



Arcosa Sustainability

Building a Better World

MID-YEAR ESG UPDATE // AUGUST 2020

Forward-Looking Statements

Some statements in this presentation, 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,” and similar expressions to identify these forward-looking statements. Forward-looking statements speak only as of the date of this release, 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 on Arcosa’s customer demand for Arcosa’s products and services, Arcosa’s supply chain, Arcosa’s employees ability to work because of COVID-19 related illness, the health and safety of our employees, the effect of governmental regulations imposed in response to the COVID-19 pandemic; 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 Cherry, or failure to achieve the expected benefits of the acquisition; 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; and Arcosa’s ability to execute its long-term strategy, and 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, 2019, Arcosa’s Form 10-Q for the quarter-ended June 30, 2020, 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 presentation 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.

A Letter from Our CEO

On behalf of Arcosa, thank you for your interest in our emerging ESG program. As we look forward, the business environment is changing rapidly. At the same time, the responsibilities of a company to its different stakeholders are changing as well.

Since our spin off in November 2018, we recognized this changing environment and decided to integrate a focus on Environmental, Social and Governance (ESG) responsibility into our long-term strategy. As we started this journey, we sought engagement with our different stakeholders to understand which aspects of ESG were more relevant for our company. This engagement resulted in performing a materiality study for Arcosa and each of our segments in order to distinguish the unique requirements of the different industries in which we operate. The materiality assessment yielded 11 topics for Arcosa's ESG focus, and we have been working diligently on gathering the relevant data to establish initial baselines, allowing us to set goals and measure our progress.

Throughout this process, which included valuable discussions with our stakeholders, it became a clear imperative to make our Sustainability effort a two-way street. In one direction, we must set goals and measure the impact Arcosa has on its different stakeholders. In the other direction, we must incorporate into our Enterprise Risk Management program the potential impact significant ESG changes may have on Arcosa.

In 2020, we have continued to make progress collecting data for our baseline setting, and we recently published 10 new policy statements affirming and aligning ESG fundamentals with our core values as a company. Most recently, the outbreak of the COVID-19 pandemic has clearly highlighted the importance of focusing on our most valuable asset, our employees. The Health and Safety of our employees are key focus areas of Arcosa's ESG program. During the COVID-19 crisis, the company's efforts have been directed towards operating in a safe manner, always having our employees' safety as our guiding light.

As an essential business, we have followed the federal, state and local guidelines governing our facilities and shared best practices across the organization. Beyond our own walls, we have made our COVID-19 mitigation best practices available to small businesses located in the Dallas area for them to use in their operations, and we have also donated masks and other PPE to our local communities. By working together, we can support the path to recovery.

As a company, we are grounded in the doctrine that a relentless commitment to the company's core values is critical, building resilience to weather the difficult storms and guiding us to future growth when the clouds clear.

With all the complexities of 2020, I am proud to say that our ESG efforts have become an even more important tool in keeping Arcosa united and focused on our values and long-term strategy.



A stylized, handwritten signature in black ink, appearing to read 'Antonio Carrillo'.

Antonio Carrillo
President and Chief Executive Officer

COVID-19 Internal Impact

Arcosa prioritizes the health and safety of our people

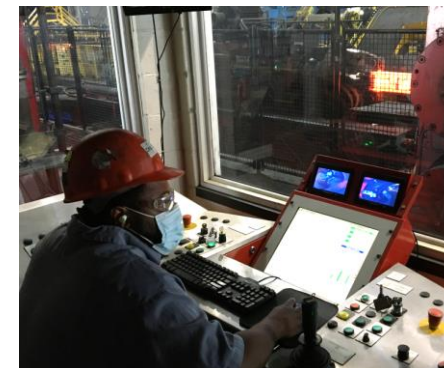
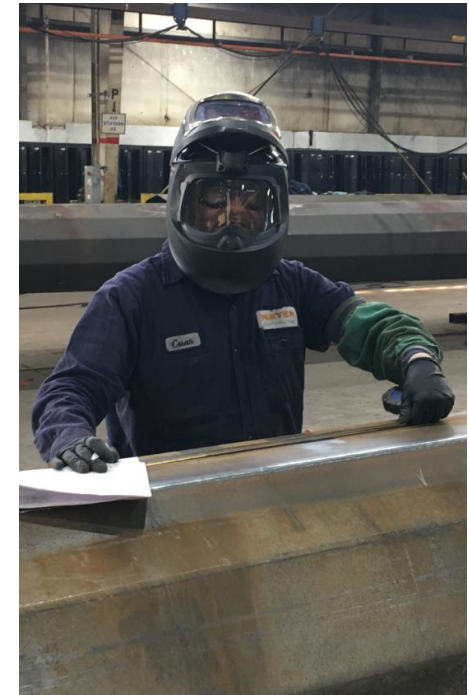
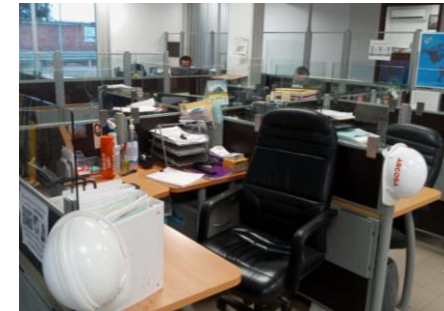
The health and safety of our employees, communities, and other stakeholders is our highest priority. We have put safeguard measures in place at our plants and office locations to meet or exceed the standards set forth by CDC guidelines.

