



2025

**CORPORATE
SOCIAL
RESPONSIBILITY**



OUR COMPANY



Our vision is to be THE trusted materials solution for enduring beauty, safety, and strength in building communities.

When Acme Brick Company was founded in 1891, it was customary for homes and buildings to be clad in a single type of material.

In our original home market, likely as not that material was Acme Brick.

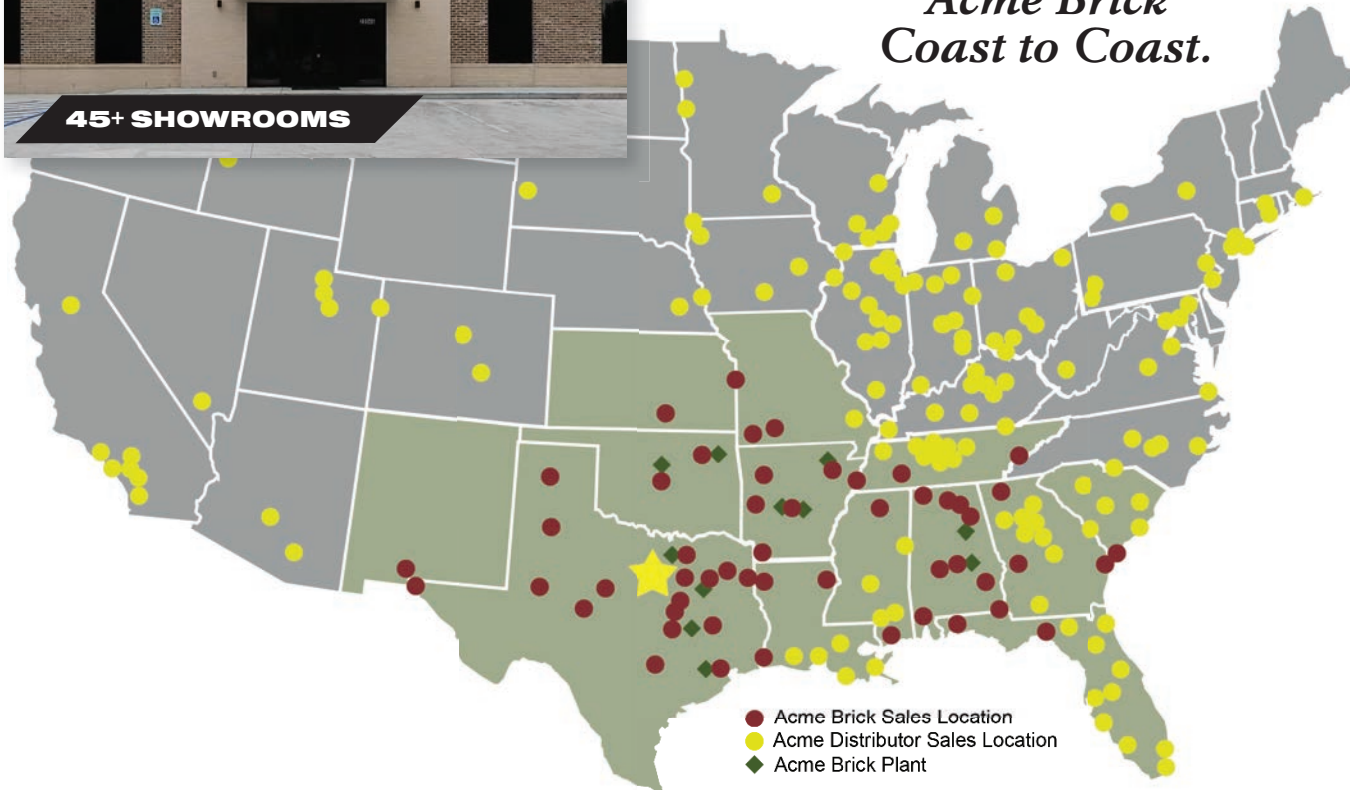
Today, however, it is common to see buildings clad in as many as five different types of materials.

So as always, Acme Brick is responding to the changing needs and preferences of our customers.

We now offer many of the world's most innovative solutions in addition to our outstanding brick products.



