonized through use of CO2 capture applied as a tailpipe measure on otherwise conventional cement production.”*

# Environmental Cement Agenda

Eagle is at the forefront of marketing and educating constituents on the benefits of blended cement

In 2021 every Eagle cement facility will develop strategies for aggressive product introduction

Eagle's goal is to maximize the utilization of limestone cement to its full potential as a company priority, to realize both the environmental and economic benefits

- Eagle is operating at near full production capacity in cement
- Limestone cement will make the product "go farther" and reduce reliance on foreign imports with a much higher carbon footprint



## HERE'S 5 GOOD REASONS TO SWITCH TO TYPE II CEMENT.

Type II cement, also called Portland limestone cement (PLC), is the next generation of blended hydraulic cement containing between 5 and 15 percent limestone by mass. Production of Type II cement generates less CO<sub>2</sub> — and has improved performance characteristics over conventional portland cement.

### #1 IT'S STRONGER

Because limestone is softer than clinker, when the two are ground together, the resulting limestone particles are finer than the clinker particles — producing enhanced particle packing and paste density. The fine limestone particles act as dispersed sites on which the formation of hydration products initiates, further densifying the microstructure as hydration proceeds. The net result is that chemical and physical properties can be optimized to produce stronger concrete with more durability than conventional portland cement.

### #2 BETTER SETTING TIMES

The hardening of concrete before it gains strength is known as the setting time of concrete. Cement properties, such as the higher fineness of Nevada Cement's Type II, positively affect the setting times. Concrete contractors have shown a preference for the setting times of concrete made with Nevada Cement's Type II cement when compared to similar mixes with traditional Portland Limestone cements.

### #3 IMPROVED FINISHABILITY

When concrete mixes are developed for a project, they need to be designed with finishability in mind, to avoid premature surface drying and cracking. Nevada Type II cement has precise ratios and characteristics that create quality concrete. And concrete produced with Type II cement is also lighter in color — often preferred in aesthetic applications.

**"Concrete with Type II cement is very workable and finishes nicely."**  
Tyler Yohey, Concrete Superintendent, Q&D Construction

### #4 BETTER SULFATE RESISTANCE

Sulfate resistance is greatly improved with Nevada Type II cement, compared to Type VII cements. This minimizes the risk of corrosion and provides a high level of performance and structural integrity in highly acidic environments, improving the life and durability in construction, such as waste water treatment, bridge piers and areas in contact with high alkaline salts.

### #5 BETTER FOR THE ENVIRONMENT

Using Nevada Type II cement can help our environmental footprint by reducing energy consumption and emissions. Carbon Dioxide (CO<sub>2</sub>) is a principle emission in cement manufacturing and one of several gases having a relationship to climate change. This is important since it is estimated that cement accounts for 3 percent of U.S. industrial CO<sub>2</sub> emissions. A key to success in minimizing emissions is through the using more ground limestone as a component in the finished cement. By utilizing less clinker, Type II cement requires less energy to produce than Type VII cement. This reduces the CO<sub>2</sub> that is produced through the manufacturing process.

Production of Nevada Type II cement reduces CO<sub>2</sub> emissions at Nevada Cement Company by up to 15 percent or 80,000 tons annually.



**NEVADA CEMENT COMPANY**

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**Eagle Materials**

Nevada Cement Company is a subsidiary of Eagle Materials, Inc., a leading provider of building materials that serves markets throughout the United States.  
eaglematerials.com

*Example of promotional material being used by our Nevada Cement operations*

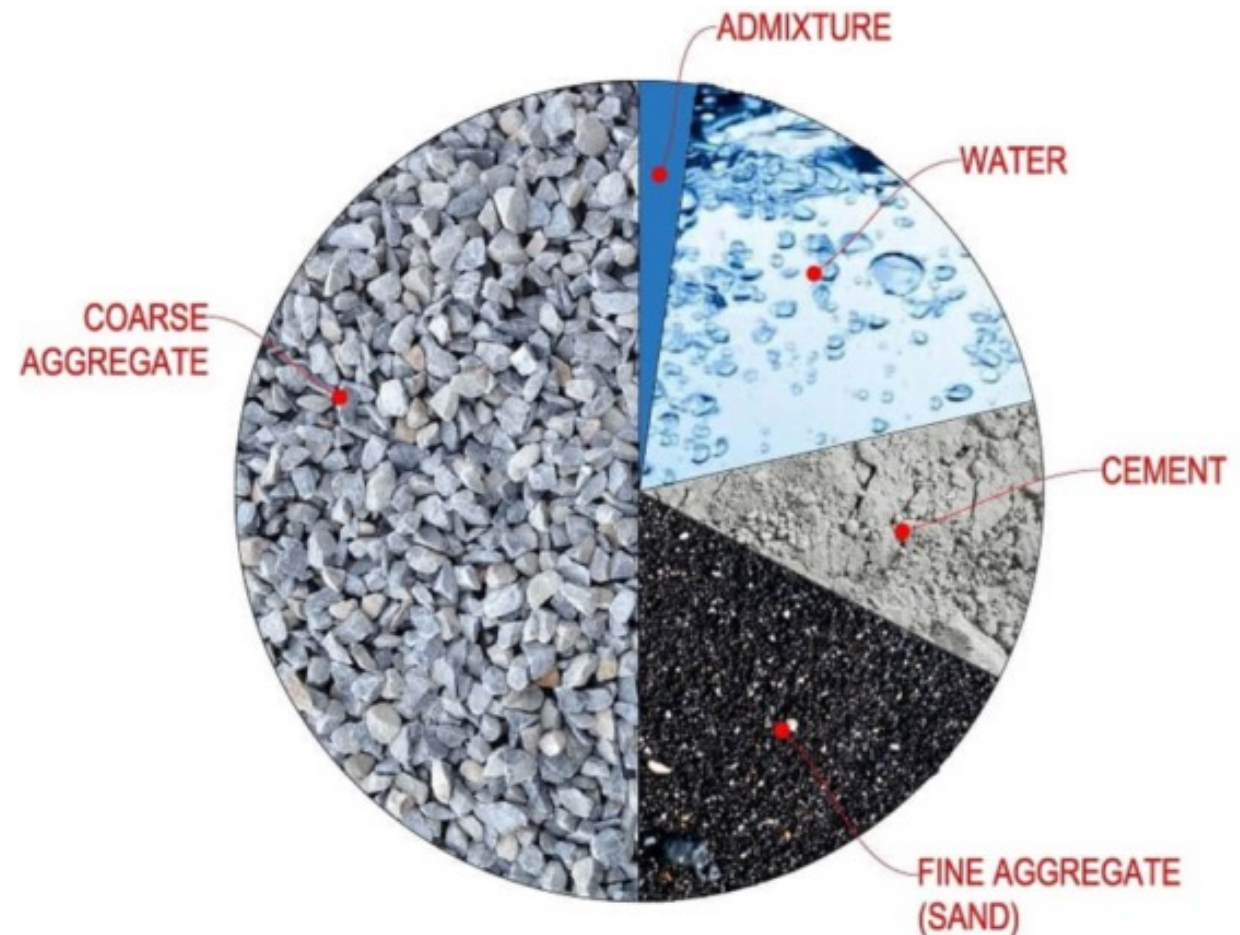


# Environmental Concrete Issue

Concrete is the second most consumed material on earth (second only to water) -- and cement is the essential binder that makes the mixture so valuable in terms of strength, durability, versatility and cost

The majority of concrete's environmental footprint derives from the materials in the concrete mixture rather than the production (mixing) of the concrete itself

## Concrete Mix Representative Proportions



# Environmental Concrete Agenda

## Admixtures

Some admixtures can be added to a concrete mix as extenders (lower cost reactive materials) or to improve performance in certain lower aggregate quality availability situations

Eagle has pioneered the sale and use of

- **Natural pozzolan** (the pumice is a by-product of volcanic eruptions) in the western US, where the company has reserves
- **Blast furnace slag** in the eastern US, where the company has relationships with third-party smelters to use their by-products

## Mineralizers

We have trials underway across our concrete plants in conjunction with **Carbon Cure Technologies** to understand what may be possible with ready mix (i.e., beyond precast)

### Innovative CO<sub>2</sub> Technology

CarbonCure injects a precise dosage of captured carbon dioxide (CO<sub>2</sub>) into concrete, where the CO<sub>2</sub> becomes chemically converted into a mineral

*Target Being Tested*



## CarbonCure for Ready Mix

*Vision Being Tested*

CO<sub>2</sub> injected via CarbonCure improves the compressive strength of ready mix concrete, which enables ready mix producers to optimize their mix designs while reducing the carbon footprint of their concrete.