Protocols include: Social distancing processes in all facilities; measures to temperature screen employees daily; increased frequency of deep cleaning workspaces and common areas; reinforced hand washing and infection control training; processes to track and manage employees who report or have COVID 19 symptoms or exposure; actions to screen, limit, or prohibit visitors to all facilities; and elimination of non essential travel.

Additionally, plant management and safety teams were able to quickly mobilize an operational response to COVID-19 through important tools created by a collaborative leadership team. From updates of CDC guidelines to best practice COVID-19 mitigation procedures, the plants have shown their resilience and operational flexibility during times of uncertainty and change.

Our products support critical infrastructure sectors

Our businesses support critical infrastructure sectors, as defined by the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA.gov). These critical sectors are deemed essential to infrastructure, and our plants have continued operating to meet our customers' needs.



COVID-19 Community Impact

At Arcosa, we're building strong communities

From supporting local restaurants and vendors, to donating funds for relevant non-profits, Arcosa has taken steps to enhance relationships and support our local communities during the COVID-19 pandemic.

Small- and medium-sized businesses (SMBs) are a major part of our local economies. We have seen firsthand the financial impact and detriment to these businesses due to the heavy weight of regulated health and safety precaution. As part of a community task force in Dallas, Texas, our corporate team identified an opportunity to support SMBs as they look to progress economic recovery from the pandemic. In line with this initiative, Arcosa donated 9,000 face masks for use by SMBs as they re-open and operate within CDC guidelines. We have also shared our health and safety protocols with these businesses to improve practices in our communities. We believe supporting local businesses will drive economic recovery and stability short-term, with growth and prosperity long-term.

Arcosa also made a targeted donation to the American Heart Association (AHA). We are supporting the efforts of AHA in COVID-19-related health and wellness research as well as specialized medical training throughout our communities.

Arcosa's values shine through our actions as we position ourselves to positively impact our communities in big and small ways.

Arcosa's plants have supported their communities across the country:

- Outside Nashville, Tennessee, our Arcosa Marine Components business, Nabrico, participated in a local effort to manufacture and donate 3-D printed components of PPE to support front line workers in their local community.
- In Houston, Texas, Arcosa's Cherry companies partnered with a local community center to host a COVID-19 Relief Donation Drive, directly collecting food, cleaning, paper, and hygiene products to support those in need during the pandemic.
- Our McConway & Torley operation in Pittsburgh, Pennsylvania provided multiple lunches to their employees, purchased from and in support of local restaurants. The employees in turn collected money to donate to a local food bank, with the plant matching their funds.
- Arcosa Shoring Products' plant in Michigan donated much needed PPE to the local chamber of commerce and rotary club for use as these community groups support local small businesses.

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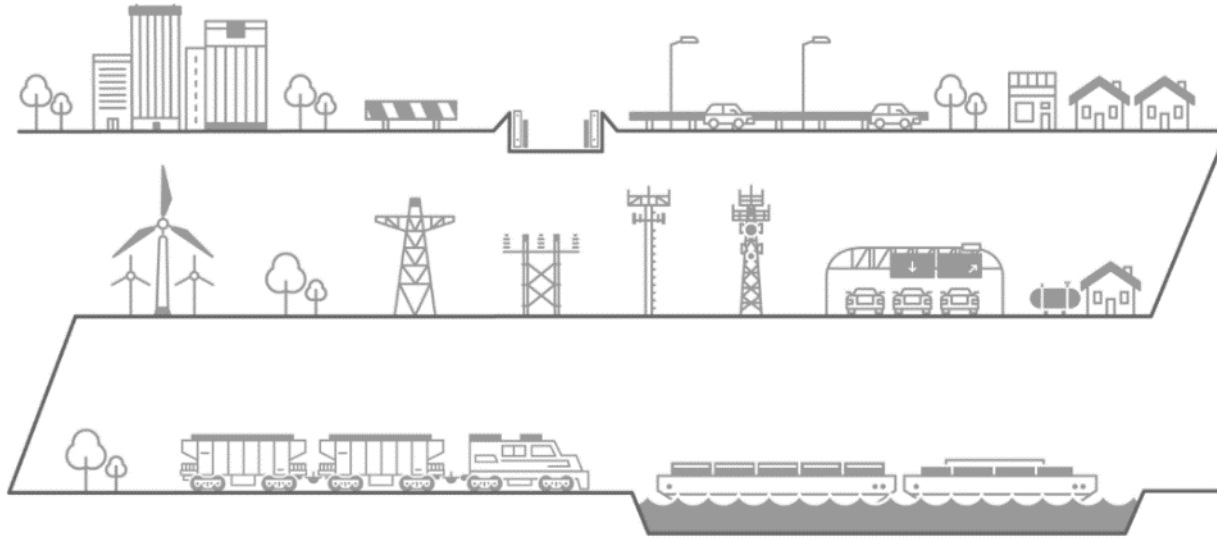
Arcosa Wind Towers
Arcosa Marine
Recycled Aggregates

1

Executive Summary

- Arcosa at a Glance
- Arcosa Overview
- Long-term Vision
- Materiality Matrix

Arcosa at a Glance



Arcosa spun off from its former parent company in November 2018

\$1.9B Revenues

\$119M Net Income

\$272M Adjusted EBITDA

~6,500 Employees

85+ Years of Operating History

3 Infrastructure-related Segments

Revenues, Adjusted EBITDA and Net Income are for the twelve months ended 6/30/2020. See [Adjusted EBITDA reconciliation in Appendix](#).

