


2022 SUSTAINABILITY REPORT

LAYING THE FOUNDATION
FOR A MORE SUSTAINABLE FUTURE.



ARCOSA



COVER PHOTO:

Pictured on the cover and throughout the report, you will see one of Arcosa's Specialty Materials limestone aggregate facilities, located on Texada Island in British Columbia, Canada. Made from high-quality deposits of limestone, and meeting exacting chemical and physical properties, Arcosa Specialty Materials has a broad range of crushed limestone aggregate products that provide high-performance, cost-effective, and environmentally friendly attributes for the construction industry. Our limestone aggregate is commonly used for road building, oilfield locations, and a variety of engineering projects.

FORWARD-LOOKING STATEMENTS

Some statements in this report, which are not historical facts, are "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements about Arcosa's estimates, expectations, beliefs, intentions or strategies for the future. Arcosa uses the words "anticipates," "assumes," "believes," "estimates," "expects," "intends," "forecasts," "may," "will," "should," "guidance," "outlook," "strategy," "plans," and similar expressions to identify these forward-looking statements. Forward-looking statements speak only as of the date of this report, and Arcosa expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, except as required by federal securities laws. Forward-looking statements are based on management's current views and assumptions and involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations, including but not limited to assumptions, risks and uncertainties regarding the impact of the COVID-19 pandemic, or other similar outbreaks, on Arcosa's business; assumptions, risks and uncertainties regarding achievement of the expected benefits of Arcosa's spin-off from Trinity; tax treatment of the spin-off; failure to successfully integrate acquisitions or

divest any business, or failure to achieve the expected benefit of acquisitions or divestitures; market conditions and customer demand for Arcosa's business products and services; the cyclical nature of, and seasonal or weather impact on, the industries in which Arcosa competes; competition and other competitive factors; governmental and regulatory factors; changing technologies; availability of growth opportunities; market recovery; ability to improve margins; the impact of inflation and costs of materials; assumptions regarding achievements of the expected benefits from the Inflation Reduction Act; Arcosa's ability to execute its long-term strategy, including Arcosa's ability to successfully integrate Environmental, Social and Governance initiatives ("ESG") into our long-term strategy; and Arcosa's stakeholders and others' response to Arcosa's ESG strategy and progress, such forward-looking statements are not guarantees of future performance. For further discussion of such risks and uncertainties, see "Risk Factors" and the "Forward-Looking Statements" section of "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Arcosa's Form 10-K for the year-ended December 31, 2022, and as may be revised and updated by Arcosa's Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

NON-GAAP FINANCIAL MEASURES

This report contains financial measures that have not been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Reconciliations of non-GAAP financial measures to the closest GAAP measure are provided in the Appendix.

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A LETTER FROM OUR CEO

2022 marked another successful year for Arcosa, as we further advanced our strategic objectives, generated strong financial performance, and continued to build on the Environmental, Social, and Governance (ESG) foundation we've laid over the past three years. As we continue to integrate ESG into our daily activities and long-term strategy, we focus on implementing key initiatives to build long-term resilience and reduce overall risk. From emissions reduction projects to enhanced employee training initiatives, we continue to make progress in ESG areas important to Arcosa, its stakeholders, and the communities in which we operate.

The health and safety of our employees remains a top priority for Arcosa. ARC 100, our safety culture initiative launched in 2019, continues to produce positive results. We see strong commitment and ownership from employees across the enterprise. ARC 100 is a safety program which builds on continuous improvement methodologies. As multidisciplinary teams across the organization work on different projects to improve safety in a specific process, they find opportunities to improve that process in many other aspects.

This employee-driven aspect of ARC 100 creates tremendous employee engagement and continuous improvements organization-wide. Compared to our first year of reporting in 2019, we've seen a reduction of over 70% in our incident rate, with a 30% improvement compared to 2021. This improvement was achieved through broad-based advancements across our businesses, highlighting the breadth and scale of our safety program.

Last year we announced our first climate-related commitment, a 10% reduction in Scope 1 and Scope 2 emissions intensity by the end of 2026. Based on the work our teams have done in 2022, we are tracking ahead of that goal. As a result, we are evaluating an update to our initial target, taking into consideration factors that may temporarily impact our emissions intensity, including anticipated production ramp-up for certain cyclical businesses and the continuation of our growth strategies.

Our employees contributed generously to the communities where we work and live in 2022. As life returns to normal following COVID, we see more employee groups participating in volunteer projects, office fundraisers, and plant open houses. Building strong communities where we operate is an important part of our ESG strategy.

I am pleased to present you with Arcosa's 2022 Sustainability Report, the third annual summation of activities advancing our ESG journey. Inside we will share a refreshed look at Arcosa product quality and safety, an update on our Inclusion and Diversity efforts, and a meaningful snapshot of how Arcosa employees have positively impacted our local communities. In the report, we also include our current commentary on the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Each year we look forward to highlighting the many ways Arcosa and our people are working to transform our business and enhance our resilience to drive sustainable long-term growth. At Arcosa, we are unified in our commitment to build a better world.



ANTONIO CARRILLO
President & Chief Executive Officer



EXECUTIVE SUMMARY

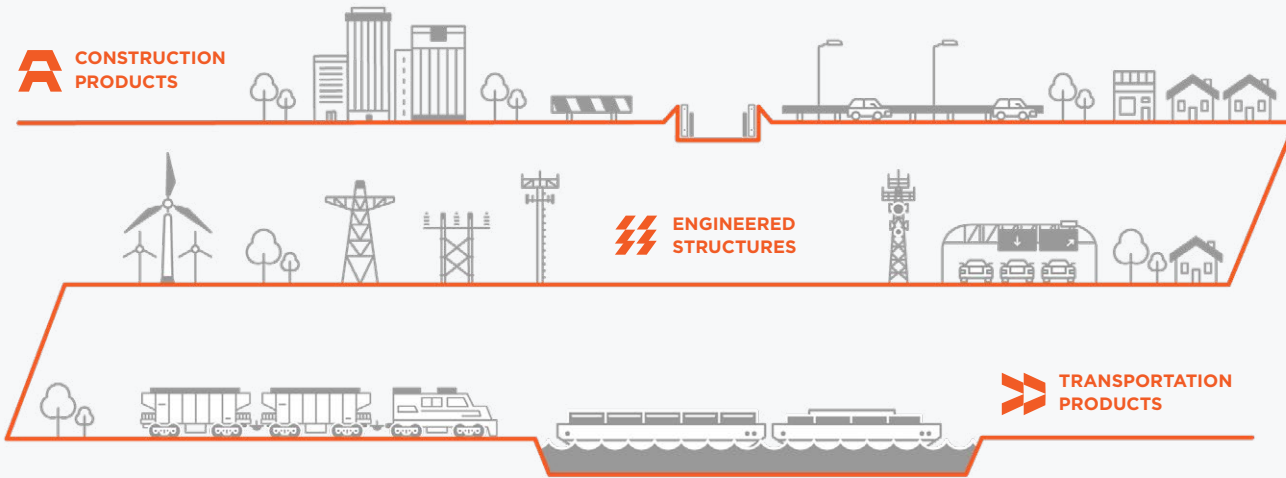
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ARCOSA AT A GLANCE



OUR THREE BUSINESS SEGMENTS



\$2.2B

Revenues

\$99M

Net Income¹

\$325M

Adjusted EBITDA

~5,230

Employees

85+

Years of Operating History

3

Infrastructure-related Segments

Revenues, Adjusted EBITDA, Net Income and employee count are for the fiscal year ended 12/31/2022. See Adjusted EBITDA reconciliation in Appendix.

¹ Excludes the pre-tax gain on the sale of our storage tanks business of \$189M, which is also excluded from Adjusted EBITDA. As reported, net income for full year 2022 was \$246M.



BUSINESS OVERVIEW

Arcosa's three segments are made up of leading businesses that serve critical infrastructure markets.

CONSTRUCTION PRODUCTS



NATURAL &
RECYCLED AGGREGATES



SPECIALTY MATERIALS



CONSTRUCTION
SITE SUPPORT

ENGINEERED STRUCTURES



UTILITY & RELATED
STRUCTURES



WIND TOWERS



STORAGE TANKS¹

TRANSPORTATION PRODUCTS



BARGES



MARINE COMPONENTS



STEEL COMPONENTS

LONG-TERM STRATEGY



GROW

in attractive markets where we can achieve sustainable competitive advantages



REDUCE

the complexity and cyclicity of the overall business



IMPROVE

long-term returns on invested capital



INTEGRATE

Environmental, Social, and Governance (ESG) initiatives into our long-term strategy

VISION

UNIFIED IN OUR COMMITMENT TO BUILD A BETTER WORLD

VALUES

We advance a safety-focused and ESG-driven culture

We are committed:
innovative, focused, results-oriented

We make things happen:
agile, driven, passionate

We act with integrity:
principled, honest, fair

We win together:
collaborative, dedicated, united

PROMISE

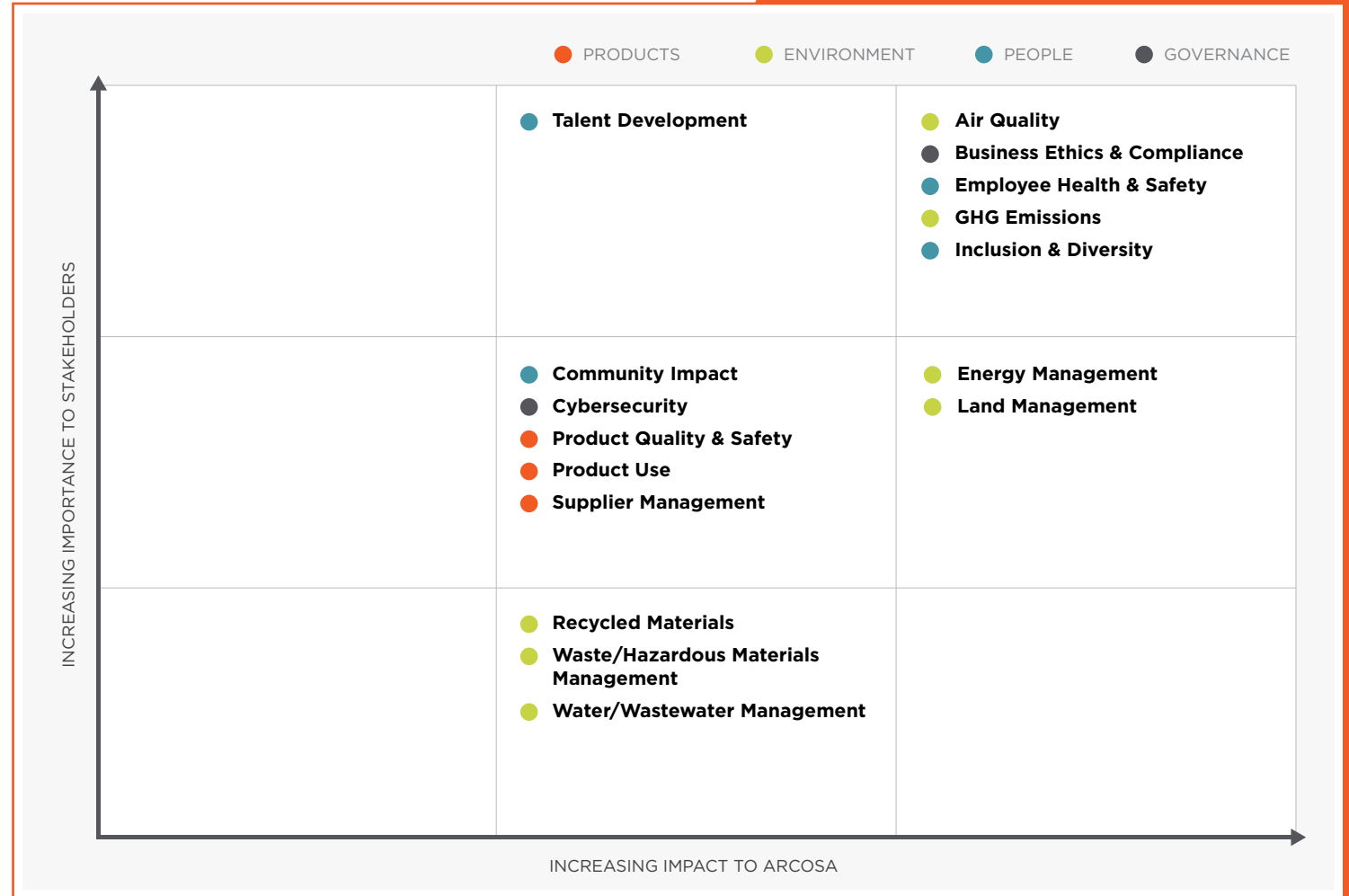
At Arcosa:

- > **We activate** the potential of our people
- > **We care** for our customers
- > **We optimize** operations
- > **We integrate** sustainability into our daily practices as well as our long-term strategy
- > **We promote** a results-driven culture that is aligned with long-term value creation

MATERIALITY MATRIX

Foundational to our ESG Program, Arcosa's materiality matrix is built on an ESG materiality assessment developed in combination with outside consultants. We partnered with key internal and external stakeholders to understand the sustainability issues that most affect our businesses. The Sustainability Accounting Standards Board (SASB) standards helped form the basis for our reporting approach and our materiality assessment.

