Strengthening and Sustaining Our People, Community and Environment

Corporate Social Responsibility Report 2020
Strengthening and Sustaining Our People, Community and Environment

Acme Brick Company believes in serving as a positive influence across the communities in which we operate in alignment with our cultural beliefs of “Doing Right” and “Take Ownership.” Our efforts in this 2020 CSR report include philanthropy, the environment, safety and culture.

Philanthropy. We seek to strengthen our communities and to contribute to a higher quality of life to those in need. During 2020, Acme Brick and our associates donated $83,000 in monetary donations, contributed almost 200 hours of service and provided more than $35,000 in product donations. This combined effort benefited more than 80 non-profit organizations.

The Environment. The nature of our business is the manufacture and resale of products that are long lasting and of enduring quality and beauty. We strive to conduct our operations in an environmentally responsible manner through energy efficiency programs, wide scale recycle and reuse of manufacturing process-generated by-products and well-planned extraction and use of the non-renewable raw materials used in our products. In 2020, Acme reused most of its manufactured by-products and invested in significant capital improvements to upgrade equipment to improve overall efficiencies. We conduct our operations to minimize environmental risk and, where practicable, eliminate adverse environmental impacts. Over the last three years, installation and improvements in pollution control equipment reduced our toxic emissions by an additional 23%.

Safety. The safety of our workforce and the communities we serve is paramount to our operations. Over the last three years, Acme has reduced the number of Occupational Safety and Health Administration (OSHA) recordables by 16%, the severity of our injuries by 32% and workers’ compensation costs by 51%. This was accomplished through better associate training, engineering and administrative controls in our operations and management involvement. Acme is well on our way to achieving an aspiration goal of zero harm. As the pandemic swept our country in 2020, we mitigated the risk through education and implementation of Centers for Disease Control and Prevention (CDC) recommendations and guidelines.

Culture. We are dedicated to cultivating the success of our associates through encouragement and culture-based initiatives via the Acme Brick Culture Circle, formed in 2019. The Culture Circle is working to strengthen our company culture within the framework of our Cultural Beliefs and Pillars.

We care about our communities.
It is our privilege to give back to those we serve.
As we reflect on 2020, we are proud of the work of our associates in both our jobs and in our communities. Our business continued to grow and thrive even during the past year’s uncertainty, and we were able to provide work for our associates and for those who use our products. The leadership of Acme Brick is focused on our company culture and building a business that makes a difference— from the inside out.

Continuous Improvement and Corporate Responsibility for Our Customers, Our Community, Our Associates, and Our Environment

At Acme, we have pledged to guide our business endeavors to meet the needs of our customers by developing products with a low environmental impact as well as a long life cycle. Our goal is to continue being a responsible community member, operating with transparency and total regulatory compliance in every aspect of our business.

Our internal environmental management system helps us assess, manage and respond accordingly throughout all aspects of our business. Our associates, from plant to sales, not only stand behind the history and quality of the Acme name and product, but we also strive to discover new opportunities to innovate and improve the company. Acme continues to educate and empower our associates to work for the protection and promotion of the environment for ourselves, our children and our communities.

From the Earth, For the Earth
Being a safe and environmentally responsible company can make a difference in all our lives—and in the lives of our children and future generations. We’re in this business for the long-term, so making the environment a focus makes sense. This idea has been part of Acme Brick Company since our founding. Creating a product with a 100-year guarantee means corporate responsibility is at the heart of our company.

Being a good corporate citizen means taking care of our associates and our community now, while we build and develop for the future. It means thoughtful resource planning, reducing emissions and protecting the environment which enables future generations to enjoy and benefit from its beauty. To this end, Acme supports a corporate team of Environmental, Health & Safety (EH&S) associates and EH&S associates in the field. Environmental compliance is the minimum expectation; we often go above and beyond where it makes good economic sense to do so.

