About this Report

General

This report contains information about us, our sustainability program, and our economic, environmental and social contributions in 2010. In preparation of this report, we established additional metrics and baselines for 2010. In each section of this report, we identify the baseline, metrics and performance target.

Report Scope and Data

Vulcan’s Western Division produces construction aggregates (rock, sand, gravel), ready-mixed concrete and asphalt in three states – Arizona, California, and New Mexico. We also operate seven construction debris and inert materials landfills. We operate as one of eight divisions of Vulcan Materials Company. See below for our company profile.

The sustainability metrics in this report cover sites owned or operated by the Western Division. Unless otherwise stated, data are reported for the Western Division only.

Information Reporting

Vulcan’s Western Division is responsible for the preparation and review of the information in this report. We believe this report fairly represents our activities and results for the year ended December 31, 2010.

The reporting of our data is generally consistent with the goals of the Global Reporting Initiative (GRI) 2000-2006 Sustainability Reporting Guidelines in determining relevant content and performance metrics.

About Vulcan Materials Company

Corporate Profile

Vulcan Materials Company (NYSE: VMC) is based in Birmingham, Alabama, and provides infrastructure materials that fuel the American economy. Vulcan Materials is the nation’s largest producer of construction aggregates, a major producer of other construction materials including asphalt and ready-mixed concrete and a leading producer of cement in Florida. Vulcan’s Western Division, which covers Arizona, California and New Mexico, anchors Vulcan’s business in the West.

Vulcan Materials produces aggregates, primarily crushed stone, sand and gravel, that are used in nearly all forms of construction. In particular, large quantities of aggregates are used to build roads and develop the built environment.

Since 2000, Vulcan Materials has been named to Fortune magazine’s annual list of “America’s Most Admired Companies” eight times. In addition, Vulcan Materials has twice been ranked by Fortune magazine as one of the top 10 companies in the Fortune 1000 for social responsibility and long-term investment.

About Our Approach to Sustainability

Business Case for Sustainability

The construction materials business is capital and energy intensive; investments and returns occur over many years. To deliver and sustain value to shareholders, communities, employees and other stakeholders, we need economic, environmental and social stability. We commit to economic success, respect for people and respect for the environment. We also maintain an enhanced reputation for our environmental and social policies while providing economic prosperity to the communities in which we operate.

Sustainability Risks

In 2008, we undertook an assessment of sustainability risks associated with our business. At that time, we identified five key challenges:

- Eliminate fatal incidents
- Improve access to and management of natural resources
- Reduce greenhouse gas emissions
- Sustain occupational health
- Manage regulatory climate

We strive to meet these challenges by maintaining focus and leadership on these issues. Our employees have increasingly developed the tools and technical expertise to successfully navigate a myriad of complex environmental rules and regulatory conditions. We have done so while maintaining an unparalleled track record of environmental stewardship.

How We Manage Our Business

Structure and Responsibilities

The Western Division is one of the largest of Vulcan’s operating divisions. Each division assumes operational responsibility for all activities conducted. The Western Division has three key regions – Arizona/New Mexico, Northern and Central California, and Southern California. Each is managed by a Vice President/General Manager who oversees sales and operations activities for the region.

Oversight & Key Processes

Our mission and guiding documents provide the foundation for our approach to sustainability.

Our business conduct policy outlines how we meet our commitment to maintaining our business values and ethics in our relationships with our employees, stockholders, customers, suppliers and the communities where we conduct business. Employees are required to report conduct that violates or appears to violate the policy. These reports can be made to supervisors, any member of management or, confidentially, to a third party helpline.

In addition, our Policies and Standard Practice Instructions set forth the expectations with regard to our activities. We conduct regular audits of all business lines to ensure that established standards are maintained and that safety, health and environmental programs at regional and plant levels are functioning properly. Plant and management personnel are also given the opportunity to participate in the ongoing life cycle plan for their facility, allowing them to provide input into the concept, operation and end use of the facility.

Talent Development

We value our employees and work hard to help develop them for leadership roles. Managers help employees create and review Individual Development Plans. Managers also provide growth experiences on the job, opportunities for training, performance feedback and an environment where employees feel empowered and responsible for their own self-development.