Business Overview

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

Markets

CONSTRUCTION



NATURAL &
RECYCLED
AGGREGATES



SPECIALTY
MATERIALS



CONSTRUCTION
SITE SUPPORT

ENERGY



UTILITY
STRUCTURES



WIND TOWERS



STORAGE
TANKS

TRANSPORTATION



BARGES



COMPONENTS

Our Long-Term Vision



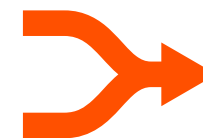
Grow in attractive markets where we can achieve sustainable competitive advantages



Reduce the complexity and cyclicity of the overall business



Improve long-term returns on invested capital



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

At Arcosa, we are unified in our commitment to build a better world

Materiality Matrix

Our materiality matrix is the foundation of the Arcosa ESG Program.

The matrix is built on a materiality assessment developed with outside consultation. 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 are the basis for our reporting approach and our materiality assessment.

This matrix is the result of Arcosa’s first self-assessment, performed in late 2019.

Topics rated highly material are in the top right of the matrix, with Air Quality, Business Ethics and Compliance, Diversity, and Employee Health and Safety as our highest priorities in the near-term.

The results of this assessment have formed the basis for our reporting framework and initial priorities as we advance our ESG program.



This matrix represents a combination of both internal and external stakeholder perspectives. The development process considers both value to stakeholder and the maturity of the program identified. While we view all programs as important, more mature programs, due to the existence of regulatory compliance, influence the results.

We are committed to developing reportable metrics and establishing meaningful goals in areas important to our stakeholders.

Our People

Community Engagement
Diversity
Employee Health & Safety
Talent Management

Our Products

Product Quality & Safety
Product Use
Supplier Management



Our Environment

Air Quality
Energy Management
GHG Emissions
Land Management
Recycled Materials
Waste Management
Water Management

Our Materiality Assessment was based primarily on SASB standards, with additional input from stakeholders and other sustainability standards.

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Governance & Ethics

- Governance Highlights
- Board of Directors
- Incentive Compensation Plans
- Ethics & Compliance
- ESG Statements Disclosure

Governance Highlights: Our policies are aligned with stakeholder value creation

Board Composition	Board Practices	Accountability	Share Ownership / Compensation
<p>Independent Board: 8 of 9 directors are independent</p> <p>Independent Committees</p> <ul style="list-style-type: none">• Audit• Human Resources• Corporate Governance and Directors Nominating* <p>Separate CEO and Independent Board Chair</p> <p>*ESG oversight responsibility</p>	<p>Regular executive sessions with independent directors only</p> <p>Board oversees risk management activities including annual Enterprise Risk Management assessment</p> <p>Annual Board and Committee self-performance evaluations</p>	<p>Extensive shareholder engagement program</p> <p>Majority voting for uncontested director elections</p> <p>Board to be declassified as of the 2022 annual meeting</p>	<p>“Pay for performance” compensation structure</p> <p>Robust stock ownership requirements for senior management and directors</p> <p>Prohibition of hedging and pledging of our shares</p> <p>Clawback policy in place</p> <p>No perquisites plan</p>

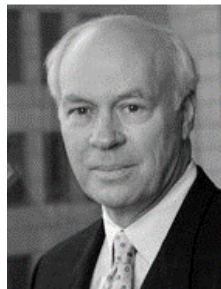
Board of Directors

Diverse group of leaders with C-Suite and Independent Director experience



Antonio Carrillo

- ✓ President & CEO, Arcosa
- ✓ 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



David Biegler

H I

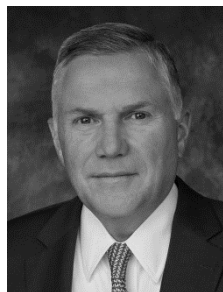
- ✓ Former Vice Chairman, TXU Corp.
- ✓ Broad experience in managing and leading significant industrial enterprise; provides the Board with additional perspective on the Company's operations, including Energy businesses



Douglas Rock

A I

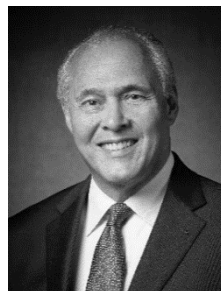
- ✓ Former Chairman & CEO, Smith International
- ✓ Broad experience in managing and leading a significant industrial enterprise; provides the Board with additional perspective on the Company's operations, including Energy businesses



Jeffrey "Jay" Craig

A I

- ✓ President & CEO, Meritor
- ✓ Significant management experience provides the Board with additional perspective on the Company's operations, including Transportation businesses



Joe Alvarado

H N I

- ✓ Former Chairman & CEO, Commercial Metals Company
- ✓ Significant management experience provides the Board with additional perspective on the Company's operations, including Construction and steel-fabrication businesses



John Lindsay

H I

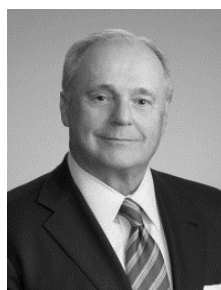
- ✓ President & CEO, Helmerich & Payne
- ✓ Significant management experience provides the Board with additional perspective on the Company's operations, including Energy businesses



Melanie Trent

N A I

- ✓ Former EVP, General Counsel & Chief Administrative Officer, Rowan Companies
- ✓ Strong legal & executive management experience, diverse background and knowledge of energy industry; provides the Board with additional perspective on the Company's operations