*Acme Brick
Coast to Coast.*



FROM ACME'S EXECUTIVE LEADERSHIP

When Acme Brick began operating its first brick plant in 1891 near a small North Texas town, no one had any idea it would grow into the powerhouse it has become today. The entrepreneurial spirit that was part of the company's DNA has been constantly tested and retested and continues to burn brightly after 135 years. This was despite wars, pandemics, recessions, depressions and the constantly changing construction technology. We're proud of this milestone and look forward to many more decades of service—delivering quality clay brick and a wide range of building products to homeowners and the commercial building industry alike.

Like our business, our brick is a sustainable material. This is due to the life cycle of the product. We back that claim up by offering a 100-year Homebuyers guarantee. Our brick does not require maintenance, does not need to be re-painted every few years, does not rot, fade, or mildew. It is the best material to have around your house.

We have been fortunate to thrive for these 135 years because of thousands of dedicated associates and because of our customers who have placed their trust in our products. Regarding our associates, I want to mention that Acme was named one of America's best mid-size places to work in 2025 by Forbes magazine. It's the second consecutive year that we've been included in this group. We desire to maintain a culture where our associates keep each other safe and feel that they are our greatest assets.

For our customers – the builders, architects, and homeowners – we offer brick and other building products that are forged in quality and meet the rigorous standards of our storied past. Thank you



left to right: John Brewer, Vice President of Sales; Elaine Suleski, Vice President of Accounting and CFO; Ed Watson, President and CEO; Mike Shipley, Vice President of Production

for your trust and support! We will continue to strive to earn it.

We honor the commitment of our company's Associates – in some 65 locations across 13 states - and we work hard to ensure that they have a career, not just a job. Associate safety is our number one priority. We also encourage all locations to engage in their local communities through thoughtful giving and environmental stewardship efforts such as recycling. We also promote and sponsor philanthropic events at

many of our locations and have challenged every location to sponsor at least one event in 2026.

I believe that this report is solid evidence of our alignment in achieving these goals. I appreciate your taking the time and showing your interest by reviewing it.

A handwritten signature in black ink that reads "Ed Watson".

- Ed Watson, President and CEO

ENVIRONMENTAL, HEALTH & SAFETY



left to right: Jason Winner, Greg Yared, Adrian Salazar, Dave Hillary, Collin Clark

The Corporate EH&S team is guided by three aspirational goals: fostering a zero-harm culture, achieving full compliance with all applicable rules and regulations, and advancing Acme's sustainability efforts. We pursue these goals through targeted training, regular auditing, development of EH&S experts at each location, performance tracking, and continuous improvement initiatives.

In 2025, Acme achieved its KPI waste diversion rate of 15%, driven by the participation of all locations in commercial recycling programs where available, as well as additional waste-reduction initiatives such as identifying alternative uses for materials and eliminating single-stream plastic bottles. Notably, in 2020 no Acme locations were recycling; since then, our efforts have resulted in the equivalent of nearly 8,000 trees saved. Key

initiatives remain in place at our Lubbock Block Plant, where material is diverted from landfill for use as road base; and at our Denton Plant, which sends spent lime to the El Paso Block Plant for reuse in manufacturing rather than disposal. When these efforts are included, Acme achieved a total diversion rate of 41%. While slightly lower than last year's 44%, this reflects a continued strong commitment across our locations to reduce, reuse, and recycle waste materials.

From a safety perspective, 2025 marked the strongest performance since Acme began tracking OSHA Recordable and DART cases. We recorded 37 OSHA Recordable Injuries and 25 DART cases—well below our 2025 KPIs of 54 recordable and 37 DART cases. This represents a 38% improvement over our recordable KPI and a 39% improvement over our DART KPI. Ongoing safety

training continues to be delivered company-wide in a variety of formats, including classroom, online, and in-person sessions. Additionally, workshops and continued development of EH&S Coordinators at our plants help ensure consistency, regulatory compliance, and strong advocacy for our workforce. Incentive plans in 2025 also incorporated leading indicators such as training completion, hazard identification, and near-miss reporting.

Health and Safety efforts in 2025 shifted focus from auditing toward an intensive training initiative for supervisors at our production facilities. This program, the National Safety Council's Supervisor Safety Development Program, consists of sixteen modules delivered over several months. All but two locations completed the training during the year. With most of the training now finalized, we have moved into the next phase: conducting quarterly meetings with plant supervisors to reinforce learnings and sustain engagement. Environmental auditing continues to emphasize regulatory compliance and sustainability.