Cover photo courtesy of Bill Bennett
OUR CORE VALUES

- Respect for People and Cultures
- Safe and Ethical Workplace
- Steward of the Land
- Reduce our Footprint
- Enhance Reclamation
- Add Value
- Open Communication

This year we feature annual reporting and additional information related to all seven of our core values: Respect for People and Cultures, Safe and Ethical Workplace, Steward of the Land, Reduce our Footprint, Enhance Reclamation, Add Value, and Open Communication. Throughout this report and on our website we use these icons to show specific examples where our sustainability efforts demonstrate one or more core values through the implementation of best practices that are socially, environmentally and economically sustainable.

Letter from the President

Long before sustainability became a key focus for businesses around the globe, Vulcan Materials Company, Western Division was committed to the three key principles – the triple bottom line – for sustainable companies: economic, environmental, and social contributions. Today, sustainability remains vital for our operations and this year our Division worked diligently to integrate its third generation of sustainability indicators fully into the business. The Division has made a formal commitment to both its internal and external stakeholders on principles and objectives relating to the triple bottom line.

Our third report emphasizes that responsible actions begin with each and every individual. The Division’s vision to be a leader in sustainability defines a clear ambition that guides every decision we make. Performing in the real world is about being aware of the challenges ahead and rising to them, however tough they may be. This year, we report what was done to make change happen, to do something different, to be better than before. We also provide detailed information on our 24 performance metrics along with the Division’s strategic approach to sustainability, including safety and health, stakeholder engagement programs, emissions controls and the economy. We believe that environmental and social sustainability is inextricably linked to our economic success.

This year we have added a new component to our annual sustainability report: a new website that offers the opportunity to learn more about our company’s commitment to sustainability and to hear directly from our employees – in their own words – why sustainable goals are important to them. The website “spotlights” their stories – how they are making a difference in our communities, how they are working with our customers to protect the environment and how sustainability goals are driving innovation in the workplace. The website allows us to go into more detail about our sustainability initiatives and to host all of our annual sustainability reports electronically, saving paper and reducing print costs.

A sustainable sustainability report. We like that. We hope you will too.

Alan Wessel, President
Vulcan Materials Company, Western Division

On The Web

For a full video message from Alan Wessel, please visit our website.
vmcwesternsustainability.com

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Respect for People and Cultures

Employees Generate Community Trust

We trust and respect our employees and encourage their individual and professional growth through ongoing training and mentoring. Our employees understand the important role they play in a community – to not only provide the critical construction materials needed, but also to operate our facilities at all times in a safe and responsible manner.

At all of our operating facilities, our employees are also encouraged to participate with us to meet community needs through volunteerism. Our employees continue to be very generous with their personal time, particularly when it comes to volunteering at local schools or for youth organizations – reading to elementary students, teaching geology and science to middle school students and helping high school students learn about possible career opportunities in the fields of engineering, math and geology. They also volunteer their time for other community projects, such as helping to paint local firehouses, collecting clothing for families in need and raising money for bicycle helmets. In times of community crisis, our employees join our efforts to provide our materials, our equipment and our time to help get the community back on its feet.

Our employees also serve as our direct link to our communities. It is through them that we have the opportunity to communicate with residents and community leaders and earn their trust. Employees are on the front line, helping communities learn about our business, helping us learn of any neighbor concerns and working together with our neighbors to develop sound reclamation plans that not only meet the future needs of the community but also demonstrate our respect for cultural and community heritage.

In October 2010, 88 scouts earned their geology merit badge in one day at one of our facilities in San Diego, California. To hear more go to our website: vmcwesternsustainability.com and click “Respect for People and Cultures”.