Topics with both continued high importance to stakeholders and high impact to Arcosa, shown in the top right of the matrix, are Air Quality; Business Ethics and Compliance; Employee Health and Safety; Greenhouse Gas (GHG) Emissions; and Inclusion and Diversity. These topics and their impact remain our highest priority. The matrix is the result of Arcosa's first assessment, performed in late 2019. Throughout 2022, we monitored, assessed, and discussed high-priority topics with both internal and external stakeholders to determine if a shift in focus was needed. For the short-term, no changes are required, and we will continue to evaluate existing and emerging ESG topics and priorities.



Topics have been ordered alphabetically within their ranking boxes.

GOVERNANCE & ETHICS

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STOCK EXCHANGE

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VOLU	529,918,640
VOLUB	46,751,243
VOLUC	39,306,875
TRAN	10,647.59
VIX	13.50
RUT	1,553.54
XES	11.93
RMZ	1,215.97
XSD	80.43
KBE	42.98
GDX	21.91
SPMI	2,869.00
SPX	2,864.70
SPM	2,867.50
WTI	61.66
BRNT	69.09
GOLD	1,292.80
FANG	2,680.10

ACA
Arcosa, Inc.

258,824
VOLUME

30.80
OPEN

31.90

PCOSA



A LETTER ON BEHALF OF THE BOARD



As a leading provider of critical infrastructure-related products and solutions serving the construction, engineered structures, and transportation markets, we believe Arcosa is well-positioned to advance sustainable practices. At our inception as a public company four years ago, we demonstrated our commitment to integrating ESG initiatives into our strategic planning by establishing it as one of the four core pillars of our long-term vision. We are focused on prioritizing business-smart, sustainable initiatives that provide long-term benefits for Arcosa, its stakeholders, and the communities in which we operate.

The Board of Directors and our Governance and Sustainability Committee remain focused on continuous improvement in Arcosa's sustainability efforts. In 2022, we experienced measurable improvement in our employee safety metrics and a 19% reduction in our Scope 1 and 2 greenhouse gases emissions intensity with respect to revenue, compared to baseline. Additionally, we are implementing a renewable energy plan for our high energy consuming plants and piloting onsite solar projects to further our emissions reduction efforts.

We continued to incorporate ESG into our strategic lens in 2022, leading to incremental investments with attractive returns in our environmentally friendly businesses, including expansion of our recycled aggregates business in Southern California and Arizona. The Inflation Reduction Act, which passed in the summer of 2022, will play an integral role in the country's energy transition and may provide multi-year tailwinds for our wind towers business. As a result, we began taking the necessary steps in 2022 to be ready to support the renewable energy build-out.

As stakeholder preferences for sustainability-related information grow, we are actively engaged in efforts to enhance reporting. We have also enhanced our vendor compliance expectations with the publication of a Supplier Code of Conduct. We maintain a watchful eye on the regulatory landscape and will adapt, as needed, to sustainability reporting changes.

Arcosa's 2022 Sustainability Report highlights select initiatives that exemplify the positive impact our ESG efforts have in our plants, our communities, and the world. Arcosa remains committed to engaging with our stakeholders as expectations evolve and challenges continue.

We believe incorporating sustainability as a key element of our enterprise strategy creates a significant opportunity for long-term, profitable growth. As we look forward, we expect to meet the ESG goals we have set and respond effectively as risks and opportunities change.

On behalf of Arcosa and our Board of Directors, thank you for your interest in our 2022 Sustainability Report.

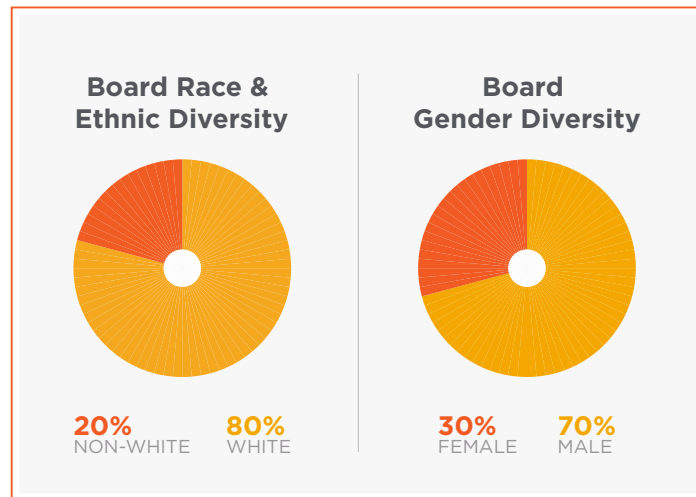


RHYS J. BEST
Chairman of the Board

GOVERNANCE HIGHLIGHTS

Our organizational structure is aligned with stakeholder value creation.

In 2022, Arcosa’s Board continued its focus on ESG activities across the company. The Board further enhanced the Governance and Sustainability Committee charter through an amendment addressing the Committee’s review and assessment of our sustainability and ESG related practices, policies, goals, and programs as well as the review of our annual sustainability report and other ESG related disclosures in the proxy statement.



BOARD COMPOSITION

Independent Board:
9 of 10 directors are independent

Independent Committees

- > Audit
- > Human Resources
- > Governance and Sustainability

Separate CEO and Independent Board Chair

BOARD PRACTICES

Regular executive sessions with independent directors

Board oversees risk management activities including annual Enterprise Risk Management assessment

ESG activity oversight and guidance provided through all three committees

- > Audit Committee oversight of certain risk mitigation practices
- > HR Committee oversight of labor practices and social issues impacting the workforce
- > Governance and Sustainability oversight of climate-related and other ESG activities

Annual Board and Committee self-performance evaluations

ACCOUNTABILITY

Extensive shareholder engagement program

Majority voting for uncontested director elections

COMPENSATION

“Pay for performance” compensation structure

Robust stock ownership requirements for senior management and directors

Prohibition of hedging and pledging of our shares

Clawback policy in place




TALENTED GROUP OF LEADERS WITH C-SUITE & PUBLIC COMPANY BOARD EXPERIENCE

Arcosa's Board includes 9 Independent Directors, 8 Directors with CEO experience, and 7 new Directors since 2018.

-  Independent Chair
-  Independent Director
-  Audit Committee
-  Governance & Sustainability Committee
-  Human Resources Committee
-  New Director Since 2018



Joseph Alvarado
Former Chairman & CEO, Commercial Metals Company

 Significant management experience; provides the Board with additional perspective on the Company's operations, including construction products and steel-fabrication businesses




Rhys J. Best
Chairman (Non-Executive) of the Board of Directors, Arcosa, Inc.

 Extensive experience managing and leading significant industrial enterprises; provides the Board with additional perspective on the Company's operations, including construction products and engineered structures businesses




Antonio Carrillo
President & CEO, Arcosa, Inc.

 Significant knowledge and understanding of Arcosa's products, services, operations and business environment and has experience leading a significant industrial enterprise in Mexico, where Arcosa has a number of operations




Jeffrey A. Craig
Former Executive Chairman, Meritor, Inc.

 Significant management experience; provides the Board with additional perspective on the Company's operations, including transportation products businesses



Steven J. Demetriou
Former Executive Chairman & CEO of Jacobs Solutions, Inc.

 Significant experience in senior management roles; provides the Board with an additional perspective on the Company's operations, including its engineered structures businesses, and driving ESG initiatives




Ronald J. Gafford
Retired Chairman, CEO, and President, Austin Industries, Inc.

 Broad experience managing and leading a significant industrial enterprise; provides the Board with additional perspective on the Company's operations, including construction products businesses




John W. Lindsay
CEO, President, and Director, Helmerich & Payne, Inc.

 Significant management experience; provides the Board with additional perspective on the Company's operations, including engineered structures businesses




Kimberly S. Lubel
Former Chairman, President & CEO, CST Brands, Inc.

 Significant management experience and diverse background across multiple industries; provides the Board with additional perspective on the Company's operations




Julie A. Piggott
Former EVP & CFO, BNSF Railway Company

 Significant management experience; provides Board with additional perspective on the Company's operations, including transportation products businesses



Melanie M. Trent
Former EVP, General Counsel & Chief Administrative Officer, Rowan Companies PLC

 Significant legal and management experience, diverse background and knowledge of oil and gas industry; provides the Board with additional perspective on the Company's operations



INCENTIVE COMPENSATION PLANS

Arcosa's 2022 incentive plans further align compensation with long-term stakeholder value creation while driving accountability in all levels of the organization.

	COMPONENT	PURPOSE	DESIGN
FIXED	Base Salary CASH	Attract, retain and motivate key executives by providing market-competitive fixed compensation	Reviewed at least annually to consider changes in responsibility, experience, individual performance, and market competitiveness.
	Annual Incentive Compensation (AIP) CASH	Short-term, at-risk pay designed to motivate achievement of annual performance goals across the entire organization and within business units in support of our strategic priorities	Market-competitive targets and goals established for executives: <ul style="list-style-type: none"> > Specific financial metrics for Corporate and Group President plans > Accountability for execution of strategic initiatives (ESG, Safety, Growth) There are no payouts when performance falls below financial thresholds and there is a failure to execute strategic initiatives.
AT-RISK	Long-Term Incentive Compensation (LTI) EQUITY	Long-term, at-risk pay designed to balance short-term, at-risk pay, enhance alignment between executives and shareholders, support our strategic priorities and long-term shareholder value creation	Our executives receive their LTI compensation in two parts: <ol style="list-style-type: none"> 1) 60% of LTI in performance-based restricted stock units (PBRSU): Awards linked to achievement of Pre-Tax Return on Capital, Adjusted Cumulative Earnings per Share, and Total Shareholder Return relative to the performance of the S&P SmallCap 600 index. Payouts in Arcosa Common Stock are made at end of a three-year performance period and can range from 0%-200% of target. No payouts if performance is below threshold. 2) 40% of LTI in time-based restricted stock units (TBRSU): Awards vest three years ratable, 1/3 each, May 2023, 2024, and 2025.

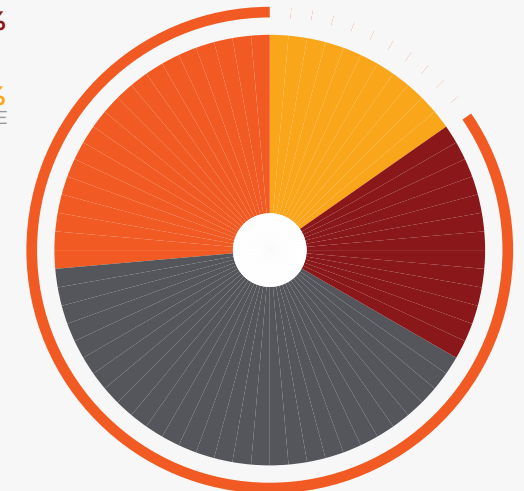
2022 TARGET CEO PAY: 84% AT RISK

40%
PBRSU

26%
TBRSU

18%
AIP

16%
BASE



ETHICS & COMPLIANCE

KEY POLICIES & STATEMENTS	OBJECTIVE	APPROACH
Arcosa Code of Conduct	Ensure employees are trained periodically on expected behavior related to policies, laws, and regulations	<ul style="list-style-type: none"> > Annual Code training and certification > Easy access to Code and anonymous reporting channels
Health & Safety	Maintain standards and practices that protect the health and safety of stakeholders	<ul style="list-style-type: none"> > Advance a safety culture through ARC 100 program > Tailored Occupational and Process Safety procedures > Examine contractor safety programs
Environmental Responsibility	Publish, educate, and incentivize workforce to develop environmental awareness and reduce environment footprint	<ul style="list-style-type: none"> > ESG training for employee knowledge-building and to spark day-to-day innovation > Strategic business initiatives driven by leadership teams across Arcosa
Foreign Corrupt Practices Act (FCPA)	Zero tolerance toward acts of corruption (prohibition of facilitation payments), and prohibition of providing benefits to public officials	<ul style="list-style-type: none"> > Train impacted employees > Train impacted agents and third parties representing Company interests > Thorough vetting of international suppliers > Audit of international financial transactions
Diversity & Anti-Harassment	Provide an inclusive and diverse workplace free from retaliation and discrimination or harassment	<ul style="list-style-type: none"> > Initial training occurs during employee onboarding > Key topic in Code of Conduct training > Targeted, periodic civil treatment training > Training to end unconscious bias
Cybersecurity	Ensure confidentiality, integrity, and availability of the Company's computer networks, applications, devices and data	<ul style="list-style-type: none"> > Audit committee oversight > Additional risk mitigation through cybersecurity insurance > Externally audited under CIS standard > Multiple layers of security > Robust technology training for employees > No material security breaches in the last three years



Key items addressed in Arcosa policies and statements, including the Code:

- > Adhere to all laws and regulations
- > Health and safety paramount
- > Treat others with dignity and respect
- > No tolerance for harassment or discrimination
- > Prohibition of anti-competitive practices
- > Anti-corruption: Forbid giving or receiving bribes
- > Maintain whistleblowing HelpLine and HelpSite; no tolerance for retaliation



PRODUCT QUALITY AND SAFETY: SUSTAINABLE, INSIDE AND OUT

Arcosa is a provider of infrastructure-related products and solutions with leading brands serving construction, engineered structures, and transportation markets. Our individual businesses have built reputations for quality, service, and operational excellence over decades.