Rhys Best

C

- ✓ Former Chairman & CEO, Lone Star Technologies
- ✓ Extensive experience managing and leading significant industrial enterprises; provides the Board with additional perspective on the Company's operations, including Construction and Energy businesses



Ron Gafford

N I

- ✓ Former President & CEO, Austin Industries
- ✓ Broad experience in managing and leading significant industrial enterprise; provides the Board with additional perspective on the Company's operations, including Construction businesses

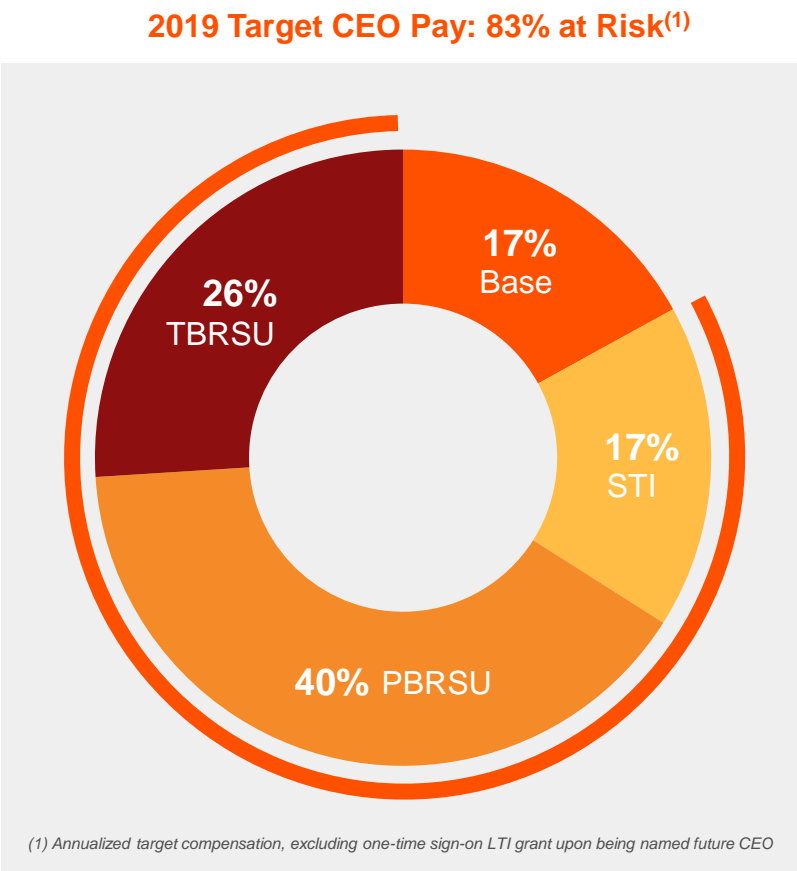
C Independent Chair **I** Independent Director **A** Audit Committee **N** Corporate Governance & Directors Nominating Committee **H** Human Resources Committee

Note: See Proxy Statement for more detailed Board biographies

Incentive Compensation Plans

Arcosa’s incentive plans align compensation to long-term stakeholder value creation while driving accountability to the business level.

	Award Type	Focus	Performance Objectives
Short Term Incentive Plan (STI)	Cash	1 year operational and financial targets	Adjusted EBITDA Business-specific metrics (e.g., EBITDA, Working Capital, Strategic Initiatives)
Long Term Incentive Plan (LTI)	Equity: Performance-Based Restricted Stock Units	Long term stakeholder value creation	Return on Capital Cumulative EPS
	Equity: Time-Based Restricted Stock Units		Share Price



Ethics and Compliance

We value integrity

Key Policies & Statements	Objective	Approach
Code of Business Conduct and Ethics	Ensure employees are trained periodically on expected behavior related to policies, statements, laws, and regulations	<ul style="list-style-type: none"> 100% of employees complete a certification Easy access to Code and anonymous reporting channels
Health and Safety	Maintain standards and practices that protect the health and safety of stakeholders	<ul style="list-style-type: none"> Advance a Safety culture Tailored Occupational and Process Safety Examine contractor safety programs ARC 100 Safety initiative
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 awareness and innovation Management alignment to short- and long-term stakeholder value impacts
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
Diversity and Anti-Harassment	Provide a diverse workplace free from retaliation and unlawful discrimination or harassment	<ul style="list-style-type: none"> Covered in employee onboarding Key topic in Code of Conduct training Targeted, periodic civil treatment training Training to end unconscious bias

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



ESG Statements Disclosure

Arcosa published important statements to outline our ESG positions

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 and Safety*
- Statement on Suppliers*



GOVERNANCE

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



* Denotes new disclosures in 2020.

3

Our People

- Highlights
- Employee Health & Safety
- Diversity
- Talent Management

We activate the potential of Our People



*2019 numbers

We are committed: innovative, focused, results-oriented

We act with integrity: principled, honest, fair

We make things happen: agile, driven, passionate

We win together: collaborative, dedicated, united

Employee Health and Safety

We prioritize a Culture of Safety

Arcosa is committed to safety across our operations. From frontline workers to plant visitors to office staff, we take pride in our safety training and procedures, settling for nothing less than safety excellence. In 2019, we kicked off a reenergized safety initiative: **ARC 100**. We are partnering with Caterpillar Safety Services to continue building a strong safety culture throughout our businesses.

The ARC 100 purpose is to spark positive, measurable change in our safety culture by empowering employees to take active ownership in making safety the cornerstone of our lives.

ARC 100 HIGHLIGHTS

Employees from all levels of the organization collaborate to define, implement, and hold each other accountable for safe actions every day.