# Environmental Construction Issue

The built environment of tomorrow will have sustainability at its core in three ways.

Structures need to

1. Be safe, durable and affordable (social)
2. Respond to needs for CO<sub>2</sub> and energy efficiency (environmental)
3. Contribute to the growth and renewal of America (economic)

Concrete ticks all of these boxes

- ✓ One of the most versatile and cost-effective building materials
- ✓ Can offer a working life in excess of 100 years
- ✓ Provides fire-resistance
- ✓ Is able to reduce energy consumption for heating and cooling by 25%

# Environmental Construction Agenda

Given the limitations on the availability of US domestically produced cement (which has a lower carbon footprint than imports which carry a significant ocean transportation burden), it is incumbent on us to promote “highest and best uses” for our domestic sources of concrete, in keeping with sustainability principles

- Eagle supports the development of **performance-based specifications** (over solely US prescription-based specifications) with minimal limitations on the materials that may be used
  - We believe this can enable significant opportunities to spur innovation in concrete mixtures and enable the use of more low-carbon materials
- We are working to advocate the development of these performance-based specifications and to educate the architecture, engineering and construction community about them
- Internally we are cataloging the performance outcomes of our cements (e.g., strength, stiffness, constructability, durability) in relation to geologic variations in aggregates and other materials as the empirical basis for our pursuit of this agenda



# Environmental

## Carbonization Issue

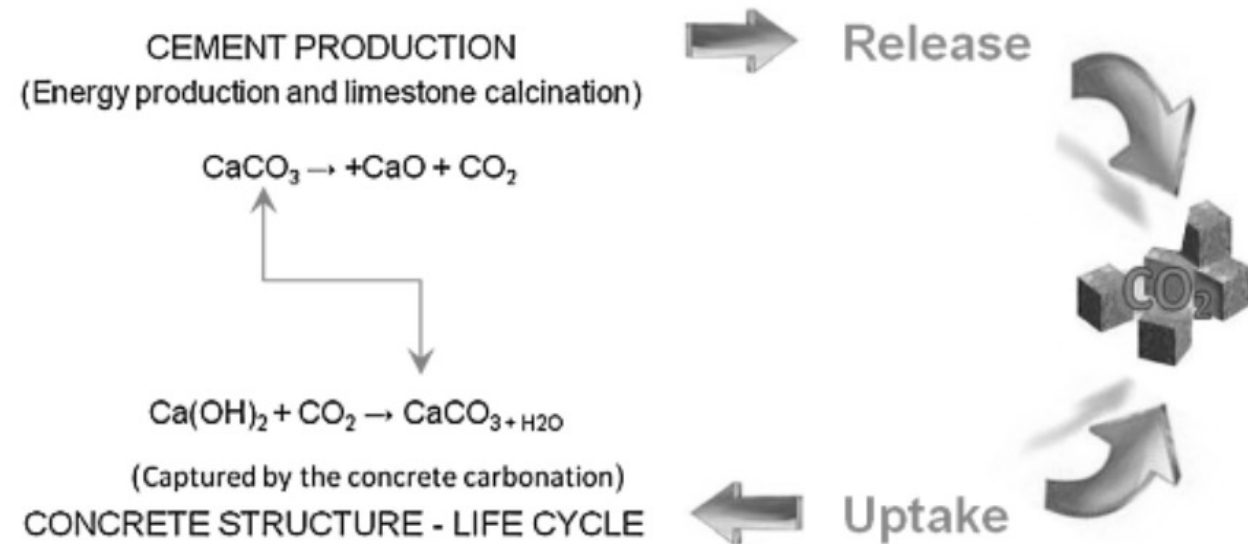
Concrete naturally absorbs carbon dioxide over its lifetime as part of a chemical process called “carbonization”

Many studies have confirmed this phenomenon both at the project level and on a broader-basis as well

- One study estimated that 4.5 gigatons of carbon dioxide has been sequestered in carbonating cement materials from 1930 to 2013, offsetting 43% of process CO<sub>2</sub> emissions

The path to carbon neutrality is informed by the greenhouse gas emission removal that occurs over time in “carbon sinks”

- The natural process of re-carbonization can effectively help transform cities and their concrete infrastructure into “carbon sinks”



# Environmental Carbonization Agenda

The positive effects of re-carbonization can be amplified through the demolition of concrete structures after useful life

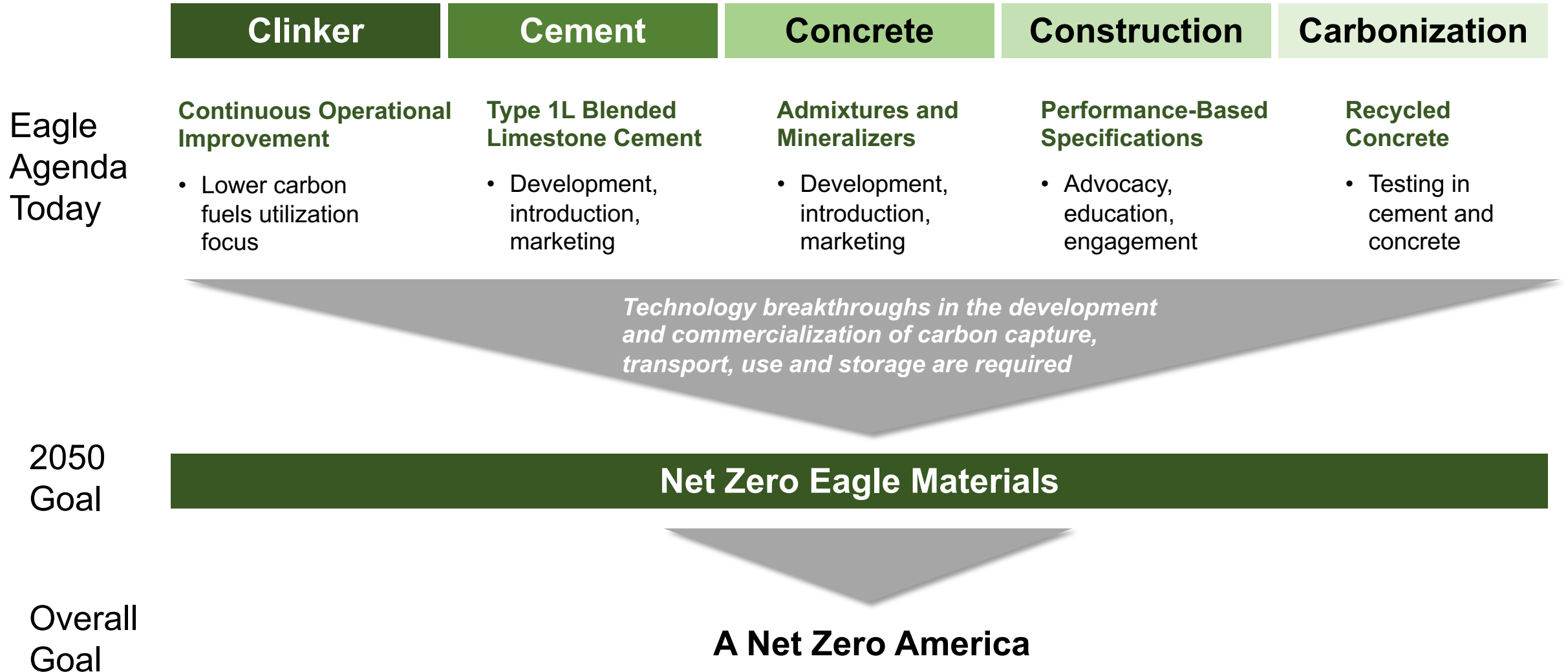
*Recycled concrete* has a higher surface area and can more easily absorb CO<sub>2</sub> within the concrete mixture in the ambient air