On The Web
**FY’10 Social Goals**

*Primary Goals in the category included:*  
- Add New School Partners  
- Increase Charitable Contributions and In-Kind Contributions

<table>
<thead>
<tr>
<th>Key Sustainability Metric</th>
<th>Baseline *</th>
<th>FY2010 Actual</th>
<th>Target **</th>
<th>Performance Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase Schools participating in PIE program</td>
<td>50</td>
<td>65</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>Charitable Donations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vulcan Foundation</td>
<td>$205,726 (2009)</td>
<td>$330,700</td>
<td>+5%</td>
</tr>
<tr>
<td></td>
<td>Material (in-kind) Contributions</td>
<td>$54,250 (2009)</td>
<td>$55,800</td>
<td>+5%</td>
</tr>
</tbody>
</table>

* Baselines established in 2008, unless otherwise noted  
** Annual Target, unless otherwise noted

* Did not meet Goal  
** In Progress  
*实现了目标  
** 超出目标

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**Partners In Education**

*Working with Schools in Our Communities*

Through our signature program, **Partners In Education**, we work together with teachers and share their commitment to educating our communities’ children. Together with educators, we provide outdoor experiences through plant tour field trips, classroom instruction and curriculum, and scholarships and sponsorships. Focus is placed on the use of minerals in society with particular emphasis on aggregate mining, production and applications in daily life. For schools that have had to eliminate field trips due to cuts in state and local budgets, we work with them to overcome cost barriers. In addition to student outreach, we also support teacher education programs and parent-teacher organizations. We strongly believe that working with local schools is a vital component of serving the communities where we conduct our operations.

In 2010, we increased our school participation by 9% bringing the total of **Partners In Education** schools to 65 throughout Arizona, California and New Mexico.

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**Charitable Donations**

*Providing Needed Funds and Materials*

In 2010, we donated $386,500 to nearly 500 community organizations throughout Arizona, California and New Mexico. The donations were in the form of sponsorships, gifts-in-kind (material) and Vulcan Materials Company Foundation grants. The total value of gifts-in-kind was $55,800 in contributions of aggregate, ready-mixed concrete, asphalt and other building materials.

Recipients of Division funding included: Shoes That Fit, American Cancer Society, Boy Scouts of America, Azusa Neighborhood Homework House, Los Angeles Zoo, Arizona Habitat for Humanity, and Fresno State University, to name a few.
Work Continues Despite Market Challenges

Market demand for our products in Arizona, California and New Mexico continued to decline during 2010, impacting construction jobs that are the heart and soul of the economic engines in the states where we do business. However, we continued to work hard on preserving jobs and improving efficiencies in our operations and worked together with our customers to complete several significant projects, some of which are featured below. For more information about how our business provides economic contributions in our communities, go to: www.vmcwesternsustainability.com.

Select Key Projects in 2010

**Pima, AZ** – Twin Peaks Traffic Interchange

The new interchange is located on the I-10 at exit 245 between the Avra Valley Road and Cortaro Road interchanges and will greatly reduce travel time in northwestern Pima County and increase safety by relieving traffic from other busy streets.

**Contra Costa County, CA** - I-680 Pavement Rehab and HOV Lane Extension

Project will focus on pavement replacement for a 12.8-mile segment from San Ramon to Danville. Damaged concrete slabs are being replaced with new concrete and the HOV lanes will be paved with rubberized asphalt.

**San Bernardino County** - 210 Freeway Widening and Bridge Construction

Among other attributes, this project will add a mixed-flow lane and a carpool lane both northbound and southbound from just north of Interstate 10 to State Route 210 and will build freeway connectors, auxiliary lanes, sound walls and retaining walls. Widening and realignment of the freeway will improve access to the west side of I-215 and overall mobility through the City of San Bernardino.

**San Diego, CA** - Interstate 15 Expansion

Project will add one lane in each direction in Oceanside, CA helping to ease traffic congestion on the heavily travelled route. About 30,000 vehicles travel the five-mile stretch daily, a figure that is expected to double by 2030. The project will generate 3,300 jobs in the county and state.

**Albuquerque, NM** - University of New Mexico’s Pit Renovation

“The Pit,” UNM’s famous basketball arena, was gutted, rebuilt and opened on November 1, 2010 in time for its 2010-11 season. The new stadium includes a new state-of-the-art design, a wider concourse, 40 new luxury suites (expected to generate $20 million annual revenue) and a new clubhouse section.

To learn more about our continued efforts to partner with our customers on significant projects throughout Arizona, California, and New Mexico, please visit our website.

vmcwesternsustainability.com and click “Add Value”
**Safe and Ethical Workplace**

Ethical Practices Keep Our Employees and Communities Safe

Our first commitment is to the safety and health of our employees and we strive to ensure that our employees will return home safely to their families every day. We demonstrate our commitment to our employees through highly competitive wages, health insurance and retirement plans.