We are proud of what has been accomplished and of the commitment demonstrated across the organization to safety and environmental stewardship. We remain dedicated to making our aspirational goals a reality through continued collaboration, accountability, and improvement.

- Jason Winner, Director of EH&S

SAFETY & HEALTH

Over the past year, we've seen a real shift in the way our production and sales locations think about Safety. The improvements we made from 2024 to 2025 weren't just statistics—though the stats were strong. They were the result of people across our company choosing to slow down, speak up, look out for one another, and take safety personally.

In 2024, we ended the year with 60 OSHA Recordable Injuries, 41 DART Cases, and over 2,200 Lost and/or Restricted Days. Those numbers told us one thing: We had a lot of work to do. And in 2025, we did it. We cut recordables down to 37, DARTs down to 25, and severity days nearly in half. That didn't happen because of luck. It happened because our associates all stepped up.

A big part of that progress came from sharpening the foundation—starting with our Plant Supervisors. The **Supervisor Safety Development Program** was a game changer. We invested in training that helped frontline leaders recognize hazards, have better conversations with their departments, and build the confidence to coach in the moment. When supervisors started engaging differently, our workers responded differently. It raised awareness for everyone.

At the same time, we strengthened the bench behind them through our **Plant EH&S Coordinator Development**. These coordinators are true partners in the field—people who dig into root causes, spot trends early, and help associates fix issues before they turned into incidents. That consistency across our plants made a huge difference.

Number of Total Recordable Incidents (TRI), DART Incidents, and Severity

	TRI	DART	SEVERITY
2025	37	25	1136
2024	60	41	2327
2023	55	35	2116
2022	80	41	1739
2021	61	41	1153
2020	79	49	2655
2019	82	49	2783
2018	95	55	3807
2017	89	60	3688



Improvements from 2024 to 2025

	REC	DART	DAYS
Production	-34%	-37%	-49%
Perla (PEP/PWP)	-20%	-33%	111%
Jonesboro (JBP)	0%	0%	0%
Ouachita (OEP)	200%	100%	700%
Oklahoma City (OKP)	50%	100%	1038%
Tulsa (TUP)	0%	0%	0%
Bennett (BTP)	-50%	0%	-97%
Denton (DTP)	-47%	-30%	-44%
San Felipe (SFP)	100%	200%	n/a*
Texas Clay (TAP/TBP)	-67%	-70%	-73%
Elgin (ELP/ENP)	-25%	-56%	-56%
Birmingham (BHP)	-50%	-50%	-92%
Montgomery (MGP)	-100%	-100%	-100%
Lubbock (LUB)	100%	100%	600%
Abilene (ABB)	0%	0%	0%
El Paso (EPB)	0%	0%	0%
Sales	-80%	-67%	-50%
Houston (HOS)	-100%	0%	0%
Austin (AUS)	100%	100%	700%
Corporate Office	-100%	0%	0%
Lab	0%	0%	0%

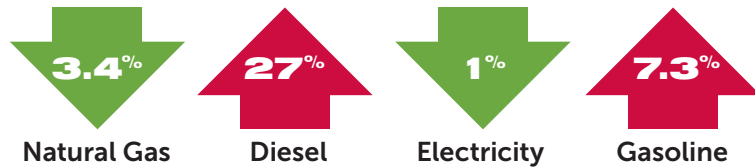
* zero in 2024, 111 in 2025

ENERGY USAGE

Brick manufacturing is highly energy intensive, as kilns operate continuously, 24 hours a day, seven days a week. More than 95% of Acme’s energy footprint comes from natural gas used to fire these kilns. To manage this impact, each manufacturing plant has established energy efficiency targets measured in BTUs per pound of fired brick.

