



GRANITE

2022 Sustainability Report

**LEVERAGING
STRENGTH
CONSTRUCTING
RESILIENCE**



**BY INNOVATING
SUSTAINABLE
INFRASTRUCTURE
SOLUTIONS**





**BY COLLABORATING
AND ENGAGING
WITH PARTNERS
AND STAKEHOLDERS**



**BY ESTABLISHING
CLEAR STRATEGY AND
ACCOUNTABILITY**



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A MESSAGE FROM KYLE LARKIN, PRESIDENT & CEO

The theme of this Sustainability Report—*Leveraging Strength, Building Resilience*—reflects our intent to leverage the strength of our client relationships, community connections, and home market strategy to be the contractor of choice for building resilient infrastructure projects designed to help society thrive in the face of future challenges.

Sustainability is central to the purpose of our business as we seek to provide infrastructure solutions that support more prosperous and resilient communities. As a participant in the United Nations (UN) Global Compact, Granite supports the Sustainable Development Goals (SDGs) and the Ten Principles of the Global Compact on human rights, labor, environment, and anti-corruption. We recognize our responsibility to contribute to a more sustainable future, particularly through SDG 11: Sustainable Cities and Communities, and have aligned our strategy with the SDGs.





The year 2022 was a momentous one in our company’s history—not only because it marked Granite’s centennial milestone, but also because it was the safest year in Granite’s history. While we honored our history of building some of America’s most iconic infrastructure projects, we also focused on our vision for the future: to be recognized as the leading provider of sustainable infrastructure solutions. We have come a long way in our sustainability journey by developing our strategy, establishing a sustainability governance framework, aligning to standard reporting frameworks, greatly increasing transparency for our stakeholders, and launching new initiatives to support our goals. As a result, Granite has been recognized by Newsweek as one of America’s Most Responsible Companies for 2023. We know that to remain in this distinguished group of companies, we must maintain focus and continue to challenge ourselves to accomplish more when it comes to sustainability.

Addressing issues related to climate change continues to be a top priority for our sustainability program. In 2022, we more fully developed our decarbonization plan to reduce greenhouse gas (GHG) emissions, which will support the development of a more detailed action plan for reaching our priority target to reduce total Scope 1 GHG emissions by 25% by 2030. We also continued to advance our innovative efforts to reduce embodied carbon in the construction materials we produce, and saw increased interest from clients in our lower carbon asphalt mix that incorporates recycled plastic.

This was also a year of coming back together, both in the office and beyond, as I was able to resume our practice of town hall meetings across the company. When visiting our offices across the nation, I was struck by the energy and diversity of our teams—this gave me confidence that, by leveraging the strengths of their diverse perspectives, our teams will rise to the challenges we face when it

comes to sustainability. We are dedicated to fostering an inclusive environment that supports the partnerships, collaboration, and trust needed to create high-performing teams.

A key effort to elevate our sustainability program in 2022 was the pursuit of sustainability strategic partnerships, in the spirit of SDG 17: Partnership for the Goals. Many of our stakeholders—clients, suppliers, partners, community organizations, and others—have their own goals and targets around sustainability, presenting numerous opportunities to work in concert on these pressing issues. We also continued to pursue collaborative contracting opportunities, which allow earlier involvement in the life cycle of a project, meaning there are more opportunities to positively impact sustainability in a cost-effective manner.

As we look ahead, I feel strongly that our long-term success requires a continued focus on our core value of sustainability. Our goal is to leverage our sustainability program to win work, gain a competitive advantage, and provide value to our clients, investors, employees, and communities. Early successes in acting transparently, spreading best practices, and engaging in collaborative partnerships have made it clear that sustainability will continue to be a value driver for Granite.

Kyle Larkin
President & Chief Executive Officer



ABOUT GRANITE

Granite Construction Incorporated (Granite; NYSE: GVA) delivers infrastructure solutions for public and private clients. Granite creates value for its shareholders by satisfying society's need for mobility, power, water, and essential services that sustain living conditions and improve quality of life.

Granite is America's Infrastructure Company™

Incorporated since 1922, Granite is one of the largest diversified construction and construction materials companies in the United States (US). Granite is an industry leader in safety and an award-winning firm in quality and sustainability. Granite's Code of Conduct and core values guide the company to uphold the highest ethical standards and further its commitments to upholding dependable governance structures, reflecting diversity within all levels of the company, and enhancing a culture of inclusion.

Our in-house expertise supports our clients in meeting their own sustainability goals.

We recognize that reliable infrastructure is critical to the flow of people, goods, and energy, and is the foundation of a sustainable society. We also understand the imperative for building increased resiliency in the face of more frequent extreme weather events. America's infrastructure is in critical need of upgrade and repair, and it needs to be built with increased sustainability and resiliency—we are here to build it.





COMMITMENTS & RECOGNITION

External Commitments

- UN Global Compact
- Catalyst
- CEO Action for Diversity and Inclusion

Company Awards

Newsweek America's Most Responsible Companies

- #55 overall
- #2 for Industry (Capital Goods)



Solar Power World 2022 Top Solar Contractors List #6

Engineering News-Record (ENR) Magazine Top Contractors Sourcebook (2022)

- #1 Highways
- #1 Sanitary & Storm Sewers
- #2 Mining
- #7 Water Treatment
- #8 Water Supply
- #9 Dams & Reservoirs
- #10 Bridges
- #10 Mass Transit & Rail
- #14 Solar
- #32 Power

Recognition for Quality & Excellence

Demonstrating Granite's commitment to quality and excellence in producing construction materials and executing projects, Granite received the following commendations and awards as part of the **National Asphalt Pavement Association (NAPA) Quality in Construction and Diamond Commendation** programs in 2022:

- **2 Diamond Paving Commendations** recognizing exceptional paving crews, including the use of best practices in paving, and compliance
- **5 Diamond Achievement Commendations** emphasizing continuous improvement and including operations in a manufacturing plant and around a plant's site
- **22 Diamond Quality Commendations** evaluating quality management practices related to recycled asphalt pavement and aggregate handling, asphalt storage, drying and mixing, air quality, truck scales, silos, and control rooms
- **28 Quality in Construction Awards** recognizing industry-leading performance for construction projects in the field
- **29 Diamond Achievement Sustainable Commendations** representing an expanded level of the Diamond Achievement Commendation, which evaluates the social, economic, and environmental efforts of an asphalt facility and how it puts sustainability and community engagement principles into action

Granite's Nevada team was recognized by the Nevada Chapter of the Associated General Contractors of America (AGC), with a 2022 AGC Safety Award for Best Overall Safety Record for Contractors over 500,000 Manhours. Presented annually, this is the highest category of safety award for Nevada AGC.