- Eagle is testing the use of **recycled concrete materials** as
  - Clinker substitutes in cement
  - Additives in concrete
- This links to our work in developing the science about how the performance characteristics of concrete vary in relation to geologic variations in aggregate materials chemistry and to a range of low-carbon concrete additives



# Environmental

## Agenda Summary and Goals Roadmap



# Management of Environmental Risks and Opportunities

Eagle employs a rigorous process to manage environmental risks and opportunities and to clarify roles and accountabilities

## “RapidRate” Environmental Management Model

- **Recommend** Plant leadership generally has the lead role in identifying local EM opportunities guided by company strategy and priorities
- **Agree** Corporate engineering must sign-off
- **Perform** Local management executes
- **Input** Corporate office of Strategy and Sustainability
- **Decide** CEO-level final decision
- **Review** Operating leader for the set of plants has review accountability
- **Audit** Internal audit inspects conformance of results with intention
- **Test** Rigorous testing protocols are a gating step
- **Engage** Reporting to regulatory agencies and authorities occurs routinely



Photo of CEO Michael Haack in his office, illustrating remote access monitoring capability

# Natural Resources: Quarry Reclamation

We have many decades of owned limestone at our facilities that is the primary raw material used

When these resources are eventually fully utilized the land is remediated and transformed for other beneficial uses

A recent example is from our Illinois Cement operations. The company donated our reclaimed land to the City of LaSalle and is known today as Rotary Park



# Natural Resources: Water

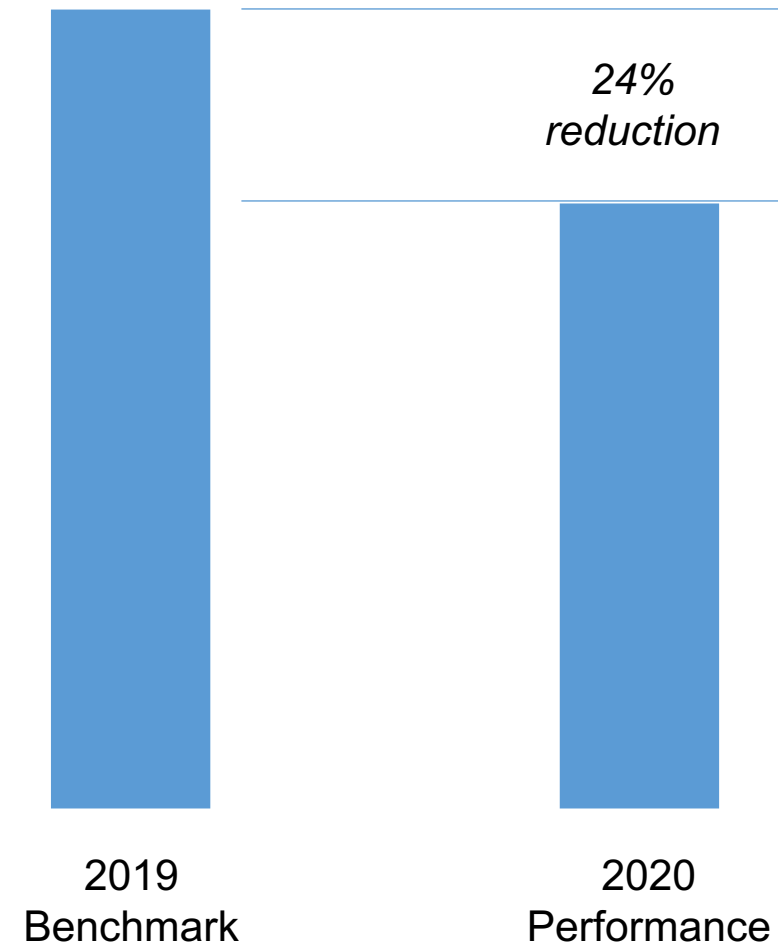
Water resources are precious

Water resources have always received special attention at Eagle and represent a good example of our continuous process improvement focus

We generally operate “closed-loop” systems and water usage is permit-regulated -- pollution of groundwater is not a high-risk area for our operations

Evaporation is a key source of water loss, and is an area of focus -- and one where we are continuing to make significant progress

Project Management Team Example  
Freshwater Utilization Company-Wide  
(gal)





# Waste and Toxicity

We control, monitor and report on a plant-by-plant basis the emissions covered under the US EPA PC NESHAP and other state or federal regulations that *are specific to the cement manufacturing industry*, notably including

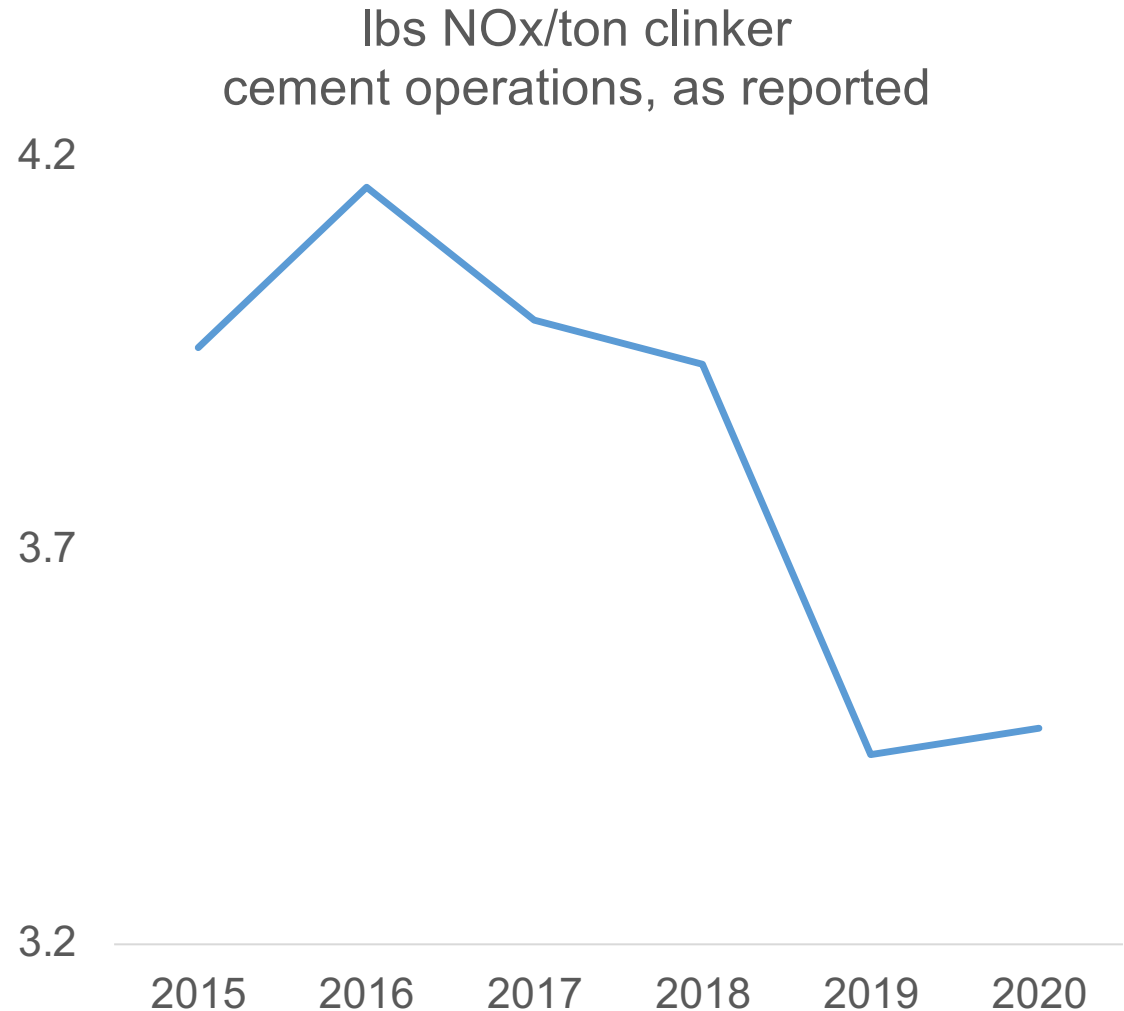
- Nitrogen oxide (NO<sub>x</sub>)
- Particulate matter (PM)
- Mercury (Hg)
- Volatile organic compounds (VOC)
- Dioxin/Furin Toxic Equivalency (D/F TEq)
- Sulfur dioxide (SO<sub>2</sub>)