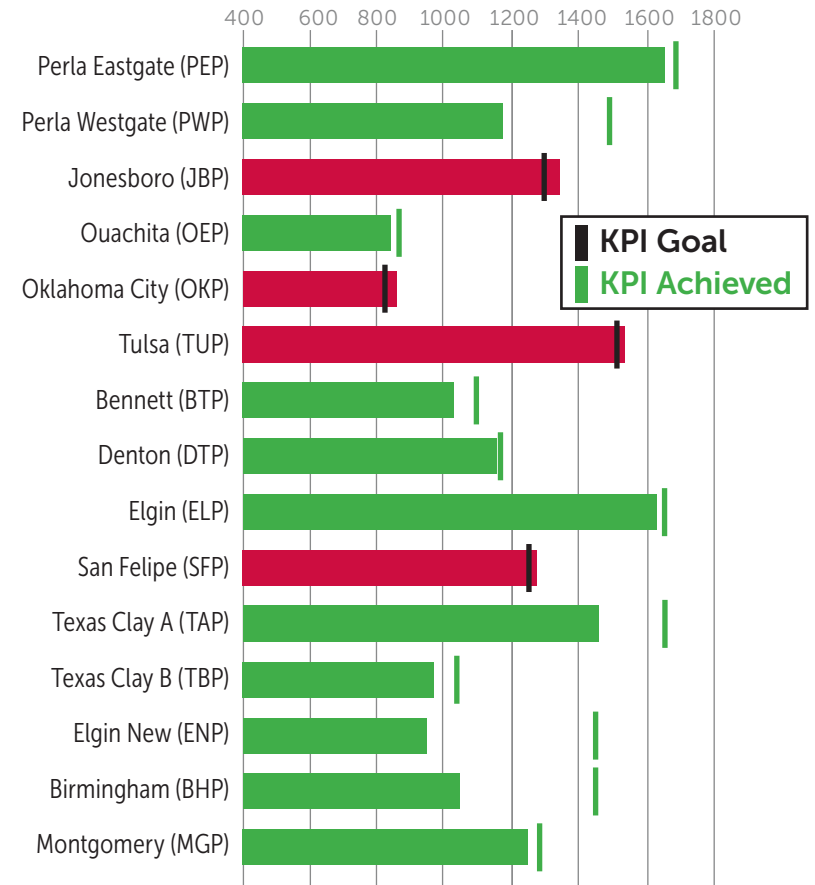
In 2025, significant progress was achieved, with 11 of Acme’s 15 plants meeting their energy efficiency targets, compared to only three plants in 2024. Performance against these targets reflects a combination of increased brick production volumes and targeted kiln efficiency improvements

Production Energy Usage represented as MMBtu



	Natural Gas	Diesel	Electricity	Gasoline
2025	3,174,507	143,503	279,659	29,438
2024	3,288,006	112,569	282,112	27,427
2023	3,442,256	118,682	358,299	29,368
2022	3,226,914	126,421	321,650	30,522
2021	3,223,698	118,838	357,884	29,108
2020	3,326,057	117,291	369,413	32,053

BTUs per Pound of Fired Brick in 2025, By Plant



GREENHOUSE GAS EMISSIONS

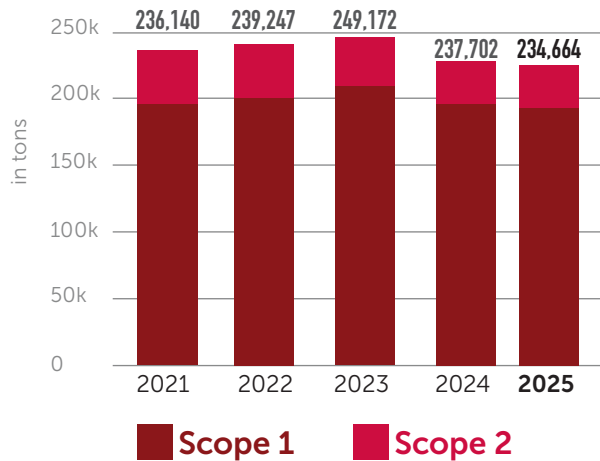
Greenhouse Gas Emissions & Energy Reductions

The chart presents Acme's total Scope 1 and Scope 2 greenhouse gas (GHG) emissions.

Scope 1 emissions include direct emissions from sources owned or controlled by the company, such as the combustion of natural gas used to fire our brick kilns. Scope 2 emissions represent indirect emissions associated with the generation of purchased electricity consumed at our manufacturing facilities.

As shown, the majority of Acme's greenhouse gas emissions are attributable to natural gas used in kiln operations. Since the base year of 2019, combined Scope 1 and Scope 2 greenhouse gas emissions have declined by approximately 8%, reflecting ongoing efforts to improve energy efficiency and reduce the greenhouse gas intensity of our operations.

Greenhouse Gas Emissions (CO₂e)



Keeping Texas Beautiful.



