

Vulcan Materials Company

August 25, 2021

Dear Valued Customer,

This year's environment continues to provide unique challenges, and we are honored that you continue to choose us as your supplier of construction materials, products and services. While there are certainly challenges due to increasing costs and shortages of materials and labor, the good news is that the economy continues to recover and construction demand continues to strengthen across our markets. As we enter the second half of 2021, many segments of the US economy are growing at record levels. GDP growth reflects strong underlying demand, with second quarter over +6% and third quarter expected to be almost +7%. This strong growth, along with labor shortages and supply chain constraints, have created significant inflationary pressures on our business as well as yours. Just to illustrate the current economic environment, with which you are no doubt familiar:

- Overall construction inflation increased ⁽¹⁾ +23% compared to the prior year ⁽²⁾
- Overall construction wages are up +5%, with hourly wages in highway construction growing over +6% ⁽²⁾
- The overall industrial inflation measure has grown +17%, indicating how widespread cost pressures are on all of our businesses ⁽²⁾
- The June measure of industrial inflation saw the largest year-over-year gain since the 1970s

(1) Inputs to Construction Industries PPI as well as the other measures noted above are published by the Bureau of Labor Statistics

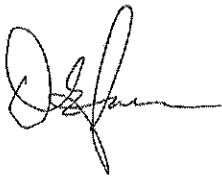
(2) Average of April 2021 to June 2021 Index vs April 2020 to June 2020 unless otherwise noted

As a producer of construction materials, products and services, our real cost inputs on consumables are rising rapidly. Due to the acceleration of inflationary pressures, we will begin our forward pricing conversations in all markets between now and the end of September. We believe this increase is necessary to maintain the quality products, operations, personnel, and service levels that you have come to expect from Vulcan Materials.

In an effort to offset the effect of the rapid rise of input costs and wage inflation, we will implement 2022 price increases **at or near 11%** across our markets, with less flexibility than you may have been accustomed to in the past. Your sales representative will be requesting the opportunity to meet with you to outline our plan over the next few weeks, as to allow ample time for your 2022 planning.

We thank you in advance for your time and consideration. We look forward to continuing as your chosen supplier of construction materials, products and services.

Sincerely,



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President, Southeast Division