As identified in our ESG materiality assessment, product quality and safety remain a priority for our stakeholders, with internal importance in both the short- and long-term. Arcosa is committed to delivering products that are high-quality, safe, durable, useful, and meet or exceed customer and regulatory requirements. We believe this is accomplished through:

- > Internal quality and design standards aligned with customer and regulatory requirements, prior to purchase
- > Employee engagement and continuous training
- > Supplier and manufacturer quality programs
- > Robust change control processes
- > Continuous improvement, innovative thinking, and strong problem-solving skills

In 2022, Arcosa's senior leadership refreshed our internal Quality Policy to further align our workforce, across all segments, with our commitment to safe and quality products in the market. Key elements of the policy include front-end sourcing of critical materials with suppliers who reflect our core values, strength in our production processes and employee training, and a thorough product quality inspection program.



ESG STATEMENTS DISCLOSURE

Furthering Arcosa's commitment to integrate Sustainability into our short-term priorities and long-term strategy, we have published a series of formal policy statements to our [website](#). These statements bring into focus our stance on important issues identified by our stakeholders.



ENVIRONMENTAL

- > Statement on Air Quality
- > Statement on Biodiversity
- > Statement on Climate Change
- > Statement on Environmental Responsibility
- > Statement on Waste Management
- > Statement on Water Management



SOCIAL

- > Statement on Diversity
- > Statement on Human Rights
- > Statement on Occupational Health & Safety
- > Statement on Suppliers
- > Supplier Code of Conduct



GOVERNANCE

- > California Transparency in Supply Chains Act of 2010 Corporate Disclosure
- > Categorical Standards of Director Independence
- > Arcosa Code of Conduct
- > Corporate Governance Principles
- > Whistleblower Policy

During the past year, with evaluation of both internal and external stakeholder needs, Arcosa developed and published a Supplier Code of Conduct to align our ESG culture with partners committed to similar sustainable values.

OUR PEOPLE

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WE ACTIVATE THE POTENTIAL OF OUR PEOPLE



150+

Locations Across North America in 2022

~5,230

Employees as of December 31, 2022

\$1.7M

Employee Development Investment in 2022

62%

U.S. Employees with Tenure Exceeding 3 years



EMPLOYEE HEALTH & SAFETY

Arcosa is committed to safety across our operations. We believe a large part of building a better world is building a culture of safety, with employees, contractors, and visitors working safely every day.

Through our ARC 100 safety culture initiative, launched in 2019, we have accelerated a positive and proactively engaged workforce. ARC 100 encourages employees from all levels of the organization to collaborate, implement, and hold each other accountable for positive safety improvements. Over the past 4 years, we've seen a significant improvement in Total Recordable Incident Rate (TRIR). In 2022, our Days Away, Restricted or Transferred (DART) rate improved 46% compared to 2021.

During 2022, we expanded our ARC 100 footprint through continuous improvement initiatives at all business units. Our safety focus initiatives included:

- > Hiring internal safety culture managers
- > Continued front-line supervisor training
- > Enhanced near-miss reporting
- > Continuation of hand and eye injury reduction campaign
- > Employee safety mentorship



¹Due to the nature and complexity of case management for work-related injuries and illnesses, non-material inputs could minimally affect year-end numbers



The continuous improvement team at Arcosa's Meyer Utility Structures business spent 2022 rolling out *Speak Up, Listen Up* training to over 1,700 employees. The core principle of the training states that we are all experts in safety within our specific roles at Arcosa. With that knowledge, we all have a duty to *Speak Up* using our expertise to prevent teammates from injury. Passing on safety knowledge, when done correctly and productively, is a sign of respect. The employee on the other side of the conversation, when approached with respect, can feel comfortable to *Listen Up* and contribute to a strong, positive safety culture.

INCLUSION & DIVERSITY

Arcosa continues to build a culture supporting our Vision, Values, and Promise. We live our value of winning together by leveraging the diversity of our employees. We believe different backgrounds and many perspectives make us a stronger, more resilient company. Our commitment to inclusion and diversity begins at the Board and senior leadership level.

- > Females represent 30% of our Board of Directors, with Melanie M. Trent serving as Chair of the Governance and Sustainability Committee.
- > Females represent more than 35% of our Senior Management team, including Chief Financial Officer, Chief Human Resources Officer, and Senior Vice President, Corporate Administration.
- > Females represent 32% of our salaried workforce, including Directors in Finance, Accounting, Human Resources, Information Technology, Investor Relations, Environmental, Legal, and ESG.

We are committed to improving the diversity of our workforce and creating an inclusive environment through the following initiatives:

- > Execute listening strategies to hear what our employees say about our company and leadership
- > Foster an inclusive workplace that inspires trust, creativity, and empowerment
- > Deliver training to bring awareness and educate against unconscious bias
- > Drive a diverse slate of internal and external candidates for hiring
- > Invest in our employees through development actions that promote frontline workers, women, and people of color
- > Improve diversity among our professional- and management-level positions

We believe these initiatives expand our Company's Inclusion and Diversity efforts from compliance to long-term competitive advantage.

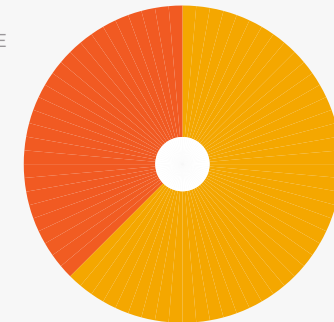
Examples of listening strategies conducted in 2022:

- > Select hourly employee engagement surveys
- > Mini town hall meetings
- > Stay interviews
- > Community events
- > Family day and open houses at select facilities

Race & Ethnic Diversity
US Workforce¹ as of December 31, 2022

38%
NON-WHITE

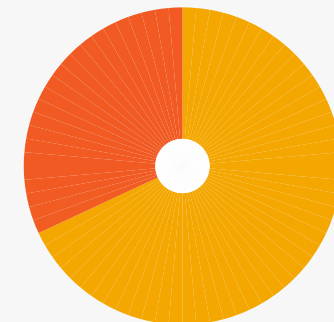
62%
WHITE



Gender Diversity
Salaried Workforce as of December 31, 2022

32%
FEMALE

68%
MALE



¹Mexico operations not included in U.S. workforce metrics in order to highlight U.S.-only diversity



INCLUSION & DIVERSITY: ENGAGING INCLUSION



WE-AR Here for You

Established in 2021, the WE-AR: Women of Arcosa employee resource group (ERG) is committed to an inclusive environment that supports and encourages women to connect, mentor, and develop personally and professionally.

WE-AR held meetings throughout 2022, with learning opportunities and networking activities at the forefront, including a fun, highly attended camaraderie challenge designed to connect women across the organization who might not otherwise meet. To extend engagement in the field, WE-AR's leadership team planned and rolled out the WE-AR Ambassador Program. The Ambassador Program identifies, trains, and empowers a plant WE-AR leader to directly meet with and mentor women at their facility. The pilot program targeted five specific manufacturing locations and is expected to roll out to more locations in 2023.



Investing in Inclusion

Annual supervisor training is a mainstay at Arcosa, as we develop people managers into people leaders across the Company. Refreshed in 2022, our Creating an Inclusive Environment course was extended to all facilities for front-line supervisors. The course helps supervisors realize the potential of a workplace that values the wide-ranging talents and abilities of all employees. Learners explore the effects of unconscious bias, the negative impacts of stereotypes, what inclusion and diversity mean, the differences in who we are and how we think, and research-backed benefits to having diversity in the workplace. Arcosa believes an inclusive workplace, engaged from the C-suite to the shop floor, can create a highly successful, sustainable workforce.



It's a Celebration

In 2022, Arcosa implemented a formal employee recognition and reward program, Arcosa Celebration of Excellence (ACE). This exciting program is designed to recognize employees for their years of service and for employees to recognize their peers for small and large accomplishments. During the year, milestone anniversary gifts, electronic encouragement cards, and an electronic ACE recognition wall highlighted the great contributions of our people.



TALENT DEVELOPMENT

We position Arcosa for growth by developing a broad, deep bench of talent.

Career growth for our employees

Develop knowledge and capabilities to engage, retain, and prepare employees for future roles.

Talent to best serve our customers

Job experiences for employees to take on a variety of roles and responsibilities.

Reduce future risk for our stakeholders

Identification of successors to fill key positions and retain top talent within Arcosa.

EXTERNAL PROGRAMS	INTERNAL PROGRAMS	FINANCIAL SUPPORT
Harvard "Leading with Finance" online program	Business Acumen training	Tuition reimbursement at educational institutions
Positive Management Leadership (PML Experience®) seminar	Interaction Management * (DDI) leadership development program for front-line leaders	Professional society memberships
Women in Manufacturing (WIM TM) professional development programs	Civil Treatment * (ELI) flagship training program for leaders and employees	Professional conference and symposia registrations
Young professional and leadership programs through local Chambers of Commerce	Annual employee evaluation and goal development	Other educational courses that enhance learning
	Arcosa Leadership, Exploration, and Development (LEAD) cohort	

Arcosa's LEAD program, new in 2022, was developed to identify high-performing, high-potential internal talent who have demonstrated qualities for broader leadership skills in plant management, and to grow our bench of qualified future leaders. Employees selected for the inaugural class participated in development activities, including skills and gap assessments, development plans for soft and technical skills, cohort experiences with visits to plant locations, and one-on-one mentorship.



COMMUNITY IMPACT

With more than 150 locations across North America, Arcosa employees live and work in communities of all shapes and sizes. Within these communities, Arcosa plants and employees invest both time and money to better the lives of those in need, as we build a better world for future generations. The following are a small sample of the many ways our plants and our people invest both time and resources in the local communities in which we operate.

CLASS IN SESSION

During early June, Arcosa's Imperial Limestone team in British Columbia, Canada, partnered with a local school to provide hands on education for a group of fourth and fifth graders. They focused on real-world applications within the students' curriculum by digging into the full mining process, viewing rock samples collected at the site, viewing machine bearings, and discussing the engineering of our basic machines. We hope to continue to build on this partnership in the future.

Arcosa's Iowa wind tower plant was honored to sponsor its local school district's Robotics Club. Because of the partnership, the club was able to travel to Texas for the 2022 International VEX World Championship in May.

Each fall, Arcosa plants across the country spend time helping their employees and communities get ready for school. Arcosa's Oklahoma and Iowa wind tower plants and our Tennessee inland barge plant filled and distributed backpacks with new school supplies for children of Arcosa employees.

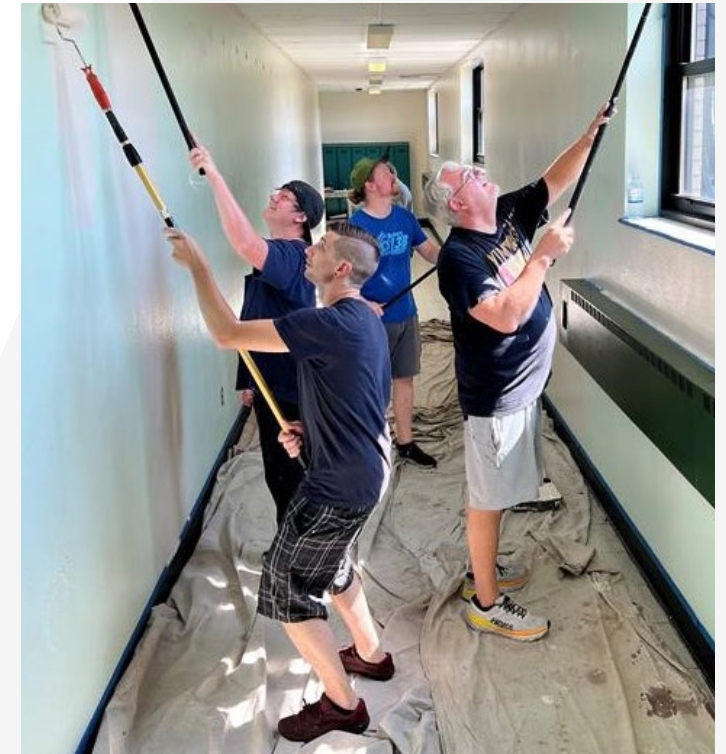
Now an annual tradition, Arcosans from our Pennsylvania forging plant volunteered their time to paint hallways and entrances at a local school. Although hard work, employees reported back feeling better connected to coworkers and the community after this volunteer opportunity.