Granite was honored with four California Construction and Industrial Materials Association (CalCIMA) Excellence in Safety Awards

at the 2022 CalCIMA Education Conference. The awards recognize "exceptional contributions to safety leadership, innovation, and commitment." Three Granite facilities and one Granite employee received recognition.

The National Stone, Sand & Gravel Association (NSSGA) Awards of Excellence program recognizes NSSGA member company operations' achievements in the categories of Environmental, Safety, and Community Relations Excellence. Granite received eight Awards of Excellence in 2022:

- **Three bronze Environmental Excellence Awards** for actively demonstrating a commitment to the exemplary use of environmental controls and systems
- **One bronze Safety Excellence Award** for maintaining a safe workplace as evidenced by safety performance over a consecutive period without a Mine Safety and Health Administration-reportable injury
- **One silver Louis Griesemer Sterling Safety Award** in recognition of one of the lowest total accident incidence rates for the previous year
- **Three bronze Community Relations Excellence Awards** for community involvement and support activities that enhance the public's perception of the aggregates industry and Granite's operations

Nineteen Granite facilities were recognized with NSSGA Safety Excellence Certificates of Achievement, including four facilities that have had 10 years without a recordable injury and one facility that has had 20 years without a recordable injury.

2025 TARGET

Earn recognition by the National Asphalt Pavement Association (NAPA) Diamond Sustainable Commendation for 75% of our asphalt plants by 2025

29 asphalt plants received this recognition in 2022 (representing 73% of our total asphalt facilities)



OUR MARKETS & CUSTOMERS

Granite serves customers in both public and private sectors within our reportable business segments: Construction and Materials. We provide infrastructure solutions in a range of markets as a diversified civil contractor and materials producer. Customers of our Construction segment are predominantly in the public sector and include federal agencies, state departments of transportation, local transit authorities, county and city public works departments, school districts and developers, utilities, and private owners of industrial, commercial, and residential sites. Customers in our Materials segment include our own construction projects and third-party customers. Our third-party customers include contractors, landscapers, manufacturers of products requiring aggregate materials, retailers, homeowners, farmers, and brokers. The majority of both our public and private customers are in the US. A directory of our locations is available [here on our website](#).



Highways and Roads



Airports



Industrial



Rail



Pavement Preservation



Dams and Canals



Federal



Power



Commercial and Residential



SAFETY for all

The safety and well-being of our people, our partners, and the public is our greatest responsibility. Every level of our organization is engaged in our safety culture.

INTEGRITY always

We operate with integrity and the highest ethical standards. We know and do what is right, and we are expected to speak up when something is not right.

EXCELLENCE for our stakeholders

We strive for a high-performance culture of continuous improvement, innovation, and quality in all aspects of our work. We always perform and deliver our work the right way for our stakeholders.

INCLUSION where everyone is valued

We value and respect a workforce diverse in perspective, experience, knowledge, and culture. We are committed to an inclusive environment in which everyone feels a sense of belonging and can grow.

SUSTAINABILITY to ensure enduring value

Together we build a better future by integrating values of social responsibility, environmental stewardship, and dependable governance to deliver enduring economic value.



LIVING OUR CORE VALUES

Our five core values are fundamental to the identity of our organization: how we treat one another, operate with safety and integrity, provide value to our stakeholders, and incorporate sustainability into all that we do to make a difference in our communities and the world.





ABOUT THIS REPORT

Report Overview

We use the term “sustainability” for this report because it encompasses the comprehensive set of goals we aspire to achieve, including corporate social responsibility, environmental stewardship, responsible governance, and long-term financial success. In other words, this report addresses our approach to Environmental, Social, and Governance (ESG) issues. In this report, we provide updates on our evolving sustainability program, along with assessments of progress on sustainability objectives and targets.

Reporting Period

January 1, 2022-December 31, 2022

Report Cycle

Issued annually

Report Boundaries

Company-wide operations for Granite and its subsidiaries in 2022

WE SUPPORT



Reporting Frameworks



Global Reporting Initiative (GRI), Core Option (Appendix A)



Sustainability Accounting Standards Board (SASB), Infrastructure—Engineering and Construction Services, and Extractives and Minerals Processing—Construction Materials Standards (Appendix B)



Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (Appendix C)

This report is organized around our sustainability strategic objective areas:



Dependable Governance



Social Responsibility



Environmental Stewardship



Enduring Value



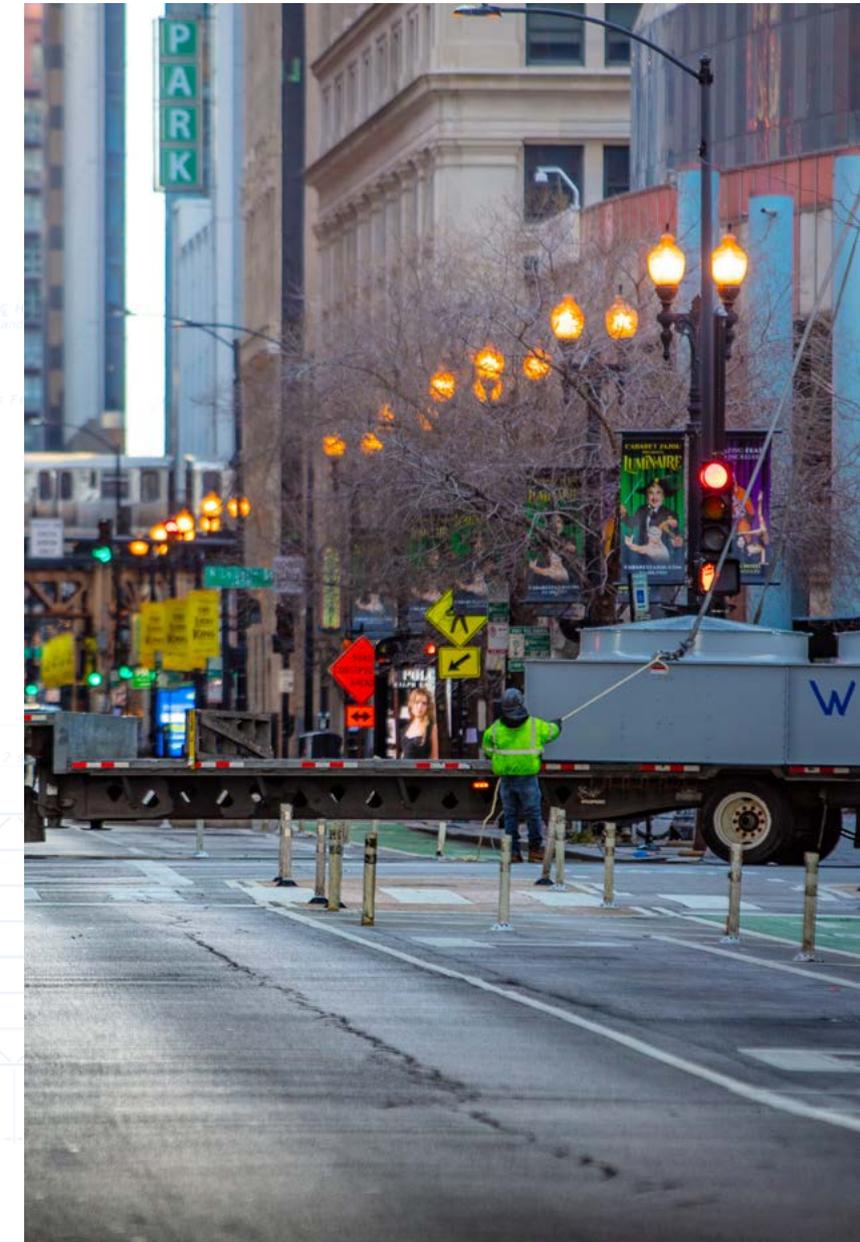
Alignment to Standard Reporting Frameworks

Granite utilizes GRI and SASB as guiding frameworks to support performance, tracking and reporting, and responsible business behavior. Within these frameworks, Granite has selected industry-specific metrics that align with stakeholder expectations and reflect material impacts relevant to our business. This report has been prepared using GRI Sustainability Reporting Standards as guidance, following the revised version of the standard released in 2021. This report uses the SASB standards most significant to our operations: Infrastructure—Engineering and Construction Services, and Extractives and Minerals Processing—Construction Materials. Granite also utilizes the SDGs prescribed by the UN to inform sustainability initiatives.

For issues related to climate change and its associated risks, Granite utilizes the TCFD recommendations. In alignment with TCFD, climate issues are considered under four categories: governance, strategy, risk management, and metrics and targets. These issues are addressed throughout the report and references to specific pages are provided in Appendix C.

Granite performed its first materiality analysis in 2019 to produce a matrix identifying the top priority sustainability topics, risks, and opportunities for our business and Granite’s key stakeholders, including employees, investors, clients, and community members. In 2022, one of our major initiatives was conducting our second materiality assessment, as detailed later in this report, to refresh our understanding of our stakeholders’ priorities.

The final pages of this report include appendices with disclosures according to these reporting frameworks. Granite’s approach to sustainability reporting is evolving. While Granite does not currently track to all the metrics within these standards, we are working to improve our data collection and reporting systems to support additional disclosures in the future. One of our major initiatives in 2022 involved implementing a new digital solution for increasing efficiency of data collection and reporting. This new system will enable us to adapt more efficiently to changes in reporting frameworks as they continue to evolve. Granite is committed to continually improving sustainability in our business and working towards greater rigor, transparency, and increased alignment to industry frameworks that are relevant to our business.





DEPENDABLE GOVERNANCE





SUSTAINABILITY STRATEGIC PLAN

Our Commitment to Sustainability

Granite is committed to contributing to the development of a more sustainable future. To meet this commitment, we will:

- Promote the safety, health, and vitality of our people
- Perform work ethically, with honesty and integrity
- Champion the current and future needs of communities we serve
- Recognize our impact on the environment and duty to protect it
- Manage operations, produce material, and deliver construction projects using sustainable practices
- Preserve the company for generations to come by delivering long-term economic performance

Strategic Vision

We envision Granite as the leading provider of sustainable infrastructure solutions, differentiated by our pursuit of social, environmental, and financial excellence.

Strategic Mission

To create enduring value and address relevant societal needs, Granite will leverage best practices in corporate social responsibility, environmental stewardship, and corporate governance to integrate sustainable practices into operations and drive accountability for social, environmental, and economic performance.

Defining Sustainability

Sustainability is about people and their quality of life.

Sustainable development “meets the needs of the present without compromising the ability of future generations to meet their own needs.” (Report of the World Commission on Environment and Development: Our Common Future, 1987.)

