

Eagle Materials Inc.
*Environmental and Social
Disclosure Report*

About This Report

This report provides information regarding many of the environmental and social initiatives undertaken by Eagle Materials Inc. (the “Company”). This report should be read in conjunction with the information contained in the Company’s Annual Report on Form 10-K for the year ended March 31, 2022 and its Proxy Statement for the Annual Meeting of Stockholders, which was held on August 5, 2022.

Unless otherwise stated herein, statements in this report are made as of February 2023, and neither the delivery of this report or its availability on the Company’s website shall create an implication that the information contained herein is accurate, correct or complete as of any time subsequent to such date.

Certain general economic, industry and market information contained in this report has been obtained from published sources, including sources that are publicly available. Although such sources are generally believed to be reliable, the Company has not verified, or assumes any responsibility for, the accuracy or completeness of such information.

Matters described in this report, including matters described as “important” or “material,” or using similar words, are matters that are deemed important in the context of our environmental and social measurement and reporting activities, and may not necessarily be deemed material for purposes of securities laws or for purposes of our financial statements and financial reporting.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements, which may be identified by their context and generally arise when the Company is discussing its beliefs, estimates or expectations as to future events. These statements are not historical facts or guarantees of future performance but instead represent only the Company’s belief at the time the statements were made regarding future events which are subject to certain risks, uncertainties and other factors, and many of which are outside the Company’s control. Actual results and outcomes may differ materially from what is expressed or forecast in such forward-looking statements.

The risks, uncertainties and other factors to which the forward-looking statements in this report are subject include those described in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2022 and subsequent quarterly and annual reports upon filing. These reports are filed with the Securities and Exchange Commission. The Company undertakes no duty to update any forward-looking statement to reflect future events or changes in the Company’s expectations.

Disclosure Report Topics

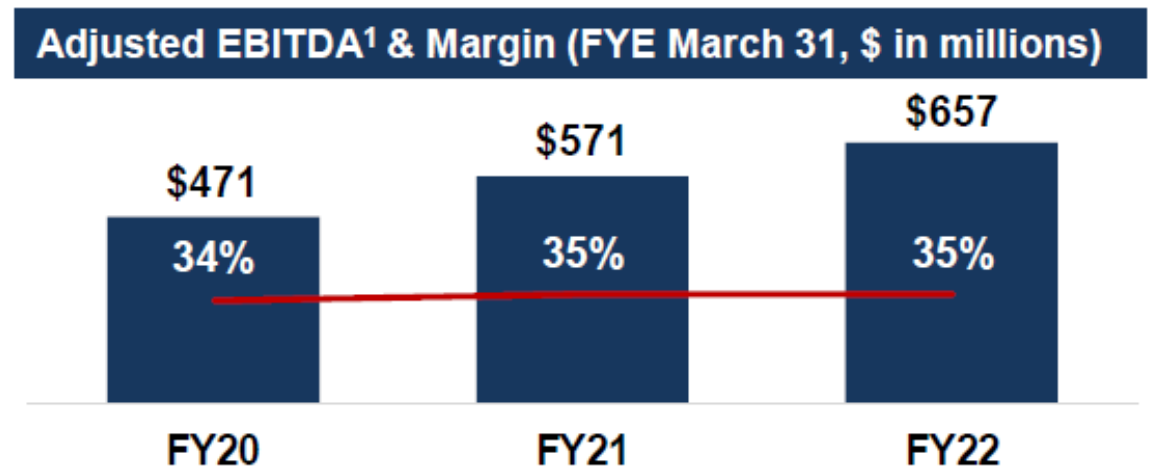
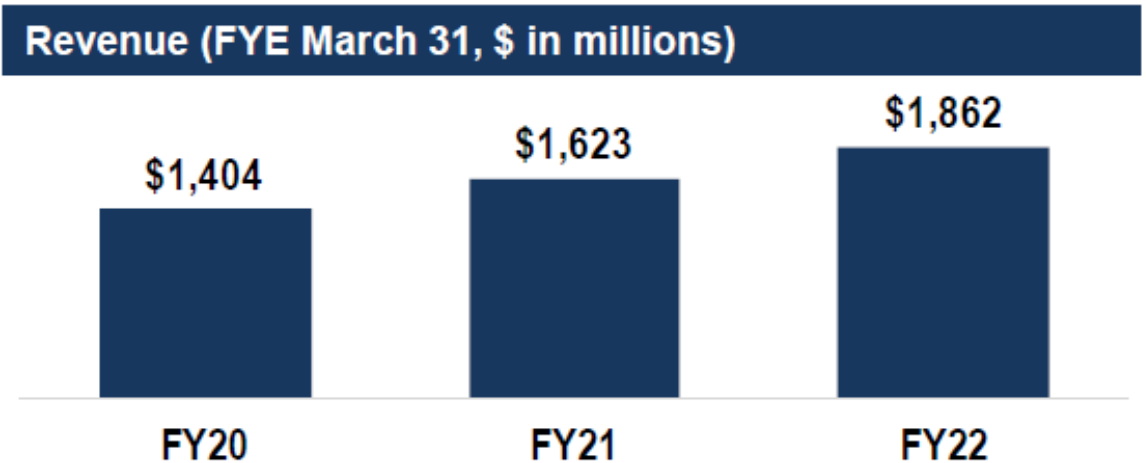
- **Eagle Materials: Who We Are and What We Stand For**
- **Environmental**
 - Eagle's CO₂ Reduction Agenda and the Cementitious Value Chain
 - Management of Environmental Risks and Opportunities
 - Natural Resources
 - Key Mid-Term Goals and Longer-Term Net Zero Aspirations
- **Social**
 - Health and Safety
 - Stakeholders and Society
 - Product Safety, Quality and Brand
 - Key Disclosures

Who We Are

A Nearly 60 Year Track Record of Achievement

- Founded in 1963 as a subsidiary of Centex Corp.
- Completed the IPO in 1994 and stock began trading on the NYSE
- In 2004, Centex spun off Centex Construction Products which became Eagle Materials Inc.
- Today Eagle is a \$5 billion market cap enterprise

NYSE: EXP



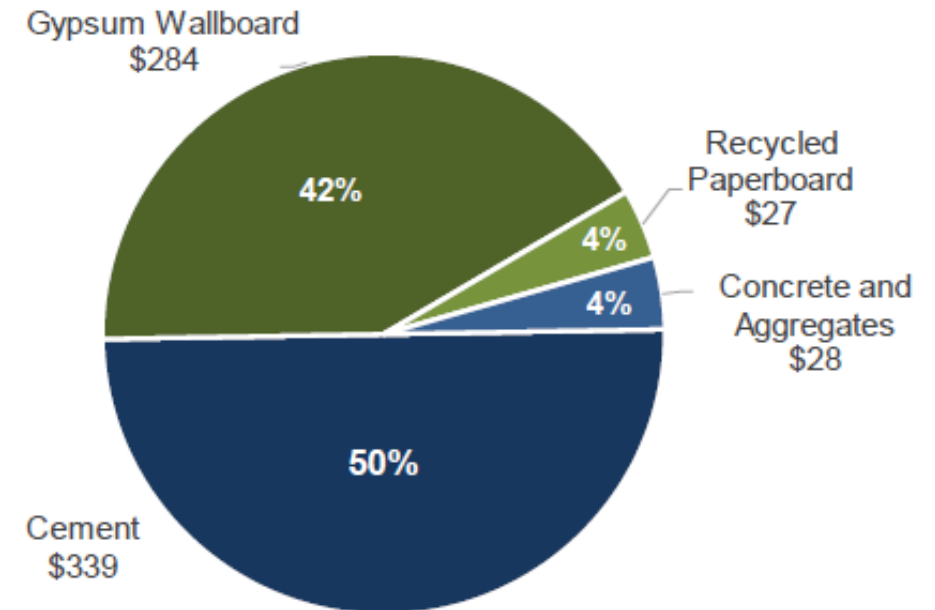
¹ Adjusted EBITDA is a non-GAAP measure; the most directly comparable GAAP measure is net income, and net income for each period is presented in the Appendix

Who We Are

We Manufacture Necessities Not Luxuries

- Our two major product lines are Portland **cement** and gypsum **wallboard**, today proportionately 50/50 (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 materials, and enjoy significant self-sufficiency with many decades of supply that is highly proximate to our production facilities

Operating Earnings + DD&A by Segment
for FYE Mar-22 (\$ in millions)



Who We Are

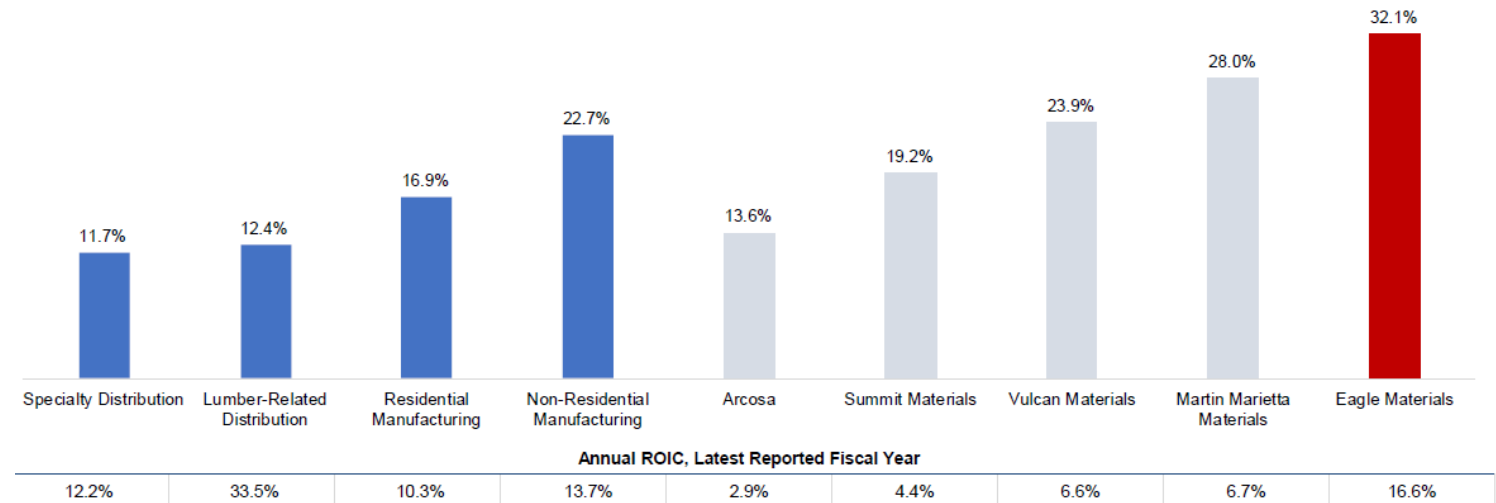
Doing More With Less is Our Essential DNA

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 distinguished across all building materials industry sectors, both domestic and international

Comparative on Building Products EBITDA Margins Last Twelve Months (Reported)



Source: Factset as of Aug-2022; EBITDA Margin is a non-GAAP measure

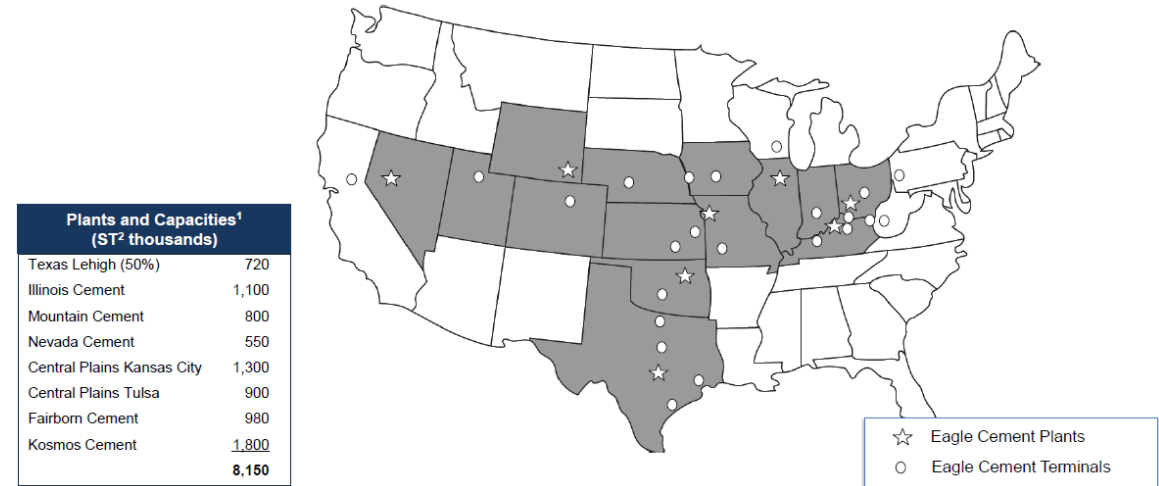
Who We Are

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 the associated carbon footprint

Cement US Heartland System

Strategic Geographic Focus, Away from US Coastlines (Imports)