We continually upgrade our plant equipment to the best industry standards. In fact, we have Key Performance Indicators (KPIs) in place around energy efficiency and reduction. Recent Capital Improvement Projects (CIP) include:

- Two new air scrubbers at the Elgin and Sealy plants that reduce airborne toxics and particulate emissions
- New setting machine at the Denton plant reduces operating hours and electrical usage
- Company-wide replacement of kiln cars reduces fuel usage by providing better seals and lighter materials on the cars
- Wetland restoration at the Perla mine reduces pollutant runoff and improves treatment efficiency
- Asbestos removal projects at the Tulsa and Perla plants reduce the likelihood of associate exposure
- Burner replacement projects at the Ouachita, Oklahoma City and Sealy plants improve energy efficiency, resulting in lower fuel usage and greenhouse gas emissions
- Baghouse leak detection systems at the Bennett, Denton and Birmingham plants reduce the likelihood of particulate emissions escaping into the atmosphere

We continue to strive toward a better future for our people, our communities and our world.
Demonstrating our commitment to health and safety, we have safety KPIs in place and are pleased to report a continued reduction in incidents for 2020.

We have multiple programs and initiatives that further our efforts to reduce injuries. Our Silica Program prevents associate exposure to harmful levels of respirable crystalline silica. Our Hearing Conservation Program helps limit an associate’s exposure to high levels of noise and our Lockout Tagout Program establishes requirements that prevent the accidental activation of machinery or equipment within our plants.

We have an Electronic Management Information System that is used to track compliance tasks, enter and track incidents and generate audits. The safety KPIs for 2020 were a maximum of 80 Total OSHA Recordable Incidents (TRI) and 45 Days Away, Restricted or Transferred (DART) incidents. DART is a safety metric used by OSHA to show how many workplace injuries and illnesses caused the affected associates to remain away from work, restricted their work activities, or resulted in a transfer to another job position.

Since 2017, our TRI and DART rates have seen reductions of 16% and 25%, respectively. The total number of days away or restricted duty, referred to as “Severity,” has reduced by 32%. The incident “rate” calculation allows for a better comparison of year-to-year by taking plant associates hours worked into account.

Defining Safety KPIs and holding Supervisors accountable to meet them have led to engaging associates at the floor level. This also helped reduce resistance to change. Our monthly goals are kept in the forefront of our work and have led to tangible results from the bottom up.

~ Michael Mannery, District Manager
Acme Brick takes great pride in doing our part in lowering emissions, decreasing cost and reducing energy consumption. By reducing energy usage, we lower the greenhouse gas emissions (GHGs) and other adverse environmental impacts from fossil fuel combustion.

GHGs are gases in the upper atmosphere that trap heat provided by the sun and are essential to life on earth because they keep our planet warm. Too high a concentration of these gases, however, can cause too much warming and negatively affect our climate (stronger and more frequent storms, droughts and fires). Reducing the man-made contribution of GHGs is critical to minimizing catastrophic climate changes. Of the six GHGs, Acme emits carbon dioxide (CO$_2$), methane (CH$_4$) and nitrous oxide (N$_2$O).

Acme’s energy usage includes natural gas used to fire our kilns, electricity for power and petroleum products (diesel and gasoline) used in our cars and trucks. Acme’s total energy usage in 2020 was 3,804,777 MMBtu, which is the same amount of energy that would power 112,000 homes for a year. All of these uses of energy contribute to GHG emissions. Acme’s energy management program aims to improve energy efficiency through the identification and implementation of best practices, upgrades to energy efficient equipment and engineering projects.

- **Best Practices** include burner tuning, maximum seal on kilns to reduce heat loss, identifying compressed air leaks and a reduction in mass on kiln cars that travel through the kiln.
- **Upgrades to Energy Efficient Equipment** include replacing halogen lighting with LED lighting, use of energy efficient electric motors, installing high efficiency burners and the use of variable speed motors.
- **Engineering Projects** include Pulse Firing Systems on kilns, equipment automation and kiln rebuilds using modern insulation and equipment.

Thanks to the commitment of Acme Brick associates, there have been great strides in reduction of energy usage and overall efficiency in our plants over the decades. From 2019 to 2020, however, total energy usage and GHG emissions per ton of product increased by 4.8%. GHG emissions went from 357 to 374 tons GHGs per ton of product. This increase was due in large part to lower production volume due to COVID related slowdowns, new equipment installations and unexpected process failures. On the positive side, fuel usage for both the heavy fleet and company cars and trucks decreased by an average of 8%.