Acme Brick was recognized for its conservation efforts in Texas **back-to-back** years by the nonprofit organization, Texas by Nature (TxN). The "TxN20" recognizes the best and most innovative work in conservation coming from businesses based and operating in Texas. It is an honor to once again be recognized as we lead the way in being an environmental steward to the State of Texas.

TRANSPORTATION

From 2019 to 2025, Acme reduced total miles driven and gasoline consumption across its company vehicle fleet by 22%, lowering fuel use and associated Scope 1 greenhouse gas emissions.

During this period, Acme also completed the transition from company owned trucking to a third party logistics provider by integrating transportation operations in the Southeast Division into Ryder's fleet. This transition supports operational efficiency while further reducing direct fuel consumption and emissions from Acme owned transportation assets.



TULSA PLANT TRUCK

Fleet Statistics, Southeast Division

	Miles Driven	Gallons	MPG
2025	79,996	14,492	5.52
2024	1,271,034	223,670	5.68
2023	1,224,024	218,354	5.61
2022	1,264,143	228,720	5.52
2021	1,242,615	223,832	5.31
2020	1,357,055	250,362	5.42



TRANSPORTATION WORKSHOP



WATER

Responsible Water Usage

Water is a valuable and crucial resource in everyone's day-to-day life as well as in industry. At Acme, we strive to use water efficiently and recycle and reuse where possible. Since 2022, we have been tracking water usage and have installed meters at plants which use surface water or groundwater. On average, our production facilities use approximately 186,810 gallons of water per month for a total of 33.62 million gallons per year.

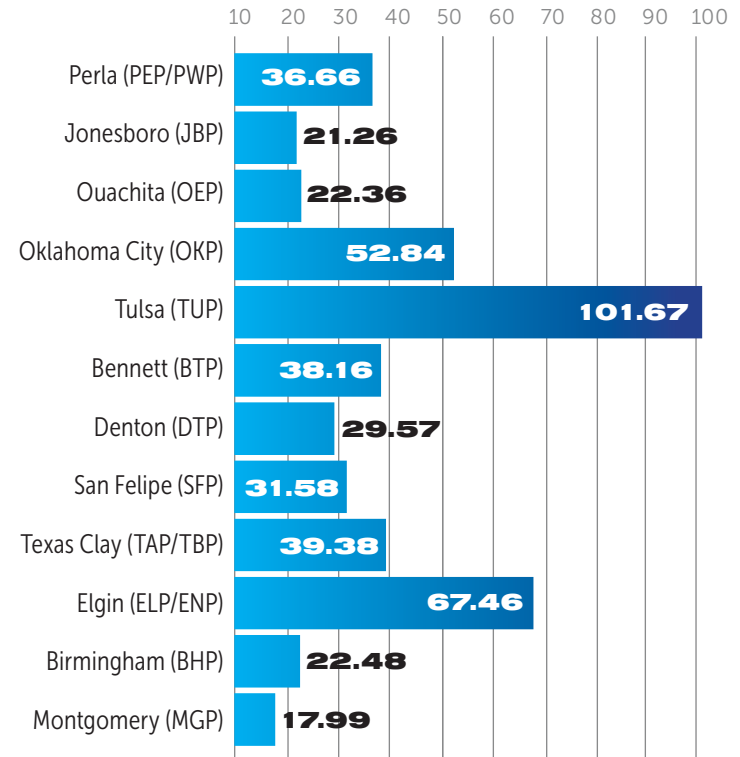
In 2025, Acme plants used 29,010,531 gallons of water purchased from municipalities and 4,615,429 gallons of surface and ground water.

This is an overall decrease of 7.26% water usage from 2024. The amount of municipally supplied water used decreased by 2.38% and surface water/groundwater decreased by 33.20%. Our overall water usage maintained a noticeable drop in usage in both municipally supplied water and surface and groundwater from 2024.

The water usage per plant is determined by the characteristics of the raw material, which varies from plant to plant.