HONORING OUR VETERANS

Arcosa celebrates our veteran employees - both the commitment they made to serve our country and the skills they bring to our workforce. Veterans Day is a special day we spend honoring these employees across the United States. In 2022, all employee veterans were gifted a commemorative Arcosa challenge coin as a small token of our appreciation for their service.

Annually, a team from Arcosa's steel foundry in Pennsylvania participates in and raises money for the Joggin' for Frogmen race series. Part of the team's mission is to inspire and activate communities to honor the sacrifices of our Naval Special Warfare service members and veterans and to support the families of these fallen heroes. In 2022, the team raised money for the cause and had more than 20 people complete the 5K event.

On April 30, Arcosa's Oklahoma wind tower leadership team honored local veterans by inviting them to a college baseball game. The leadership team provided food and drinks, as well as hats and shirts for all veterans in attendance.



COMMUNITY IMPACT



WEED AND FEED

Across America, we continue to see people struggle with food insecurity. From children to senior adults, this epidemic is far reaching and has been further impacted by the rising cost of food. In 2022, our plants contributed food, supplies, and time to address this challenge.

As part of Arcosa's United Way campaign in the Spring, employees from our corporate office in Texas served at CitySquare's Food Pantry. CitySquare fights the causes and effects of poverty in the area. Another team of employees spent time at a local farm, picking weeds, pruning crops, and cleaning animal areas. Bonton Farms' mission is to provide nutritious food to the surrounding underserved community.

In the fourth quarter, Arcosa teammates at our Iowa wind tower plant helped build a better world as they packaged 20,000 meals for Meals from the Heartland. The partnering organization empowers people to serve starving children through education, engagement, and opportunities to provide food.

With a spirit of healthy competition, Arcosa Specialty Materials businesses held a joint food drive in late October. Each plant was tasked with selecting a local food pantry, bringing in food donations, and reporting back total collection weight. The largest collection amount belonged to our lightweight aggregates plant in Texas, with 720 pounds of food collected. In the end, the entire team collected nearly a full ton of food for donation in communities across North America.

During 2022, Arcosa formed a partnership with a local Dallas community center. Jubilee Park focuses on addressing the struggle of food insecurity in a part of Dallas designated as a "food desert." Jubilee Park has programs to provide free, healthy meals each week for its neighbors, including children and seniors. Arcosa and its employees supported a remodel of an outdated food pantry and the establishment of a sustainable re-supply with a regional food pantry. In November, our Dallas employees competed between departments to fill grocery bags with a designated amount of food to prepare an entire Thanksgiving meal, resulting in 242 Thanksgiving dinners for Jubilee seniors.

ON THE ROAD AGAIN

At Arcosa, our employees take pride in the many products we make, the plants we operate, and the cities and towns where we live. Over the last two years, plants in the Construction Products segment have invested time to adopt and maintain roads in our communities.

Arcosa's lightweight aggregates facility in Kentucky spends time each quarter cleaning a section of highway outside their facility as part of the state's Adopt-a-Highway program. The plant also created a volunteer team to partner with the state highway department on a road improvement to increase safety for commercial and residential traffic in the area. A stretch of highway near the plant was lined by a messy ditch with bad drainage that caused flooding during heavy rainfall. The plant volunteers, along with state workers, cleaned the ditch and replaced drainage features, resulting in reduced water buildup and improved safety for drivers in the area.

Today, we have plants in Texas, Oklahoma, and Kentucky which have adopted highways, streets, or roads in their communities. Helping keep our communities clean and safe is part of our commitment to build a better world.

CELEBRATING OUR PEOPLE & BUSINESS IMPACT



In 2022, Sarah Bond, Mine Manager at Arcosa's Imperial Limestone in Vananda, British Columbia, Canada, was selected as one of Rock to Road Magazine's Top 10 Under 40 in the aggregates industry for Canada. Each year, Rock to Road Magazine celebrates 10 of the aggregates and roadbuilding industry's

young professionals rising the ranks in their respective positions. She was recognized for her many contributions to the industry, the mine she operates, and her community.

This year, Brian Cramer, a plant manager for one of Arcosa's natural aggregates sites in Pennsylvania, was awarded the U.S. Department of Defense (DoD) Patriot Award. The award recognizes supervisors for support provided to a military service member and their family, through a wide-range of measures including flexible schedules, time-off prior to and after deployment, care for families, and granting leaves of absence, if needed. We applaud Brian for living Arcosa's values, and knowing We Win Together.



Announced in August 2022, Arcosa Marine Products has joined Green Marine, the largest voluntary environmental certification program for North America's maritime industry. To complete Green Marine's certification, both Arcosa shipyards, one in Tennessee and the other in Missouri, will assess their environmental performance based on the program's applicable indicators, which address air pollutants and greenhouse gases, spill prevention, waste management, community impacts, and environmental leadership. The annual certification process is rigorous and transparent, with the individual performance of each participant independently verified every two years.



Over the summer, Arcosa's Imperial Limestone mine in British Columbia, Canada was awarded The Workplace Health, Safety & Innovation Award for work installing upgrades to product delivery lines to make them more efficient and safer for the employees in those work areas. The award, given by the British Columbia Stone, Sand, & Gravel Association, recognizes a proactive, unique, creative, and forward-thinking workplace practice. This Canadian mine exemplifies Arcosa's strong commitment to safety and innovative thinking that help us build a better world.



Cemefi ESR Distinction: For the third consecutive year, Arcosa Mexico received the Empresa Socialmente Responsable (ESR) badge from the Mexican Center for Philanthropy (Cemefi) and AliaRSE. The badge acknowledges a company's exceptional commitment to employee well-being, business ethics, environmental management, and community impact after a thorough review of company practices. Our Mexico team's continued strong commitment to these areas of ESG and the recognition of their efforts is another positive step on Arcosa's sustainability journey.



VPP OSHA STAR Standouts: Arcosa's Pennsylvania-based McConway & Torley steel foundry and Standard Forged Products manufacturing facility have maintained VPP OSHA STAR designations for the past 13 years. VPP is OSHA's Voluntary Protection Program that recognizes superior safety and health performance by a facility and its workers. OSHA Star is the highest level of recognition under VPP and designates our facilities as outstanding protectors of employee safety and health.



ISO 45001 Certification: Arcosa Wind Towers' facilities in Iowa and Oklahoma have maintained their ISO 45001 certification for the third year in a row. ISO 45001 aims to aid companies in providing a safe and healthy workplace for employees and visitors by establishing an effective occupational health and safety management system. We believe this certification complements our high prioritization of a safety culture for our employees and those who visit our plants.



OUR ENVIRONMENT

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WE SUPPORT THE SUSTAINABILITY OF OUR ENVIRONMENT



Arcosa is building a better world by integrating ESG into our daily practices and long-term strategies. Over the past four years, we strategically built an ESG structure to further the long-term success of the Company. As we expand ESG activities throughout the organization, our internal data collection, initiative tracking, and operational reporting continues to grow through the deployment of a sustainability reporting system.

The changing ESG landscape and emerging regulatory requirements are top of mind as we refine our internal and external reporting. To date we have aligned our climate-related disclosures with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). Now in our third year of reporting under this framework, we have reviewed and updated our disclosures in line with shifts in business composition and global priorities.

For many companies, climate-related impacts are viewed mostly through a lens of risk. However, Arcosa's view of climate impacts includes a balance between both risks and opportunities, as we anticipate (1) infrastructure product demand is likely to increase in relation to physical climate impacts for our customers, and (2) our product lines can contribute to an orderly climate transition.

While cautious as we evaluate risks, we are optimistic that Arcosa's structure and business fundamentals position us to thrive in an uncertain future.

The following pages provide an update on each of the four core pillars of the TCFD: Governance; Strategy; Risk Management; and Metrics and Targets.



In 2022, an Arcosa natural aggregates mine in Arizona kicked off a project to move away from diesel generator power to line powered electricity. In the evaluation process, the team was able to negotiate, propose, and move forward with a cost-effective on-site solar option.



Over the summer, Arcosa's Iowa wind tower facility implemented upgrades to its electrical substations. These secure, energy-efficient substations allow the plant to draw power only when working, rather than constantly.

TCFD GOVERNANCE: BOARD OF DIRECTORS

Arcosa's **Board of Directors (Board)** has ultimate responsibility for risk oversight aligned with the Vision of the Company, including but not limited to climate-related risk. Management reviews and discusses risks and opportunities with the Board as part of the business conducted at each of the regular meetings of the Board. While the Board has primary responsibility for overseeing the Company's risk management, each committee of the Board also considers risk within its area of responsibility. Each committee regularly reports back to the Board on its risk oversight activities. Specifically, the Governance and Sustainability and Audit Committees oversee specific types of climate-related risks and opportunities.

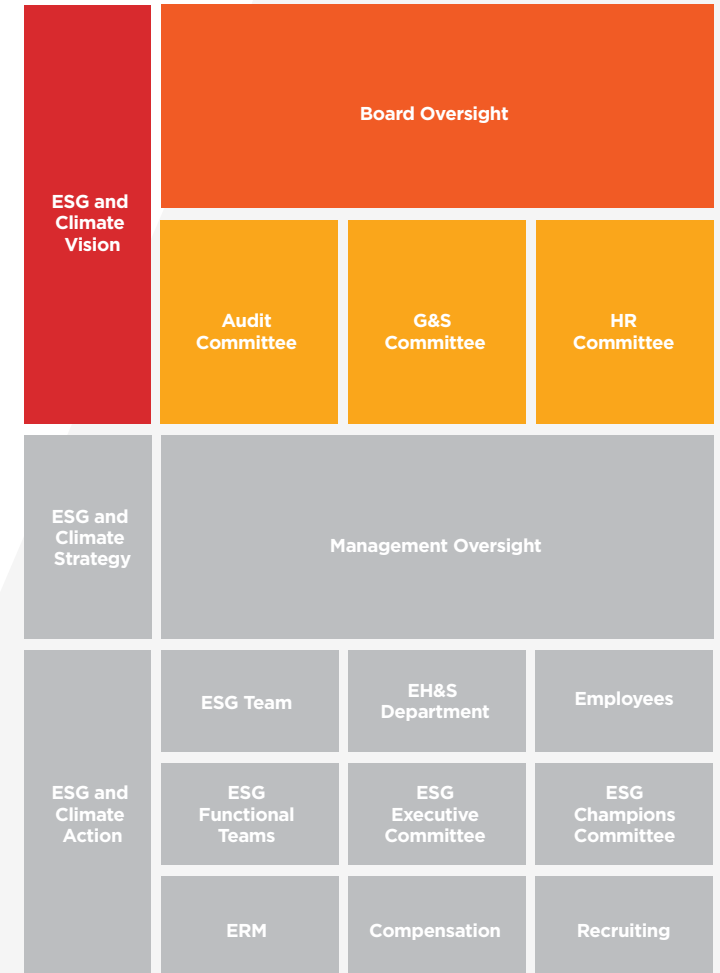
The **Governance and Sustainability (G&S) Committee** has oversight responsibility for our governance and ESG activities and initiatives. In December 2022, the Board approved the amendment of the G&S Committee charter to further clarify the Committee's review and assessment of our sustainability and ESG related practices, policies, goals, and programs as well as the review of our annual sustainability report and other ESG related disclosures.

Per its charter, the functions of the G&S Committee are to identify and recommend to the Board individuals qualified to be nominated for election to the Board; review the qualifications of the members of each committee (including the independence of directors) to ensure that each committee's membership meets applicable criteria established by the United States Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE); recommend to the Board the members and chairperson for each Board committee; periodically review and assess the Corporate Governance Principles and our Code of Conduct and make recommendations for changes thereto to the Board; periodically review our orientation program for new directors

and our practices for continuing education of existing directors; annually review director compensation and benefits and make recommendations to the Board regarding director compensation and benefits; review, approve, and ratify all transactions with related persons that are required to be disclosed under the rules of the SEC; annually conduct an individual director performance review of each incumbent director; oversee the annual self-evaluation of the performance of the Board and its committees; and review and assess our activities and practices in sustainability and ESG matters significant to us, including but not limited to climate-related matters.

The **Audit Committee's** purpose is to oversee, on behalf of the Board, the integrity of Arcosa's financial statements and related disclosures including our Annual Sustainability report; Arcosa's compliance with legal and regulatory requirements; the qualifications, independence, and performance of Arcosa's independent auditing firm; the performance of Arcosa's internal audit function; Arcosa's internal accounting and disclosure control systems; and Arcosa's procedures for monitoring compliance with its Code of Conduct. In addition, among other responsibilities, the Audit Committee reviews and oversees Arcosa's policies and procedures with respect to risk assessment, management, and mitigation.

The **Human Resources (HR) Committee** oversees, on behalf of the Board, risks related to a broad range of social issues, including but not limited to oversight of the Company's inclusion and diversity program; management of succession planning and awards under the Company's incentive compensation and equity-based plans; evaluation of the leadership and performance of the Company's CEO, with compensation recommendations to the Company's independent directors; and compensation review and approval for the other named executive officers.