We aspire to even higher levels of efficiency and positive global impact as we continue our journey to fully integrate environmental stewardship responsibility across every aspect of our business.
At Acme, our brick and tile are transported by rail and truck – but mostly by truck. Between 2019 and 2020, gas mileage for our heavy fleet slipped from 5.84 miles per gallon (mpg) to 5.66 mpg. Total mileage dropped from 18.9 million miles in 2019 to 17 million miles in 2020 due largely to COVID related slowdowns and decreased overall travel. As a result, fuel usage decreased by 8 – 10%.

Our goal is to continue to fine-tune delivery routes to reduce empty miles traveled and cut overall fuel consumption even more. Being smarter about our fuel use and our energy consumption are key to enabling us to continue to create value for our customers, reduce our environmental footprint and benefit associates and the community-at-large over the next few years and beyond.

**Innovation in Logistics Technology for the Greater Good**

Computer software programs are used for load planning, to minimize trips and to ensure full loads. Electronic logging devices were installed in trucks in 2018/19 to track miles per gallon, hard stops and idle times to improve efficiencies. Since 1891, we have built and operated our brick plants close to population centers. In fact, all our plants are within 500 miles of an urban area, making transportation logistics more efficient and close enough to meet Leadership in Energy and Environmental Design (LEED) specifications for regional materials.
Responsible Water Usage
At Acme, we have a commitment to use water efficiently, recycle and reuse where possible and to protect water quality. On average our production facilities use 2.3 million gallons of water per month supplied by the city, surface water withdrawal and groundwater. Measuring water consumption, both volume and source, has been inconsistent across our plants. In 2020, Acme used 32,907,382 gallons of water which is a slight increase over the 2019 consumption of 24,564,608 gallons of water. This increase is likely due to the improved accuracy of our water measurement. For comparison, one U.S. household uses approximately 300 gallons per day, so the 32 million gallons of water used is equivalent to supplying water to 300 households annually.

As part of our ongoing commitment to environmental management, we will continue to improve the accuracy of our water measurement. We will also look for opportunities to increase water efficiency at the plant level.

Waste Generation Improvement
We are just beginning to understand our waste footprint. In late 2019, Acme signed a National Contract with Waste Management (WM) to manage and provide trash service at 67 of our locations. As part of this contract, WM tracks and provides data on Acme’s waste volume, type and how it is disposed. The goal for 2021 will be to initiate recycling and reuse at all locations where it is viable. Upon signing the National Contract, Acme is guaranteed a savings of 10%, a personal customer service team and online capabilities to change or modify service by location.

Waste by-products generated at the plants are typically reground and reused in production. Those that can’t be reused onsite can be reground and repurposed as road base, fill material or landscaping design. In 2021 and beyond, we will be working to better understand and report our waste by-product generation at all our plant locations.
Operational Footprint

Our Operational Footprint
In the manufacture of our products, Acme uses raw materials that are naturally occurring but also non-renewable. As a result, we strive to reduce our operational footprint and environmental impact by wisely using and maintaining the land and its resources. In the firing of our products, toxic air pollutants are emitted from the kilns and stormwater runoff from a site can carry sediments into neighboring streams and rivers. All of our pollutant emissions and runoff are governed by regulatory permits with specific emission or discharge limits. Air pollution control devices on many of our plants can reduce toxic emissions by up to 98% and stormwater runoff controls minimize or eliminate sediments and other pollutants from leaving the site.

Between 2019 and 2020, Acme had reductions in Sulfur Dioxide (SO$_2$), Hydrogen Fluoride (HF) and Hydrogen Chloride (HCl) emissions of 13%, 30% and 16% because of air pollution control equipment and more accurate data from testing our emissions.

Being a good environmental steward means practicing mining techniques that minimize damage and restoring or reclaiming spent mines to natural conditions. The Vondra Pit, featured on the cover, is one such example and one for which we received the 2020 Governor’s Mined Land Reclamation Award from the Kansas Department of Transportation (KDOT). Until 2020, Acme owned and operated the mine for more than 25 years.