Gypsum Wallboard and Paperboard System

US Sunbelt Strategic Geographic Focus

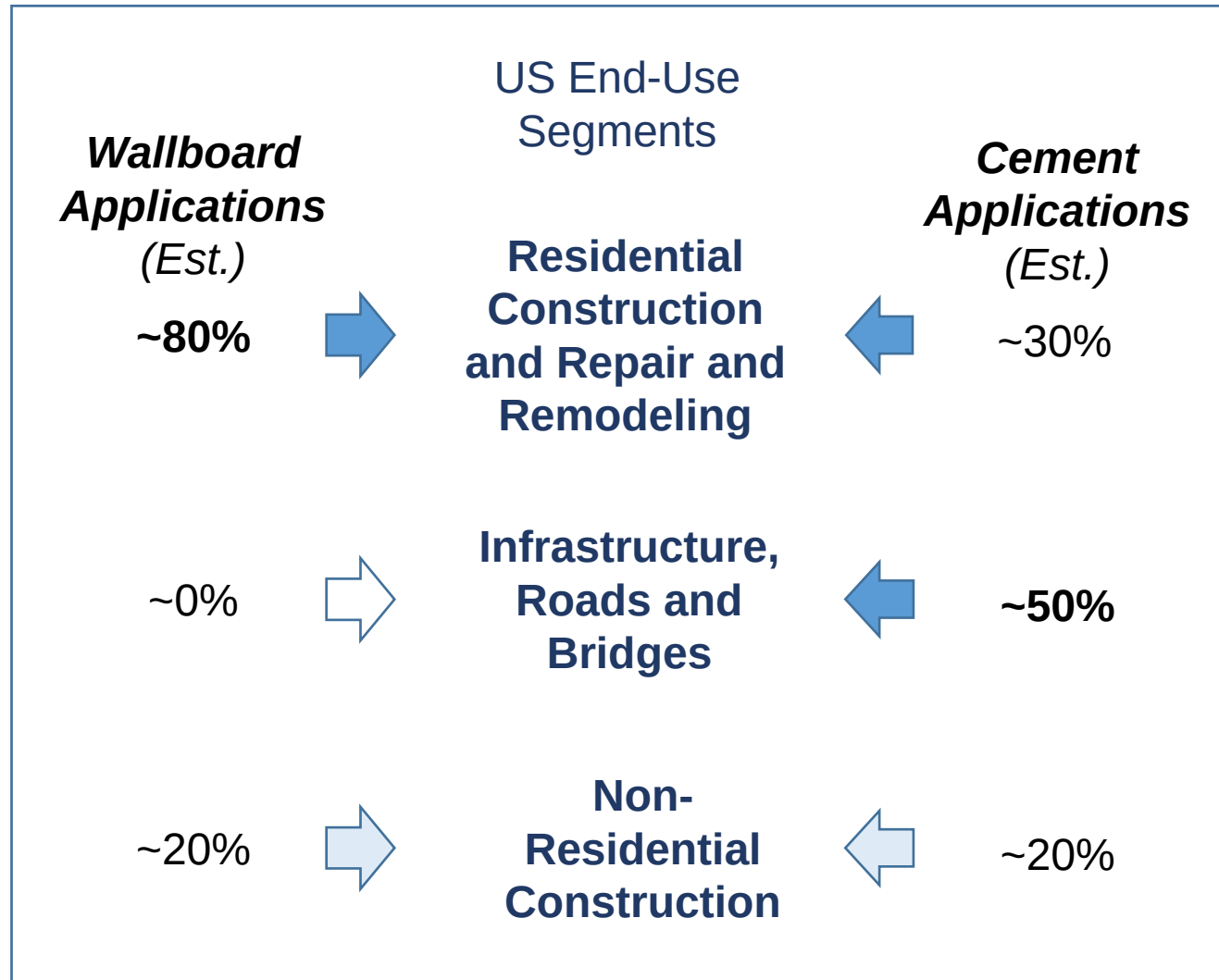


Who We Are

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

- Unrivaled 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 – less raw material, less energy, less water -- less of everything -- to make the same commodity products as others has always been our goal
- 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
- Pursuing 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

Disclosure Report Topics

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

- **Environmental**

- Eagle's CO₂ Reduction Agenda and the Cementitious Value Chain
- Management of Environmental Risks and Opportunities
- Natural Resources
- Key Mid-Term Goals and Longer-Term Net Zero Aspirations

- **Social**

- Health and Safety
- Stakeholders and Society
- Product Safety, Quality and Brand
- Key Disclosures and Affirmations

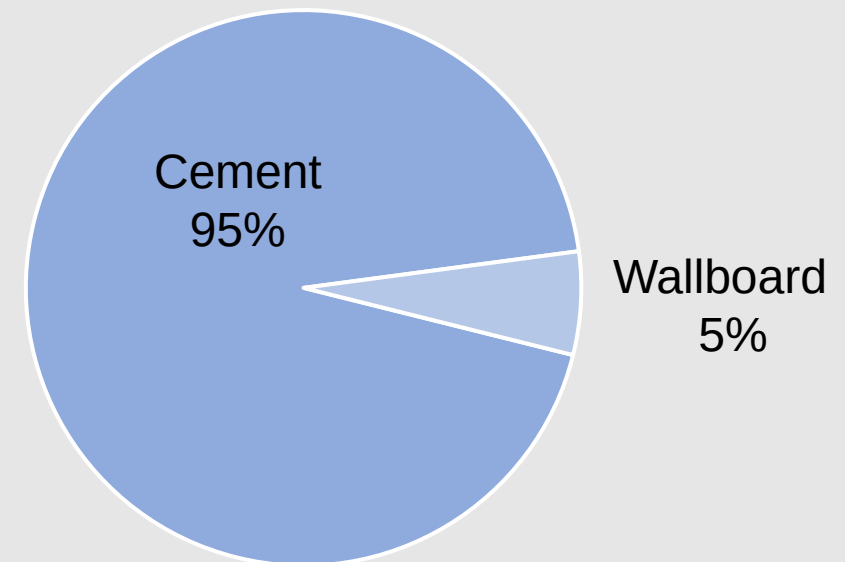
Environmental

Special Challenges, Special Obligations

- Eagle's investment agenda at every plant, both heavy (cement/concrete/aggregates) and light (wallboard/paperboard), has always emphasized
 - 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 Emission Intensity



Emissions in Perspective: 2022 Fossil Gt CO₂ Estimates

All Sectors Have a Role to Play in Reducing Carbon Emissions



Note: Global, US, Global Cement are from the Global Carbon Project
Median metric ton of CO₂ per metric ton for US cement is 0.776 (US EPA) x 93 MMT estimated US cement production
Figures do not count cement carbonization benefits, estimated globally at 0.9 Gt net reduction

US Cement Portion
0.072

Eagle Materials
0.006

Environmental: US Regulatory Perspective

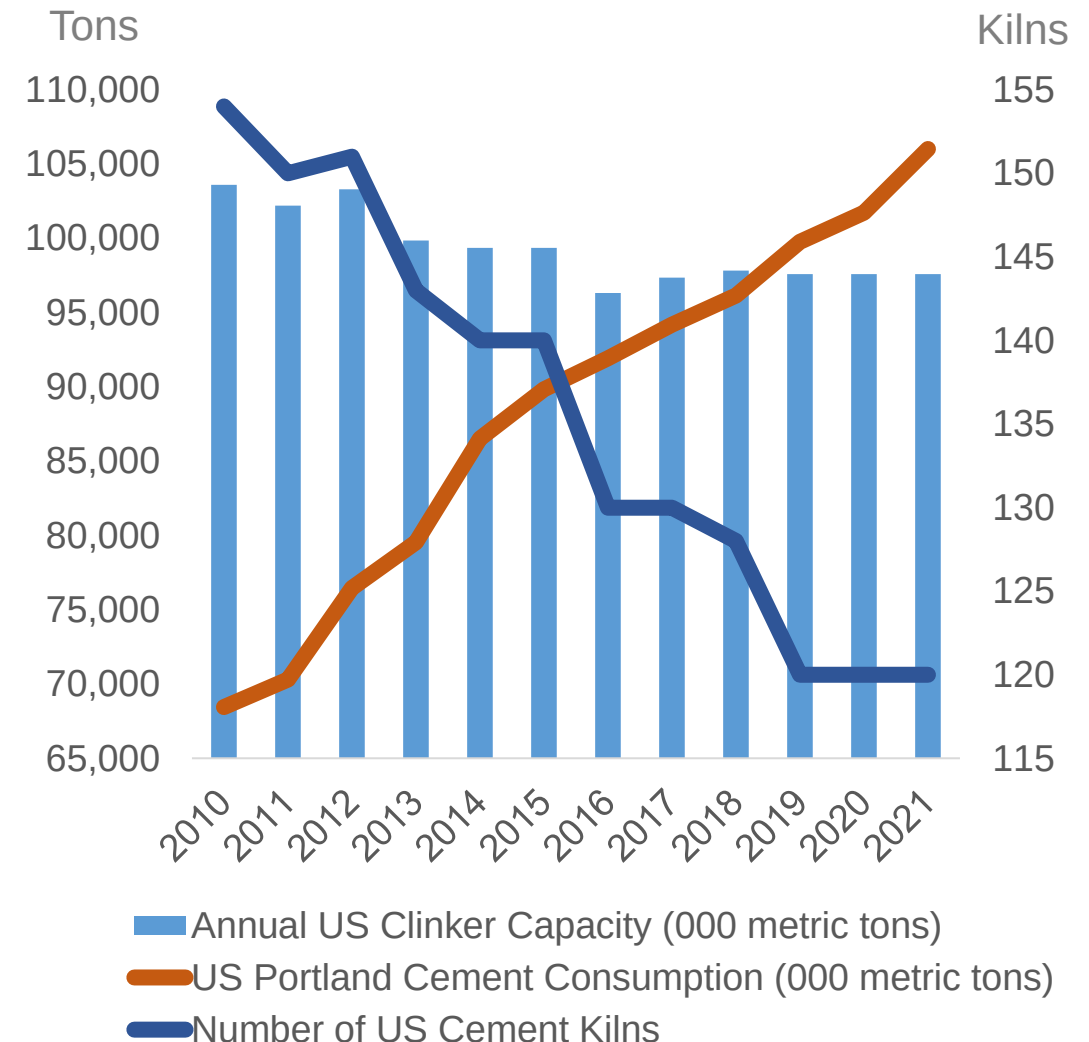
Stringent US Cement Manufacturing Regulations

US environmental regulations for cement are stringent -- US NESHAP regulations that were enacted in the early 2010s and other US regulations have made permitting of new plants or expansion of clinker capacity at existing plants very challenging (cost, technology, permit limits)

- In fact, in recent years as cement consumption has increased by 55%, the number of US cement kilns has been reduced by 22% and clinker capacity has dropped by 6%, reflecting the difficulty of meeting these regulations

US cement demand is above US total productive capacity today

- 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, different emissions standards)



Our Objective is to Reduce the CO₂ Intensity of Production

A Note on Comparisons

- The best measure of our progress on this objective is *our trend improvement results*
- Comparisons against our prior years' performance can be more useful for us than comparisons to other cement producers for the following reasons
 - Eagle is a US-only producer, bound by US laws and product performance standards, i.e., ASTM C-150 Standard (American Society for Testing and Materials), and Eagle's strategy is fairly unique in this singular geographic focus
 - Meeting US standards generally requires a higher clinker content for cement in comparison to many (if not most) other parts of the world, reflecting differences in product end-use applications, prevailing construction standards and expectations about longevity of structures
 - Most US cement today is produced by multi-national firms that measure and report CO₂ progress at the cementitious level for their worldwide operations, hence the geographic location-mix of operations and prevailing local market standards can be key drivers of CO₂ intensity results
 - US cement production energy efficiency has progressed to the point of literally approaching theoretical maximums, and are consistent with US emissions requirements which are exceedingly stringent -- According to the PCA (Portland Cement Association) the US has seen a 35% reduction in the amount of energy to produce cement over the last 47 years

Environmental

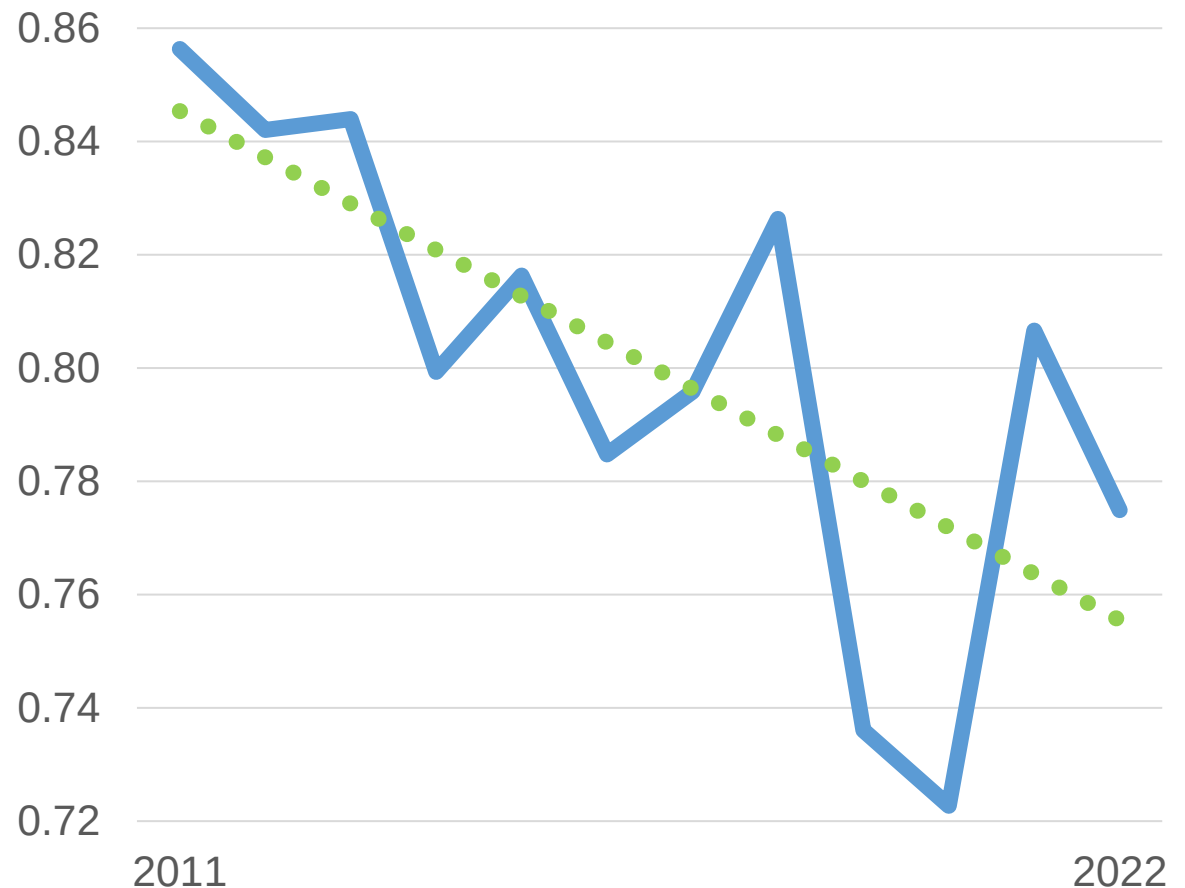
CO₂ Measurement and Disclosure

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

... we have continued to make significant progress in reducing our per unit CO₂ emissions – on our journey to value chain carbon neutrality