TCFD GOVERNANCE: MANAGEMENT

Arcosa's senior management team has implemented multiple avenues for assessing and managing climate-related risks and opportunities. The ESG and climate strategy established by leadership drives action across the organization through the following functions:

Director of ESG, Business Unit ESG Leads: The development and execution of Arcosa's ESG program companywide includes initiatives and activities aimed at sustainability improvements in many categories, including but not limited to reductions in GHG emissions related to climate change. The ESG team is responsible for reporting progress to the executive team, and subsequently to the Governance and Sustainability Committee. Additionally, the ESG team proactively communicates and advocates corporate sustainability initiatives to the stakeholder base, including those related to energy management and emissions reductions.

VP of EHS and Business Unit EHS Directors: Arcosa's Environmental Health and Safety team includes corporate leadership and environmental subject-matter experts who provide direct guidance throughout the business. This team provides oversight of environmental matters, including but not limited to regulatory compliance and reporting and environmental initiative action plans.

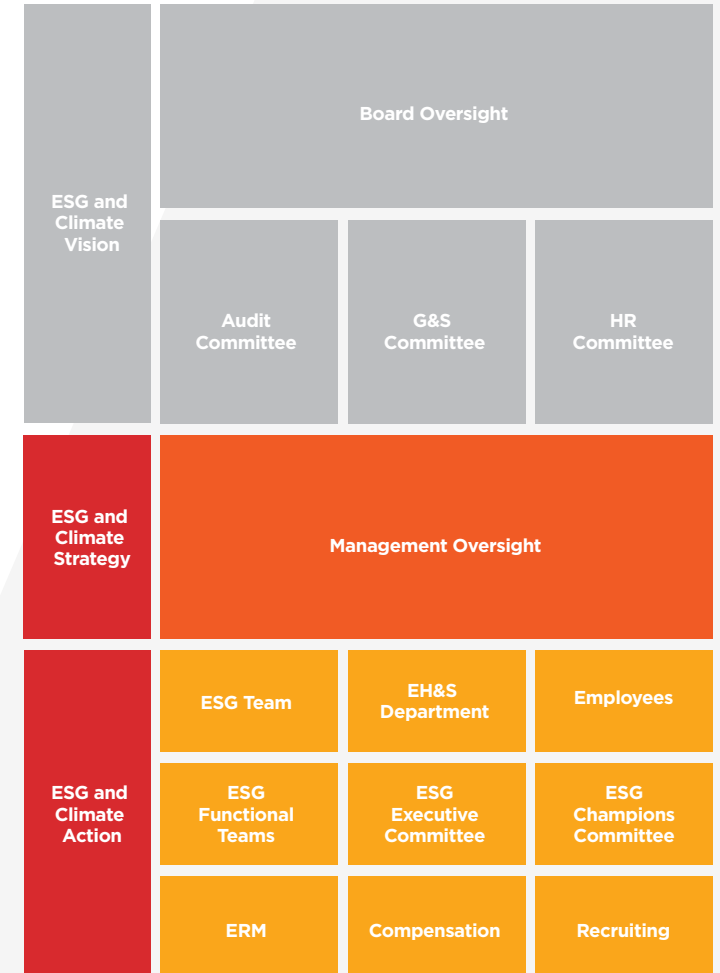
Employees: Arcosa's employees are crucial to the success of the ESG program. Employees are encouraged to identify continuous improvement opportunities through process knowledge and innovative thinking. Arcosa's employees continue to champion initiatives directly aimed at reducing energy consumption and GHG emissions.

ESG Committees and Functional Groups: Arcosa's ESG Executive Committee continues to focus on ESG integration and expansion at all levels of the organization, including ESG and climate strategic planning. This team meets monthly to review current events, internal progress, and communication plans. Additionally, Arcosa's ESG Functional Teams, comprised of business segment leadership, built momentum as they focused on strategic ESG initiatives, operational impacts, and measurement of ESG-related metrics. In 2022, the ESG Champions Committee, comprised of members across corporate functional groups and business units, drove ESG and climate action through focus on specific ESG initiatives that impact all levels of the organization, including training opportunities for our employee base.

Enterprise Risk Management (ERM): Arcosa's Internal Audit team facilitates a proactive, structured process for identifying and mitigating market, operational, climate-related, financial, infrastructural, and reputational risk. The Audit Committee is responsible for direct oversight of the ERM process, with the entire Board providing overall review and guidance.

Compensation: A portion of the compensation of named executive officers and a number of additional employees is linked to progress on ESG initiatives.

Recruiting: Through HR-led initiatives, including a refreshed diversity-focused recruiting process, we continue see positive diversity impacts across our workforce. We believe fresh perspectives and an engaged workforce can aid innovative thinking and process improvements in energy management and emissions reductions in our operations.



TCFD STRATEGY: RISKS & OPPORTUNITIES

Arcosa’s Board and senior leadership team have established a layered structure for identifying companywide risks and opportunities. Using a formal ERM process, along with business leader expertise, we identify risks across the organization. Frequent strategic planning aids in identification of opportunities to make the company more resilient.

Climate-Related Risks	Potential Financial Impact Without Mitigation	Likelihood	Impact	Severity	Years < 5 5-10 10+	Climate-Related Mitigation and Opportunities
Policy & Regulatory Risks						
As policy actions and climate regulations continue to evolve, the implementation of carbon limiting activities, such as a carbon tax or emissions limits, could impact businesses.	Potential increase in tax expense, operating costs to achieve emissions reductions, or investment in emissions-reducing assets.	Likely	Minor	Moderate	● ●	<p>Mitigation Strategy: GHG emissions reduction through conservation remained a business priority in 2022. We implemented reduction efforts throughout our businesses, with high focus in business lines with proportionally higher emissions footprints. Additionally, our businesses are building and implementing renewable energy strategies to reduce Scope 2 emissions.</p> <p>Opportunity: As demand for low-carbon alternatives increases, certain Arcosa product lines may benefit from the transition to more efficient modes of transportation, including in our inland barge and rail components businesses. Further infrastructure build-out to support clean energy across the US may also present growth opportunities for our transmission structures and construction materials businesses.</p>
<p>Since the passage of the US Inflation Reduction Act, Arcosa received wind tower orders in excess of \$1.1 billion. Also, Arcosa plans to open a wind tower manufacturing facility in Belen, New Mexico, to supply wind energy expansion projects currently underway in the Southwest. We continue to remain attentive to opportunities to expand our climate-friendly product lines.</p>						



TCFD STRATEGY: RISKS & OPPORTUNITIES

Climate-Related Risks	Potential Financial Impact Without Mitigation	Likelihood	Impact	Severity	Years < 5 5-10 10+	Climate-Related Mitigation and Opportunities
We continue to see the ESG regulatory landscape change, with stricter regulation over climate-related reporting on the horizon.	Potential additional administrative, compliance, and legal costs.	Very Likely	Moderate	High	●	<p>Mitigation Strategy: Arcosa continues to focus on and plan for stricter regulation over climate-related reporting and internal controls. We currently report climate-related information under the TCFD framework, using select SASB metrics, and continue to monitor the ESG landscape to align with standards and frameworks aligned with regulatory requirements and stakeholder needs.</p> <p>Opportunity: We continue to leverage Arcosa’s current governance strengths, such as public company reporting structure and controls, to align with the changing ESG regulatory environment. Where needed, we seek outside counsel from ESG consultants.</p>
The United States government has begun evaluating climate-related regulations over the past year to support a transition to a low-carbon economy. Possible additional climate-related mandates on and regulation of existing product lines could impact our businesses.	Potential additional administrative, compliance, and legal costs.	Possible	Moderate	Moderate	● ●	<p>Mitigation Strategy: Arcosa’s core mitigation strategy is to decarbonize production processes, where possible, in current product lines to contribute to a low-carbon economy, and to grow in environmentally-friendly product lines. In 2022, Arcosa invested in a California-based recycled aggregates business and introduced the product in its Arizona operations, complementing our Texas-based recycled aggregates platform that stemmed from three acquisitions in 2020 and 2021.</p>



TCFD STRATEGY: RISKS & OPPORTUNITIES

Climate-Related Risks	Potential Financial Impact Without Mitigation	Likelihood	Impact	Severity	Years < 5 5-10 10+	Climate-Related Mitigation and Opportunities
Technology Risks						
As companies look to upgrade to more energy efficient equipment, or as new carbon capture technology becomes mainstream, company asset infrastructure costs could rise.	Potential increase in operating, engineering, and asset costs.	Likely	Moderate	Moderate	● ●	<p>Mitigation Strategy: Arcosa drives long-term strategic planning to include asset infrastructure purchases, including lower emissions technology. For proportionally higher emissions facilities, 2022 planning cycles included opportunities for investments that will aid in emissions reductions.</p> <p>Opportunity: We are currently evaluating and implementing strategies that align energy efficient equipment purchases with regulatory incentives that alleviate cost pressures.</p>
Electricity grid reliability, availability, and pricing due to higher usage could impact operations or operating costs as many companies transition to electrification and renewable energy.	Potential higher operating costs for backup and emergency energy reserves (fuel and other alternatives).	Likely	Significant	High	● ●	<p>Mitigation Strategy: Arcosa's resilience is evident in our geographic diversity, with plants in varying regions across North America, ensuring mitigation against grid outages or power shortages. As the limits of the electricity grid are tested, internal ESG efforts focused on electricity conservation through production efficiency counter potential grid instability.</p> <p>Opportunity: Arcosa's utility structures business benefits from infrastructure investment to support higher volumes of U.S. energy consumption.</p>
Price increases from energy providers, due to their investment in transition to renewable sources, could negatively impact the Company.	Potential higher operating costs due to higher energy prices.	Likely	Moderate	Moderate	● ●	<p>Mitigation Strategy: Arcosa, with strategic internal and external consultation, is implementing business-practical renewable energy solutions within our businesses to maximize emissions reductions and offsets with cost neutral and cost favorable projects.</p>



TCFD STRATEGY: RISKS & OPPORTUNITIES

Climate-Related Risks	Potential Financial Impact Without Mitigation	Likelihood	Impact	Severity	Years			Climate-Related Mitigation and Opportunities
					< 5	5-10	10+	
Market Risks								
Potential for increased cost of raw materials exists as supply chain participants also look to decarbonize through energy investments.	Potential higher operating costs.	Likely	Minor	Moderate	●	●	●	Mitigation Strategy: We see opportunities to leverage our purchasing power to mitigate some of the potential impact of material cost increases. Innovative and strategic focus to eliminate possible inefficiency in our production processes also present opportunity for cost mitigation.
Vendor resilience may be tested during the transition, leading to an unreliable supply chain.	Potential higher operating costs for backup suppliers or rush shipments.	Possible	Minor	Low	●	●		Mitigation Strategy: Opportunity exists to diversify supplier base to rely on sustainability-focused suppliers which are often more resilient. Opportunity: As climate change increasingly impacts companies in our markets, Arcosa provides reliability where other, less diversified companies may be challenged.
As markets shift to prioritize low-carbon products and services, it is possible we will see a change in customer behaviors.	Potential revenue loss.	Possible	Significant	Moderate	●	●		Mitigation Strategy: Arcosa's plan, as part of our long-term strategy, is to integrate ESG into everything we do. We believe our environmental actions position us to meet the needs of our customers who pursue sustainability within their supply chain. Opportunity: As customers shift to find energy efficiency and lower emission options, opportunities arise for our low-emission product lines such as recycled aggregates, inland barges, and wind towers.



TCFD STRATEGY: RISKS & OPPORTUNITIES

Climate-Related Risks	Potential Financial Impact Without Mitigation	Likelihood	Impact	Severity	Years < 5 5-10 10+	Climate-Related Mitigation and Opportunities
Reputation Risks						
Accelerated stakeholder expectation of public commitment to a low carbon economy could impact reputations of companies who do not keep pace.	Potential impact to share price and revenue loss.	Likely	Significant	High	●	Mitigation Strategy: Last year we responded to stakeholder expectations by developing and disclosing a goal of 10% GHG emissions reduction per million dollars of revenue by the end of 2026 compared to 2020. In 2022, we exceeded our Scope 1 and 2 emissions target ahead of schedule and are analyzing the emissions impact of planned growth activities to evaluate establishing additional goals in our next reporting cycle. Also, with the assistance of outside experts, we are reviewing and implementing emissions reduction and renewable energy projects at select business locations.
Stigmatization of less "green" production processes and products is possible in some industries.	Potential revenue loss combined with potential increase in operating, engineering, and asset costs.	Possible	Moderate	Moderate	● ●	Mitigation Strategy: Diversification of products across Arcosa allows us to maintain a balanced emissions portfolio. Opportunity: Opportunity exists for further acquisitions into low-emission products and platforms, as well as investment in technology to reduce energy and water consumption in current production processes. Additionally, participation in energy reduction programs and renewable energy solutions should allow us to reduce our carbon footprint overall.