We also provide training programs that cover everything from task training, annual MSHA refresher and first aid/CPR/AED, hazard recognition, environmental ergonomics and other more specific training programs tailored to specific jobs. To encourage job satisfaction and development, we also provide opportunities for tuition reimbursement, New Horizons™ training programs, mentoring programs and sustainability training.

In 2010, we are reporting annual workplace absentee rates and MSHA reportable/OSHA recordable injury rates. We are also reporting the percentage of employees who voluntarily participate in our industrial health program and the number of employees who are receiving performance reviews.

### FY'10 Workplace Practice Goals

Primary Goals in the category included:

- Reduce Absentee Rates
- Reduce Injury Rates
- Increase Participation in Industrial Health Screening Program

<table>
<thead>
<tr>
<th>Key Sustainability Metric</th>
<th>Units</th>
<th>Baseline *</th>
<th>FY2010 Actual</th>
<th>Target **</th>
<th>Performance Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absentee Rate: Salaried Non-Exempt</td>
<td>See Below¹</td>
<td>7.0</td>
<td>11.25</td>
<td>2% Reduction</td>
<td></td>
</tr>
<tr>
<td>Absentee Rate: Hourly</td>
<td></td>
<td>7.8</td>
<td>9.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety Workplace Injury Rate</td>
<td>See Below²</td>
<td>2.1</td>
<td>1.9</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Annual Rate of Participation in Voluntary Industrial Health Screening Program</td>
<td></td>
<td>98%</td>
<td>98%</td>
<td>≥90%</td>
<td></td>
</tr>
<tr>
<td>Performance Reviews</td>
<td>See Below³</td>
<td>79% (2009)</td>
<td>61%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

* Baselines established in 2008, unless otherwise noted  
** Annual Target, unless otherwise noted  
¹ Rate determined by number of inactivity hours (not including leave time) divided by total hours worked by each respective group  
² Rate determined by number of injuries multiplied by 200,000 divided by total work hours  
³ Salaried, exempt, and non-exempt receiving regular performance review

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On The Web

Why are these people so happy? Find out by visiting our website.

vmcwesternsustainability.com and click “Safe and Ethical Workplace”
At its core, Vulcan is a natural resources company. We rely on access to lands that support extraction and processing of geologic deposits. It is our responsibility to use these natural resources in a manner that promotes environmental stewardship. Accordingly, we operate our facilities using a variety of environmental management systems designed to reduce pollution, conserve energy and minimize waste.

**Company Audits and Regulatory Inspections**

We require that a minimum of 25% of our facilities are audited annually for at least one management system, with all fully audited every four years. In 2010, we reached our 100%, four-year performance target and far exceeded the annual 25% target. During 2010, our plants received 432 federal, state, and local agency inspections, an increase of 26% percent compared to the prior calendar year. We continued to maintain an exceptional compliance success rate, with 98% of all inspections completed without citation.

**Environmental Sanctions and Citations**

This year we began reporting on the number of significant environmental fines paid resulting from non-compliance events. Significant fines constitute any penalty greater than $5,000 paid during the calendar year. In 2010, we incurred one significant fine of $10,000 in Pima County (AZ) for fugitive dust emissions above allowable limits. Corrective action was taken to prevent recurrence.

**Reportable Spills**

Another new performance metric this year is reportable spills. This metric serves as an indirect measure for evaluating our monitoring and inspection skills. Reportable spills are those that — by their hazardous nature, type of receptor or quantity — require notification to a federal or state agency. In 2010, we reported one spill at our Carroll Canyon (CA) facility of 15 gallons of hydraulic oil into an onsite basin. The spill was cleaned promptly using booms and sorbent materials.