Our safety culture is inspired by the voice of frontline employees, driven by multi-level collaboration teams, and actively supported by visible commitment from senior leaders.

Frontline employees build solutions that leverage preventative action and positive recognition to drive a culture of safety excellence.

We are committed to an evolving system in which all employees contribute to continuous safety improvements.



Arcosa Aggregates Continuous Improvement Team

"We have seen leadership and passion unlocked in our front line workers"
- Cory Danner, President Arcosa Aggregates

Diversity

We embrace our uniqueness

Of the 4 new Board members appointed at the time of Arcosa's separation from Trinity Industries, 1 was female and 1 was ethnically diverse.

Females represent 33% of our Senior Management team, including:

- Chief Accounting Officer
- Senior Vice President, Finance & Treasurer
- Vice President, Human Resources

Females represent 20% of our managerial team

- VPs and Directors in Finance, Accounting, Human Resources, Information Technology, ESG

We are committed to improving the diversity of our workforce and our managerial team through the following initiatives:

Improve the diversity amongst our professional and management level positions.

Deliver training to bring awareness and educate against unconscious bias.

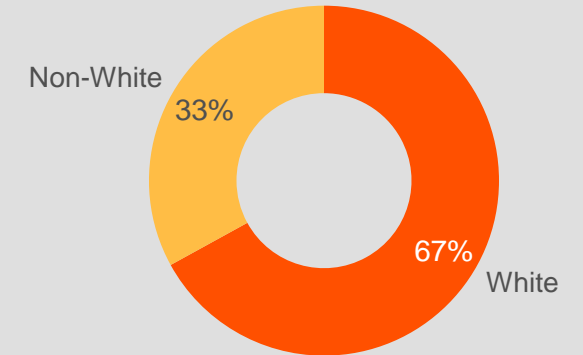
Reflect the diversity of the talent pool in the communities in which we operate.

Drive a diverse slate of internal and external candidates for hiring.

We are making strides to advance diversity in our workforce and leadership team, but we acknowledge we still have room to improve beyond the status quo.

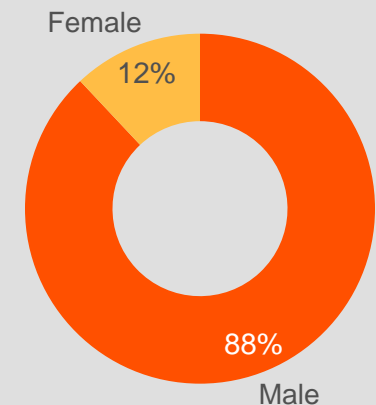
Race and Ethnic Diversity

Total Company (US only)



Gender Diversity

Total Company (US only)



Talent Management

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.

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

Arcosa fosters development in meaningful ways

FORMAL PROGRAMS

Harvard “Leading with Finance” online certificate program

Positive Management Leadership (PML) experience seminar

Young Professionals and Leadership programs

Cherry University

Carnegie Public Speaking

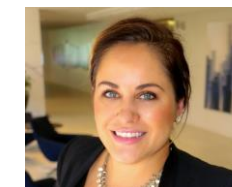
FINANCIAL SUPPORT

Tuition reimbursement at educational institutions

Professional society memberships, conference and symposia registrations

Other educational courses that enhance learning

I’m grateful that Arcosa supports my continued education. Achieving my Masters in Business Administration has been both a personal and professional goal of mine for a long time. The financial support given by Arcosa demonstrates the company’s commitment to my growth, and the mentorship shows how invested Arcosa’s leaders are in my future.



D.W. – Dallas, TX

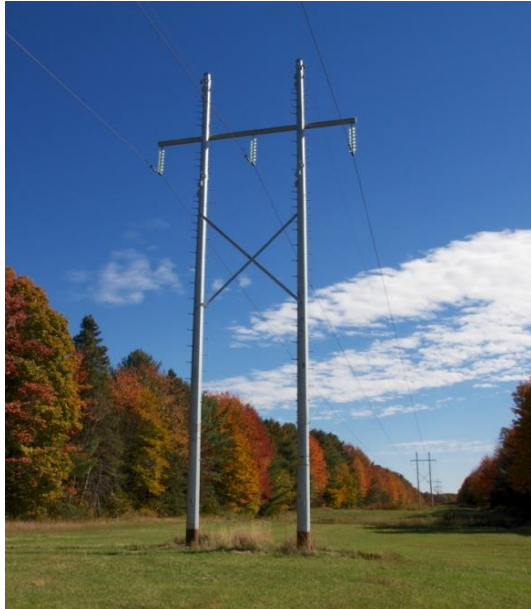
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Our Environment

- Highlights
- Air Quality
- Land Management
- Recycled Materials

We support sustainability by protecting Our Environment

Arcosa's plant operations have taken an active role in pursuing initiatives that promote environmental responsibility.