Sustainability in infrastructure refers to “projects that are planned, designed, constructed, operated, and decommissioned in a manner to ensure economic and financial, social, environmental (including climate resilience), and institutional sustainability over the entire life cycle of the project.” (Inter-American Development Bank, What is Sustainable Infrastructure?, IDB-TN-1388, 2018.)

In simpler terms, we define **sustainable infrastructure solutions** as those that positively impact the environmental, social, and economic sustainability of the communities they serve.

Functionally in the context of our business, sustainability is Granite’s strategic approach to managing business with the future in mind by integrating values of social responsibility, environmental stewardship, and dependable governance to deliver enduring economic value.

Strategic Objectives

Our goal is to be a business leader in four strategic objective areas:



Social Responsibility

Participate meaningfully in the communities in which we operate by implementing socially responsible business practices, actively managing our social impacts, and engaging in charitable activities



Environmental Stewardship

Act as a responsible steward by actively managing our environmental impacts, preserving natural resources, and innovating to enhance environmental benefits



Dependable Governance

Uphold dependable governance structures that effectively create accountability for delivering sustainable performance, build in-house capacity to serve the current and future needs of our clients, and communicate our sustainability efforts through transparent reporting



Enduring Value

Use the growth of the sustainable economy as an opportunity to grow new markets and commercial opportunities to become a leader in providing sustainable infrastructure solutions



AMBITION FOR GLOBAL PROSPERITY

While Granite supports all 17 SDGs, we put our focus on **core SDGs** that relate to our operations and areas of influence—namely, where our business has direct impact or can create societal benefits.



All SDGs



Granite's Core SDGs




Granite pursues strategic partnerships to support the SDGs



SUSTAINABILITY STRATEGIC PLAN: PROGRESS UPDATES

In 2022, our Sustainability Department focused on the following top priorities:

- Further developing our decarbonization plan
- Implementing a new digital solution for sustainability data collection and reporting
- Initiating sustainability strategic partnerships with stakeholders
- Engaging our teams with Granite's first Sustainability Week
- Completing Granite's second sustainability materiality assessment

The following charts provide an overview of Granite's progress on our sustainability strategic plan, illustrating how the broad spectrum of our efforts fit together to support one mission of sustainability. For each focus area, related SDGs are listed to show how our efforts connect to the global goals. The charts also list notable efforts and initiatives—some of the efforts and initiatives relate to multiple focus areas, emphasizing the interconnected nature of our sustainability efforts. The remainder of this report is organized around our strategic objective areas and elaborates on our most significant efforts and initiatives.





Performance Updates for Priority Targets

This first chart lists only the focus areas for which we currently have specific targets (first established in Granite's 2020 Sustainability Strategic Plan), and it includes progress updates on key performance indicators (KPIs).

Strategic Objective Areas	Focus Areas	Long-Term Ambition	Goals & Targets	2022 Performance	Initiatives
Dependable Governance 	Business Ethics & Anti-Corruption 	Emphasize an ethical culture and create commitment through training that empowers all employees to uphold the highest ethical, legal, and moral standards	Ongoing Goal: Provide basic compliance training to all employees and achieve compliance rates exceeding 99% for salaried employees	We achieved a completion rate of 97% in 2022, just short of our target of 99%	<ul style="list-style-type: none"> • Legal and compliance programs • Legal blogs • Legal webinars • Anti-corruption and anti-bribery training
Social Responsibility 	Safety  	Zero injuries; Support an industry-leading culture of safety	Priority Target: Reduce our Occupational Safety & Health Administration (OSHA) recordable incident rate from 1.07 in 2020 to 0.75 by 2023 Priority Target: We achieved the 2023 target above in 2022 and have set a more ambitious target of 0.70 for 2023	0.71 OSHA recordable incident rate in 2022 surpassed our goal for 2023	<ul style="list-style-type: none"> • Safety program • Stuff That Can Kill You (STCKY) • Craft Safety Connection • Safety onboarding and orientation • Speak Up/Listen Up • Motion Matters • Industry Safety Week • Monthly focus topics
	Inclusive Diversity  	Have a workforce that reflects the diversity of the communities where we work; Foster a culture of inclusive diversity where everyone feels fully engaged in an accepting environment	Priority Targets: <ul style="list-style-type: none"> • Increase female representation throughout the entire organization from 12.5% in 2020 to 18% by 2025 • Increase women in leadership* from 14% in 2020 to 20% by 2025 • Increase persons of color in leadership* from 14.7% in 2020 to 20% by 2025 • Increase Inclusion Index** from 71% in 2020 to 80% by 2025 	<ul style="list-style-type: none"> • Female representation: 12.6% • Women in leadership*: 18.6% • Persons of color in leadership*: 18.1% • Inclusion Index**: 74% 	<ul style="list-style-type: none"> • Inclusive Diversity program • Inclusive Diversity engagement portfolio • Podcasts • Partnerships for recruiting • Employee resource groups <ul style="list-style-type: none"> • Granite Resources & Opportunities for Women (GROW) • Supporting & Recognizing the Veteran Community (SRVC) • Hispanic/Latino employee resource group (SOMOS) • Educational programs

* For these targets, "leadership" is defined as having direct reports or position title of supervisor or above