**On The Web**

With 85% funding from a local air quality agency, we were able to save six gallons of fuel for every hour we use our 13-year old electric shovel. Learn more on our website.

vmcwesteransustainability.com and click “Reduce our Footprint”
## FY’10 Environmental Goals

*Primary Goals in the category included:*  
- Add new Management Systems Audits  
  - Toxic Release Inventory  
  - New Source Performance Standards (NSPS)  
  - Landfills  
- Add Non-Monetary Sanctions & Citations/Penalties over $5K

### Key Sustainability Metric

<table>
<thead>
<tr>
<th>Metric</th>
<th>Units</th>
<th>Baseline*</th>
<th>FY2010</th>
<th>Target**</th>
<th>Performance Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Usage</td>
<td>kWh¹</td>
<td>3,459</td>
<td>4,245</td>
<td>By 2014, reduce kWh by 3% per tons produced</td>
<td></td>
</tr>
<tr>
<td>Aggregates</td>
<td></td>
<td>4,877</td>
<td>4,660</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asphalt, including recycled</td>
<td></td>
<td>3,672</td>
<td>4,917</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ready-Mixed Concrete</td>
<td></td>
<td>574</td>
<td>106</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landfill &amp; Recycle</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Consumption - Mobile Eqp.</td>
<td>Gallons²</td>
<td>210</td>
<td>212</td>
<td>By 2014, reduce consumption by 5% per tons produced</td>
<td></td>
</tr>
<tr>
<td>Aggregates</td>
<td></td>
<td>12</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asphalt, including recycled</td>
<td></td>
<td>667</td>
<td>825</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ready-Mixed Concrete</td>
<td></td>
<td>28</td>
<td>57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landfill &amp; Recycle</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stationary Combustion</td>
<td>Therms³</td>
<td>2,188</td>
<td>2,125</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asphalt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greenhouse Gases</td>
<td>MTCO₂E⁴</td>
<td>3.3</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregates</td>
<td></td>
<td>15.3</td>
<td>14.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asphalt, including recycled</td>
<td></td>
<td>8.9</td>
<td>15.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ready-Mixed Concrete</td>
<td></td>
<td>0.5</td>
<td>0.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landfill &amp; Recycle</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Compliance</td>
<td></td>
<td>97.8%</td>
<td>98.14%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Inspection Compliance Rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Systems Audits</td>
<td># of Plants</td>
<td>56 (2010)</td>
<td>56</td>
<td>25% of the Company’s facilities will be audited each year.</td>
<td></td>
</tr>
<tr>
<td>Toxic Release Inventory</td>
<td></td>
<td>3 (2010)</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSPS</td>
<td></td>
<td>73</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air Quality</td>
<td></td>
<td>23</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stormwater Mgmt</td>
<td></td>
<td>23</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPCC</td>
<td></td>
<td>28</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hazardous Waste</td>
<td></td>
<td>8</td>
<td>34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mine Permit/Land Use</td>
<td></td>
<td>59 (2010)</td>
<td>59</td>
<td>At a minimum, one management system element completed every four years.</td>
<td></td>
</tr>
<tr>
<td>Landfills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Env. Mgmt. Certifications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISO / NRMCA</td>
<td></td>
<td>2 (2009)</td>
<td>4</td>
<td>50% increase</td>
<td></td>
</tr>
<tr>
<td>% of Recycled Materials Used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycled Concrete</td>
<td></td>
<td>4.8% (2009)</td>
<td>1.3%</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Rubber Tires</td>
<td></td>
<td>888,720 (2009)</td>
<td>575,505</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Recycled Asphalt Product</td>
<td></td>
<td>8% (2009)</td>
<td>30.10%</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Workplace Initiatives</td>
<td></td>
<td>58% (2009)</td>
<td>44%</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Percentage of Total Volume of Water Recycled</td>
<td>71% (2009)</td>
<td>70%</td>
<td>78%</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Total Volume of Water Reused</td>
<td></td>
<td>10,060 (2009)</td>
<td>9,100</td>
<td>13,000</td>
<td>TBD</td>
</tr>
<tr>
<td>Production of Significant Air †</td>
<td></td>
<td>0.046 (2009)</td>
<td>0.038</td>
<td>By 2014, reduce by 5%</td>
<td>TBD</td>
</tr>
<tr>
<td>Emissions by Type§ &amp; Weight⁵</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Number and Volume of Reportable Spills</td>
<td>0 (2009)</td>
<td>1</td>
<td>0</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Non-Monetary Sanctions and Citations/Penalties over $5K</td>
<td>1 (2010)</td>
<td>1</td>
<td>0</td>
<td>TBD</td>
<td></td>
</tr>
</tbody>
</table>