The reclamation plan was designed to return the property into productive cropland if the new landowner wanted to utilize the land for this purpose. The lack of ongoing reclamation left it looking like an arid desert. There were 30-foot-high walls, exposed stockpiles and soil erosion leaving no healthy topsoil for nourishing vegetation growth. We contoured the land to reduce soil erosion and spread stockpiled topsoil. The reclaimed property now includes two ponds, indigenous grass and flower species and abundant wildlife.

Through continuous practices like these, Acme plans to grow our commitment to making a positive impact on our communities and our environment.

With the uncertainty of the past year and the current global situation, we feel it is even more important to invest in innovative business solutions and processes and collaborate with others to do the right thing for the communities in which we operate. Since we have been collecting and reporting our operational footprint data, we have seen results that indicate our efforts to reduce, reuse and recycle have had some positive impact.

Elgin Scrubber installed in 2019

It is very satisfying to be part of a project that epitomized being a good steward of the land and returning property back to its original identity.
~ Michael Sutter, Environmental Program Manager
Acme Brick believes in serving as a positive influence across the communities in which we operate. Whether our “giving” occurs in the form of money, time or products, such efforts are made to support and strengthen our communities. We strive to contribute to a higher quality of life that may not otherwise be possible.

Rather than have one company-wide focus, we find making most of these decisions at the local level more impactful. This philosophy engages our associates and our leaders and enables us to see the results of our efforts. We have responded to our cultural beliefs of “Doing Right” and “Take Ownership.” Together, we have taken the initiative to get involved, contribute and help those in need.

During 2020, Acme Brick and our associates donated $83,000 in monetary donations, contributed almost 200 tracked hours of service and provided more than $35,000 in product donations of our brick, concrete block, flooring and other products to those in need. Our combined efforts benefited more than 80 non-profit organizations.

Fort Worth General Office
Thank you, Fort Worth General Office, for more than $68,000 in monetary donations, more than $1,200 in Acme product and other in-kind donations, 36 organizations assisted and more than 98 hours of outreach and community support. You made a positive impact on your community!

Non-Profit Partners:
- 6 Stones Mission Network
- Alzheimer’s Association
- American Heart Association
- Ayden’s Act of Kindness
- Baylor Scott & White
- Bobby Bragan Youth Foundation
- Boys and Girls Club of America
- Broadway Baptist Church
- Business Navigators
- CDC
- Children at Risk
- Children’s Health Dallas
- Clinton P. Russell Elementary School
- Cody’s Friends Dog Rescue
- Cook Children’s
- Daggett Montessori School
- DRC Solutions Fort Worth
- Goodwill of Fort Worth
- Heart of Gold Foundation
- Jordan Elizabeth Harris Foundation
- Junior Achievement
- Meals on Wheels
- Minnie’s Food Pantry
- National Medal of Honor Museum
- Rescue Her
- Restoration Church
- Ronald McDonald House Charities
- Rotary Club
- SafeHaven of Tarrant County
- Tackle Tomorrow Foundation
- Tarrant Area Food Bank
- TEDx Youth@Fort Worth
- Texas Adopt-a-Highway
- Texas Ranger Association Foundation
- Texas Scottish Rite Hospital
- Thistle Hill
North Texas Production Region
Thank you, North Texas Production Region, for more than $2,400 in monetary donations, more than $100 in in-kind donations, 9 organizations assisted and more than 58 hours of outreach and community support. You made a positive impact on your community!

Non-Profit Partners:
- Austin County Fair
- Bellville Fire Department
- Carter BloodCare
- Change.org
- Children’s Alliance Center of Palo Pinto County
- Millheim Cemetery
- Raising Academic Performance
- Salvation Army
- Sealy Chamber of Commerce

North Texas Sales Region
Thank you, North Texas Sales Region, for more than $1,000 in monetary donations, $750 in in-kind Acme product donations, 4 organizations assisted and 20 hours of outreach and community support. You made a positive impact on your community!

Non-Profit Partners:
- 6 Stones Mission Network
- Minnie’s Food Pantry
- North Texas Food Bank
- Tackle Tomorrow Foundation

Central Texas Sales Region
Thank you, Central Texas Sales Region, for more than $750 in monetary donations, $2,500 in in-kind Acme product and other materials donations, 16 organizations assisted and more than 10 hours of outreach and community support. You made a positive impact on your community!