**Inclusion Index obtained from Kincentric survey



Strategic Objective Areas	Focus Areas	Long-Term Ambition	Goals & Targets	2022 Performance	Initiatives
<p>Environmental Stewardship</p> 	<p>Climate & Emissions</p> 	<p>Minimize greenhouse gas (GHG) emissions as much as possible, to industry-leading levels</p>	<p>Priority Target: Reduce total Scope 1 GHG emissions by 25% by 2030 from 2020 baseline</p>	<p>Total Scope 1 GHG emissions (CO₂ equivalents in metric tons):</p> <p>2022: 205,993 2021: 214,303 2020: 211,718</p>	<ul style="list-style-type: none"> • Development of decarbonization plan • Telematics and fuel economy management • Alternative energy equipment procurement • Hybrid-electric equipment procurement • Electric vehicle procurement • Electric vehicle charging station initiative • Renewable diesel initiative • Electric locomotives for tunnel work • Research and development related to plant operations • Plant energy conservation investments
	<p>Sustainable Operational Practices</p> 	<p>Employ industry-leading sustainability practices at our plants;</p> <p>Leverage alternative procurement to reduce environmental impacts of construction projects through innovation</p>	<p>Priority Target: Earn recognition by the National Asphalt Pavement Association (NAPA) Diamond Sustainable Commendation for 75% of our asphalt plants by 2025</p>	<p>29 asphalt plants received this recognition (representing 73% of our total asphalt facilities), well on track to achieving our 2025 target of 75%</p>	<ul style="list-style-type: none"> • Envision training initiative • Envision pilot project • Sustainable Operations Task Force • Electric vehicle charging station initiative • Project-specific plans • Waste management pilot project



Strategic Objective Areas	Focus Areas	Long-Term Ambition	Goals & Targets	2022 Performance	Initiatives
Environmental Stewardship 	Environmental Impacts of Products 	Capture the environmental impacts of our products and contribute to industry understanding of the environmental impacts of construction materials	Priority Target: Have Environmental Product Declarations (EPDs) available for 50% of our materials facilities by 2025	In 2022, six aggregate facilities completed draft EPDs and two asphalt plants published EPDs, representing 7% of our total materials facilities	<ul style="list-style-type: none"> • EPD initiative to increase use of EPDs for asphalt • Aggregate EPD development • Industry support for development of EPDs
Enduring Value 	First-Time Quality (& Rework)	Achieve leading levels of first-time quality and product safety for construction and materials; Track and prevent rework	Priority Target: Improve our first-time quality rate for production of construction materials from 85% in 2020 to 95% by 2025	89% first-time quality rate on 22 million tons of product in 2022	<ul style="list-style-type: none"> • Materials Quality program • Development of Construction Quality program • Voice of customer surveys • Development of quality strategy • Quality incident and rework reporting

Performance Updates for Other Focus Areas

This second chart lists the other focus areas for which we do not currently have specific priority targets. For these strategic focus areas, we still have work to do to develop internal goals, action plans for improvement, and specific targets to measure our progress. One of our primary goals is to improve reporting systems to support the collection of baseline data for the impact areas where we do not yet have company-wide data available, such as water use.

Dependable Governance

Focus Area	Long-Term Ambition	Efforts & Initiatives
Reporting	Communicate our sustainability efforts to the public in a manner consistent with evolving industry standards and requirements	<ul style="list-style-type: none"> • Sustainability program • Ongoing data collection and reporting system improvements
Stakeholder Engagement	Effectively engage our stakeholders regularly to validate and refresh the sustainability topics we manage and report	<ul style="list-style-type: none"> • Sustainability Week • Sustainability program (ongoing engagement portfolio) • 2022 materiality assessment • Employee sustainability survey



Focus Area	Long-Term Ambition	Efforts & Initiatives
<p>Supply Chain</p> 	<p>Go beyond our own operations and positively influence our supply chain to transition to more sustainable resource management</p>	<ul style="list-style-type: none"> Recycled plastic in asphalt initiative (displaces use of petroleum binder) Renewable diesel initiative Human Rights Statement Supplier Code of Conduct
Social Responsibility		
<p>Community Engagement</p> 	<p>Engage meaningfully in the communities where we work; Empower our employees to volunteer and support charitable organizations</p>	<ul style="list-style-type: none"> Habitat for Humanity Build Days Corporate Charitable Contributions Committee Local charitable efforts
<p>Employee Engagement</p> 	<p>Actively engage our employees with our company purpose and mission for sustainability</p>	<ul style="list-style-type: none"> Sustainability Week Sustainability Spotlight articles Sustainability engagement portfolio Sustainability Center of Excellence forums Envision training initiative Inclusive Diversity engagement portfolio Safety Week Construction Inclusion Week
<p>Project Site Relations</p> 	<p>Employ best practices at construction sites to avoid, minimize, and mitigate disruptions to surrounding communities</p>	<ul style="list-style-type: none"> Environmental Management System and program (project-specific plans) Envision pilot project
<p>Human Rights</p> 	<p>Uphold ethical business operations that ensure the protection of human rights in our operations and provide safeguards for our supply chain and business partners</p>	<ul style="list-style-type: none"> Human Rights Statement Supplier Code of Conduct Onboarding core value trainings



Environmental Stewardship

Focus Area	Long-Term Ambition	Efforts & Initiatives
Water 	Protect water resources in all areas of our influence	<ul style="list-style-type: none"> • Environmental Management System and program • Water conservation at plants • Project-specific water management plans • Investigation of tracking solutions to collect company-wide baseline data
Air 	Reduce air emissions at all plants, to the extent practicable, to industry-leading levels	<ul style="list-style-type: none"> • Environmental Management System and program • Site-specific plans for materials facilities • Project-specific plans for construction projects
Waste & Recycled Content 	Minimize waste and optimize the use of recycled content in asphalt production	<ul style="list-style-type: none"> • Environmental Management System and program • Waste management pilot project • Recycled plastic in asphalt initiative • Recycled asphalt pavement advocacy • Project-specific waste management plans
Land & Biodiversity 	Protect and enhance biodiversity within our sphere of influence	<ul style="list-style-type: none"> • Environmental Management System and program • Continued reclamation planning (site-specific for materials facilities) • Project-specific plans for habitat and wildlife