A challenge in cement manufacturing is in balancing all the raw material and fuel inputs as well as controlling the pyro-processes at the plant to remain under the emissions standards across *all factors at all times* – incrementally lowering one emission type can raise the emission levels for another factors – it is a “set of factors” compliance law

Nevertheless at Eagle we strive to **minimize every emission factor** as well as optimize all emissions in keeping with the underlying intention of these stringent regulations

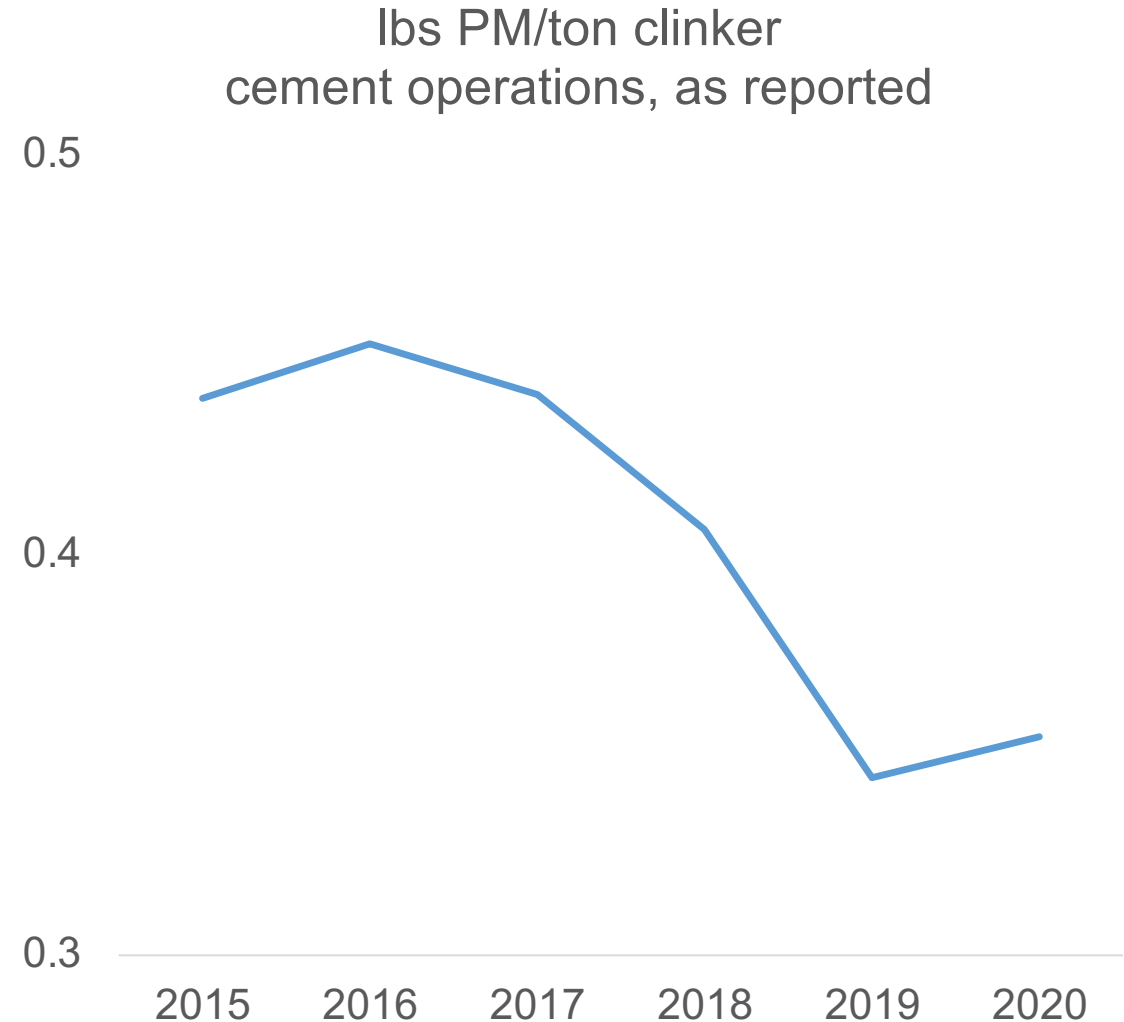
# Waste and Toxicity: Nitrogen Oxide

We remain well below allowable limits for NOx emissions at each plant -- and at the same time have made considerable progress in minimizing this emission over the last decade



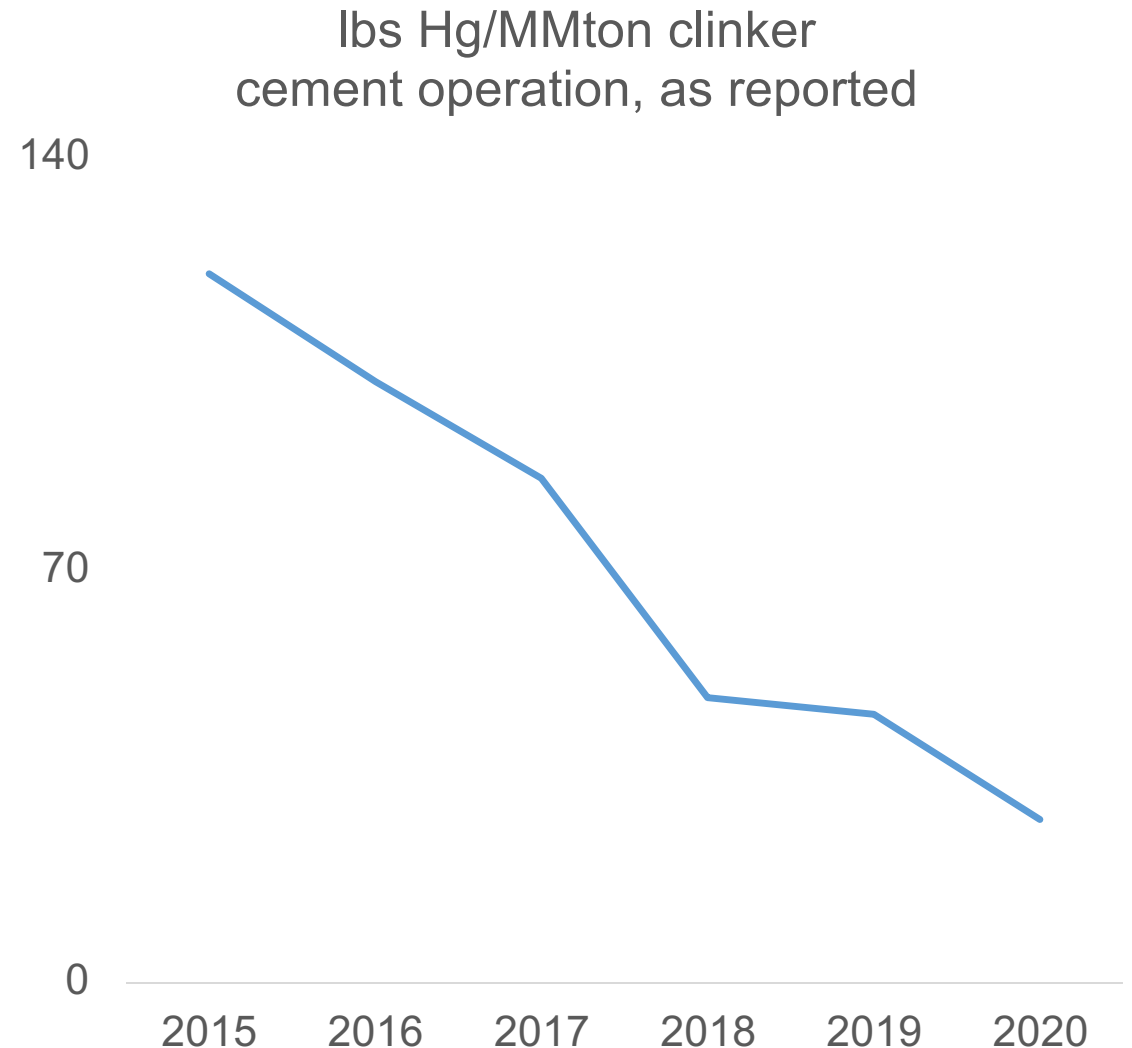
# Waste and Toxicity: Particulate Matter