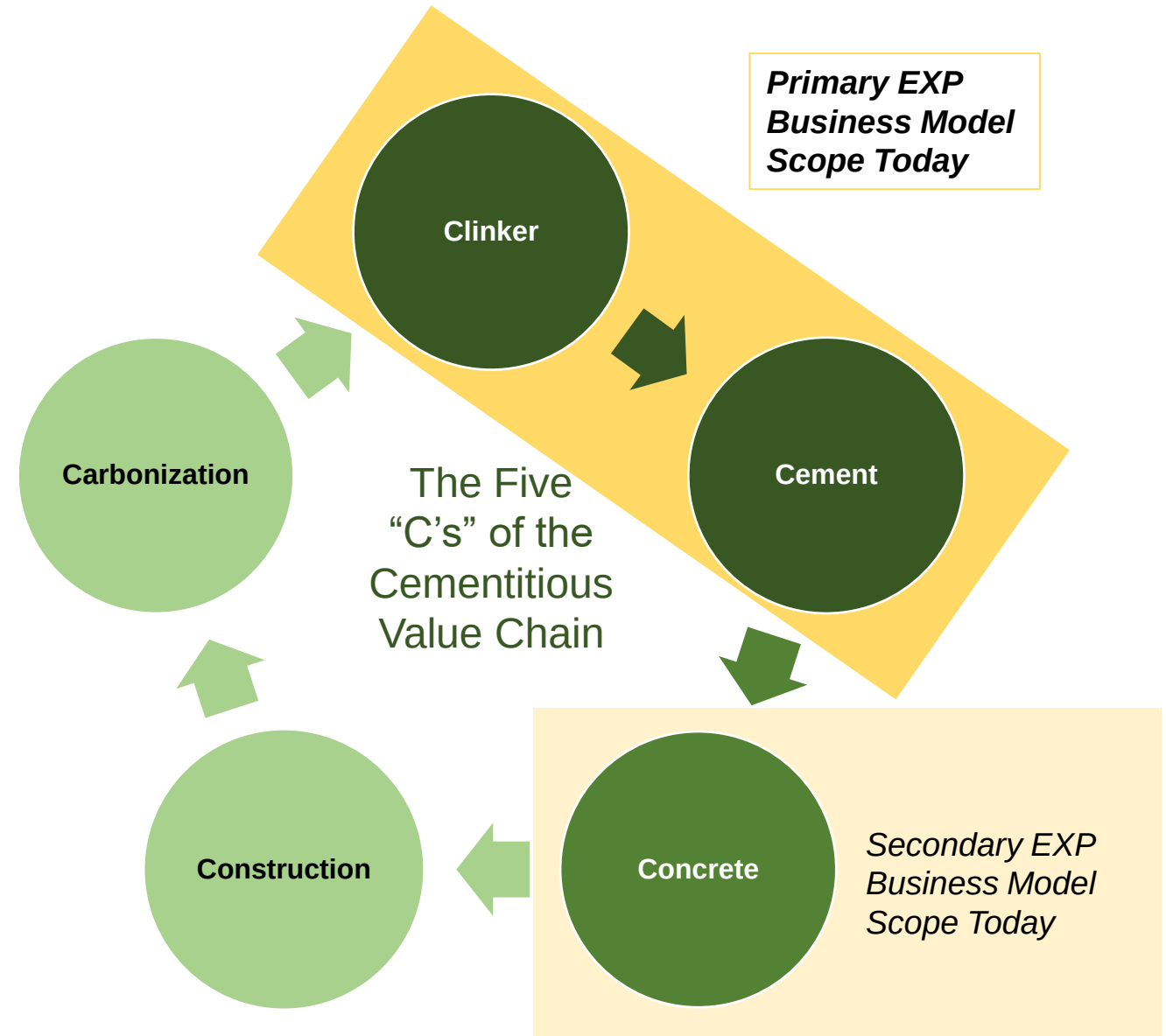
Note: Year-to-year variations are heavily influenced by acquisitions, integration activities, divestitures and interval operating postures – e.g., the largest acquisition in company history, Kosmos Cement, occurred in 2020

CO₂e/ton cementitious product
CO₂e as reported



Environmental Value Chain

- It is essential to consider the entire cementitious value chain, as each element represents *opportunities and constraints* that inform the agenda for attaining a
 - Net zero CO₂ 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



Environmental

Carbon Footprint Reduction

*Chain element with the greatest **long-term** US carbon intensity reduction potential for Eagle and the industry*

Carbonization

Clinker

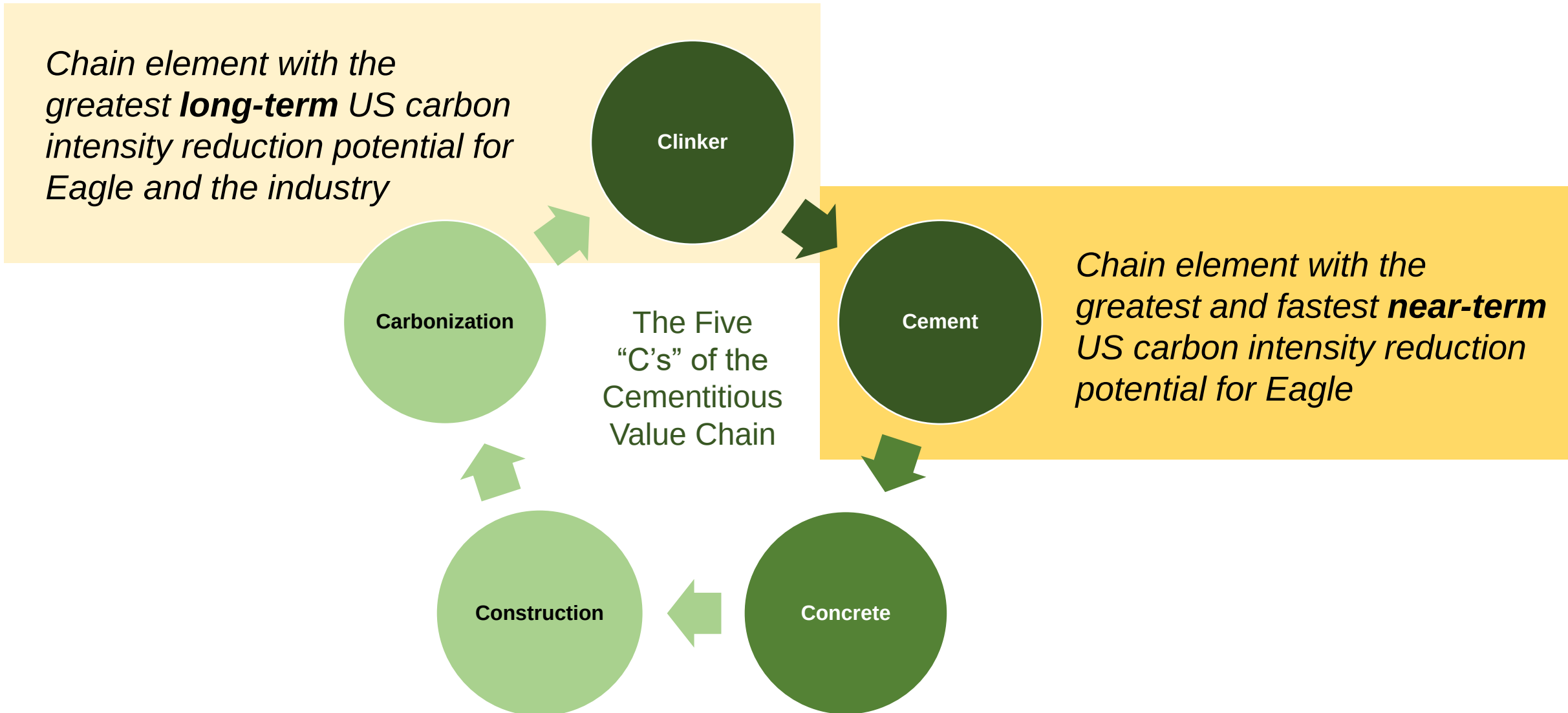
Cement

*Chain element with the greatest and fastest **near-term** US carbon intensity reduction potential for Eagle*

The Five
“C’s” of the
Cementitious
Value Chain

Construction

Concrete



Near-Term High Impact Lever

Portland Limestone Cement

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

Eagle's goal and company priority is to maximize the utilization of limestone cement to realize both the environmental and economic benefits

- Represents an opportunity to reduce our carbon intensity by up to 10%
- Eagle is operating at near full production capacity in cement
- Limestone cement adoption will also make the product “go farther” and reduce reliance on foreign imports that have a much higher carbon intensity



HERE ARE 5 GOOD REASONS TO SWITCH TO PORTLAND-LIMESTONE CEMENT.

GIVE ME ONE GOOD REASON I SHOULD SWITCH TO PORTLAND-LIMESTONE CEMENT.

resulting in more efficient packing and the formation of a denser matrix. The net result is stronger concrete with improved durability.

SCMs

help optimize the performance of concrete. SCMs are compatible with the PLC and can make concrete even more durable.

 Eagle Materials

Example of promotional materials

Near-Term High Impact Lever

Portland Limestone Cement

Two major things need to occur for us to meet our aspirations for Portland Limestone Cement (PLC)

1. Individual US State Department of Transportation approvals for use in key applications
2. Retrofit of Eagle facilities to accommodate production, primarily grinding, blending and conveyance systems

A Company Priority and a Key Company Goal

- Eagle is committed to achieving a *full product-mix shift to 100% PLC for construction grade applications in the US*
- Over the last two years we have already shifted over 15% of our production to PLC and are targeting 100% for construction grades by 2025
- Achievement of this and related actions would imply a *20% reduction in CO₂/ton* from the 2011 Baseline

Long-Term High Impact Levers

Carbon Capture and Hydrogen Fuel

The Immutable Laws of Science

- The chemical process of heating limestone to 1450 degrees C in a rotary kiln to produce clinker (calcination) inherently creates CO₂ at a cement plant
- Thermal process efficiency at US cement plants generally reach values above 80% of the theoretical maximum
- That level of thermal process efficiency is unparalleled, and although incremental thermal energy efficiency gains can be made, they generally have the smallest opportunity for CO₂ reductions

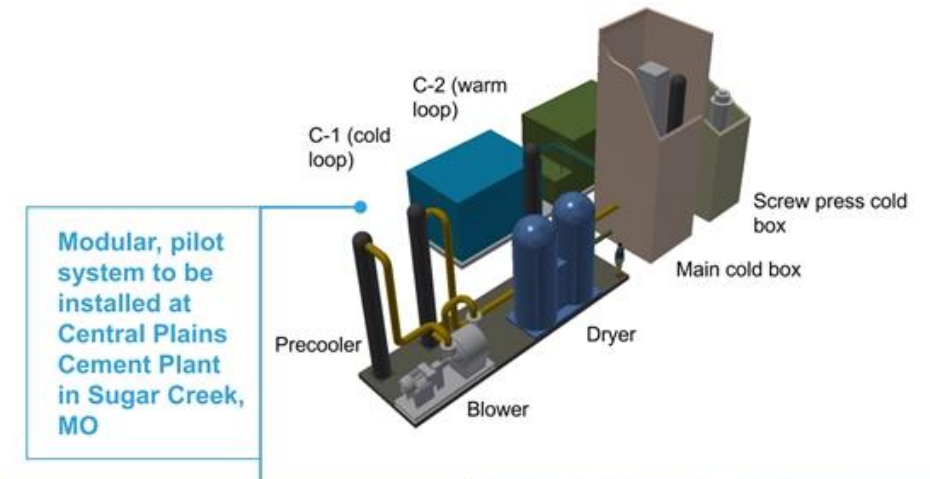
Carbon Capture

- 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 in this arena and Eagle Materials is at the vanguard of participation

Carbon Capture

Eagle is at the Vanguard of Research and Innovation

- The U.S. Department of Energy awarded funding to Chart Industries' Sustainable Energy Solutions to design, build, commission and operate an engineering-scale Cryogenic Carbon Capture (CCC) process at **Eagle Materials Central Plains Cement Co.'s cement plant in Sugar Creek, MO**
- It is one of 12 projects awarded by the DOE to advance point-source carbon capture and storage technologies
- Cryogenic Carbon Capture™ (CCC) is an innovative technology with the potential to reduce carbon emissions from fossil-fuel power plants and industrial facilities by 90–99% at half the cost and energy of alternative carbon capture technologies
- The project intention is to demonstrate that it captures more than 95% of the CO₂ from the flue gas slip stream and produces a CO₂ stream that is more than 95% pure
- Chart Industries has noted that researchers at Massachusetts Institute of Technology recognized the CCC technology as the most promising competitive carbon capture, utilization and storage (CCUS) solutions



Cement is Essential to Any Pathway to a Net-Zero America

Princeton University Research Report

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.”