Enduring Value

Focus Area	Long-Term Ambition	Efforts & Initiatives
<p>Infrastructure Investment</p> 	<p>Participate in the advancement of industry-wide sustainable construction practices;</p> <p>Continue to be actively engaged in industry, grassroots, and direct efforts at the local, state, and federal levels to advocate for adequate and sustainable public infrastructure funding</p>	<ul style="list-style-type: none"> • Industry group participation • Industry climate plan support • EPD development support • Envision pilot • Local advocacy efforts
<p>Client Alignment & Satisfaction</p> 	<p>Effectively engage our clients regularly on sustainability topics to understand their current and future needs</p>	<ul style="list-style-type: none"> • Sustainability strategic partnerships with clients • Business Development programs (regional) • Client alignment meetings (project-specific) • Envision training initiative • Envision pilot
<p>Market Presence (Type of Work and End-Markets)</p> 	<p>Become a leader in providing sustainable infrastructure solutions;</p> <p>Use the growth of the sustainable economy as an opportunity to grow new markets and commercial opportunities</p>	<ul style="list-style-type: none"> • Expansion in solar and other renewable energy and energy storage markets • Recycled plastic in asphalt initiative • Envision pilot
<p>Climate Resilience</p> 	<p>Implement systems to manage readiness to respond to new markets in the transition to a low-carbon economy;</p> <p>Support the longevity of the company by monitoring the company's ability to be resilient and adapt to changing climate conditions</p>	<ul style="list-style-type: none"> • Climate risk assessment integration into Enterprise Risk Management system • Recycled plastic in asphalt initiative (displaces use of petroleum binder) • Expansion in solar and other renewable energy and energy storage markets

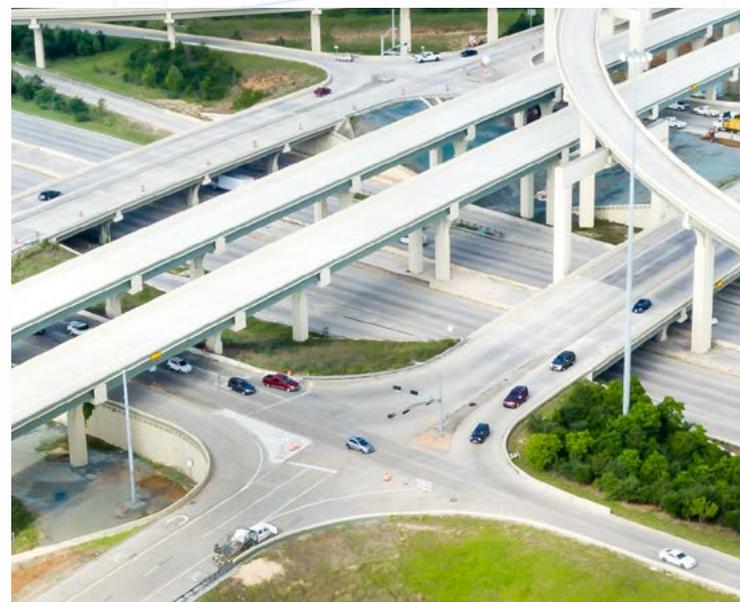


GOVERNANCE & RISK MANAGEMENT

In this report, we focus on the governance issues most relevant to sustainability—namely, governance around improving our sustainability program, managing our social and environmental impacts, and integrating opportunities and risks posed by climate change into our business strategy. More information about our corporate governance—including details about our Board of Directors, Board governance documents, executive compensation, company strategy, and risk analysis—is available on our [investor website](#) and in our [financial filings](#).

Business Strategy & Excellence in Execution

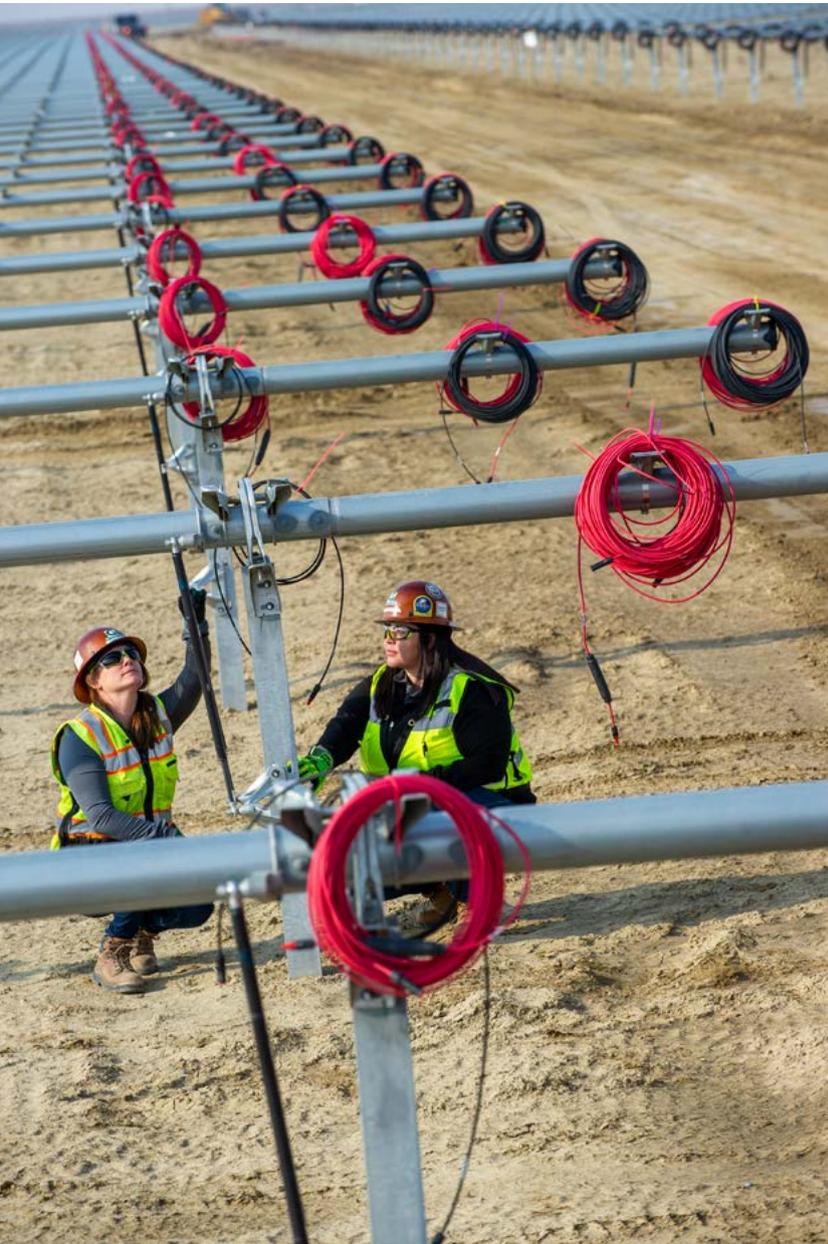
In 2022, Granite's leadership rolled out a refreshed strategic plan, aimed to lead the company into our second century with a strong foundation for future growth and profitability. Granite's new strategy focuses on leveraging the strong customer value proposition rooted in our home markets and growing our business in those markets. By focusing on home markets, Granite's strategic plan will empower our teams to leverage favorable attributes in these markets, namely: strong community engagement, market intelligence and insights, blended project portfolios, and owner/regulator relationships, as well as readily available resources, including people, materials, and equipment. The first year of executing this plan has confirmed our expectations that where these attributes exist, we are successful.