We remain well below allowable limits for Particulate Matter emissions at each plant - and at the same time have made considerable progress in minimizing this emission over the last decade



# Waste and Toxicity: Mercury

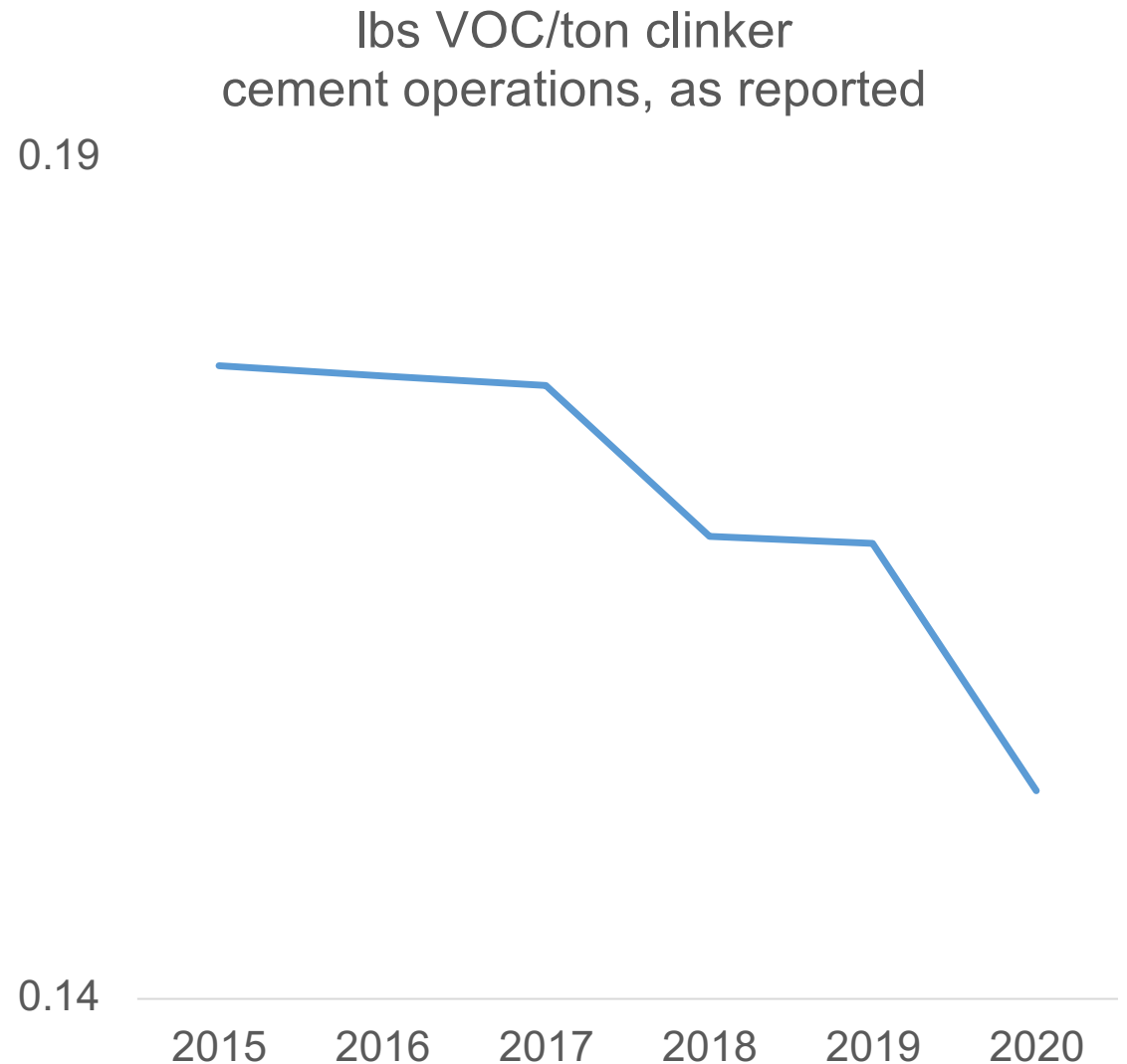
We remain well below allowable limits for Mercury emissions at each plant -- and at the same time have made considerable progress in minimizing this emission over the last decade





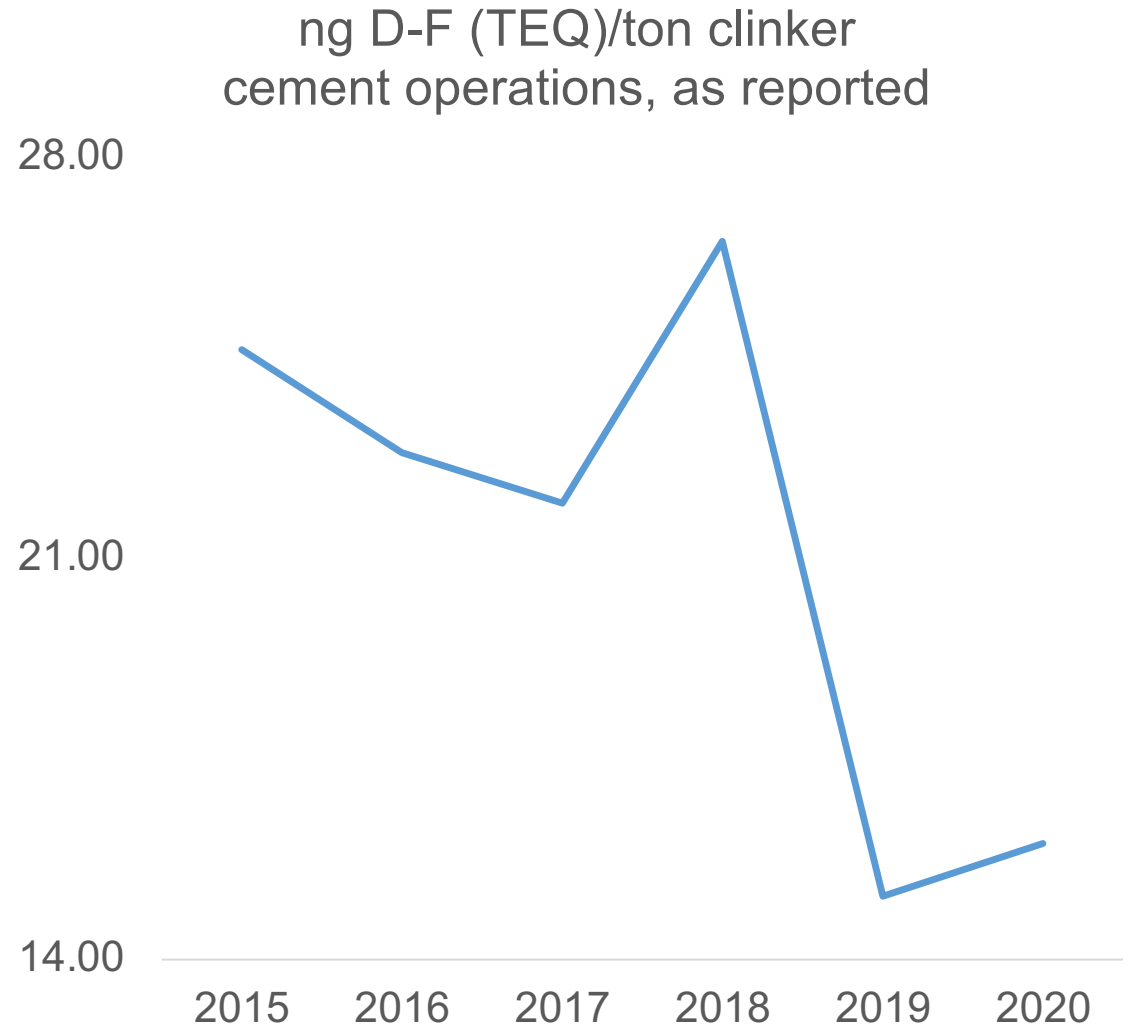
# Waste and Toxicity: VOC

We remain well below allowable limits for VOC emissions at each plant -- and at the same time have made considerable progress in minimizing this emission over the last decade



