

Risk Factors Comparison 2025-02-20 to 2024-02-22 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

The following risks could materially and adversely affect our business, financial condition and results of operations, and cause the trading price of our common stock to decline. This list does not identify all risks that we face; our operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial. Due to risks and uncertainties, known and unknown, our past financial results may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods. You should also refer to the other information set forth in this Annual Report on Form 10-K, including Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Item 8 “Financial Statements and Supplementary Data.”

ECONOMIC / POLITICAL RISKS Our business is dependent on the construction industry and is subject to economic cycles — Our products are principally sold to the U. S. construction industry. Construction spending is affected by general economic conditions, changes in interest rates, demographic shifts, industry cycles, employment levels, inflation and other business, economic and financial factors, any of which could contribute to a downturn in construction activities or spending in Vulcan- served markets. A downturn in Vulcan- served markets, particularly in our top revenue- generating markets, could have a material adverse effect on our business, financial condition and results of operations. Our business is dependent on the timing and amount of federal, state and local funding for infrastructure — Our products are used in a variety of public infrastructure projects that are funded and financed by federal, state and local governments. In ~~2023, voters in local jurisdictions in Arizona, California, Georgia, New Mexico, North Carolina, South Carolina and Texas, among others, approved bond and revenue- raising measures to provide additional resources for transportation projects.~~ In November 2021, the federal Infrastructure Investment and Jobs Act (IIJA), which included a five- year road, bridge and public transportation program reauthorization at record levels, was signed into law. **This** ~~These state and~~ federal highway ~~programs-~~ **program**, as well as funding for other aggregates- intensive public infrastructure, will support demand for our products for several years to come. However, given the time to set up new federal programs, varying state and local budgetary situations and the stages of projects, we cannot be entirely assured of the existence, amount and timing of appropriations for future public infrastructure projects. We are subject to various risks arising from our international business operations and relationships — We are subject to risks associated with potential disruption caused by changes in domestic or global political, economic and diplomatic developments, including war, civil and political unrest, illnesses declared as a public health emergency (including viral pandemics such as COVID- 19), terrorism, expropriation and local labor conditions. We are also subject to both the risks of conducting international business and the requirements of the Foreign Corrupt Practices Act of 1977 (the FCPA) associated with our aggregates production facilities including those located in British Columbia, Canada; Puerto Cortés, Honduras; and Quintana Roo, Mexico. These risks have included, and may in the future include, changes in international trade policies, such as the United States- Mexico- Canada Agreement (USMCA), imposition of duties, **tariffs**, taxes or government royalties, arbitrary changes to permits, zoning classifications or operating agreements, or overt acts by foreign governments, including expropriations and other forms of takings of property. Recently, the Mexican government has taken actions that adversely affect our property and operations in Mexico, including arbitrary shutdown orders to immediately cease underwater quarrying and extraction operations. We continue to vigorously pursue all lawful avenues available to us in order to protect our rights, under both Mexican and international law.

OPERATIONS, GROWTH AND COMPETITIVE RISKS Within our local markets, we operate in a highly competitive industry — The construction aggregates industry is highly fragmented with a large number of independent local producers in a number of our markets. Additionally, in most markets, we also compete against large private and public companies, some of which are significantly vertically integrated. This significant competition **or any unfavorable change in competitive circumstances in our markets** could lead to lower prices and lower sales volumes. Certain markets are experiencing the expanded use of aggregates substitutes — Recycled concrete and asphalt are increasingly being used in a number of our markets, particularly urban markets, as a substitute for aggregates. The expanded use of recycled concrete and asphalt could cause a significant reduction in the demand for aggregates. ~~Part I~~ Our long- term success depends upon securing and permitting aggregates reserves in strategically located areas — Construction aggregates have a high weight- to- price ratio, and transportation costs can quickly exceed the cost of the aggregates. Therefore, except for geographic regions that do not possess commercially viable deposits of aggregates and are served by rail, barge or ship, the markets for our products tend to be localized around our quarry sites and are served by truck. New quarry sites often take years to develop, so our strategic planning and new site development must stay ahead of actual growth. Additionally, in a number of urban and suburban areas in which we operate, it is increasingly difficult to permit new sites or expand existing sites due to community resistance. Therefore, our future success is dependent, in part, on our ability to accurately forecast future areas of high growth in order to locate optimal facility sites and on our ability to secure operating and environmental permits to operate at those sites. Our future growth depends in part on acquiring and successfully integrating other businesses in our industry — Our ability to acquire and integrate businesses is dependent upon the availability of attractive businesses with owners that are willing to sell at fair market prices, conducting proper due diligence on such available businesses, ~~and~~ developing and executing integration plans for acquired businesses, **and retaining the customers and partners of acquired businesses following their acquisition**. **If we are not successful with respect to those matters, we may not realize the anticipated benefits associated with such acquisitions, which could adversely affect our business and results of operations.** ~~Part I19~~ Our aggregates operations are subject to the risks of open pit and underground mining — Aggregates mining involves risks such as pit wall failures, pillar or ceiling collapse, flooding, and seismic events related to