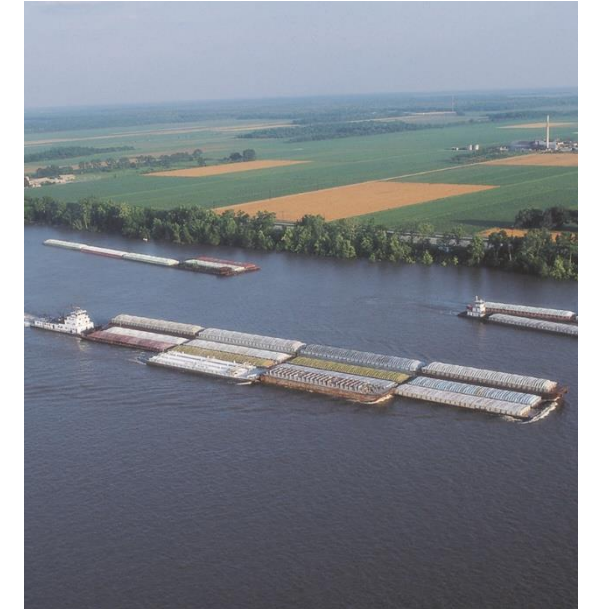
Arcosa's Meyer Utility Structures' Texas plant transitioned to high-efficiency weld machines throughout the facility to reduce energy consumption (scope 2 emissions).



Arcosa de Mexico retrofitted its Huehuetoca facility with energy efficient LED lighting to reduce energy consumption (scope 2 emissions) and water efficient fixtures to reduce water consumption.



Arcosa's Construction Products group is transitioning to higher efficiency engines that will reduce fuel consumption (scope 1 emissions), improve production volumes, and decrease priority pollutants.



Arcosa Marine is sponsoring a tree planting project that will improve swamplands along the coast of Louisiana's Pontchartrain Basin.

Realizing environmental protection action taken today will benefit future generations and provide long-term global value, Arcosa businesses are unified in our commitment to build a better world.

Air Quality

Identified by stakeholders as one of our highest environmental priority topics, air quality impacts Arcosa in many ways:

Many of our large-scale manufacturing facilities house and operate paint and blast booths.

Our steel foundry produces railcar parts by melting steel in high-powered furnaces.

Our construction products businesses operate kilns to produce aggregates for end-use consumption.

While each of these types of activities pose risk to air quality, Arcosa is committed to environmental regulatory compliance to ensure the well-being of our employees and the communities in which we operate. Further, we are working to identify and implement strong initiatives and healthy practices that will lead to air emissions reductions over time.



Arcosa Wind Towers' plant in Iowa has invested heavily in air purification systems for the welding areas of the plant and in new dust collector systems for their painting operation. Improving air quality for our workforce and our world is a key priority.

Land Management

Historic mining activities have left many areas of the country scarred from mine and dirt piles that limit their beneficial use. However, Arcosa is building and developing projects that exemplify sustainability efforts in land management. A Texas reclamation project brings into focus two areas where we believe Arcosa has made a significant and lasting environmental impact: land reclamation and water conservation.

Land reclamation can be achieved in many ways, but the Curry, Texas project began with discovering a way to optimize the retention of storm water and mine impoundment water, which could then be used in the production process. We were able to temporarily convert a sizeable amount of leased farmland to develop a water reservoir for the recycling of process water that could be used repeatedly without any wastewater discharge. The reservoir, internally designed, was built and lined with bentonite, a volcanic clay, which maximized the water conservation.

When the project was complete, the land owners requested we leave the reservoir intact. The remainder of the reclaimed land was then turned back into farmland using the new reservoir as an embedded irrigation system for farming crops.



Mine Reclamation

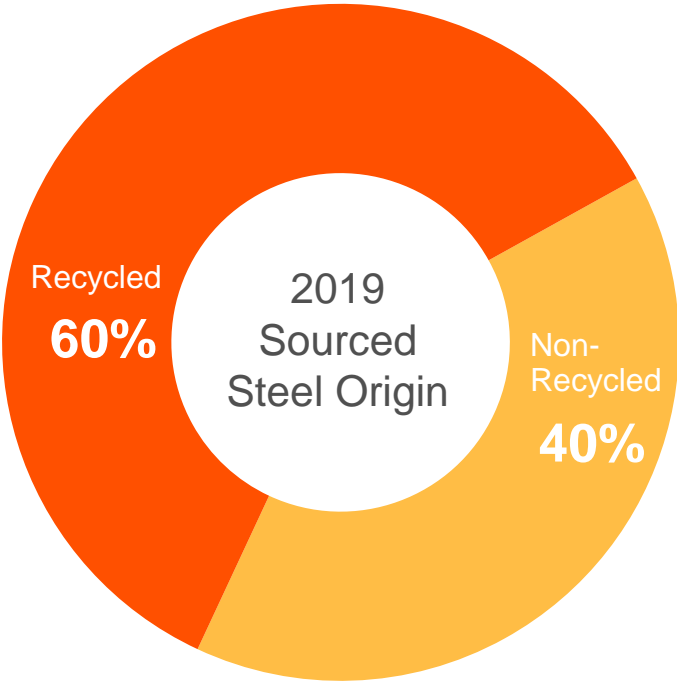


Post Reclamation Farmland

Recycled Materials

Arcosa’s commitment to environmental responsibility extends to sourcing of raw material steel used in our many manufacturing facilities. We partner with steel suppliers to manage the environmental impact of material in both production and disposal.

By increasing the percent of total recycled steel material used to build our products, we believe we can meet the needs of our customers and impact scope 3 emissions over time.



Arcosa’s McConway & Torley steel foundry in Pittsburgh, PA operates as a leader in our material stewardship. Their high quality products are cast using 100% scrap steel in the melt process.

5

Our Products

- Highlights
- Arcosa Wind Towers
- Arcosa Marine
- Recycled Aggregates

Our products are used in important, environmentally friendly industries

Arcosa operates in multiple industries which contribute to environmental protection.



Arcosa Wind Towers produces steel towers to support our customers' advancement of America's wind energy infrastructure.