# Waste and Toxicity: Dioxin/Furan

We remain well below allowable limits for Dioxin/Furan emissions at each plant -- and at the same time have made considerable progress in minimizing this emission over the last decade



# Waste and Toxicity: Sulfur Dioxide

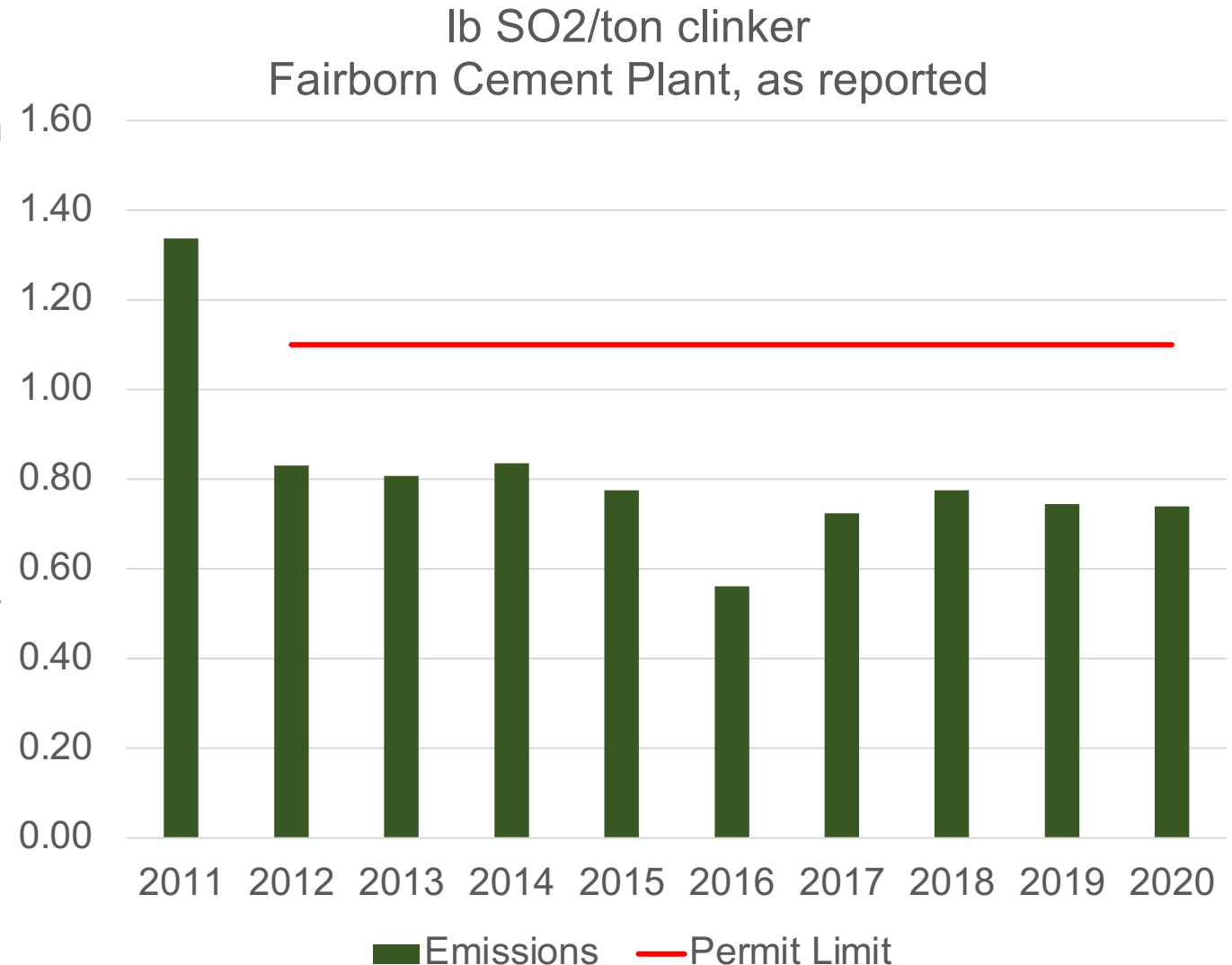
This chart is included to illustrate three points

- the stringency of US NESHAP emission permit limits enacted at the end of 2011
- the effect of technology and plant changes that were introduced to respond to these regulations
- the multi-year track record of compliance since the revised standards were set (sulfur dioxide example)

Eagle bought the Fairborn cement plant from Cemex -- 2018 was its first full year of Eagle ownership

Since 2018 we have reduced emissions of sulfur dioxide an additional 5% as part of our continuous improvement program

All Eagle cement plants operate well below allowable limits for this factor



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- Special Challenges, Special Obligations: Carbon and Climate
- Management of Environmental Risks and Opportunities
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- **Social**

- Human Rights
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- Stakeholders and Society
- Product Safety, Quality and Brand

# Human Rights: Human Capital Management

## Eagle Talent Management Key Principles

Eagle leaders are guided by a set of principles that reflect the unique performance and improvement culture at Eagle

These principles also underpin the design of Eagle's robust Talent and Performance Management processes (TPM)

1. Each team member has the capability to magnify their contributions at Eagle
  - It is an expectation that each team member take personal leadership for increasing their contributions
  - Leaders have a special responsibility in supporting greater team member contributions, and in building a continuously-improving performance culture
  - One of the special responsibilities of top performing "pros in position" is knowledge transfer and support in developing the pipeline of future leaders
2. Individual performance coaching is on-going, and the performance review process includes a formal recap discussion with each employee at least once each year
  - The emphasis in performance reviews is typically on identifying and finding ways of leveraging personal strengths for greater contribution
  - Performance on the current job is the primary focus of the performance review, and current job performance is the requisite foundation for job enlargement and career advancement
  - Results matter, and how the results are achieved matters as well
3. Operating unit leaders "own" the talent in their organization (e.g., hiring, placement, development, engagement, dismissal), recognizing that the corporate center also has an ownership role with respect to the company's highest-potential leaders

# Human Rights: Equal Opportunity and Non-Discrimination

Eagle is a U.S.-based manufacturing company, with all of its facilities located within the continental United States

Eagle is committed to compliance with all applicable laws and regulations including laws and regulations regarding equal opportunity employment, safe working environment and equitable treatment of employees including the prohibition of discrimination or harassment (obviously Eagle does not employ child labor or forced labor in any of its operations)

The Company's code of conduct, The Eagle Way, reinforces these values and prohibitions and the Company requires each employee to complete on-going training which covers harassment, discrimination and all other key matters of business conduct