products do not meet regulatory requirements or contractual specifications — Our operations involve providing products that must meet building code or other regulatory requirements and contractual specifications for durability, stress- level capacity, weight- bearing capacity and other characteristics. If we fail to provide products meeting these requirements and specifications, product liability claims may arise against us. We have resolved certain claims of this kind, but there are currently open claims, and we expect future claims, some of which may exceed our product liability insurance coverage. PERSONNEL RISKS Our future success depends upon attracting and retaining qualified personnel, particularly in sales and operations — Our success in attracting qualified personnel, particularly in the areas of sales and operations, is affected by changing demographics of the available pool of workers with the training and skills necessary to fill the available positions, the impact on the labor supply due to general economic conditions, and our ability to offer competitive compensation and benefit packages. Disputes with organized labor could disrupt our business operations — Labor unions represent approximately 13-11% of our workforce. Disputes with our trade unions, or the inability to renew our labor agreements, may lead to strikes or other actions that could disrupt our business operations. GENERAL RISK FACTORS We are dependent on information technology systems (our own and those of our service providers such as Amazon Web Services), and these systems contain non-public data about our business, employees, suppliers and customers — The protection of our information technology systems and the data contained therein is critical to us. We have a dedicated information security team that executes our information security program and routinely tests the security of our applications, networks, databases, etc. While we have security measures and technology in place designed to protect proprietary or classified information about our business, employees, suppliers and customers, there can be no assurance that our efforts will prevent all threats to our information technology systems (or those of our service providers). In addition, the rapid evolution and increased adoption of artificial intelligence and machine learning technologies may intensify our cybersecurity risks. Because the techniques used to obtain unauthorized access or sabotage information technology systems change frequently, become more sophisticated and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. The loss of use of information technology systems (whether ours or our service providers), regardless of the cause, would could disrupt our business operations. The failure to keep secure the confidential and sensitive data about our business, employees, suppliers and customers (regardless of the reason for such failure) or failure by us to comply with applicable laws, rules or regulations could expose us, our employees, suppliers and / or our customers to the misuse of such data and could damage our reputation, cause us to incur significant liability and have a material adverse effect on our business, financial condition and results of operations. Weather can, and climate change may, materially affect our operations — Almost all of our products are consumed outdoors in the public or private construction industry, and our production and distribution facilities are located outdoors. Inclement weather affects both our ability to produce and distribute our products and affects our customers' short-term demand because their work also can be hampered by weather. Potential impacts of climate change include disruption in production and product distribution due to impacts from major storm events, shifts in regional weather patterns and intensities, availability of energy and / or water, and sea level changes. A number of our facilities are located in desert climates, and while we have not experienced any significant shortages of energy or water in the past, we cannot guarantee that we will not in the future. Furthermore, public expectations for addressing climate change could result in increased energy, transportation and raw material costs and may require us to make additional investments in facilities and equipment. Our product distribution is multi-modal and often dependent upon third- party providers — Our products are distributed either by truck to local markets or by rail, barge or oceangoing vessel to remote markets. The distribution and cost of distribution could be negatively affected by factors such as rail service interruptions or rate increases, tariffs, rising fuel costs, truck / railcar / barge shortages, truck driver and rail crew shortages, capacity constraints and minimum tonnage requirements. Part I21 The production of our products is dependent upon the supply chain for several key inputs — In our production and distribution processes, we consume significant amounts of electricity, diesel fuel, liquid asphalt and other petroleum- based resources. Additionally, we operate significant amounts of fixed and mobile equipment that require regular maintenance and replacement of parts. The availability and pricing of these resources are subject to market forces. 25