Non-Profit Partners:
- Amy’s House
- Austin Community Foundation
- Baylor Scott & White
- Belton High School
- Bexar County Child Welfare
- Child Advocates San Antonio
- Central Texas Food Bank
- Eagle Scouts
- Hurricane Delta Relief Fund
- Hurricane Laura Relief Fund
- Labyrinth Prayer Pathway
- McLennan Community College
- National Multiple Sclerosis Society
- St. Andrew’s Presbyterian Church
- San Antonio Food Bank
- San Antonio Humane Society

West Texas Sales Region
Thank you, West Texas Sales Region, for more than $6,300 in in-kind Acme product donations supporting the Eagle Scouts and Holy Cross Orthodox Church. You made a positive impact on your community!
Southeast Gulf Sales Region
Thank you, Southeast Gulf Sales Region, for more than $5,500 in monetary donations and 3 organizations assisted. You made a positive impact on your community!

Non-Profit Partners:
- Associated General Contractors of America (AGC)
- Baldwin County Child Advocacy Center
- Habitat for Humanity

Southeast Central Sales Region
Thank you, Southeast Central Sales Region, for more than $2,400 in monetary donations, more than $4,700 in Acme product and other in-kind donations, 8 organizations assisted and countless hours of outreach and community support. You made a positive impact on your community!

Non-Profit Partners:
- Austin Hatcher Foundation for Pediatric Care
- Boy Scouts of America
- Cancer in Chattanooga
- Children’s of Alabama
- His Way Recovery Center
- Huntsville High School Baseball Booster Club
- Huntsville Inner City Learning Center
- Huntsville Madison County Builders Association

Southeast Production Region
Thank you, Southeast Production Region, for more than $2,500 in monetary donations supporting Boys & Girls Ranches of Alabama. You made a positive impact on your community!

Mideast and Midwest Sales Regions
Thank you, Mideast and Midwest Sales Regions, for more than $1,500 in monetary donations, $12,600 in in-kind Acme product donations and 5 organizations assisted. You made a positive impact on your community!

Non-Profit Partners:
- Habitat for Humanity in Olathe, Kansas
- Habitat for Humanity in Joplin, Missouri
- Habitat for Humanity in Springfield, Missouri
- Habitat for Humanity in Stillwater, Oklahoma
- Habitat for Humanity Resale Store

Midwest Production Region
Thank you, Midwest Production Region, for more than $2,500 in in-kind Acme product donations supporting Lake City Parks and Libby R.O.S.E. You made a positive impact on your community!
Acme Brick is dedicated to cultivating our associates' success by promoting cultural and community enrichment. The Culture Circle, a diverse group of 12 associates hailing from all lines of service and regions of the company, is working to strengthen our company culture within the framework of our company Cultural Beliefs and Pillars. The Culture Circle determined its 2020 priorities would be **improving communications, morale and mentoring.**

**Communications.** The Culture Circle worked with our leadership to improve the way important information is communicated from corporate to the field. Similarly, the Circle keeps associates informed on current cultural projects via our new Culture Circle page on the intranet.

**Morale.** As the COVID-19 pandemic swept the country in 2020, our leaders made the necessary adjustments to protect our associates and our communities. As part of this the Culture Circle provided an Acme branded face mask to every associate. The Circle also sent every associate an Acme cooling towel to ease the burden of the hot summer weather. Finally, the Circle developed a Welcome Kit of Acme branded swag which is given to each new associate to welcome and engage them.

**Mentoring.** In another effort to strengthen our community and build morale among associates, the Culture Circle built an internal mentor/mentee program. The program pairs a more seasoned associate with a junior associate looking to develop their style, career, craft, life and world. We piloted the Acme Mentoring Program (AMP) program with great success in 2019 and will launch a new class of mentors and mentees in 2021 and annually thereafter.

Acme Brick seeks to manufacture the highest quality products and provide best-in-class customer service. Devotion to our greatest asset, our awesome associates, helped make Acme Brick a greater place to work in 2020!
The purpose of our Corporate Social Responsibility report is to highlight Acme Brick’s positive influence across the communities in which we conduct business. Over the years, we generously donated time, products and money to thousands of worthwhile non-profits. These activities align with our Cultural Beliefs of "Doing Right" and "Take Ownership."