*Policies and processes preclude discrimination or harassment on the basis of*

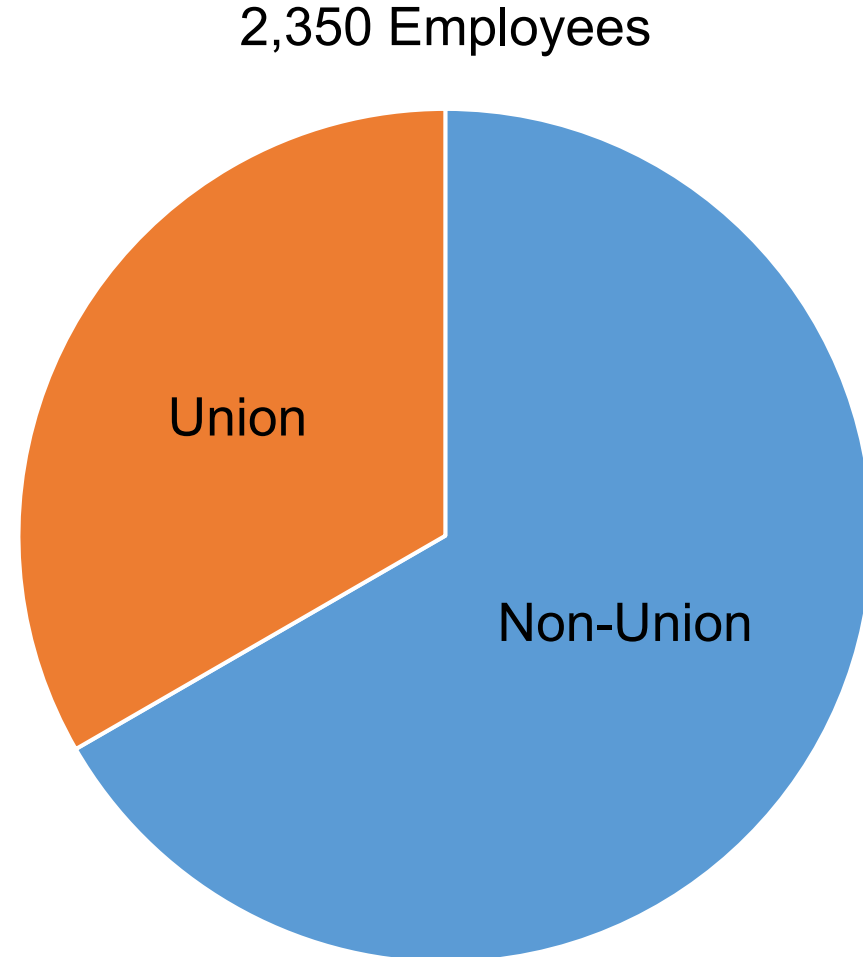
- *age*
- *sex*
- *sexual orientation*
- *marital status*
- *familial status*
- *gender expression*
- *color*
- *race*
- *creed*
- *religion*
- *disability*
- *ancestry*
- *nationality*
- *national origin*
- *disability*
- *pregnancy*
- *citizenship*
- *veteran status*
- *genetic information*
- *unemployment status*
- *domestic/sexual violence victim status*

# Human Rights: Freedom of Association

Eagle prides itself on being a good corporate citizen and on respecting the rights of our employees

We do not restrict workers' rights to exercise freedom of association or to collectively bargain at any of our operations

Independent trade unions represent approximately 35% of our employees, who are covered by collective bargaining agreements

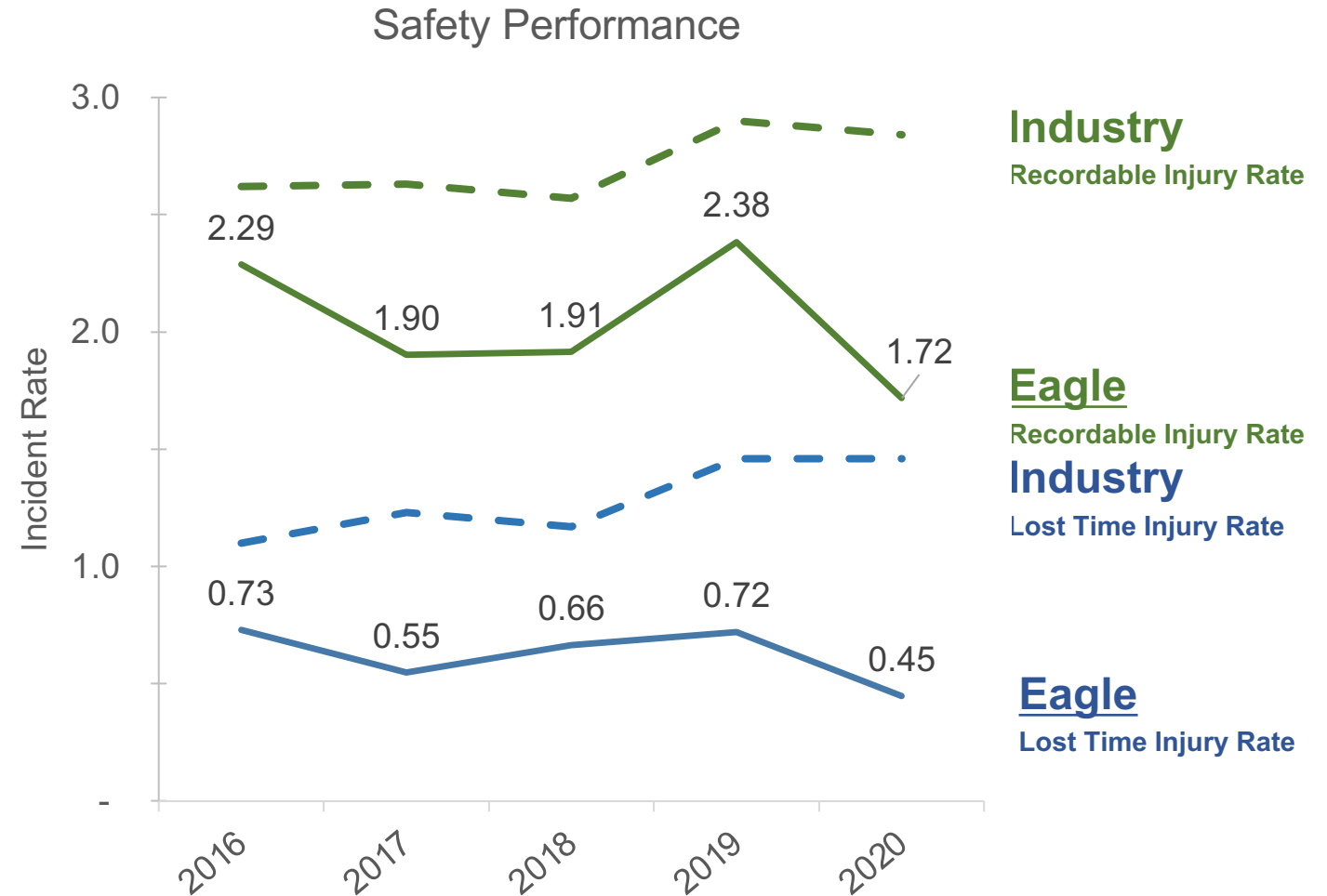


# Labor Health and Safety: Safety Commitment and Results

Eagle has comprehensive safety and wellness processes and policies -- which include clear accountabilities for all team members as well as training and performance targets

Eagle's commitment to safety and the commitment to continuous improvement are clearly evident in our track record of performance results -- in both absolute and comparative measures

Eagle's goal is a fully injury-free workplace, at any level of injury severity





# Labor Health and Safety: Employee Safety Engagement

A key pillar of safety success at Eagle is *employee engagement*

One indicator of engagement is the rate of identification of preventive hazard opportunities