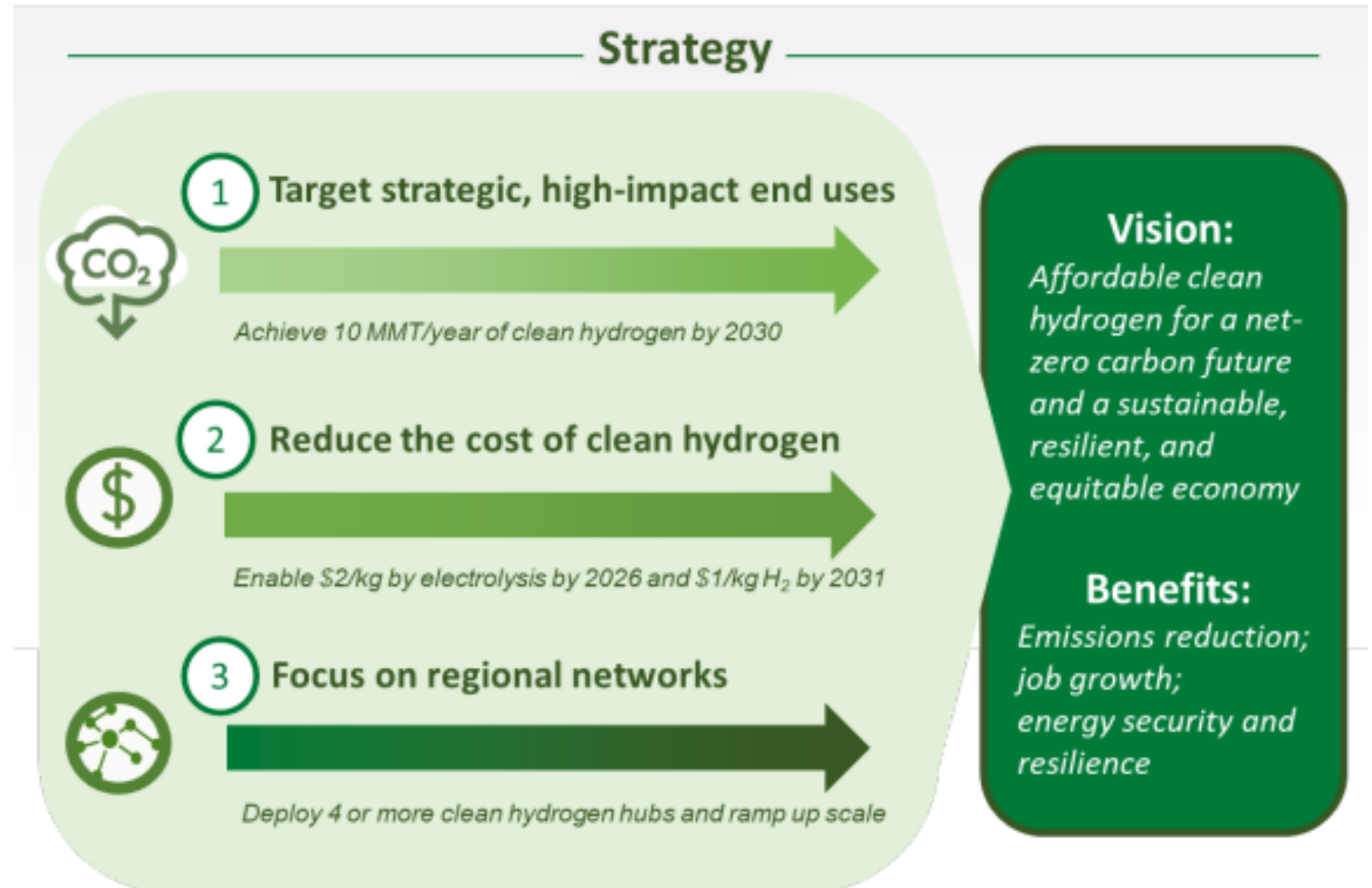
Key Conclusions for Cement in the Report

- 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.”

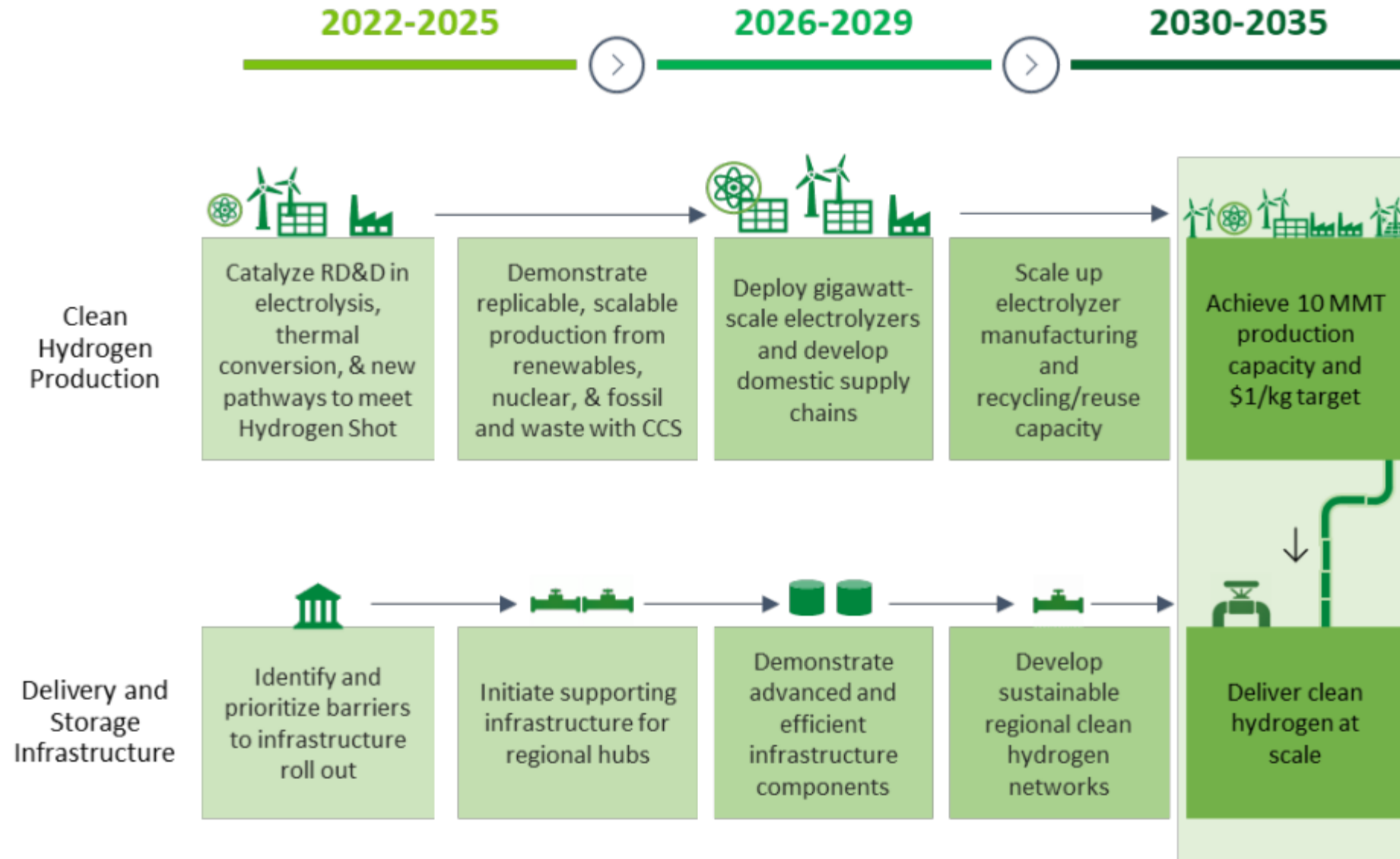
DOE National Clean Hydrogen Strategy and Roadmap

Released September 2022

Rather than competing with alternative low-cost and efficient decarbonization technologies, such as electrification, clean hydrogen is aimed at *end-uses that lack alternatives* and are in industries that can build momentum to enable scale, increase benefits, and drive down cost



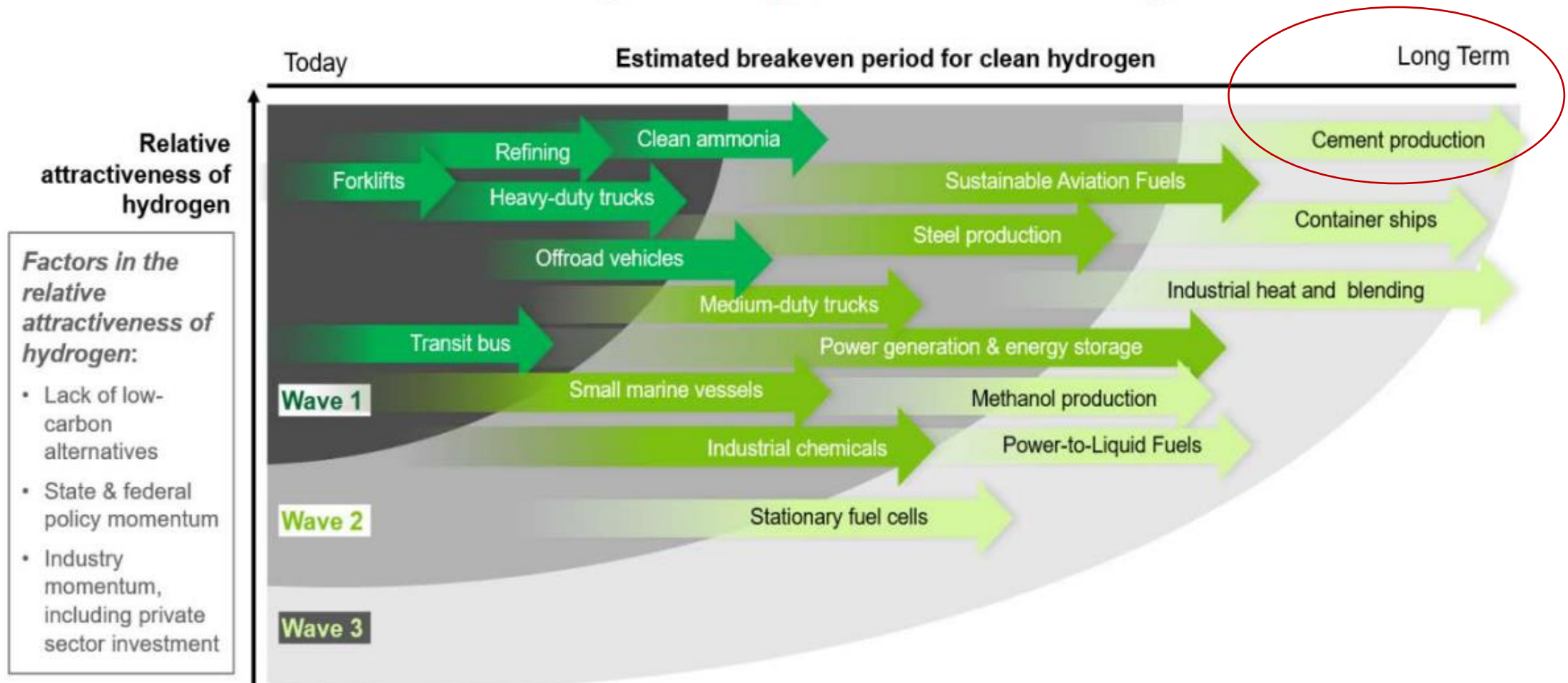
DOE Timeline to 2035 for Production, Delivery and Storage



Cement is Envisioned by DOE for “Wave 3”

Appealing Prospects for Cement But Long-Term

Phases of Clean Hydrogen Development



Other Levers: Alternative Fuels

These Have an Ongoing Role in Reducing Carbon Intensity

- Eagle utilizes lower carbon alternative fuels at several of its facilities
- We are aggressively pursuing new investments to increase our overall alternative fuel utilization and to increase the number of options available to us for replacing traditional fuels
- Permitted alternative fuels for our facilities include such alternative sources as
 - TDF – Tire Derived Fuels
 - LFG – Land Fill Gas
 - RDF – Refuse Derived Fuel
 - FQW – Fuel Quality Waste
- Through the use of alternative fuels, we conserve natural resources, reduce our CO₂ intensity and avoid use of landfills



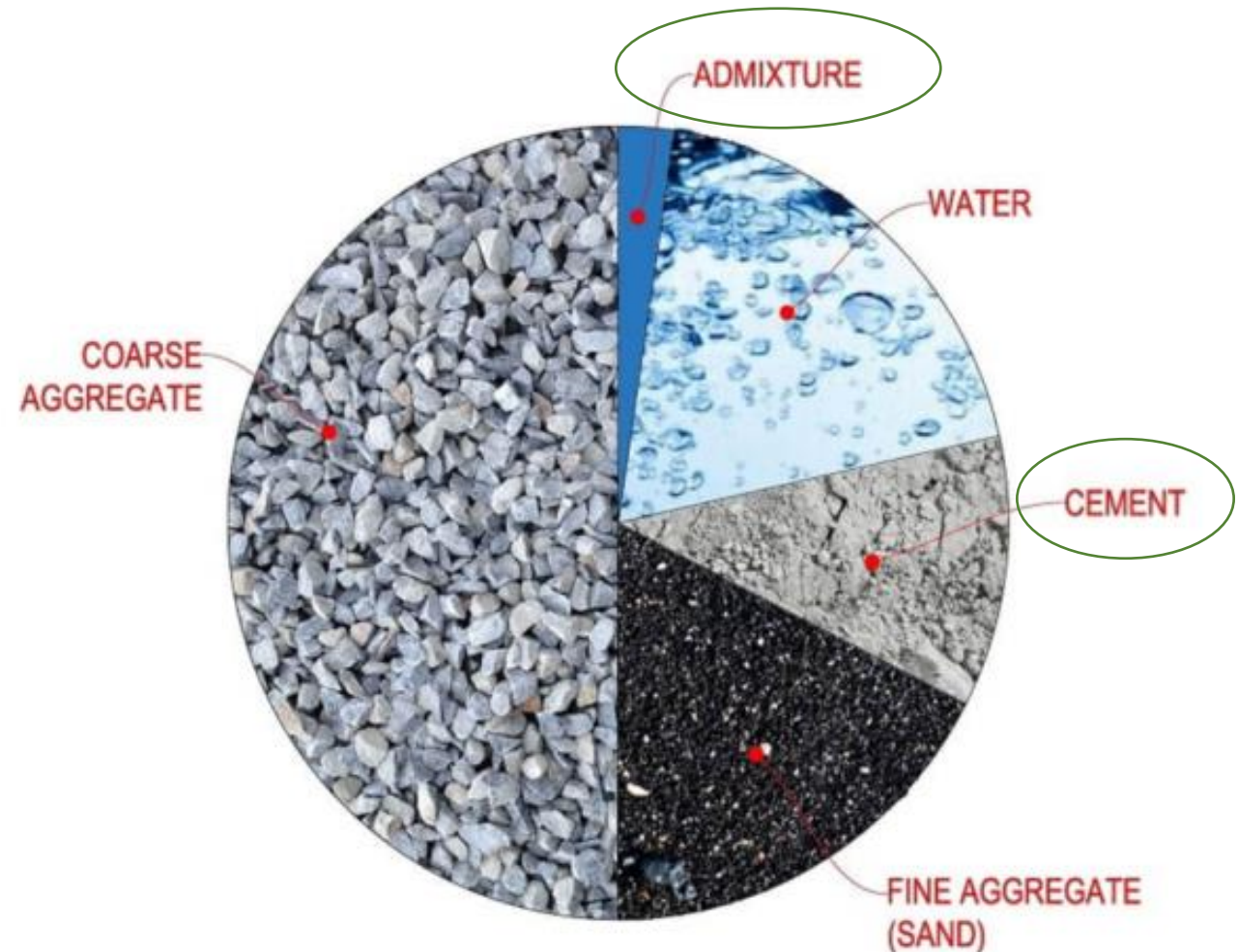
Concrete

The Third Element of the Value Chain

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



Concrete Environmental Focus

Admixtures and Mineralizers

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 CO₂ Technology

CarbonCure injects a precise dosage of captured carbon dioxide (CO₂) into concrete, where the CO₂ becomes chemically converted into a mineral