TCFD STRATEGY: RISKS & OPPORTUNITIES

Climate-Related Risks	Potential Financial Impact Without Mitigation	Likelihood	Impact	Severity	Years < 5 5-10 10+	Climate-Related Mitigation and Opportunities
Acute Risks						
<p>Climate event-driven risks may result in physical impact to our businesses, including but not limited to:</p> <ul style="list-style-type: none"> > Increased severity of natural disaster impacts and insurance coverage > Extreme temperatures limit operating hours or days > Extreme temperatures affect employee health and safety > Higher rainfall and intense wind 	<p>Major business interruptions could cause revenue loss from weather-related production and shipment delays. Potential increase in operating costs from larger investment in employee health and safety care, higher property insurance premiums and claim volumes, higher transportation costs, and asset maintenance and replacement costs.</p>	Possible	Moderate	Moderate	● ● ●	<p>Mitigation Strategy: At Arcosa, we have the opportunity to leverage EHS-driven business continuity plans to ensure resilience across our operating facilities. Geographic diversity allows us to adapt to high and low temperatures at intervals, rather than at all locations at once. We also see the opportunity to mitigate operational risks by improving production efficiency and reliability as part of routine strategic planning.</p> <p>Opportunity: Arcosa is favorably positioned to support reconstruction in the market during times of severe weather patterns through our engineered structures product lines and construction product lines including recycled and natural aggregates businesses.</p>



TCFD STRATEGY: RISKS & OPPORTUNITIES

Climate-Related Risks	Potential Financial Impact Without Mitigation	Likelihood	Impact	Severity	Years < 5 5-10 10+	Climate-Related Mitigation and Opportunities
Chronic Risks						
<p>Long-term shifts in climate conditions may result in factors that negatively impact our businesses, including but not limited to:</p> <ul style="list-style-type: none"> > Changes in precipitation patterns and extreme variability in overall weather > Rising average temperatures > Rising ocean and river levels and increased flooding > Inconsistent access to reliable electricity supply 	<p>Major business interruptions could cause revenue loss from weather-related production and shipment delays.</p> <p>Potential increase in operating costs from higher insurance premiums and claim volumes, higher transportation costs, and asset maintenance and replacement costs.</p>	Likely	Significant	High	● ●	<p>Mitigation Strategy: Medium- or long-term weather and climate impacts bring opportunity to evaluate acquisition and organic growth in lower risk regions; to affect change by investing in new technologies; and to rely on the resilience we are building through sustainable operational practices. We are committed to participating in a carbon transition and continue to evaluate and implement business-practical changes in the near-term, while mindfully planning for longer-term change.</p>

Arcosa remains committed to meeting the evolving needs of our stakeholders through operational resilience built by adapting to and planning for climate-related impacts. The risks we identified on the preceding pages could be detrimental to any business if not addressed; however, these risks are at the forefront of our business and financial strategy and are addressed through thoughtful collaboration by our employees, business leaders, and Board of Directors. We are optimistic for the future as we explore opportunities to accelerate organic and acquisition growth in low-emissions product lines, to position existing environmentally friendly businesses for future success, and to build a resilient and geographically diverse company.



To understand the impact climate change could have on Arcosa, we performed a high-level, qualitative review of the impact of a 1.5°C global warming scenario. This scenario was developed based on global temperature increases expected by 2100 and the need to impact the trajectory of decarbonization in the near term, in this case by 2030.

The following principles presented in the International Energy Agency's (IEA) Global Energy and Climate (GEC) Model¹ were taken into consideration:

- > The uptake of all the available technologies and emissions reduction options is dictated by costs, technology maturity, policy preferences, and market and country conditions.
- > All countries cooperate towards achieving net zero emissions worldwide.
- > An orderly transition across the energy sector.

In our scenario, the largest assumption remains a need for rapid and aggressive action to address climate change, including but not limited to government intervention, investment in decarbonization technology, and cost-structure implications. We see possible financial risks if no action is taken; however, these risks do not materially change the fundamentals of our business strategy. Our strength is visible in the diversification of our portfolio and the established governance of our operating strategy.

While qualitative in nature, this scenario provides a basis for internal strategic conversations. As our program matures in the future, we plan to coordinate science-based, quantitative scenarios.

1.5°C CLIMATE IMPACT SCENARIO

Assumptions:

- > Rapid and aggressive action taken to address climate change including regulations of GHG emissions, restrictions on deforestation, and water conservation initiatives.
- > Decarbonization technology is available but remains capital intensive.
- > Physical impact of climate change minimized.

Business Impact:

- > Operating and supply chain costs are impacted by:
 - > Greening of the grid as utilities pass on infrastructure costs.
 - > Carbon pricing enacted as an emissions management alternative.
 - > Decarbonization technology implemented in phased approach to reduce emissions.
 - > Transition to renewable fuels.
- > Increasing transition to electrification and renewable energy outpaces grid infrastructure, resulting in gaps in available clean energy and price volatility.
- > Arcosa product lines important to the energy transition, including wind towers and utility structures, benefit from electrification and renewables infrastructure build out.
- > Arcosa benefits from market transition to lower emissions product offerings in current portfolio, and market transition to more efficient modes of transportation.



Identification and assessment of risk is a routine part of any business. Arcosa operates in multiple, complex industries, where opportunities and risks cannot always be separated. We believe it is important to regularly review both the risks and opportunities of our businesses and refine our strategy for long-term sustainability. Climate-related risks impact our various businesses and locations in different ways, and multiple internal departments support risk identification, assessment, and management.

Arcosa's Enterprise Risk Management Process is a proactive, structured approach to identifying and mitigating market, operational, climate-related, financial, infrastructural, and reputational risk. We identify and assess climate-related risks through the annual ERM process, with input from both internal and external sources. Arcosa's ERM framework is dynamic in its application across all business units and risk-related topics, supporting management in the effective management of risk. The formal ERM process is designed to enable consistent and frequent communication between accountable management, executive leadership and the Board.

Climate-related risk is a large part of the ERM process, as we are focused not only on Arcosa's impact on the environment, but also the environment's impact on Arcosa.

Arcosa's Risk Management Team provides direct input at both the Arcosa corporate level and the individual business level to manage climate-related risks through evaluation, selection, and review of appropriate insurance coverage; organic risk mitigation strategy collaboration, including capital spend planning; and risk prevention strategies. Up-to-date Business Continuity Plans (BCP) remain a key tool in risk assurance for external stakeholders and solidify internal planning and processes for unplanned disaster events. The annual BCP process can improve insurance costs, and it elevates our physical climate risk preparedness.

Arcosa's Legal Team provides mitigation and prevention strategies and overall expert guidance across the business in response to ESG risks, opportunities, and strategic direction.

Arcosa's Senior Management Team monitors stakeholder input for micro and macro trends in the industries where we operate to actively identify and prepare for climate-related impacts. From monthly business reviews of operational ESG activities to annual strategic planning for long-term impacts, business unit leadership and senior management build processes to address changes to supply chain resilience, customer preferences, industry norms, workforce reliability, weather patterns, and new technology.

TCFD: METRICS AND TARGETS

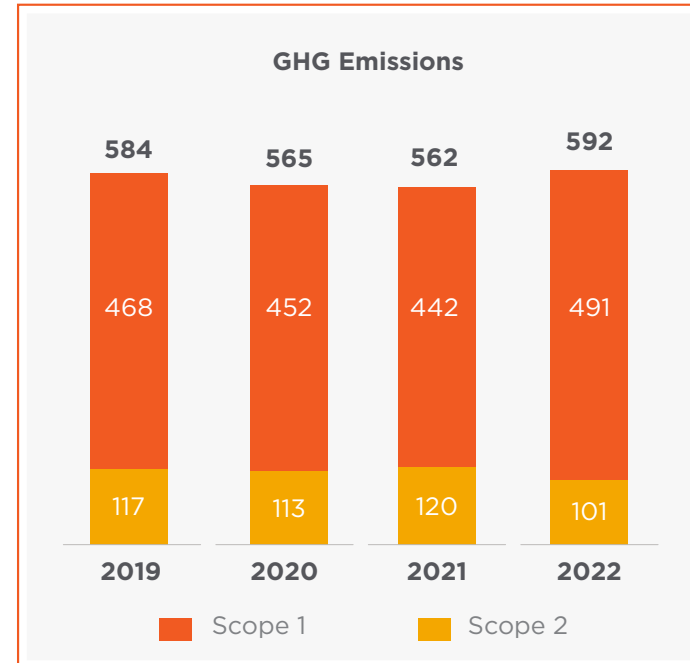
Arcosa's sustainability program is driven by the belief that practical, business-focused energy management is the foundation for GHG emissions reductions. We can play a role in addressing the global climate challenge by strategically implementing projects that improve efficiency of both operational costs and environmental impact. While we understand energy management will not eliminate all emissions, it remains our first focus. In addition to overall energy consumption reduction, we are working to roll out renewable energy plans for our high electricity-use businesses.

Last year, in affirmation of our commitment to environmental responsibility, we announced our first, short-term emissions reduction goal. **We are committed to our target of a 10% reduction in Scope 1 and 2 emissions intensity by the end of 2026, compared to 2020 levels.**

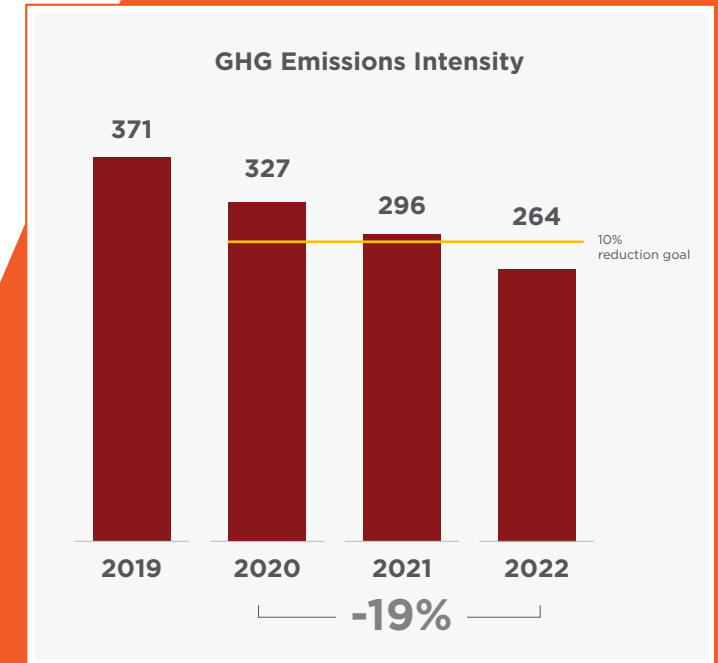
In 2022, we exceeded our Scope 1 and 2 emissions target ahead of schedule by reducing the emissions intensity of our operations by 19% compared to our 2020 baseline. We achieved this reduction through efforts to maintain stable absolute emissions in a period of organic and acquisition revenue growth. We will continue to analyze the impact of these activities and are evaluating establishing additional goals in our next reporting cycle.

Throughout 2022, our facilities' energy management projects included:

- > Compressed air evaluation and leak repair
- > Energy efficient asset replacements
- > Insulation improvements to prevent heat loss in key production areas
- > Plant lighting upgrades
- > Energy audits to identify and plan for future energy reduction projects



Metric Tonnes of CO₂ equivalent in Thousands



Metric Tonnes of CO₂ equivalent / Revenue in Millions



ENERGY MANAGEMENT & GHG EMISSIONS

In 2022, one of Arcosa's natural aggregate mines in Arizona installed an overland conveyor system to reduce movement of diesel-powered haul trucks across the site. This conveyor project had positive, cost-effective impacts across multiple environmental priorities, including electrification of a previously diesel-intensive process; diesel-driven emissions reductions from fewer haul truck and water truck trips; and water conservation from fewer needed dust suppression activities. The cost and emissions savings embodied in this project directly align with our strategy of implementing business-practical, sustainable initiatives across Arcosa.

Arcosa's specialty materials business mines, mills, processes, and distributes various aggregate products used in a wide range of applications. Production of soil amendment pellets is one of our more unique applications, contributing to enriched land use. During the year, our Nevada mine upgraded its thermal energy equipment on the Calcium Sulfate pellets product line. The upgrade to newer equipment not only increases energy efficiency on the line, but also includes modern safety features that benefit the facility and our employees who work in the department.

For Arcosa's lightweight aggregates business, heat is a driving force of quality product. As the largest producer of rotary kiln expanded shale and clay lightweight aggregate in North America, heat is essential to our production process, and is a large focus of our energy efficiency efforts. Our facilities in Kentucky, Alabama, and Colorado spent time in 2022 evaluating kiln efficiency. One of the projects the lightweight team executed was front- and back-end kiln seal replacement. These important seals act as a dust seal for particulate matter, as well as an ambient air seal, keeping cool and hot air in place.