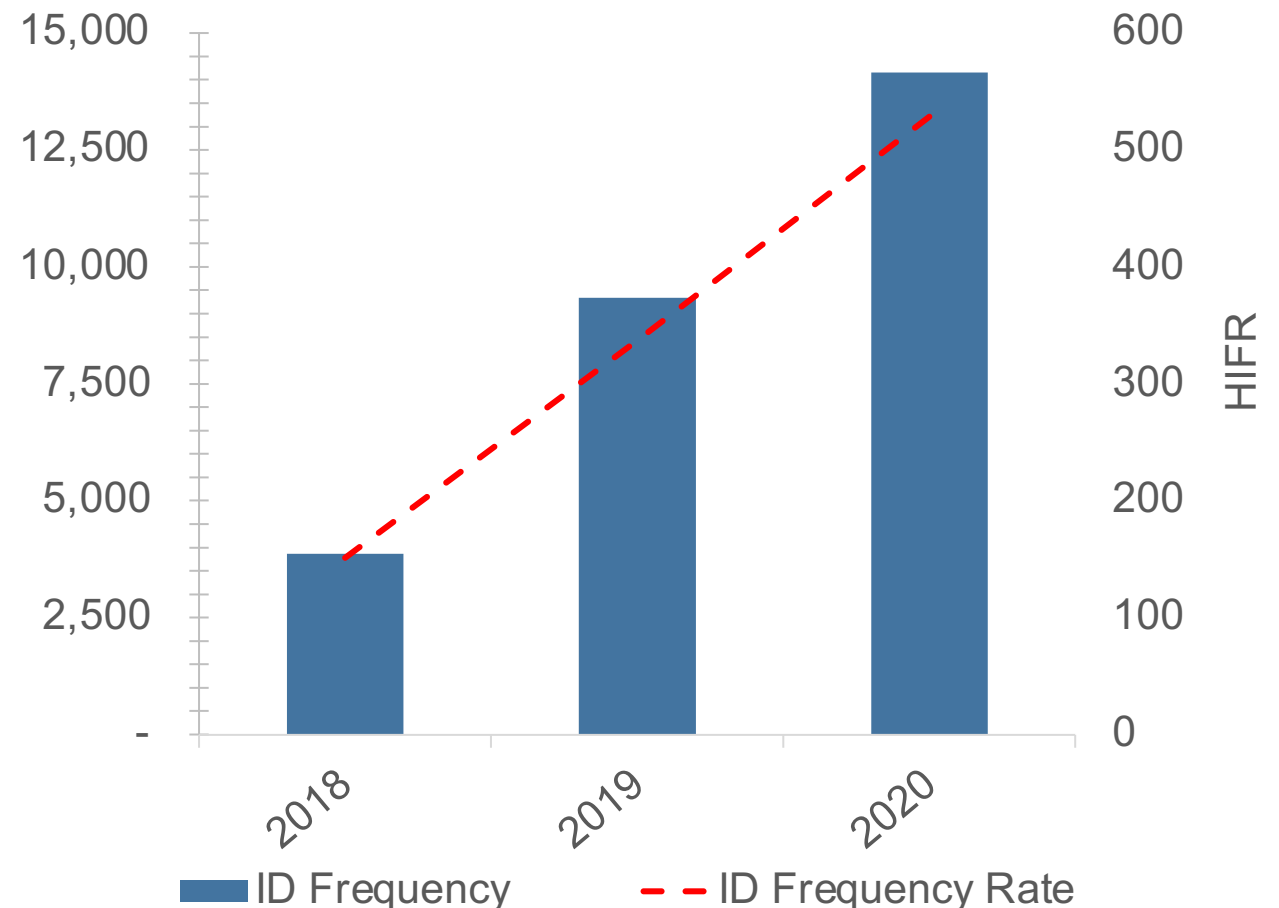
A sign of success and an indicator of engagement are the number of opportunities identified by our employees

These are important leading indicators and the formalization of this identification process company-wide has been a company priority since 2018 due to its importance

More identification is better, as it reflects more attention, awareness, scrutiny and opportunity for follow-up, a key safety training concept at Eagle

Contractor safety is also in the scope of our attention here

Eagle Materials Safety Identification  
Leading Indicator



# Stakeholders and Society: All Constituents are Important

Significant time, attention and resources are devoted to serving key constituents at Eagle, as they are essential to the success of our enterprise

- Accessible, accountable and consultative: top-level executive participation -- usually at least 8 major investor conferences per year
- Executive dialog readily available (outside blackout periods)
- Industry thought leadership widely recognized
- Capital allocation balances high-returning growth and improvement investments with return of cash to shareholders

- Strong relationships with major banks
- Moodys' (Baa2) and S&P rated (BBB-)



- Leaders in customer satisfaction
- Strategic business boundaries limit our competing with our customers

- Safe, well-trained teams
- Process-based workplace flexibility
- Strong pay and benefits

- Self-supply reliance: we own virtually all our raw materials
- We rely on third-parties for those specialized services that are only required episodically

- Transparent, engaged and recognized as good-neighbors in every community in which we operate
- No PACs; no federal lobbying expenditure

# Product Safety, Quality and Brand

- All the products Eagle Materials manufactures and sells are necessities, not luxuries
  - They are essential to the growth and renewal of America and are essential in paving the path to a US net carbon zero future
- Eagle's strategy and focus of innovation is on creating a more socially beneficial product portfolio that uses less of all valued resources to make essential products
  - Less energy, less raw material, less water – less of everything
- Eagle's products generally have great longevity
  - Rigorous quality control processes ensure performance specifications are consistently met – Eagle's reputation in the industry is unmatched

# Appendix

- Adjusted EBITDA reconciliation
- Tabular trend data

# Adjusted EBITDA Reconciliation

\$ in millions, Fiscal Year Ending March 31

	FY 19	FY 20	FY 21
Net Income	\$ 69	\$ 71	\$339
(Earnings) Losses from Discontinued Operations	155	160	(5)
Income Taxes	60	25	90
Interest Expense, Net	28	38	44
Depreciation, Depletion and Amortization	91	102	129
<b>EBITDA</b>	<b>\$403</b>	<b>\$396</b>	<b>\$597</b>
Impairment Losses (a)	37	25	-
Purchase Accounting for Kosmos (b)	-	7	4
Paper Mill Expansion Costs (c)	-	5	-
Gain on Sale of Businesses	-	-	(52)
Litigation Losses	2	-	-
Business Development Costs (d)	-	18	7
Equity in Earnings of Unconsolidated JV (e)	(39)	(43)	(37)
Distributions from JV (e)	34	34	36
Stock Based Compensation Expense	15	20	15
<b>Adjusted EBITDA</b>	<b>\$452</b>	<b>\$462</b>	<b>\$570</b>

“EBITDA” is defined as net income plus interest, taxes, depreciation, depletion, and amortization. We adjust EBITDA for certain items that are not reflective of the normal earnings of our business (“Adjusted EBITDA”). GAAP does not define EBITDA or Adjusted EBITDA and they should not be considered as alternatives to earnings measures defined by GAAP, including net income. We use Adjusted EBITDA to assess the operating performance of our consolidated business, as a measure within our lending arrangements, and as a basis for strategic planning and forecasting as we believe that it closely correlates to long-term shareholder value. As a widely used metric by analysts, investors, and competitors in our industry, we believe Adjusted EBITDA also assists investors in comparing a company's performance on a consistent basis without regard to depreciation, depletion, amortization, and other items which can vary significantly depending on many factors. In addition, our presentation of EBITDA and Adjusted EBITDA may not be the same as similarly titled measures reported by other companies, limiting its usefulness as a comparative measure. The following shows the calculation of EBITDA and Adjusted EBITDA and reconciles them to net earnings (loss) in accordance with GAAP. “Adjusted EBITDA Margin” is defined as Adjusted EBITDA divided by Revenue.

- Key
- (a) Represents asset impairment losses related to retained frac-sand assets recorded in Fiscal 2020 and 2019
  - (b) Represents the expenses of the annual maintenance outage at Kosmos which occurred shortly after the acquisition in March 2020, and the impact of purchase accounting on inventory costs
  - (c) Represents the impact of an outage at the Republic Paperboard mill associated with the mill expansion
  - (d) Represents non-routine expenses associated with acquisitions and separation costs
  - (e) Reflects our 50% interest in the JV (Texas Lehigh Cement Company LP) using the equity method of accounting

# Cement Operations Trend Data Tables

Carbon	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
mtons CO2e/mton cementitious product	<b>0.86</b>	0.84	0.84	0.80	0.82	0.78	0.80	0.83	0.74	<b>0.72</b>

Emissions	2015	2016	2017	2018	2019	2020
lbs PM/ton clinker	<b>0.44</b>	0.45	0.44	0.41	0.34	<b>0.35</b>
lbs NOx/ton clinker	<b>3.95</b>	4.17	4.00	3.93	3.43	<b>3.47</b>
lbs Hg/MMton clinker	<b>120.12</b>	102.17	85.70	48.33	45.42	<b>27.65</b>
lbs VOC/ton clinker	<b>0.18</b>	0.18	0.18	0.17	0.17	<b>0.15</b>
nanograms D/F TEQ/ton clinker	<b>24.59</b>	22.87	21.99	26.48	15.06	<b>15.99</b>