Target Being Tested



CarbonCure for Ready Mix

Vision Being Tested

CO₂ 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

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 CO₂ 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 Eagle 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 as advocates in 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

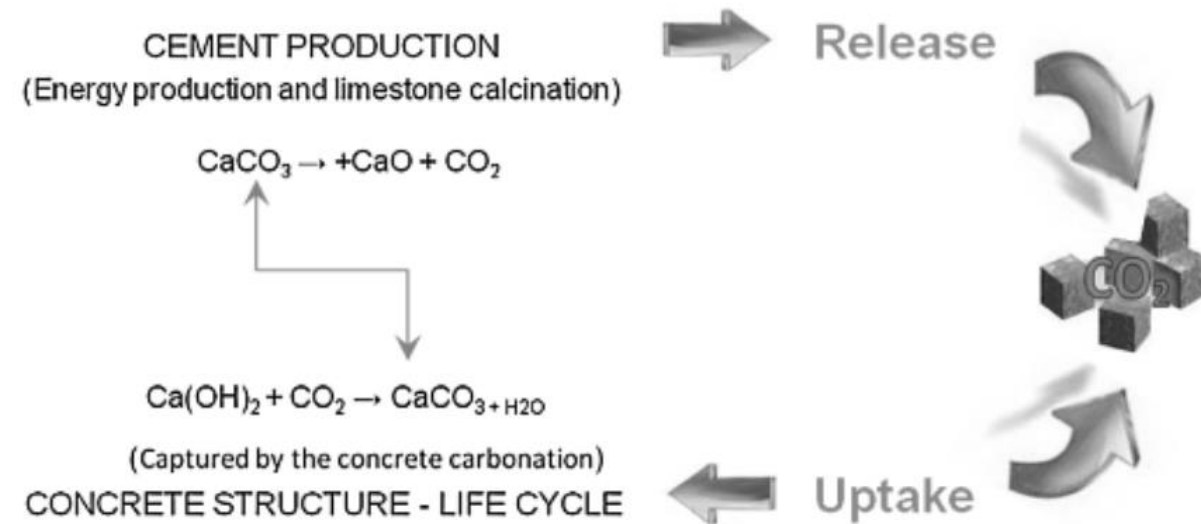
Concrete naturally absorbs carbon dioxide over its lifetime as part of a chemical process called “carbonization”

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 CO₂ emissions*

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

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



*Team led by Zhu Liu of the Resnick Sustainability Institute at Caltech: *Nat. Geosci.* 2016, DOI: [10.1038/ngeo2840](https://doi.org/10.1038/ngeo2840)

Environmental

Carbonization Agenda

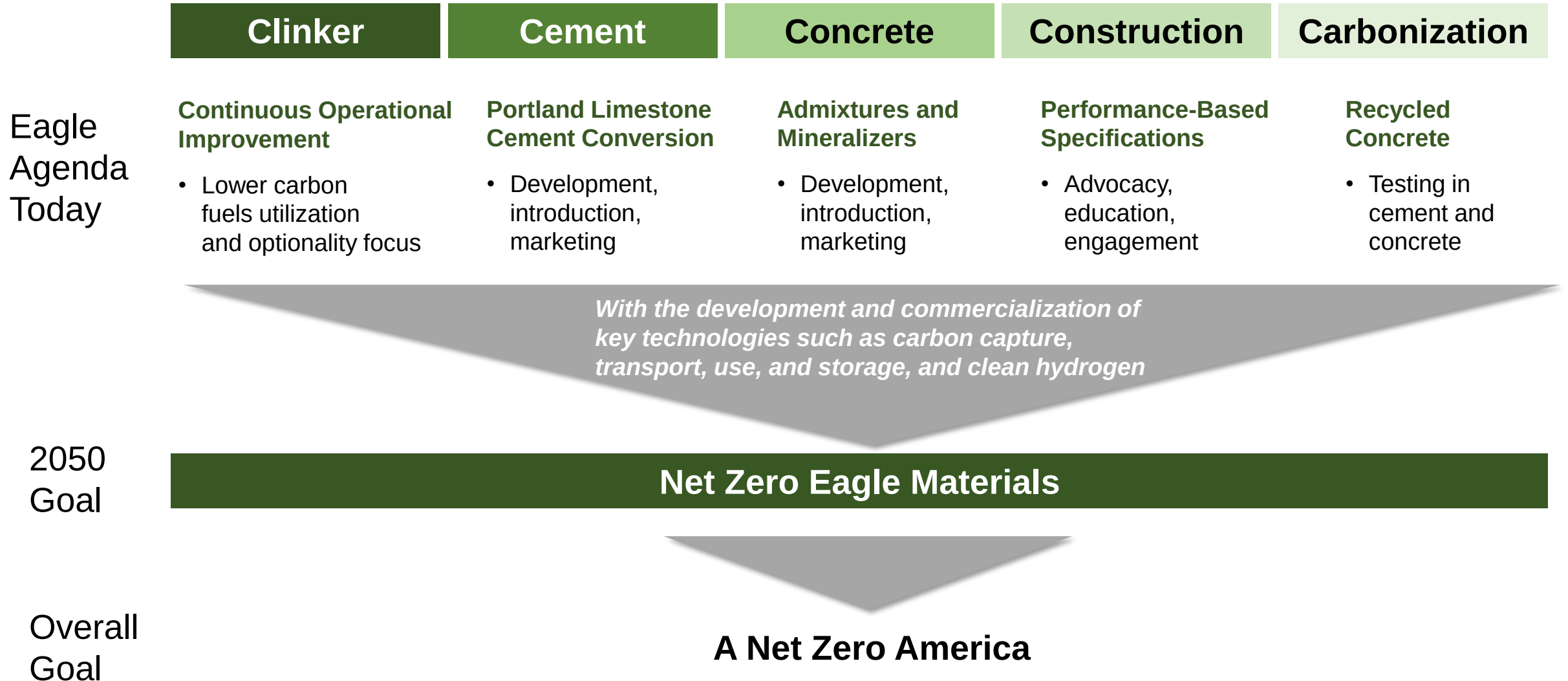
The positive effects of re-carbonization can be amplified through the demolition of concrete structures after useful life

Recycled concrete has a higher surface area and can more easily absorb CO₂ within the concrete mixture in 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

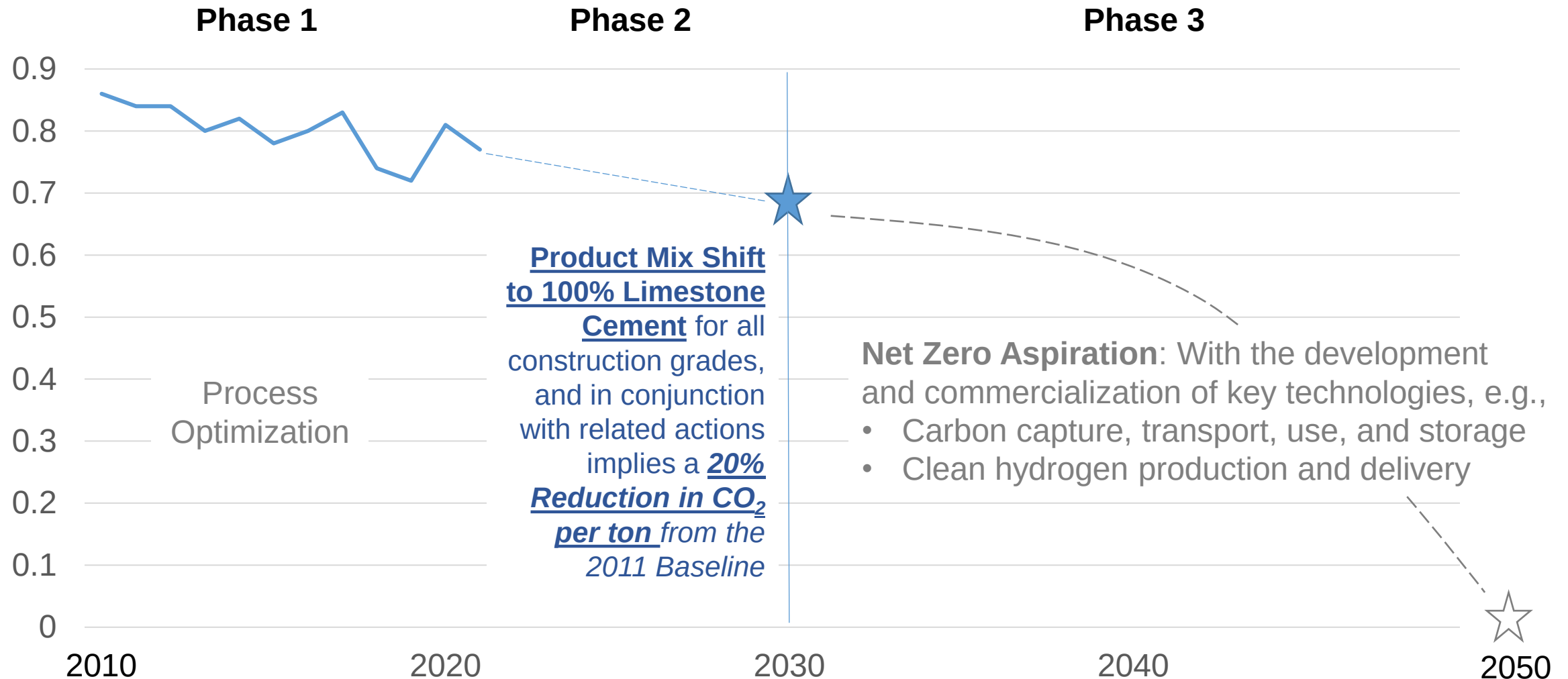
Environmental

Agenda Summary and Goals Roadmap



CO₂e/ton Cementitious Product, CO₂e as reported

Progress, 2030 Goals and Longer-Term Aspirations



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

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

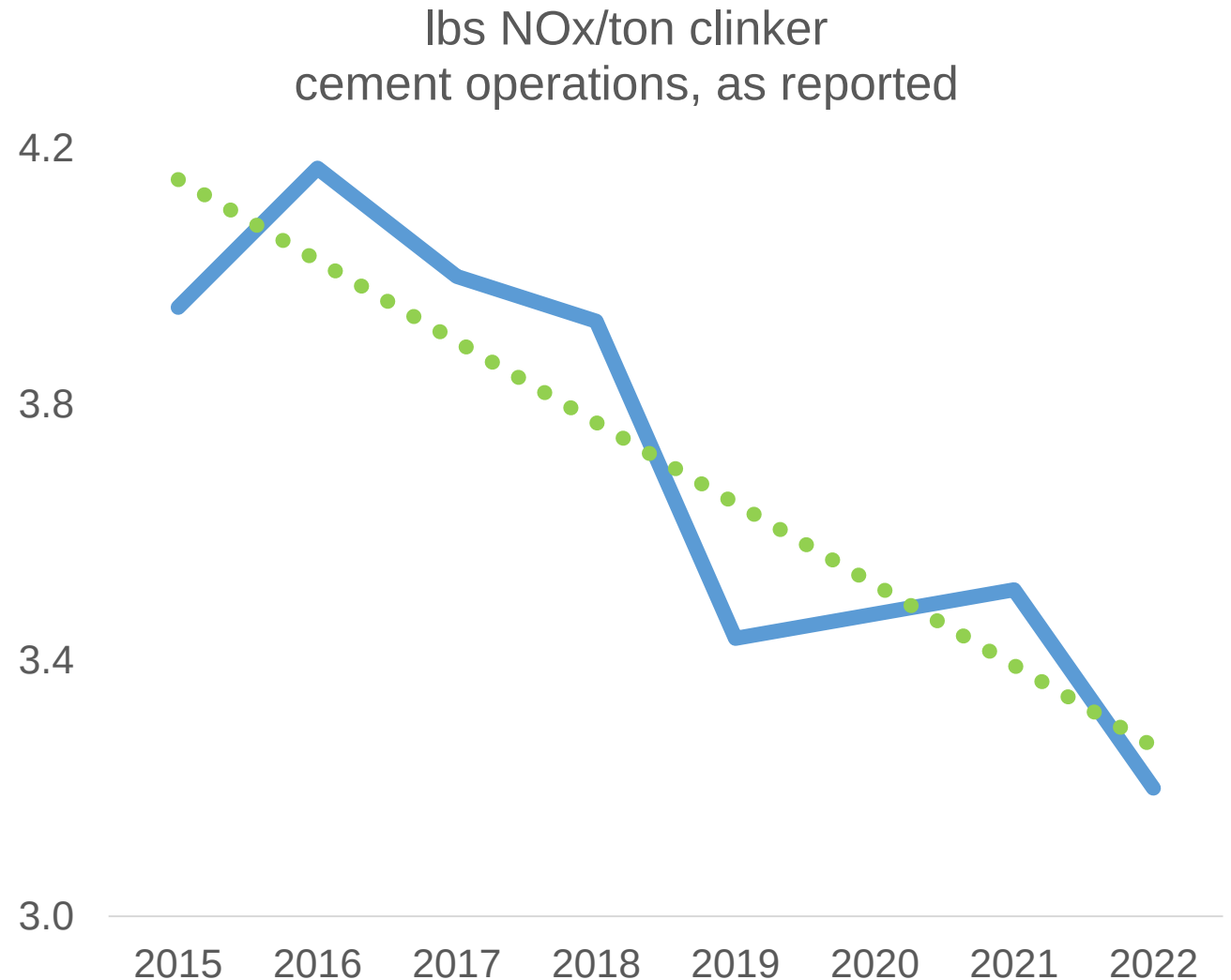
- Nitrogen oxide (NO_x)
- Particulate matter (PM)
- Mercury (Hg)
- Volatile organic compounds (VOC)
- Dioxin/Furan Toxic Equivalency (D/F TEQ)
- Sulfur dioxide (SO₂)