* Baselines established in 2008, unless otherwise noted  
** Annual Target, unless otherwise noted  
† per 1,000 yards produced  
§ Division sites - may include multiple business lines  
§§ acre feet  
⁸ NOx per tons produced (asphalt)  
⁹ pounds  
†† Two facilities not included as they do not have measuring capabilities  
‡ Measured Asphalt Plants only - metric based on US EPA AP42 methodology

Did not meet Goal  
In Progress  
Achieved Goal  
Exceeded Goal
Enhance Reclamation

Going Above and Beyond to Do What is Right

Because we recognize that mining is an interim land use, we begin planning the post-mining land use long before mining begins. Along the way, we enhance those plans as the community’s needs change to make sure the plan reflects, in fact, the next best use. That use is determined community by community, depending on a variety of factors, resulting in a final plan for the development of wildlife habitat, wetlands, productive farmland, commercial or residential structures or recreational open space.

For example, the original reclamation plan and revegetation plan for our Oro Grande facility in California’s Mojave Desert was prepared and approved in 1995. But our reclamation team took an adaptive management approach to the site and, over time, adjusted the plan as more effective restoration methods became available. While the original plan required restoring the land to open space using native plants, it lacked specificity. We upgraded the plan to cover the entire site, not just the previously mined areas. The new plan focused on the restoration of a desert environment with improved seed mixes that included additional materials that were the favorites of the Mojave Desert tortoise, a resident protected species. In 2010, the State of California Department of Conservation, Office of Mine Reclamation selected the Oro Grande Project to receive the 2010 Outstanding Reclamation Plan for its demonstrated, well-defined and innovative land use planning.

FY’10 Reclamation Goals
Primary Goals in the category included:

- Track Lands Reclaimed

<table>
<thead>
<tr>
<th>Key Sustainability Metric</th>
<th>Baseline*</th>
<th>FY2010 Actual</th>
<th>Target**</th>
<th>Performance Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Land Reclaimed†</td>
<td>58</td>
<td>72</td>
<td>By 2015, increase by 5%</td>
<td>✔️</td>
</tr>
</tbody>
</table>

* Baselines established in 2008, unless otherwise noted  ** Annual Target, unless otherwise noted  † Includes lands reclaimed for habitat

On The Web

When mining is complete, we make the mine disappear. How do we do it? Visit our website to find out.

vmcwesterndsustainability.com
and click “Enhance Reclamation”
Engaging Openly with Our Stakeholders

Engaging openly and honestly with our stakeholders translates into programs that bring us closer to our employees, our customers and our neighbors. We understand that fostering long-term relationships with our neighbors requires us to be active participants in the community. We strive to maintain open communication with our communities through our support of community programs with employee volunteerism or charitable support.

Building relationships also comes by meeting the practical needs of the community. For example, we have provided our facilities to host significant community events or to provide first responders with a location for them to practice safe rescues or train rescue dogs.

We also offer opportunities for visitors to learn by touring our facilities. In 2010, we collaborated with the Arizona Rock Products Association to invite the community to learn more about our Sun City, Arizona facility.

In 2010, our facilities continued to conduct community outreach through plant tours. Our goal for 2010 was to increase tour visitors and tours by 5% over 2009. While we did not increase the number of tours in 2010, we overwhelmingly exceeded our goal with regard to the number of visitors, hosting 22 tours and 2,178 visitors.

FY'10 Communication Goals
Primary Goals in the category included:

- Increase Site Tours
- Increase Community Outreach Activities

<table>
<thead>
<tr>
<th>Key Sustainability Metric</th>
<th>Baseline</th>
<th>FY2010 Actual</th>
<th>Target</th>
<th>Performance Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Outreach / Tours</td>
<td>23 Tours (2009)</td>
<td>22 Tours</td>
<td>+5%</td>
<td>️</td>
</tr>
<tr>
<td>Number of Participants</td>
<td>1,405 (2009)</td>
<td>2,178</td>
<td>+5%</td>
<td>🎈</td>
</tr>
</tbody>
</table>

* Baselines established in 2008, unless otherwise noted
** Annual Target, unless otherwise noted

On The Web
Hear how kids Touch A Truck® and learn about protecting the environment.

vmcwesternsustainability.com and click “Open Communication”
One of our most successful stewardship programs has been developing buffer lands around our facilities for wildlife habitat. At many of our quarries, we have actively developed and enhanced wildlife habitats. These programs are sponsored and sanctioned by national, state and local non-profit organizations. These groups assist with wildlife inventory on corporate lands and then provide habitat enhancement for those species in addition to protection and conservation.