A key component of executing our home market strategy in 2022 was renewing our focus on excellence in execution by forming the Construction Leadership Council (CLC). Established to help Granite meet its strategic objectives in project execution, the CLC comprises Granite construction professionals from across groups and regions. The CLC aims to drive operational excellence throughout our organization by identifying and promulgating best practices and standardized processes.

The CLC's first task was to create and implement *The Construction Playbook* to be used by Granite Operations. The playbook is broken into the five phases of a project life cycle and identifies key activities and best practices for implementation in each phase. This collection of standardized processes, essential tasks, and demonstrated best practices will be used to train our people and enable consistency across our operations to grow market share and maximize added value.

Both the strategic focus on home markets and renewed focus on execution through standardization of best practices tie into our sustainability efforts in beneficial ways. When we focus on home markets and long-term client relationships, we develop a deeper understanding of our clients' values, priorities, and processes for sustainability-related issues, such as managing community relations in project neighborhoods and limiting environmental impacts. When we engage with clients over longer periods of time and multiple projects, we can provide deeper insights into how we can support them in designing and executing infrastructure projects that have enhanced benefits across stakeholder groups. Within our sustainability program, we are making it a priority to pursue sustainability strategic partnerships with clients, partners, and communities, with the aim of leveraging our shared values and relationships beyond the boundaries of individual projects and in increasingly impactful ways.



Granite Management System

We use the Granite Management System (GMS) to organize policies and procedures and hold people accountable. In practice, GMS is the collective policies, procedures, practices, and related infrastructure we use to support consistency across all functional areas of our business and to fulfill our safety and health, environmental, and quality requirements. Our goals are to satisfy specifications, standards, regulations, and client expectations in the most effective and efficient manner possible and share knowledge and lessons learned throughout the organization.