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

At Eagle we strive to **minimize all emissions** as well as **optimize our processes** in keeping with the underlying intention of these stringent regulations

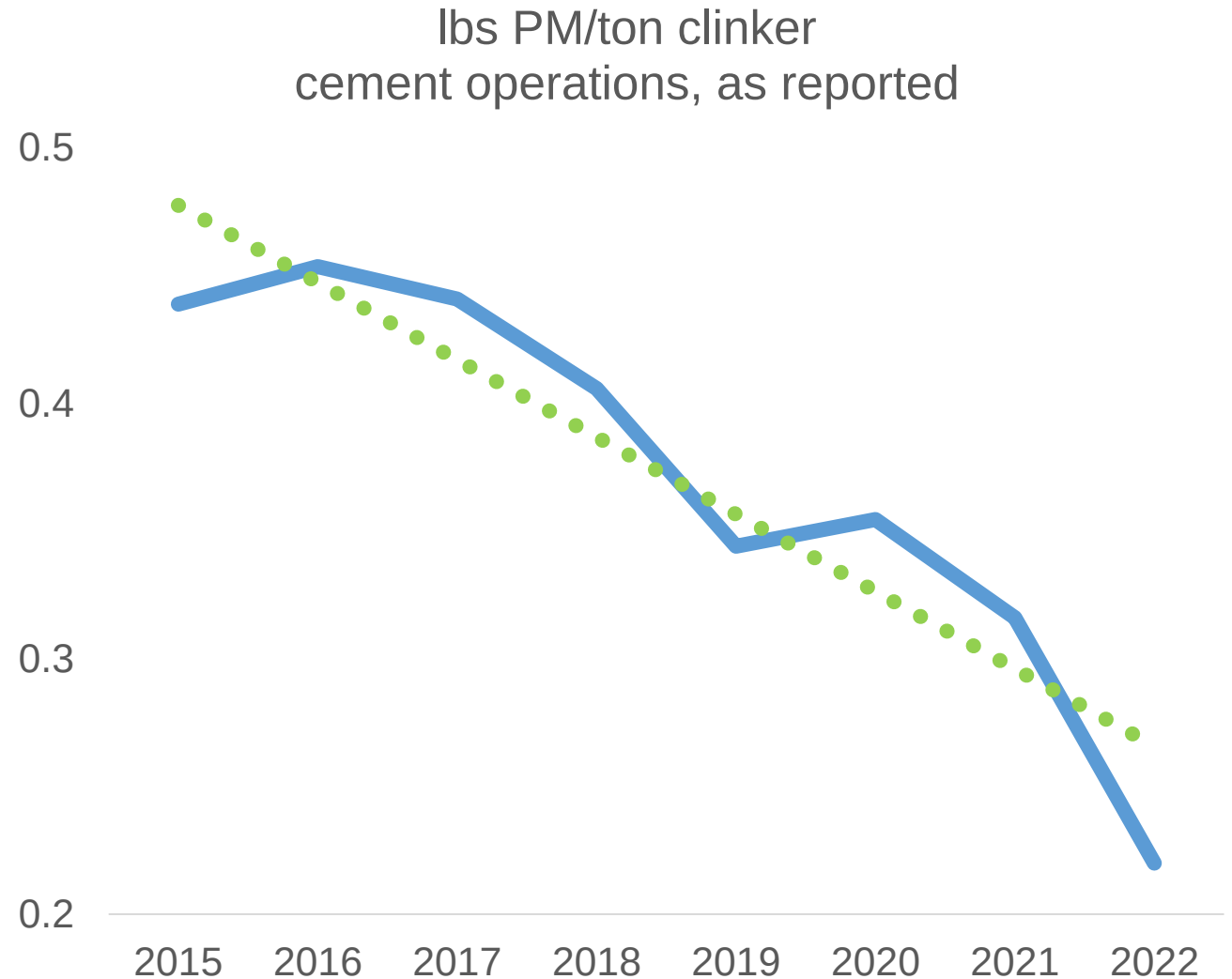
Waste and Toxicity: Nitrogen Oxides

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



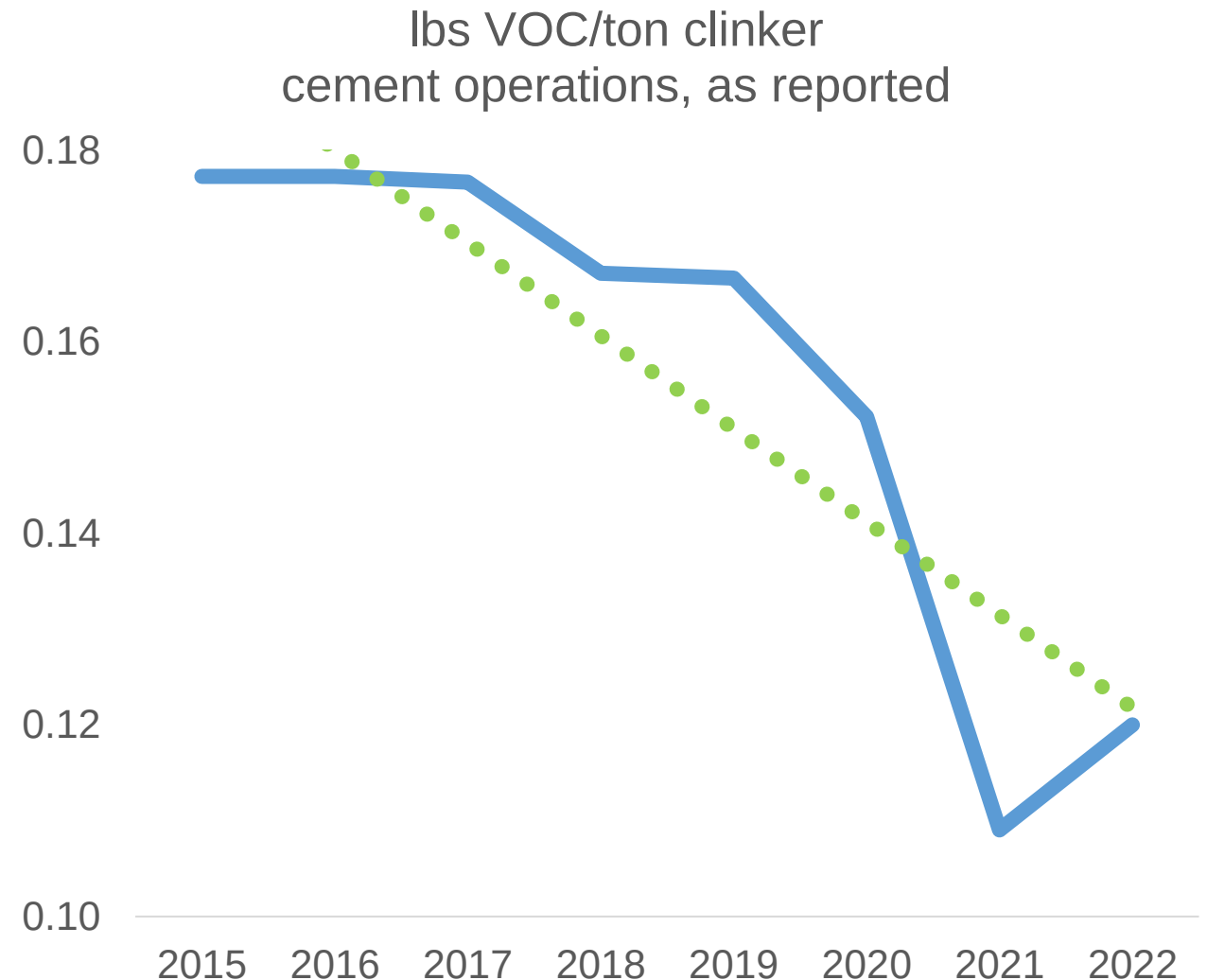
Waste and Toxicity: Mercury

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



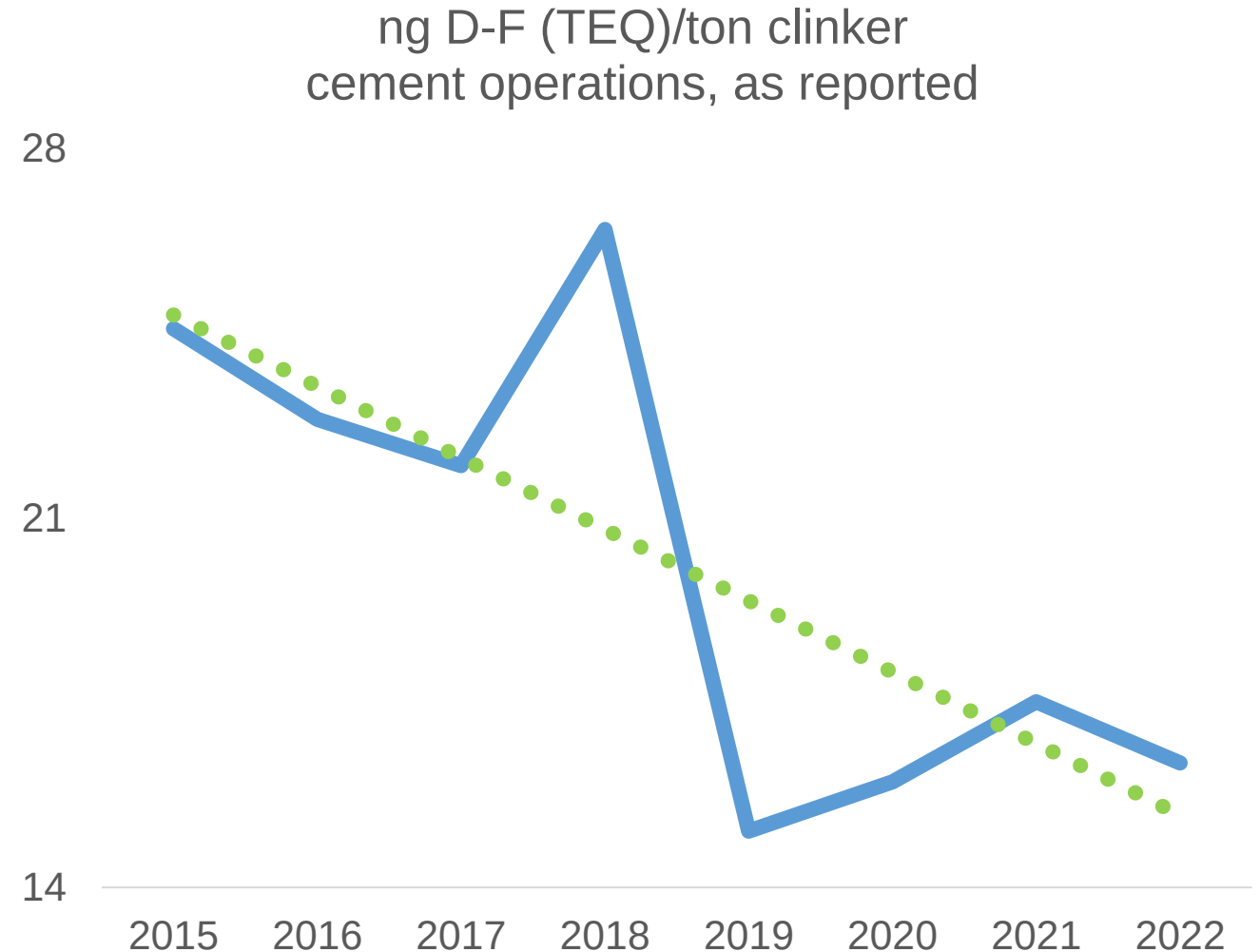
Waste and Toxicity: VOC

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

We remain well below allowable limits for Sulfur Dioxide emissions at each plant -- and have reduced annual variability to tight tolerances over long periods of time for this factor



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 reclaimed land to the City of LaSalle and is known today as Rotary Park



Natural Resources: Gypsum Wallboard Facing Paper

We Use 100% Recycled Fiber Content to Produce the Paper

Our modern, state-of-the-art paperboard manufacturing facility in Oklahoma uses 100% recycled paper content, mostly old corrugated containers

- A beneficial use of the waste stream
- Over 300,000 tons per year of recycled fiber

No virgin fiber of any kind is used in the manufacturing of our gypsum wallboard facing paper

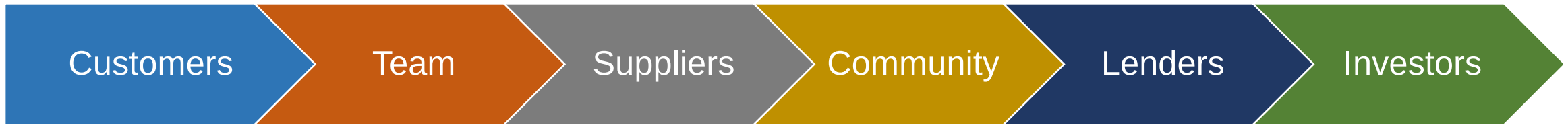


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 - Key Disclosures and Affirmations