Gallons of Water per MBE by Brick Plant in 2025



OUR OPERATIONAL FOOTPRINT

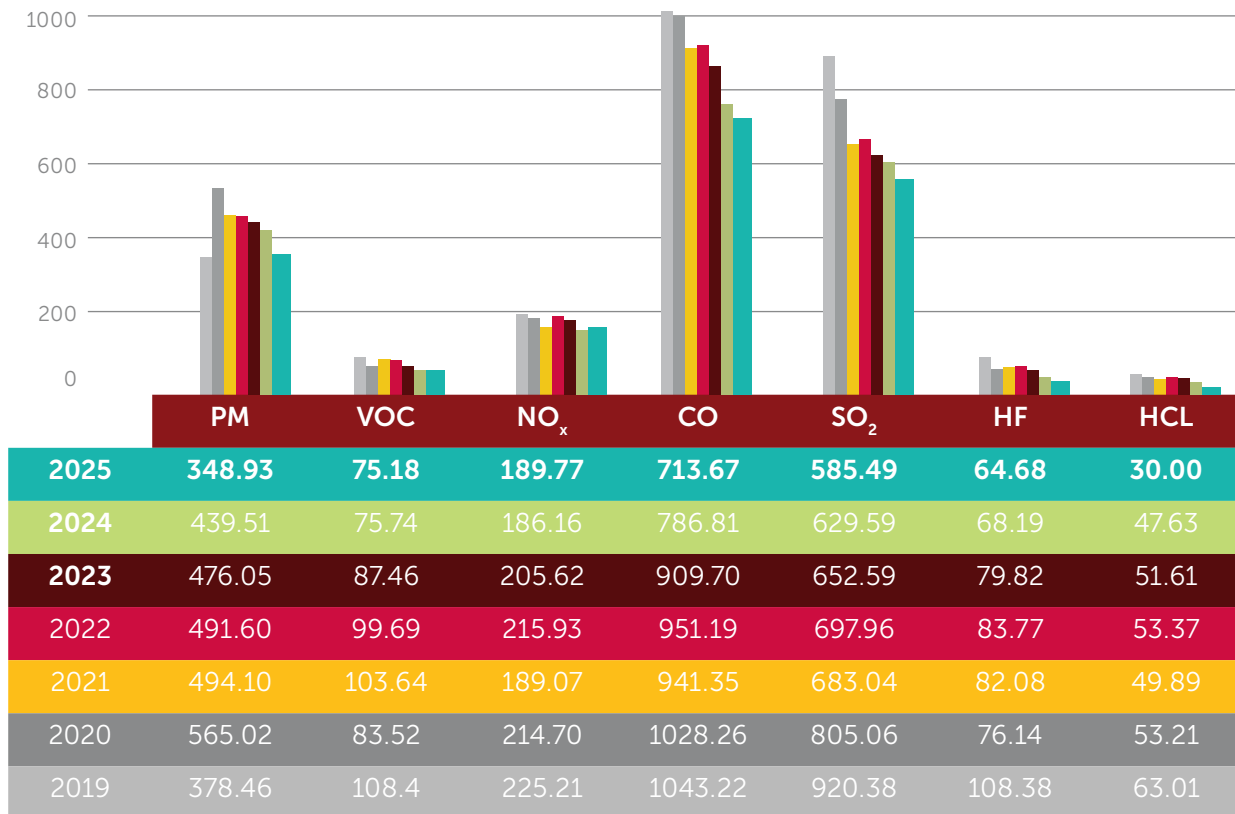
Brick manufacturing relies primarily on clay and shale, which are nonrenewable resources. Our process includes mining, grinding, mixing, extrusion, drying, kiln firing, and packaging. Material losses are minimal, averaging approximately 5% during mining and 5–10% during manufacturing. These losses are largely mitigated through the reuse or recycling of overburden, brick bats, and scrap material. Additionally, waste heat from kilns is recovered and reused to heat dryers, reducing overall natural gas consumption.

Most of our operational environmental impact consists of air emissions from kilns and stormwater runoff that may carry sediments or other pollutants. These emissions are regulated through site-specific state and federal permits that establish discharge limits and require monitoring, reporting, and recordkeeping. At eight locations, air pollution control systems cut toxic emissions by as much as 98%, and stormwater management measures help limit or eliminate impacts beyond the site.

Acme operates under a comprehensive permitting framework that includes 21 air permits, 10 individual wastewater discharge permits, 32 plant and mine stormwater permits, and additional stormwater permits for off-site mining locations. Compliance with these permits significantly reduces emissions of regulated pollutants, including CO₂, HF, and HCl. Permits are subject to periodic renewal, and regulatory limits may become more stringent over time.