Currently, we have five locations in California that have been certified by the Wildlife Habitat Council (WHC) for excellence in creating wildlife habitats – our facilities in Fresno and Sanger, our Fish Creek restoration area in Azusa, the Cajon Creek Conservation area in San Bernardino, and the Laguna Creek Preserve and Vernal Pool Preserve in Sacramento. In 2008, the Sacramento facility also received the WHC Rookie of the Year award for its superior habitat. Several of our programs have also been additionally recognized for their outstanding educational and community outreach programs.

**Biodiversity**

In 2010 we continued work on several key projects that demonstrate our commitment to habitat preservation. For example, at our Cajon Creek Conservation Area, a former mine site in San Bernardino, CA, we took additional steps to acquire adjacent properties for buffer lands between an urbanized area and the conservation area, with the ultimate goal of managing and protecting a six-mile habitat corridor. These types of activities go beyond simple restoration of a mine site and support biodiversity through the restoration, conservation and long-term management of important native habitats in urbanized areas.

“If we’re going to save the fly, we’re going to save the fly.”

Hear about our efforts in 2010 to ensure that the Delhi Sands Flower Loving Fly will survive as a species.

vmcwesternsustainability.com
and click “Steward of the Land”
### FY’10 Stewardship Goals

*Primary Goals in the category included:*

<table>
<thead>
<tr>
<th>Key Sustainability Metric</th>
<th>Baseline *</th>
<th>FY2010 Actual</th>
<th>Target **</th>
<th>Performance Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Conserved ³</td>
<td>1,414 acres</td>
<td>1,414 acres</td>
<td>By 2015, increase all lands conserved by 5%</td>
<td>○</td>
</tr>
<tr>
<td>Third Party Partnerships</td>
<td>5 (2009)</td>
<td>5</td>
<td>By 2012, increase by 5%</td>
<td>○</td>
</tr>
</tbody>
</table>

* Baselines established in 2008, unless otherwise noted  
** Annual Target, unless otherwise noted  
³ Includes lands reclaimed for habitat  

* Did not meet Goal  
○ In Progress  
★ Achieved Goal  
★ Exceeded Goal

Over 40% of this working aggregates facility in Fresno, CA has been preserved as wildlife habitat and historic wetlands.
A Note from Our Sustainability Director

There is a time when we pause and reflect on what matters most – family, community, a sense of security, the environment. These are the pillars that enable each of us to strive for and embrace the values of social responsibility and personal accountability. We instill in ourselves a sense of greater good, common purpose and lasting social commitment.

It comes as no surprise that 2010 presented challenges to nearly all business sectors across the landscape, many of which could not be foreseen, projected on graphs or quantified by the economists. Even when faced with these challenges, we have remained focused and vigilant, staying the course when it might have been easier to pull back from our commitments.

We are not defined by the status quo. Our commitment to sustainability is a reflection of each of us and our collective view of what is important. It brings us together for a common purpose – assuring all that is good for future generations. With that single purpose in mind, in 2010 we achieved or exceeded many of our key performance metrics. We continue to work hard to overcome challenges that caused us to miss a select few. We moved forward, introducing creative and innovative approaches to our business, and delivering to our customers in new ways that provide lasting and sustainable benefits.

The successes and challenges in 2010 forged a path to what is before us today. As we move forward on that path, it is our responsibility to seize this moment for the benefit of our people, our planet and our prosperity, and to ready ourselves for tomorrow’s challenges and opportunities.