Stakeholders and Society

We Recognize and Serve a Spectrum of Constituents



It all starts with the customer at Eagle Materials

We are acknowledged as leaders in customer satisfaction

Our business model and strategy choices limit our competing with our customers

People are our critical asset, recognizing that our businesses are relatively non-labor intensive (i.e., they are process-intensive)

We enjoy industry leading safety performance

We offer attractive pay and benefits

We own virtually all of our raw materials, which are proximate to our plants, and we have decades of reserves

We rely on third-parties for specialized services that are required intermittently

Our suppliers are expected to adhere to our policy standards

We pride ourselves in transparency, engagement and are recognized as good-neighbors in every community in which we operate

No PACs; no federal lobbying expenditures

We are recognized as leaders in low-cost, resilient and sustainable operations, with industry leading operating margins, returns on equity, returns on invested capital and EVA; we are investment-grade rated (BBB/Baa2)

We have a low-leverage balance sheet that affords significant financial flexibility and strong relationships with major banks

Shareholders are our owners and they give purpose to our actions

We have returned nearly \$1 billion to shareholders through share repurchases and dividends over the last three years

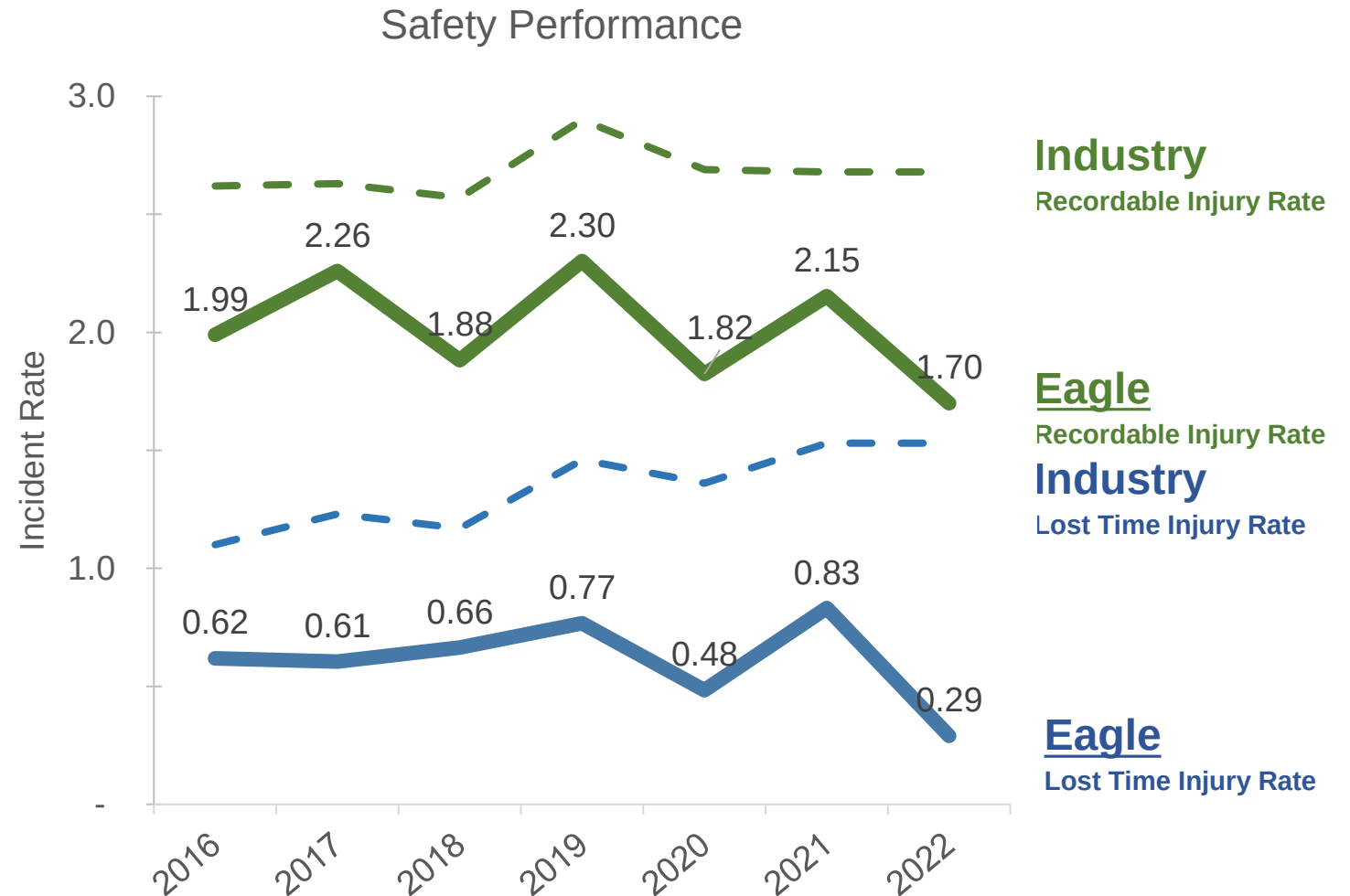
Leadership is accessible, accountable and consultative

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 terms

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



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

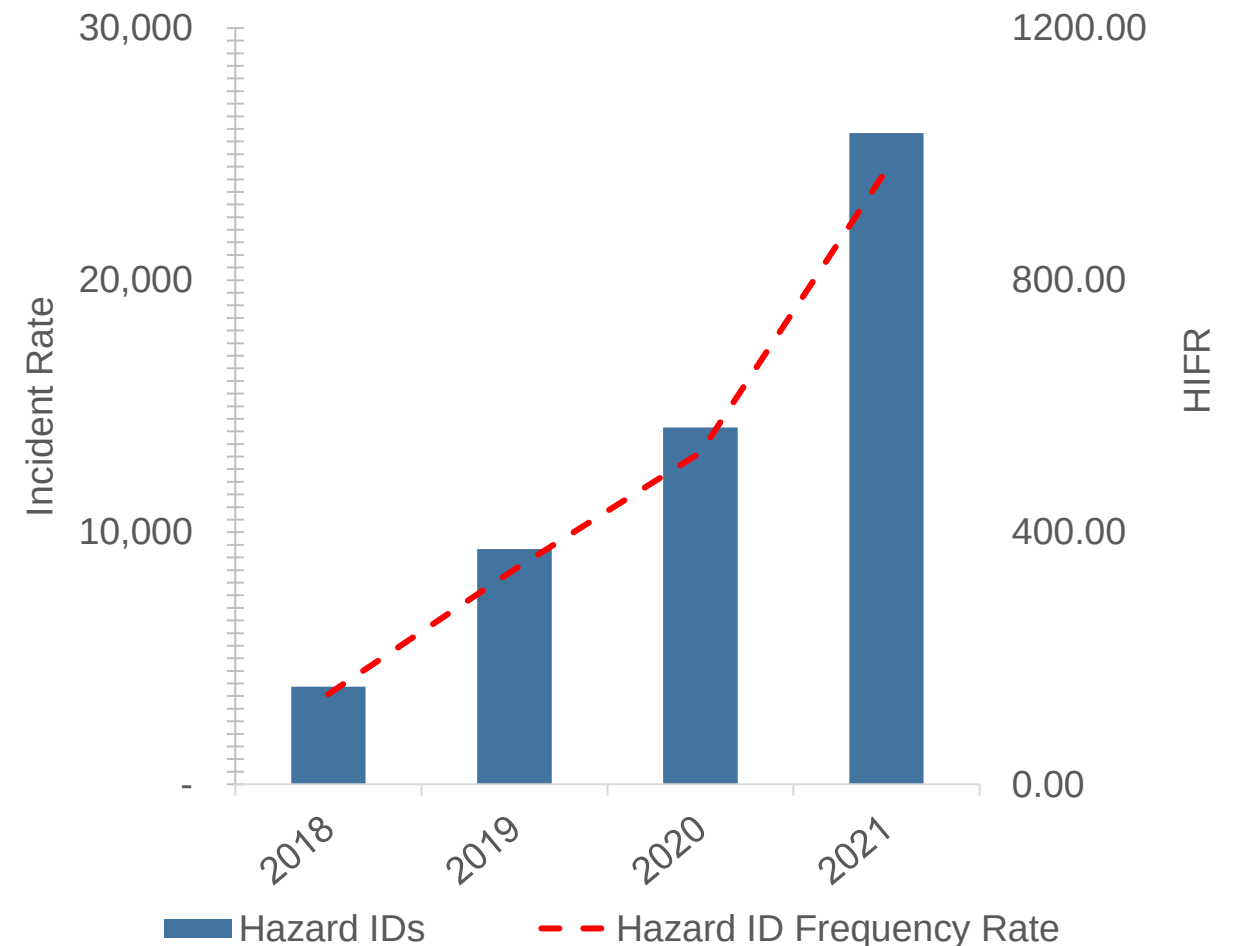
A sign of success and an indicator of engagement are the number of opportunities identified by our employees

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

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
A Leading Indicator



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

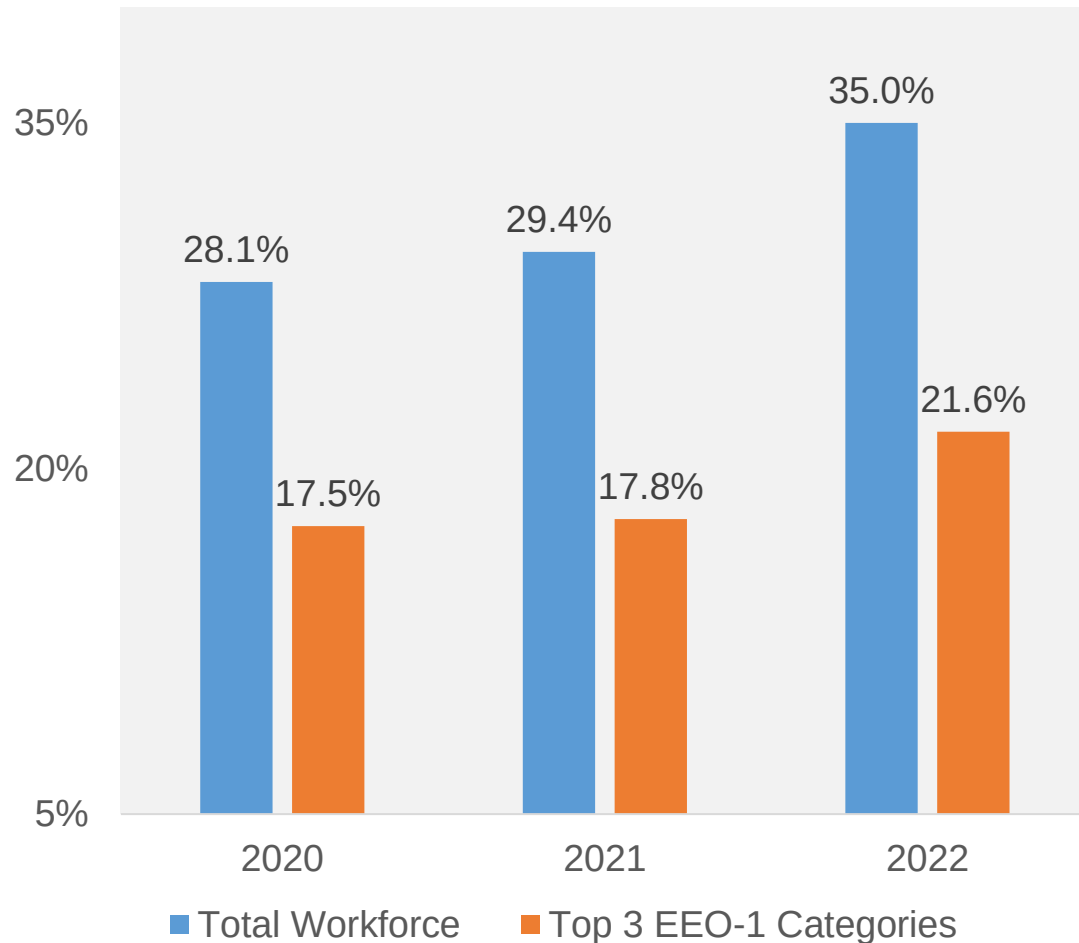
These principles also underpin the design of Eagle's robust Talent and Performance Management processes (TPM)