WATER MANAGEMENT

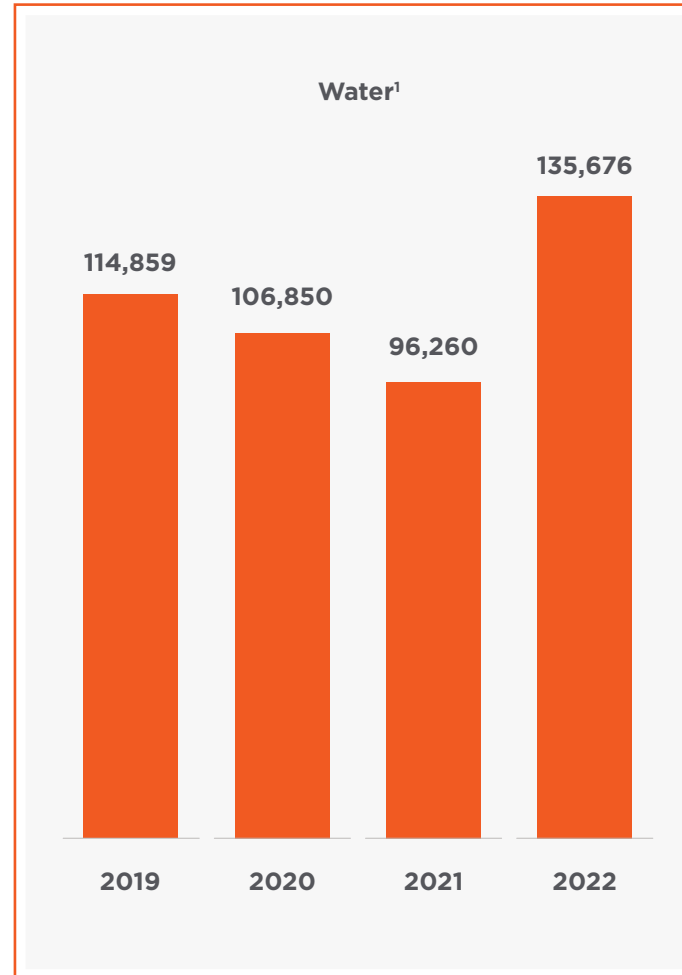
Water is an essential part of Arcosa's environmental footprint. We use water in both our manufacturing operations and support processes, aiding in the safety and quality of our products. We understand the importance of water as a limited natural resource and have focused our conservation efforts accordingly:

- > Building efficiencies in our production processes
- > Broadening use of water recycling processes where they do not yet exist
- > Operationalizing data to drive action in locations with high water use

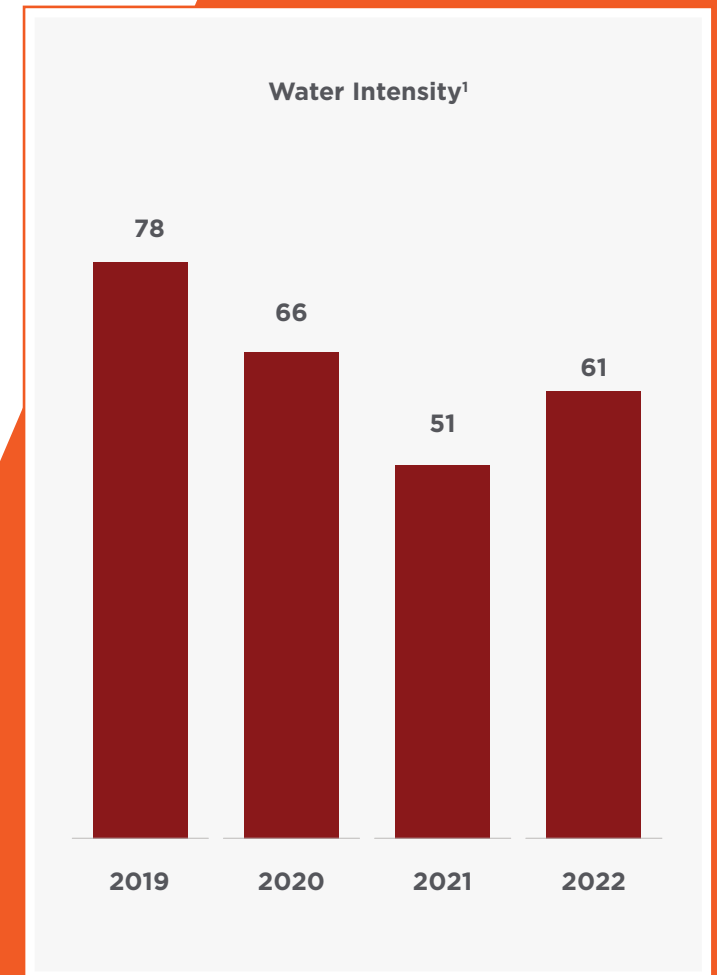
In 2021, we added two large natural aggregates businesses to our portfolio, resulting in an increase in water consumption for processing activities and a temporary increase in water intensity reflected in a full year 2022 review. During 2022, water conservation evolved as a focus for these sites, and we believe we will see improvement in both total consumption and intensity in 2023.



In 2022, Arcosa's inland barge business established a business unit ESG steering committee with a focus on cost reductions through energy management and water conservation, as well as further community engagement. With help from this team, Arcosa's plants in Missouri and Tennessee implemented water conservation projects, including upgraded well pumps, silos to catch rainwater for pressure washing, and barge mats to eliminate the need for re-cleaning.



Kilogallons



Kilogallons/Revenue in Millions

¹Excludes revenue and water consumption of acquisition businesses in the year of acquisition, while these acquisitions are integrated into our ESG reporting systems.



OUR PRODUCTS

Recycled Aggregates 45

Wind Towers 46

Barges 47

Shoring Products 48



OUR PRODUCTS

Our products are used in essential, environmentally friendly industries

Arcosa operates across multiple industries, many of which positively contribute to environmental protection.



We produce **wind towers** to support our customers' advancement of America's wind energy infrastructure.



We build **barges** for the fuel-saving and efficient movement of commodities across the country's inland and coastal waterways.



Recycled aggregates provide an alternative to using natural resources by recycling concrete, asphalt, steel and asphalt shingles, which minimizes landfill use and reduces roadway traffic and vehicle emissions.



Utility structures manufactures engineered, tubular, lattice steel structures, and pre-stressed concrete poles for electricity transmission and distribution from wind, solar, and other environmentally friendly resources.



Steel components manufacture railcar components for the fuel-saving and efficient movement of commodities across the country.

RECYCLED AGGREGATES

In 2022, we added a California-based recycled aggregates business to our existing industry-leading platform. Arcosa's recycled aggregates business plays an integral role in building our culture of ESG. Our business sources the majority of raw materials from Construction and Demolition (C&D) debris, aligning with Arcosa's goal of environmental responsibility through increased use of recycled materials in our production processes.

C&D debris recycling:

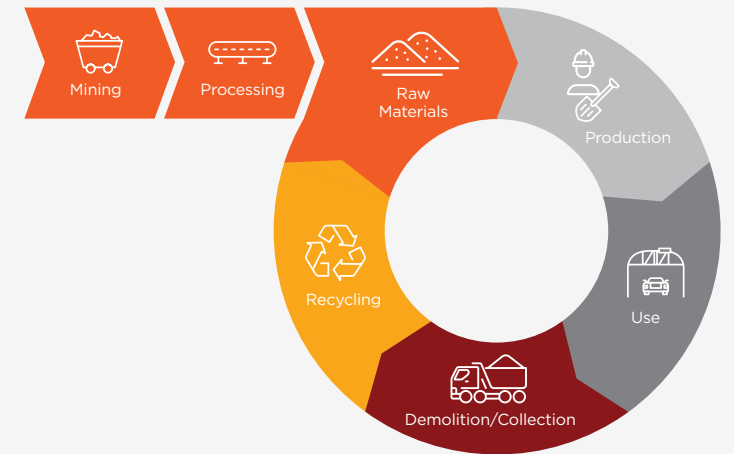
- > According to the EPA, 600 million tons of C&D debris were generated in 2018[†]
- > 73% of C&D debris is recycled[†]
- > Recycled asphalt saves U.S. taxpayers ~\$3.3B annually[†]
- > Recycled C&D debris saves landfill space, conserves natural resources, reduces greenhouse gas emissions, creates jobs, and decreases road congestion

Annually, Arcosa Recycles

OVER 4.5 MILLION TONS OF CONCRETE FOR USE IN ROAD BASE MATERIAL

NEARLY 120,000 TONS OF RECLAIMED ASPHALT FOR USE IN ROAD APPLICATIONS

OVER 25,000 TONS OF STEEL TO FABRICATE NEW STEEL PRODUCTS



Arcosa's Construction Products segment contributes to many parts of the circular economy. Its natural aggregates and specialty materials businesses responsibly mine, process, and supply raw materials for road base and other construction applications, while the recycled aggregates business provides demolition services, transportation and processing, and redistribution of recycled raw materials in the markets they serve.

WIND TOWERS

As a leading wind tower manufacturer with nearly 15,000 towers produced, Arcosa plays an important role in the development of America's wind energy infrastructure. In addition to emissions avoidance, wind energy allows for water conservation compared to thermal power plants.

In 2022, Arcosa Wind Towers participated in EcoVadis' ESG rating survey. With collaborative effort, we were able to showcase our sustainably-focused operations and earned a silver medal within the program.

340M

Metric tons of CO₂ emissions avoided annually through wind energy; equivalent to 74 million cars' worth of emissions.

~70,000

Wind turbines operate across the United States, generating enough wind power to serve the equivalent of 43 million American homes.

\$12B

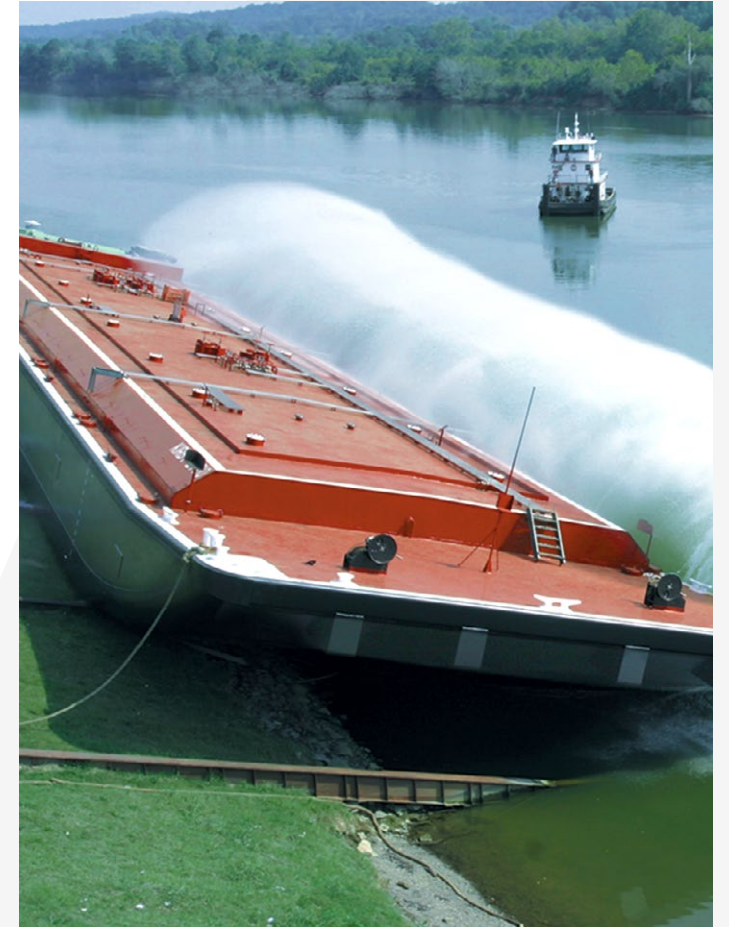
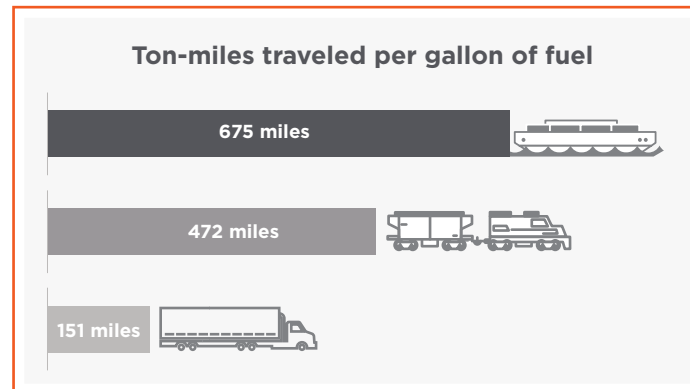
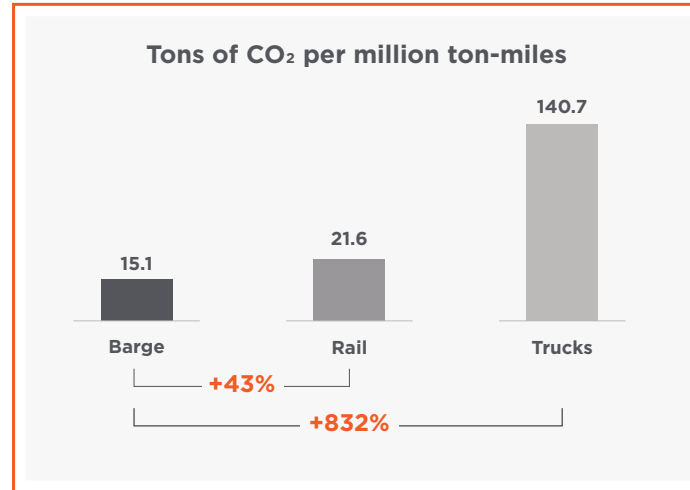
Industry investments in new wind projects in 2021.