Acme actively monitors regulatory developments that could affect its operations. Mining activities are conducted under permits that require site reclamation upon completion, with the objective of restoring land to a condition comparable to its original state, potentially including productive ecosystems or wetlands.

Total Tons of Pollutants



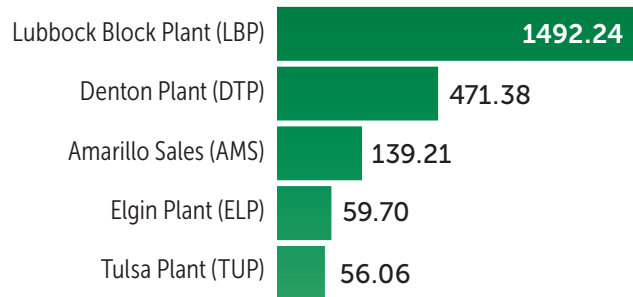
WASTE

Acme initiated a recycling program starting in January 2020 through our national contract with Waste Management.

All Acme locations, sales and production, are now recycling, where commercially available, or participating in other forms of waste diversion or reuse.

Acme also tracks materials such as pallets, brick bats, spent lime, and shredded paper using our online electronic management information system. Our Lubbock Plant diverted waste material from its process to be used for road base, which totaled more than 2,475 tons of material that was diverted from a landfill. The Denton Plant has a working relationship with our El Paso Block Plant where spent lime is reused in the production of our masonry products. The Denton Plant diverted 484 tons of lime from landfills with this symbiotic working relationship.

Top 5 Locations Recycling by Tons of Diverted Material



HUMAN RESOURCES



left to right front row,
Alex Hernandez,
Mark Treat,
Gary Grant,
Susan Simmons,
Misty Penneston,

left to right back row,
Sheri Collins,
Heidi Hayes,
Kelly Parsons,
Matthew Hitt,
Cris Olvera,
Linda Gorham,
Michelle Gori

Increasingly, Human Resources departments focus on human resource management, using strategic investments and initiatives to improve an organization's workforce. The long-term goal of Human Resources is to create a more positive, loyal, and productive workforce, which ultimately benefits the company. Acme Brick's Human Resources department manages the life cycle of each associate—from recruitment and onboarding to training and termination or retirement. Our team also must monitor industry trends and rules to stay on top of compliance and legal issues.

Over the past few years, we have increased our focus on providing leadership training and resources for Succession Planning to support

Acme's cultural belief of *Enhancing Associates*. This is key to our continued success insuring we have great bench strength for the future. Our team is also heavily focused on exploring enhancements and education of benefits programs. We are integrating more system solutions and automating processes to help improve efficiency, which speaks to our cultural belief of *Embracing Improvement*. Associate Engagement helps us *Build Trust* with our associates and Makes Acme a Great Place to Work.

- Gary Grant, Director of Human Resources

LEADERSHIP ACADEMY

For the fourth straight year, Acme Brick Company rolled out **Leadership Academy** with the Essentials of Leadership 2025. Leadership Academy continues to be a key initiative designed to cultivate the next generation of leaders within the organization. This year's sessions were hosted at the Fort Worth General Office and featured in-person training sessions aimed at developing leadership fundamentals tailored to the Acme business.

This year's topics included:

- Leadership Skills
- Presentation Skills
- Acme Financials
- Associate Relations
- Effective Communication
- Investing in Our Future Leaders



The Leadership Academy is more than just a training program—it's a commitment to the growth and success of our associates. Selected participants have demonstrated exceptional dedication, a strong work ethic, and a readiness to take on greater responsibilities. Through this academy, over 40 associates gained valuable insights and tools to help them thrive in future leadership roles.

Susan Simmons [HR Rep, Leadership Academy content creator and presenter] emphasized the importance of recognizing and nurturing talent within the company in her message to leaders.

"Due to your willingness to assume a higher level of responsibility, we want to help you develop further so you can one day lead at Acme Brick at a higher level. Leadership Academy is a strategic step in building a strong leadership pipeline for Acme Brick. By investing in our people today, we are shaping the future of our company for years to come," she stated.