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

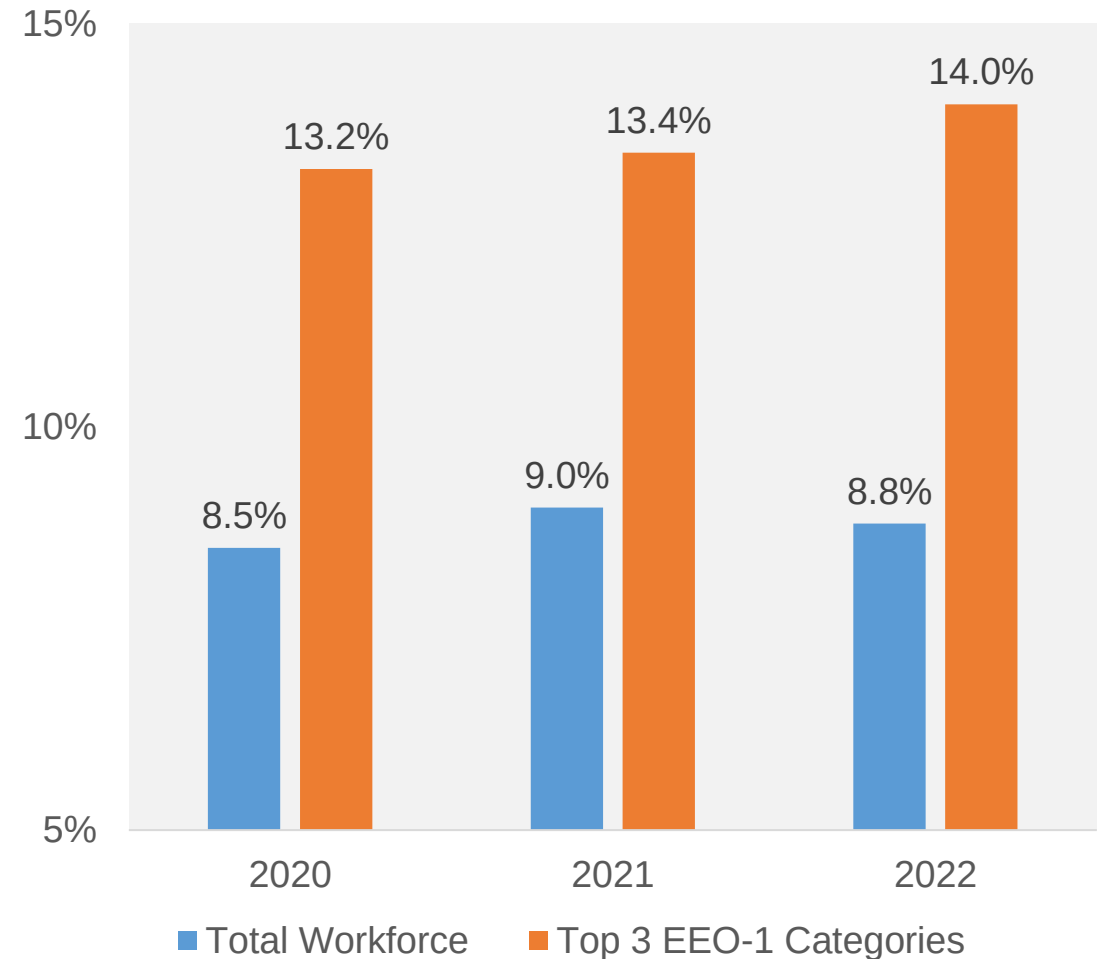
Company Demographics Summary and Trends

Non-White and Female Participation is Representative and Growing

Non-White Proportion of Workforce

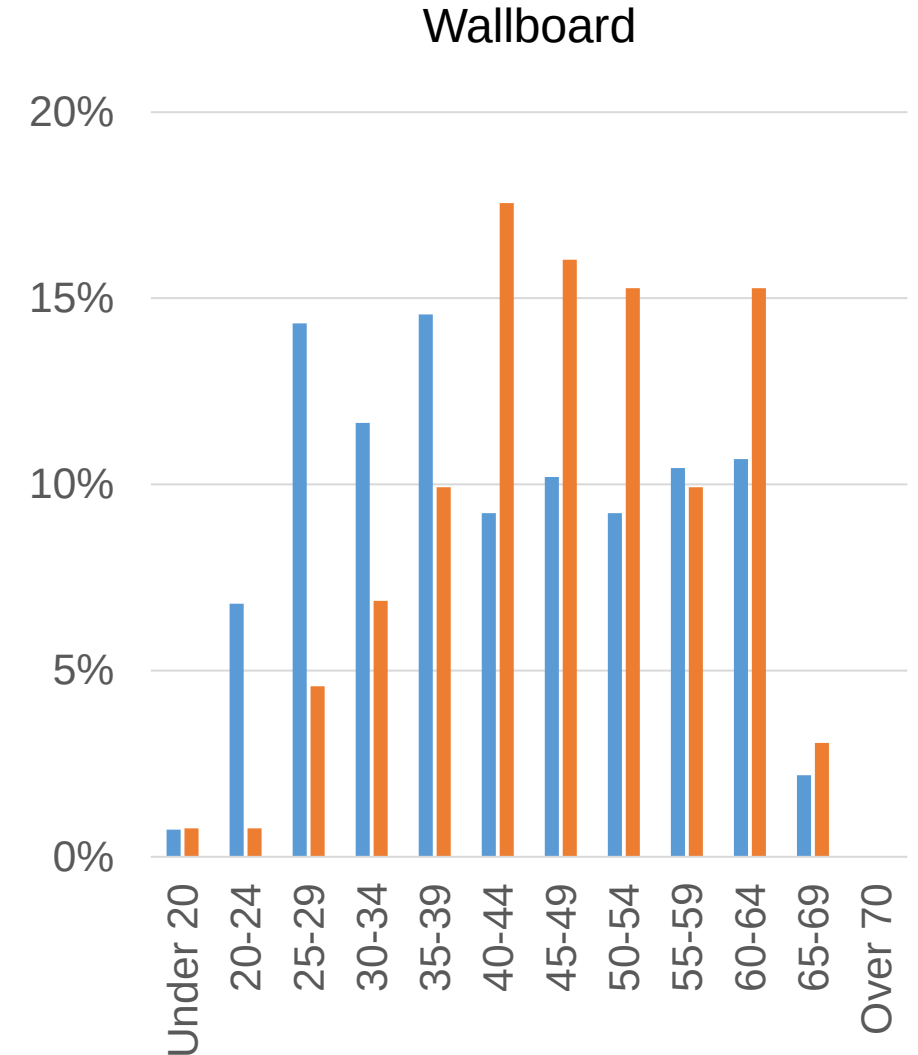
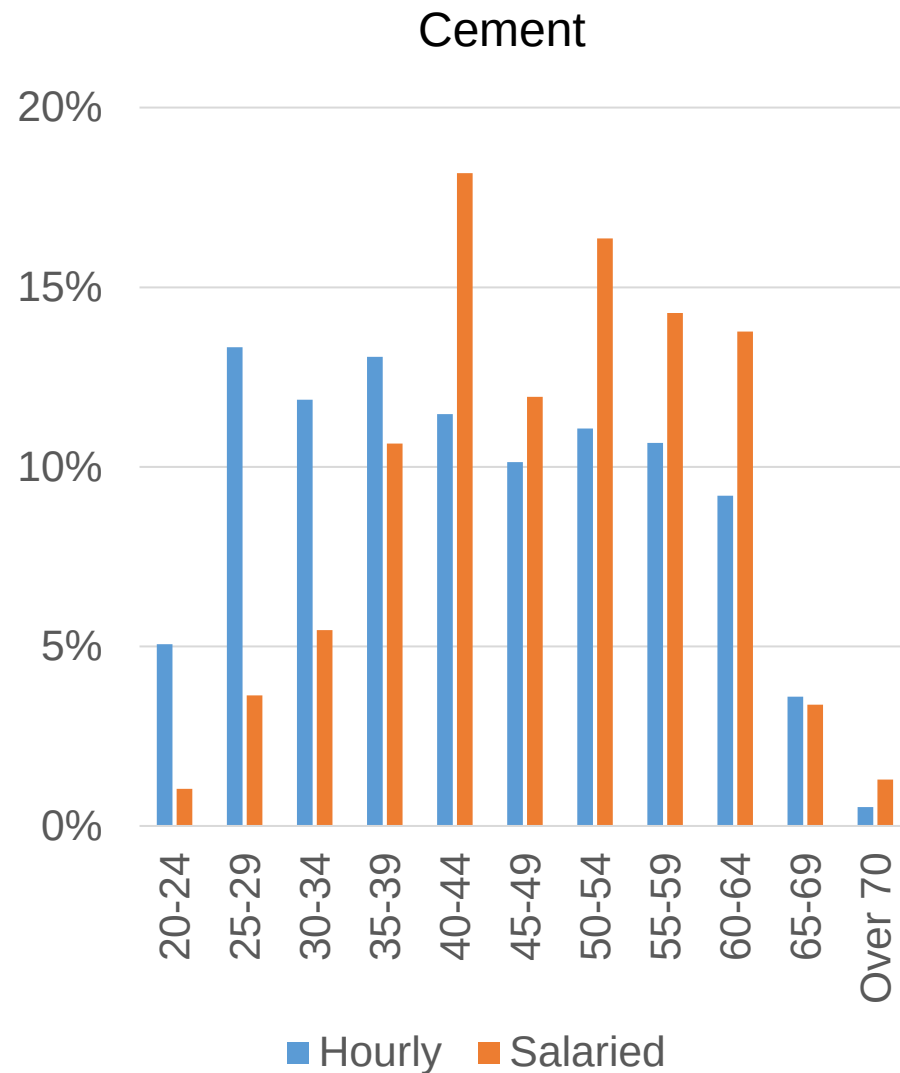


Female Proportion of Workforce



Plant Workforce Age Distributions

Diverse distributions of age, experience, and tenure reflect Eagle's status as a preferred employer with highly competitive pay and benefits, and one where team members *can and do build careers*



Enterprise-Wide Policies

On our website, we have published the following policies:

- “The Eagle Way” Code of Conduct
- Code of Vendor Conduct
- Human Rights Policy
- Occupational Health and Safety Policy

Environmental and Social Matters

Linked to Executive Compensation

In our annual proxy statement, we disclose ...

- ... the link between consideration of ESG risks and performance and executive remuneration
- ... that strategic ESG-related key performance indicators (KPIs) in the company plan are represented in the compensation or remuneration metrics
- ... specific non-financial targets in executive compensation plans
- ... how variable pay awards, dependent on non-financial performance, are assessed at year-end

Note: The **2022 Proxy Statement** highlighted this about CEO compensation: “*over half* of our Chief Executive Officer’s bonus related to factors advancing the Company’s ESG priorities.”

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 the path to a US net zero carbon 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 to produce essential commodities
- 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

- Tabular Information on Emissions Trends
- EEO-1 Filing
- Adjusted EBITDA Reconciliation

Cement Operations Trend Data Tables

Carbon	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
mtons CO ₂ e/mton cementitious product	0.86	0.84	0.84	0.80	0.82	0.78	0.80	0.83	0.74	0.72	0.81	0.77

Emissions	2015	2016	2017	2018	2019	2020	2021	2022
lbs PM/ton clinker	0.44	0.45	0.44	0.41	0.34	0.35	0.32	0.22
lbs NOx/ton clinker	3.95	4.17	4.00	3.93	3.43	3.47	3.51	3.20
lbs Hg/MMton clinker	120	102	86	48	45	28	24	25
lbs VOC/ton clinker	0.18	0.18	0.18	0.17	0.17	0.15	0.11	0.12
nanograms D/F TEQ/ton clinker	24.59	22.87	21.99	26.48	15.06	16.00	17.52	16.36
lbs SO ₂ /ton clinker	0.70	0.66	0.71	0.88	0.71	0.82	0.83	0.70

Company EEO-1 Filing for 2022

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO											OVERALL TOTALS	
	MALE	FEMALE	***** MALE *****						***** FEMALE *****						
			WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN NDIAN OR ALASKAN NATIVE		TWO OR MORE RACES
EXECUTIVE/SR OFFICIALS & MGRS	1	0	36	0	0	0	0	0	3	0	0	0	0	0	40
FIRST/MID OFFICIALS & MGRS	38	5	270	4	2	5	5	2	30	4	0	1	0	0	366
PROFESSIONALS	5	2	40	4	0	2	0	0	14	2	0	2	1	0	72
TECHNICIANS	1	0	5	0	0	0	0	0	1	0	0	0	0	0	7
SALES WORKERS	3	5	47	0	0	0	0	2	14	1	0	0	0	0	72
ADMINISTRATIVE SUPPORT	22	13	92	5	0	0	3	3	56	5	0	0	1	0	200
CRAFT WORKERS	150	7	323	46	2	4	16	15	6	1	0	0	3	2	575
OPERATIVES	121	2	545	83	3	2	8	14	10	1	0	0	0	0	789
LABORERS & HELPERS	10	0	56	3	0	1	0	2	4	2	0	0	0	0	78
SERVICE WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	351	34	1414	145	7	14	32	38	138	16	0	3	5	2	2199

Adjusted EBITDA Reconciliation

\$ in millions, Fiscal Year Ending March 31

	FY 20	FY 21	FY 22	TTM
Net Earnings, as reported	\$ 71	\$ 339	\$ 374	\$ 384
(Earnings) from Discontinued Operations	160	(5)	—	—
Income Tax Expense	25	90	101	106
Interest Expense	38	44	31	31
Depreciation, Depletion and Amortization	102	129	129	131
EBITDA from Continuing Operations	\$ 396	\$ 597	\$ 635	\$ 653
Impairment Losses ¹	25	—	—	—
Paper Mill Expansion Costs ²	5	—	—	—
Gain on Sale of Businesses	—	(52)	—	—
Business Development Costs ³	18	7	—	—
Kosmos outage and purchase accounting ⁴	7	4	—	1
Loss on Early Retirement of Senior Notes	—	—	8	8
Stock-based Compensation	20	15	14	17
Adjusted EBITDA from Continuing Operations	\$ 471	\$ 571	\$ 657	\$ 679

We present Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA to provide more consistent comparison of operating performance from period to period. EBITDA is a non-GAAP financial measure that provides supplemental information regarding the operating performance of our business without regard to financing methods, capital structures or historical cost basis. Adjusted EBITDA is also a non-GAAP financial measure that excludes the impact from non-routine items, such as purchase accounting (Non-routine Items) and stock-based compensation. Management uses EBITDA and Adjusted EBITDA as alternative bases for comparing the operating performance of Eagle from period to period and for purposes of its budgeting and planning processes. Adjusted EBITDA may not be comparable to similarly titled measures of other companies because other companies may not calculate Adjusted EBITDA in the same manner. Neither EBITDA nor Adjusted EBITDA should be considered in isolation or as an alternative to net income, cash flow from operations or any other measure of financial performance in accordance with GAAP. The table beside shows the calculation of EBITDA and Adjusted EBITDA and reconciles them to net earnings in accordance with GAAP for the fiscal years ended March 31, 2022, 2021 and 2020, and the trailing twelve-month period ending June 30, 2022.

¹ Represents asset impairment losses related to retained Frac Sand assets recorded in fiscal 2020, primarily property

² Represents the impact of an outage at the Republic Paperboard paper mill associated with the mill expansion

³ Represents non-routine expenses associated with acquisitions and other strategic transactions

⁴ Represents the expenses of the annual maintenance outage at the Kosmos Cement Business which occurred shortly after the acquisition on March 6, 2020, and the impact of purchase accounting on inventory costs