BARGES

Arcosa builds barges for the fuel-saving and efficient movement of commodities across America's inland and coastal waterways.

In a mature industry, with few shifts in design and long useful lives of our products, Arcosa Marine continues to innovate. In 2022, we built and sold a new container-on-barge design to improve the hauling and efficiency of the growing market segment. The new barge increases capacity by 56%, improves safety through less complex loading, and provides more efficient loading for our customers.



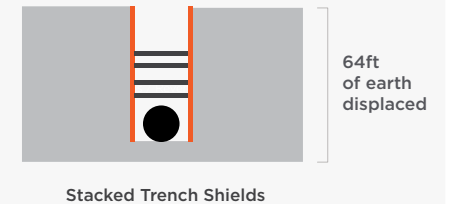
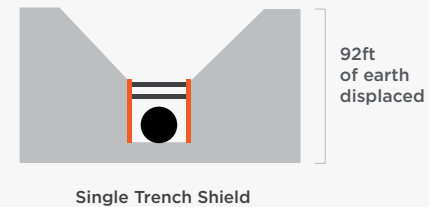
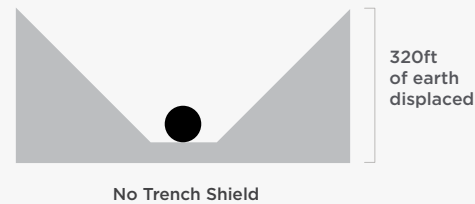
SHORING PRODUCTS

Arcosa provides a valuable product to the underground construction market as a leading provider of steel and aluminum trench shields. Our products provide value to the environment as well as to our customers' workforce and operations.

Trench shield benefits include improved employee health and safety, higher productivity, reduced transportation costs and emissions, and minimized land displacement.



Increasingly sustainable with minimized land displacement



APPENDIX






At Arcosa, sustainability means strengthening the positive interactions we have with the world around us to drive long-term value and corporate resilience. As a provider of infrastructure-related products and solutions with leading positions in construction, engineered structures, and transportation markets, we believe we can create long-term value for our broad range of stakeholders by driving a culture that values ESG responsibility.



The following reference tables contain disclosures relevant to Arcosa’s ESG program. In correlation with our TCFD response, we have included select metrics from SASB, including standards for the multiple sectors in which we operate:


- 1 Extractives & Minerals Processing — Construction Materials Sector;
- 2 Resource Transformation — Industrial Machinery & Goods Sector; and
- 3 Renewable Resources & Alternative Energy — Wind Technology & Project Developers Sector.


We continue to monitor the evolving ESG regulatory landscape to ensure we meet the needs of our stakeholders.


The tables also reference select United Nations Sustainable Development Goals (UN SDGs), with:

 Good Health and Wellbeing (3) — reflected through our commitment to the health, safety, and well-being of our people

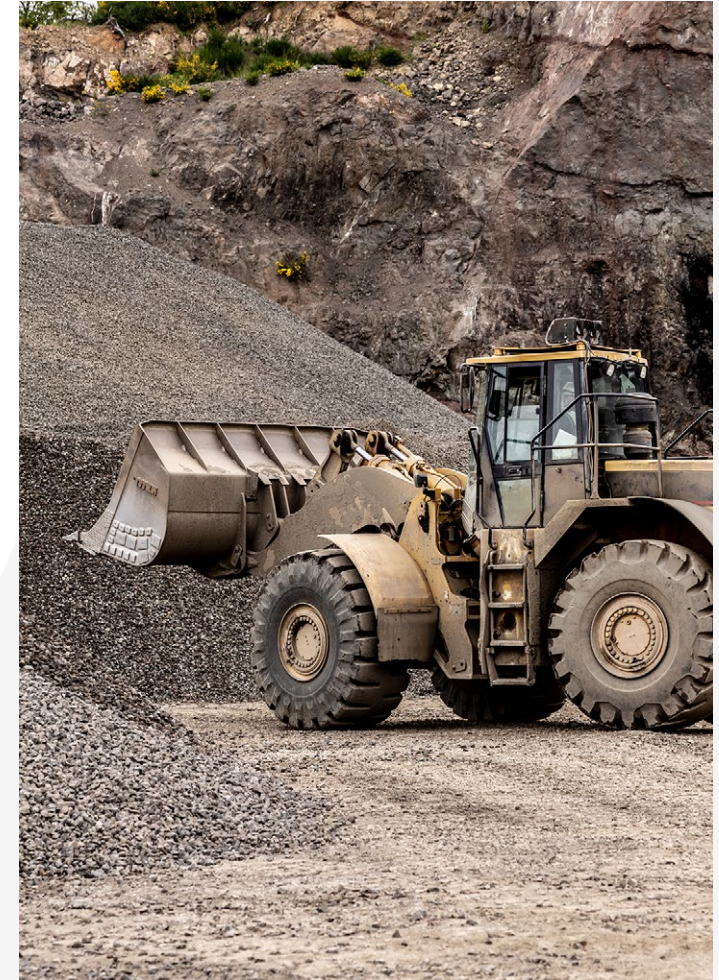
  Gender Equality (5) and Reduced Inequalities (10) — demonstrated as we plan and implement initiatives to further inclusion and diversity across the Company

 Responsible Consumption and Production (12) — driven by conscientious selection of materials used in our products and our compliance with sourcing regulations




 Climate Action (13) — shown in our commitment to environmental responsibility in our operations and a published goal to reduce emissions intensity across the Company

 (16) Peace, Justice and Strong Institutions — seen in the strong governance and ethical operations of the Company



We keep ESG at the forefront of our priorities, understanding the actions we take today can have broad and far-reaching impact for future generations. At Arcosa, we are unified in our commitment to build a better world.






REFERENCE TABLE — ENVIRONMENTAL

Environmental Topic	Metric	Unit of Measure	2019	2020	2021	2022	Disclosure Commentary	SASB Code	UN SDG	Pg
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	Metric Tons (t)					In process	EM-CM-120a.1	 	
	Number of air permits	Number					In process			
	Dollars spent on air quality	Dollars					In process			
Energy Management	(1) Total energy consumed	(1) Gigajoules (GJ)	1) 6,942,180	1) 6,976,517	1) 7,118,550	1) 7,489,714		RT-IG-130a.1		
	(2) percentage renewable	(2) Percentage	2) 0%	2) 0%	2) 0%	2) 0%		EM-CM-130a.1		
	(1) Total electricity consumed	(1) Gigajoules (GJ)	1) 901,809	1) 880,425	1) 975,115	1) 856,174				
	(2) percentage renewable	(2) Percentage	2) 0%	2) 0%	2) 0%	2) 0%				
GHG Emissions	(1) Gross global Scope 1 emissions (2) percentage covered under emissions-limiting regulations	(1) Metric tons (t) CO ₂ -e (2) Percentage	1) 467,856 2) In Process	1) 451,977 2) In Process	1) 441,792 2) In Process	1) 490,918 2) In Process		EM-CM-110a.1		40
	Gross global Scope 2 emissions	Metric tons (t) CO ₂ -e	116,570	113,419	120,201	100,594				40
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion					We have provided mitigation strategies and relevant business opportunities for each identified climate-related risk in our TCFD recommended disclosure section.	EM-CM-110a.2		31-37


REFERENCE TABLE — ENVIRONMENTAL

Environmental Topic	Metric	Unit of Measure	2019	2020	2021	2022	Disclosure Commentary	SASB Code	UN SDG	Pg
Land Management	Number of Sites Reclaimed	(1) Number of Sites (2) Discussion					In progress			
Recycled Materials	Description of the management of risks associated with the use of critical materials	Discussion					For our manufacturing businesses, the management of steel at the source is an important way we can manage waste. We believe we can reduce landfill use by sourcing steel that is made from recycled metals.	RR-WT-440a.1 RT-IG-440a.1		
	Analysis of composition of steel purchased (recycled versus non-recycled material)	Percentage	Recycled Steel 60.1%; Non-Recycled Steel 39.9%	Recycled Steel 60.6%; Non-Recycled Steel 39.4%	Recycled Steel 59.9%; Non-Recycled Steel 40.1%	Recycled Steel 65.5%; Non-Recycled Steel 34.5%	Arcosa has partnered with our steel suppliers to focus on material management for our manufacturing operations. We target 50% or greater acquisition of recycled steel for our steel manufacturing processes.			
Waste/Hazardous Materials Management	Description of initiatives to reduce waste and properly manage hazardous materials	Discussion					In process			
Water & Wastewater Management	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	(1) Thousand cubic meters (m ³) (2) Percentage (3) Percentage	1) 434.8 2) In Process 3) In Process	1) 404.5 2) In Process 3) In Process	1) 364.4 2) In Process 3) In Process	1) 513.6 2) In Process 3) In Process	Disclosure includes purchased water across US operations. Increase driven by inclusion of full year reporting for natural aggregates acquisitions made in 2021.	EM-CM-140a.1		42

REFERENCE TABLE — SOCIAL

Social Topic	Metric	Unit of Measure	2019	2020	2021	2022	Disclosure Commentary	SASB Code	UN SDG	Pg
Employee Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Rate	1) 4.31 2) In Process 3) In Process	1) 1.89 2) In Process 3) In Process	1) 1.73 2) In Process 3) In Process	1) 1.21 2) In Process 3) In Process	Disclosure commentary included in report.	RR-WT-320a.1 RT-IG-320a.1 EM-CM-320a.1		20
	Talent Management	Talent Recruitment Activities	Discussion					In process		
	Talent Development Activities	Discussion					Disclosure included in report			23
Community Engagement, Social Investment	Amounts contributed to charitable and non-profit organizations for the betterment of our communities.	Dollars					In process			
	Employee volunteer hours	Number of hours	12,036	2,939	3,229	3,451	We continue to see lower volunteer hours reported than in pre-COVID years. We are evaluating a refresh to how we report this information.			
Diversity	Employee (1) race/ethnic and (2) gender diversity	Percentage	(1) White 67%, Non-White 33% (2) Male 88%, Female 12%	(1) White 63%, Non-White 37% (2) Male 89%, Female 11%	(1) White 64%, Non-White 36% (2) Male 89%, Female 11%	(1) White 62%, Non-White 38% (2) Male 88%, Female 12%	Race/ethnic diversity includes only US operations in order to eliminate dilution from our Mexico operations. Total workforce without exclusion: 49% White, 51% Non-White		 	21
	Salaried employee gender diversity	Percentage			Male 70%, Female 30%	Male 68%, Female 32%				21

REFERENCE TABLE — GOVERNANCE

Governance Topic	Metric	Unit of Measure	2019	2020	2021	2022	Disclosure Commentary	SASB Code	UN SDG	Pg
Corporate Governance	Independent Board Members	Percentage	89%	89%	90%	90%				12
	Board Ethnic Diversity	Percentage	22%	22%	20%	20%				12
	Board Gender Diversity	Percentage	11%	11%	30%	30%				12
	Board Oversight of ESG	Discussion					The Arcosa Board of Director's Governance and Sustainability committee is responsible for oversight of the Company's ESG strategy and initiatives. See further discussion in report.			29
	Business Ethics and Compliance Training	(1) Number and (2) Percentage of Employees Trained	1) 6,275 2) 100%	1) 6,410 2) 100%	1) 6,170 2) 100%	1) 5,230 2) 100%	Operating in the regular course of business, employees complete annual training and certification for Arcosa's Code of Conduct.			(1) 19 (2) 15

NON-GAAP MEASURES

Reconciliation of Adjusted EBITDA

(\$'s in millions) (unaudited)

Year Ended
December 31, 2022

Net Income	\$245.8
Add:	
Interest expense, net	29.9
Provision for income taxes	70.4
Depreciation, depletion and amortization expense ¹	154.1
EBITDA	500.2
Add (less):	
Gain on sale of storage tanks business	(189.0)
Impact of acquisition-related expenses ²	11.0
Other, net (income) expense ³	2.9
Adjusted EBITDA	\$325.1

“EBITDA” is defined as net income plus interest, taxes, depreciation depletion, and amortization. “Adjusted EBITDA” is defined as EBITDA adjusted for certain items that are not reflective of the normal earnings of our business. 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 metric for incentive-based compensation, 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.

¹ Includes the impact of the fair value markup of acquired long-lived assets, subject to final purchase price adjustments.

² Expenses associated with acquisitions and divestitures, including the cost impact of the fair value markup of acquired inventory, advisory and professional fees, integration, separation, and other transaction costs.

³ Included in Other, net (income) expense was the impact of foreign currency exchange transactions of \$3.3 million for the year ended December 31, 2022.



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