Leadership Circle

For those associates who have completed Leadership Academy, we selectively place key people in an annual Leadership Circle session. The Leadership Circles are designed to focus on presentation, dialoging, and problem-solving skills. Each participant is assigned a content presentation topic with suggested research, and additionally a case study presentation. Their case study topic is self-identified. During each meeting we practice an initial round table check-in, then we launch into one content presenter, and following, a case study presentation. After each presentation we review Plus / Delta's of the presenter's content and presenting skills. Before each session is complete, we dialogue on take ways and action items. The Leadership Circle runs once monthly for 12 months.



Advanced Leadership Circle

The associates and leaders who have been identified to be quickly ready for key senior leadership roles, are enrolled into ALC (Advanced Leadership Circle). Structured like the Leadership Circle, the ALC has an added component of what we call the "MPact Presentation." Individual participants are tasked with identifying an issue to solve that impacts the entire organization. These could be sales initiatives, production efficiency improvements, process improvements, etc... They are also able to work in teams if desired for research, development and presentation. Once they have completed preparation, they are scheduled to present their proposal in front of the Executive Leadership Team. The ELT will then provide feedback and in many cases move the proposal forward to implementation. The ALC also meets once monthly for a 12 monthly duration. Starting in 2023, 42 Associates have participated in ALC, with 52% achieving promotions.



PHILANTHROPY

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 vision 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 2025, Acme Brick and our associates donated over \$42,000 in monetary donations and over 250 volunteer hours. Of particular note: a \$15,000 check to the American Red Cross to aid our neighbors in the Texas Hill Country after the devastating floods, and \$6,000 in associate contributions during our Peanut Butter Challenge benefiting a local food bank.

- A Memory Grows
- Alzheimer’s Association
- American Heart Association
- Arkansas Getting Everyone Outside
- The Assembly Hot Springs
- Boys & Girls Club, Malvern: Hot Spring County
- Brazos Valley Hospice
- Breast Cancer Research
- Brookland Band Boosters

- Children’s Circus Project
- Cooper High Cheer
- Cystic Fibrosis Foundation
- Denton Children’s Advocacy Center for North Texas
- Harmon & Atkins Veterans of Foreign Wars
- Hot Spring County Library
- Keeney’s Food Market & Village Store
- Lighthouse Homeschool Cooperation
- Malvern High School, Leopard Steppers
- Meals on Wheels
- National Multiple Sclerosis Society
- North Texas Food Bank in Plano
- Operation Blue Santa
- Professional Women in Building
- Read Across America, Alabama
- Red Cross Blood Drive
- Rib Bones
- Sacred Heart Conference
- Salesmanship Club of Dallas
- Sealy High School
- Sealy Knights of Columbus, Co. 3313
- Senior Attention
- STAR Center, Inc.
- Tackle Tomorrow Foundation
- Tarrant Area Food Bank
- Top Tenn 12U Softball Team
- Western Little League

Denton Team Assists Homeowner After Lightning Strike



Denton associates helped a homeowner recover after his newly built home was struck by lightning and damaged by fire. The April 2025 lightning strike ignited a fire that spread through the attic and second floor, resulting in extensive damage to the structure.

Despite the loss, the homeowner’s insurance did not cover the damage due to a policy change. In response, our associates volunteered their time and labor to help prepare the home for rebuilding, removing fire and water damaged wiring, sheet rock, HVAC components, and other materials from the home.

The homeowner is a friend of sales manager of the Denton Distribution Yard, Shane Anthony, who also discovered that he had originally sold the brick used in the home’s construction—a small-world connection underscoring the community spirit behind the effort.

PHILANTHROPY EVENTS



GO RED FOR WOMEN



TACKLE TOMORROW



FWGO VOLUNTEERS



FORT WORTH HEART WALK



READ ACROSS AMERICA



PEANUT BUTTER DRIVE



DENTON PHILANTHROPY DAY

Cultural Beliefs



Lifetime Customers

I work diligently to exceed my customers' expectations.

Doing Right

My moral compass always points to honesty and integrity.

Take Ownership

I take ownership for our company's results by demonstrating personal accountability, actively engaging in two-way conversation, and ensuring that my workplace is safe for everyone.

Build Trust

I encourage my associates to take appropriate risks, think critically, and make effective decisions.

Embrace Improvement

I drive innovation and take initiatives to achieve key results.

One Team

I am an important part of a successful building materials and service provider; committed to creating value for my customer, company, and community.

Enhance Associates

I take accountability for my own development and invest in the development of the associates around me.



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