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



Arcosa's Recycled Aggregates business provides an alternative to using natural resources by recycling concrete, asphalt, steel, and asphalt shingles, which also minimizes landfill use and reduces roadway traffic and vehicle emissions.



Arcosa's Meyer Utility Structures manufactures engineered, tubular, and lattice steel structures for electricity transmission and distribution from wind, solar, and other environmentally friendly resources.



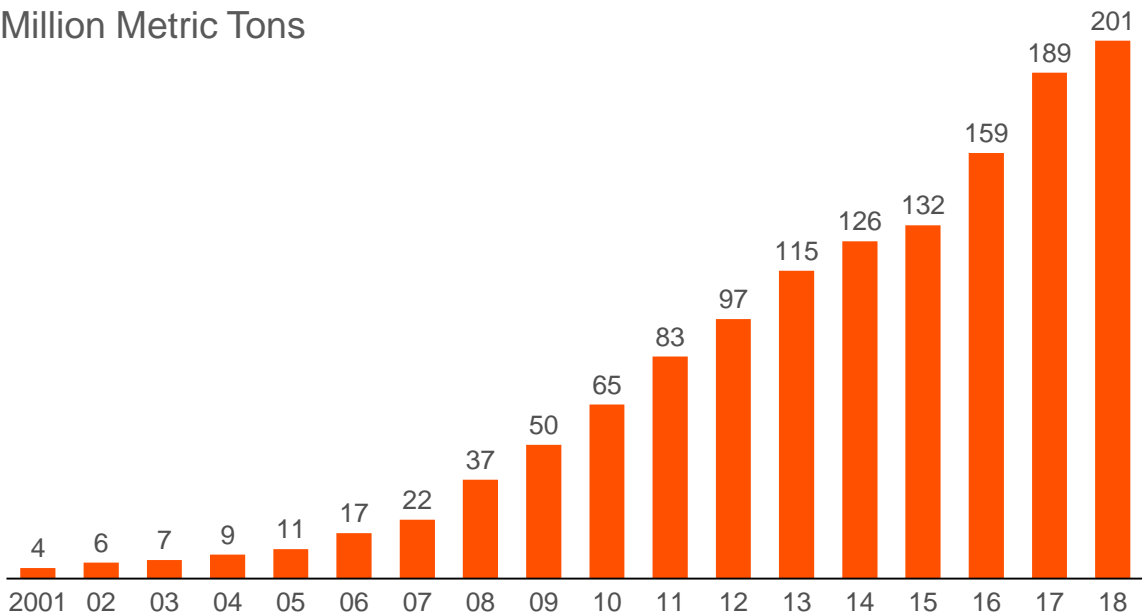
Arcosa's Steel Components businesses manufacture rail products for the fuel-saving and efficient movement of commodities across the country.

Arcosa Wind Towers



Wind Energy reduces carbon dioxide emissions

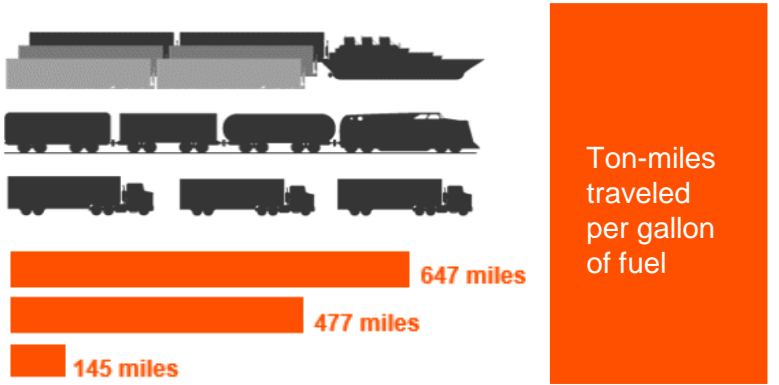
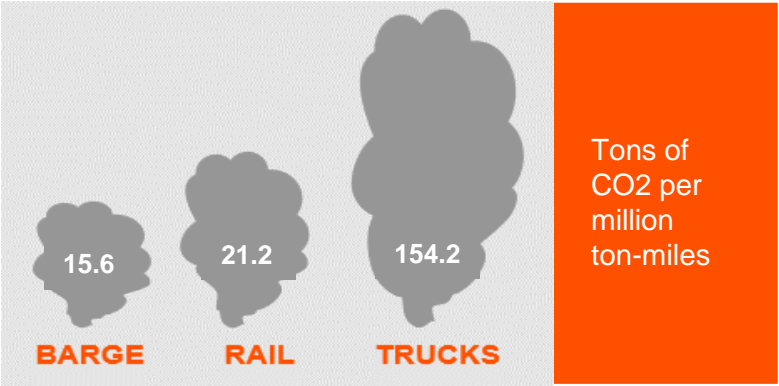
CO2 Emissions Avoided through Wind Energy
Million Metric Tons



As a leading wind tower manufacturer with over 12,000 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.

Source: [American Wind Energy Association](#)

Arcosa Marine



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

Source: [National Waterways Foundation](#)

Recycled Aggregates

Arcosa's Recycled Aggregates business, added to our portfolio as part of the Q1 2020 Cherry acquisition, plays an integral role in our ESG program. Our business sources the majority of raw materials from Construction and Demolition (C&D) debris, aligning with Arcosa's goal of environmental responsibility through increasing use of recycled materials in our production processes.