We will once again exemplify these accomplishments; however, we would be remiss if we did not first reflect on how the world as we know it changed in early March 2020. As the pandemic spread across our country we had to change the way we live, work and look at tomorrow.

Deemed as an essential business, Acme Brick continued to work and keep our production and sales offices open for business. Our responsibility to protect the well-being of our associates and customers was paramount, so changes to operations, hours, building access, etc., became necessary.

Accordingly, the company developed and implemented health and safety guidelines in accordance with the CDC and local, state and federal health agencies to mitigate the spread of the virus.

Our associates were equipped with different forms of personal protection, face coverings, disinfectants, etc., and provided the time-off to deal with mandatory quarantines and their families’ needs. Our plants modified areas to ensure recommended social distance, conducted temperature checks as needed and truck drivers were required to wear facing coverings and minimize customer contact when delivering our products.

To ensure the safety of our customers, we closed our sales offices and re-opened with CDC guidelines in mind. Specifically, we modified workspaces, increased the routine cleaning and disinfecting of work surfaces and provided hand sanitizer, soap and wipes. Our corporate office in Fort Worth imposed health and safety measures to include visitors by appointment only, temperature checks upon entry and the wearing of face coverings except when alone at workstations.

These protocols remain in place as we balance the safety of our associates with the critical needs of our customers. Moving forward, the company will continue to monitor CDC guidance and revise these guidelines as needed. Protecting our associates and customers is key for Acme to continue to be a Great Place to Work.
Our Organization Partners

6 Stones Mission Network
Advocacy Center
Alzheimer’s Association
American Heart Association
Amy’s House
Associated General Contractors of America (AGC)
Austin Community Foundation
Austin County Fair
Austin Hatcher Foundation for Pediatric Care
Ayden’s Act of Kindness
Baldwin County Child Advocacy Center
Baylor Scott & White
Bellville Volunteer Fire Department
Belton High School
Bexar County Child Welfare
Bobby Bragan Youth Foundation
Boy Scouts of America
Boys & Girls Ranches of Alabama
Boys and Girls Club of America
Broadway Baptist Church
Business Navigators
Cancer in Chattanooga
Carter BloodCare
Center for Disease Control and Prevention (CDC)
Central Texas Food Bank
Change.org
Child Advocates San Antonio
Children at Risk
Children’s Advocacy Network
Children’s Alliance Center of Palo Pinto County
Children’s Health Dallas
Children’s of Alabama
Clinton P. Russell Elementary School
Cody’s Friends Dog Rescue
Cook Children’s
Daggett Montessori School
David Rice Memorial 5K Run & Walk
DRC Solutions Fort Worth
Eagles Scouts
Faith in Action
Goodwill of Fort Worth
Habitat for Humanity
Heart of Gold Foundation
His Way Recovery Center
Holy Cross Orthodox Church
Hurricane Delta Relief Fund
Hurricane Laura Relief Fund
Huntsville High School Baseball Booster Club
Huntsville Inner City Learning Center
Huntsville Madison County Builders Association
Jordan Elizabeth Harris Foundation
Junior Achievement
Labyrinth Prayer Pathway
Lake City Parks
Libby R.O.S.E.
MacArthur High School
McLennan Community College
Meals on Wheels
Millheim Cemetery
Minnie’s Food Pantry
National Medal of Honor Museum
National Multiple Sclerosis Society
North Texas Food Bank
Raising Academic Performance
Rescue Her
Restoration Church
Ronald McDonald House Charities
Rotary Club
SafeHaven of Tarrant County
St. Andrew’s Presbyterian Church
Salvation Army
San Antonio Food Bank
San Antonio Humane Society
Sealy Chamber of Commerce
State of Louisiana
Tackle Tomorrow Foundation
Tarrant Area Food Bank
TEDx Youth@Fort Worth
Texas Adopt-a-Highway
Texas Ranger Association Foundation
Texas Scottish Rite Hospital
Thistle Hill