Brian Anderson, Director, Environmental Management, Regulatory Affairs & Sustainable Development, Western Division

On The Web
For a full video message from Brian Anderson, please visit our website.
vmcwesteransustainability.com

Awards and Recognition

- The City of Irwindale and the Irwindale Chamber of Commerce named Vulcan Materials 2010 Business of the Year.
- The Corona, CA Chamber of Commerce awarded Vulcan Materials an award for Excellence in Manufacturing for the downhill conveyor system at our Corona aggregates facility.
- The Industrial Environmental Association selected Vulcan Materials to receive its 2010 Corporate Sustainability Award.
- Irwindale Chamber of Commerce Environmental Committee awarded Vulcan Materials with the 2010 Solid Waste Reduction Award.
- National Ready Mixed Concrete Association (NRMCA) awarded two of our Irwindale, CA facilities - Reliance and Irwindale - with Environmental Excellence Bronze Awards.
- The New Mexico Mining Association and New Mexico Bureau of Mine Safety honored Vulcans Santo Domingo plant in 2010 for promoting safety in the mining industry and achieving a zero frequency rate.
- The International Society of Mine Safety Professionals honored 27 of our facilities – 18 in California, 7 in Arizona and 2 in New Mexico - for Outstanding Contribution to Mine Safety and Health for no lost time incidents. Our Palmdale plant was also recognized for 22 years without a lost time incident.
- NRMCA also honored 15 of our ready-mixed concrete facilities with Excellence in Safety awards, including 11 Gold, 1 Silver and 3 Bronze awards.
- The National Stone, Sand & Gravel Association’s 2010 Community Relations Bronze Award was awarded to two of our facilities in California: Carroll Canyon (San Diego) and Sun Valley (Los Angeles) for excellence in community involvement while enhancing the industry’s reputation.
OUR SAFETY, HEALTH AND ENVIRONMENTAL POLICY

Our mission is to provide quality products and services that consistently meet our customers’ expectation; to be responsible stewards with respect to the safety and environmental impact of our operations and products; and to earn superior returns for our shareholders. The Company will be a responsible steward with respect to the safety, health and environmental impact of its operations and products. Accordingly, the Company will strive to produce its products safely and make concern for public health and the protection of the environment integral parts of Company operations.

OUR SUSTAINABLE DEVELOPMENT POLICY

Vulcan Materials Company strives to operate its business in a sustainable manner that creates value for our shareholders. We accomplish this by conducting our activities in an environmentally, socially and economically responsible manner. This benefits all of our stakeholders, which include shareholders, employees, communities, customers, contractors, suppliers, and others. We employ sustainable practices that enhance the quality of life for those we serve and for the areas where we operate. We are committed to lead and excel in all aspects of environmental stewardship, safety, health, and social responsibility. Protecting the environment and the safety and health of our employees and the public are integral to our business and are a key part of our mission.

We use our management systems at Vulcan to guide our business conduct as well as our social, environmental and economic activities. These systems provide sustainable value by:

- Enhancing our safety values, and by seeking additional ways to promote and improve the quality of life of our workforce and community members;
- Assessing, reducing and/or eliminating potential risks to employees, contractors, customers, the environment and the communities we serve;
- Upholding ethical business practices and meeting or exceeding applicable legal and other requirements;
- Understanding, promoting and upholding fundamental human rights within our sphere of influence, respecting the traditional rights of indigenous peoples and valuing cultural heritage;
- Encouraging a diverse workforce and providing a work environment in which everyone is treated fairly, with respect, and with ample opportunities to reach their full potential;
- Promoting efficient use of resources and energy, including reducing and preventing pollution;
- Promoting biodiversity by assessing and considering ecological values in current and future operations and land use planning;
- Effectively managing land resources throughout the mining lifecycle, from the permitting process through reclamation or other reuse;
- Encouraging and supporting open, honest and regular engagement with the communities we serve, and considering their views in our decision making;
- Developing relationships that foster sustainability within our communities and that enhance economic benefits from our operations;
- Promoting responsible use and life cycle management of our products, including recycle and reuse; and
- Regularly reviewing and publicly reporting on our performance and progress.

We engage with and support our employees, communities, contractors, suppliers, customers, business associates and other stakeholders in ongoing partnerships that are designed to help fulfill our commitment to sustainability.

We measure success through achievement of our goals: excellence in environmental, health and safety practices; recognition as a valued member of our communities; and contribution of lasting social, environmental and economic benefits to society.