ANNUALLY, ARCOSA RECYCLES:

More than two million tons of concrete for use in road base material

Nearly one-half million automobile and truck tires for alternative fuel

About 25,000 tons of asphalt shingles for use in hot mix material

Over 50,000 tons of steel to fabricate new steel products

About 30,000 tons of reclaimed asphalt paving for use in hot mix material



C&D debris recycling

- According to the EPA, 569 million tons of C&D debris were generated in 2017.
- 73% of C&D debris is recycled.
- Recycled asphalt saves US taxpayers ~\$2.5B annually.
- Recycled C&D debris saves landfill space, conserves natural resources, reduces greenhouse gas emissions, creates jobs, and decreases road congestion.

Sources: [Environmental Protection Agency](#); [C&D Recycling Association](#) (CDRA); [National Asphalt Pavement Association](#)

Appendix

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, energy, and transportation markets, we believe we can create long term value for our broad range of stakeholders by driving a culture that values Environmental, Social, and Governance (ESG) responsibility.

We are committed to integrating ESG into our daily practices and long term strategies. We have prioritized ESG activities at all levels within the organization, understanding the actions we take today can have broad and far-reaching impact to future generations. At Arcosa, we are unified in our commitment to build a better world.







The intent of our mid-year ESG report is to update our stakeholders on the progress of our ESG program. As we continue to develop alignment with SASB standards and TCFD framework, we've identified specific, applicable codes we aspire to report. Some identified metrics will be reported in our 2020 annual report in 2021, with evolving strength and breadth of disclosure as we advance our ESG platform.

The following reference tables contain disclosure of relevant ESG metrics, including select metrics from the Sustainability Accounting Standards Board (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.




The tables also reference select United Nations Sustainable Development Goals (UN SDGs).




Reference Table - Environmental

Environmental Topic	Metric	Unit of Measure	Disclosure	SASB Code	UN SDG	Page
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 (2) percentage renewable	(1) Gigajoules (GJ) (2) Percentage	In process	RT-IG-130a.1 EM-CM-130a.1		
GHG Emissions	(1) Gross global Scope 1 emissions, (2) percentage covered under emissions-limiting regulations	(1) Metric tons (t) CO2-e (2) Percentage	In process	EM-CM-110a.1		
	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	In process	EM-CM-110a.2		
Land Management	Number of Sites Reclaimed	(1) Number of Sites (2) Discussion	(1) In process (2) Disclosure included in report.			27
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	Arcosa has partnered with our steel suppliers to focus on material management for our manufacturing operations. In 2019, our sourced steel origin was 60% recycled materials and 40% non-recycled.			28
Waste/Hazardous Materials Management	Description of initiatives to reduce waste and properly manage hazardous materials.	Discussion	In process			
Water and 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 (m³) (2) Percentage (3) Percentage	In process	EM-CM-140a.1		

Reference Table - Social & Governance

Social Topic	Metric	Unit of Measure	Disclosure	SASB Code	UN SDG	Page
Employee Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Rate	In process	RR-WT-320a.1 RT-IG-320a.1 EM-CM-320a.1		
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	We had 12,036 employee volunteer hours in 2019.			17
Diversity	Employee (1) race/ethnic and (2) gender diversity	Percentage	(1) White 67%, Non-White 33% (2) Male 88%, Female 12% Both diversity percentages reported as of July 2020.		 	22

Governance Topic	Metric	Unit of Measure	Disclosure	SASB Code	UN SDG	Page
Corporate Governance	Independent Board Members	Percentage	89%			15
	Board Ethnic Diversity	Percentage	22% of our Board is ethnically diverse.			15
	Board Gender Diversity	Percentage	11% We have one female currently serving on our Board.			15
	Board Oversight of ESG	Discussion	The Board has designated the Corporate Governance and Directors Nominating Committee as the committee responsible for overseeing the Company's initiatives in relation to ESG matters.			14
	Business Ethics and Compliance Training	(1) Number and (2) Percentage of Employees Trained	(1) 6,567 employees as of 7/30/2020 (2) 100% of employees complete a certification for Arcosa's Code of Business Conduct and Ethics.			(1) 20 (2) 17

Non-GAAP Measures

Reconciliation of Adjusted EBITDA

(\$'s in millions)
(unaudited)

Trailing Twelve Months Ended
June 30 , 2020

Net income	\$ 118.7
Add:	
Interest expense, net	8.4
Provision for income taxes	38.8
Depreciation, depletion, and amortization expense ⁽¹⁾	99.0
EBITDA	264.9
Add:	
Impact of acquisition-related expenses ⁽²⁾	5.3
Impairment charge	1.8
Other, net (income) expense ⁽³⁾	0.3
Adjusted EBITDA	\$ 272.3
Adjusted EBITDA Margin	14.5%

⁽¹⁾ Includes the impact of the fair value markup of acquired long-lived assets.

⁽²⁾ Expenses associated with acquisitions, including the cost impact of the fair value markup of acquired inventory and other transaction costs.

⁽³⁾ Included in Other, net (income) expense was the impact of foreign currency exchange transactions

“**EBITDA**” is defined as net income plus interest, taxes, depreciation, depletion, and amortization. We adjust EBITDA for certain items that are not reflective of the normal earnings of our business (“Adjusted EBITDA”). GAAP does not define EBITDA or Adjusted EBITDA and they should not be considered as alternatives to earnings measures defined by GAAP, including net income. We use Adjusted EBITDA to assess the operating performance of our consolidated business, as a 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. “Adjusted EBITDA Margin” is defined as Adjusted EBITDA divided by Revenues.