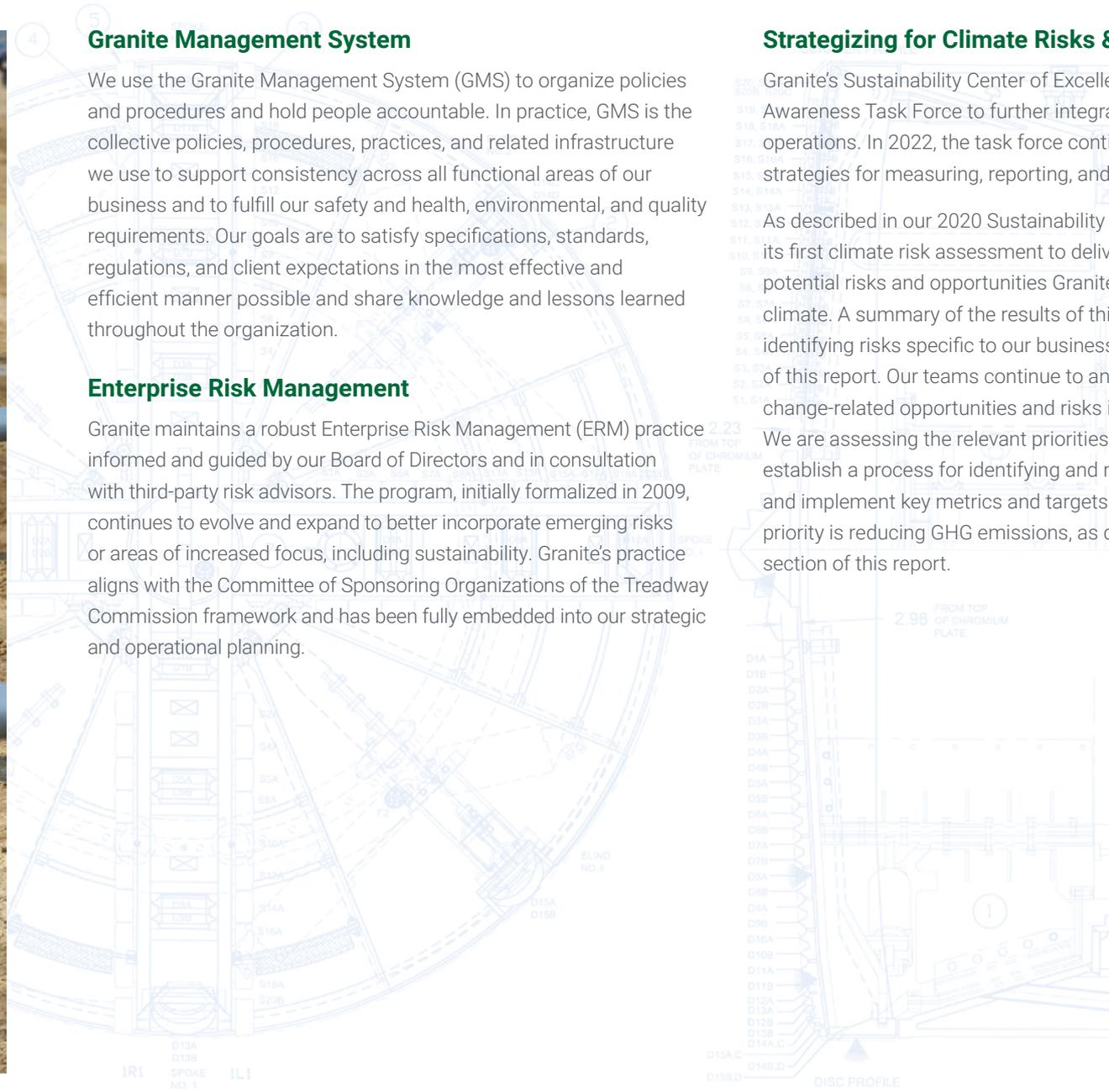
Enterprise Risk Management

Granite maintains a robust Enterprise Risk Management (ERM) practice informed and guided by our Board of Directors and in consultation with third-party risk advisors. The program, initially formalized in 2009, continues to evolve and expand to better incorporate emerging risks or areas of increased focus, including sustainability. Granite's practice aligns with the Committee of Sponsoring Organizations of the Treadway Commission framework and has been fully embedded into our strategic and operational planning.

Strategizing for Climate Risks & Opportunities

Granite's Sustainability Center of Excellence launched a Climate Awareness Task Force to further integrate climate awareness into our operations. In 2022, the task force continued developing improved strategies for measuring, reporting, and reducing our carbon footprint.

As described in our 2020 Sustainability Report, Granite performed its first climate risk assessment to deliver a high-level picture of the potential risks and opportunities Granite may face with a changing climate. A summary of the results of this climate assessment, identifying risks specific to our business, is included in Appendix C of this report. Our teams continue to analyze the specific climate change-related opportunities and risks identified in the assessment. We are assessing the relevant priorities of these risks, and plan to establish a process for identifying and managing them as they evolve, and implement key metrics and targets for improvements. Our top priority is reducing GHG emissions, as discussed in the climate section of this report.





SUSTAINABILITY GOVERNANCE FRAMEWORK

Granite's governance framework for sustainability supports effective implementation of our sustainability efforts by clarifying sustainability/ESG roles, responsibilities, and lines of communication. The Board of Directors is ultimately responsible for overseeing our sustainability program and how we manage sustainability and ESG-related risks, including those posed by climate change. One Granite Board member is Climate Leadership Certified by Diligent.

Overview: Roles & Responsibilities

- **The Board of Directors** is responsible for overseeing company performance. The Board of Directors receives updates on sustainability/ESG performance and related risks at a minimum frequency of twice per year and provides approval for sustainability strategic plans and sustainability reports.
- **The Board Risk Committee** is responsible for overseeing the company's strategic, operational, health, safety, and environmental compliance risks. The Risk Committee provides oversight of sustainability strategic planning and program performance. The Risk Committee also provides oversight of sustainability/ESG-related risks, including those posed by climate change, which are integrated in the ERM system. The Board Risk Committee receives updates on sustainability/ESG performance and related risks at a minimum frequency of twice per year.
- **The Board Nominating & Corporate Governance Committee (NCGC)** recommends and nominates persons to serve on the Board of Directors, develops and recommends corporate governance principles and practices to the Board, and oversees risks associated with our Corporate Governance Guidelines and Policies, and Code of Conduct. With respect to sustainability/ESG, the NCGC provides oversight of social and inclusive diversity issues and risks relevant to corporate governance. The NCGC receives updates on relevant sustainability/ESG issues at a minimum frequency of twice per year.
- **The Executive Committee (EC)** provides executive direction and resourcing for the sustainability program. The EC, which includes the President and CEO, receives updates on sustainability/ESG at least quarterly. The EC communicates ESG issues and risks to the Board of Directors and its Committees either directly or as delegated to other subject matter experts such as the Sustainability Lead.
- **The Sustainability Lead (SL)** serves as the functional lead for the sustainability program to engage stakeholders, develop strategic plans, implement programs, and communicate progress. The SL provides updates to the EC at least quarterly and, as delegated by the EC, to the Board of Directors and its Committees.
- **Group Operational Leaders** are charged with implementing sustainability programs at the business unit level, supporting data collection from operations, and reporting their progress. Group leaders are responsible for managing operational ESG risks and communicating emerging issues and risks with the SL.
- **Functional Leaders** are charged with implementing sustainability programs at the level of their functional business units, supporting data collection, and reporting their progress. Functional leaders are responsible for managing ESG risks in their functional area and communicating emerging risks with the SL.
- **The Sustainability Center of Excellence** is a forum for engagement and best practice sharing open to all Granite team members—a key to effectively leveraging sustainability to create value.
- **The Sustainability Council** (within the Center of Excellence) is a forum of engagement for key functional and operational leaders to collaborate and support planning and implementation of sustainability strategy and programs. The SL serves as Chair of the Sustainability Council.
- **The Climate Awareness Task Force** (within the Center of Excellence) is tasked with creating and implementing a strategic approach to integrating climate awareness into Granite's operations.
- **The Sustainable Operations Task Force** (within the Center of Excellence) supports the implementation of more sustainable practices in our operations.



ORGANIZATIONAL CHART FOR SUSTAINABILITY





STAKEHOLDER ENGAGEMENT

The extensive nature of Granite’s work means we have a wide range of stakeholders, and all are welcome partners in our sustainability journey. In 2019, we conducted our first materiality assessment to better understand stakeholder concerns and priorities around sustainability. In 2022, we conducted our second assessment to update this understanding and further engage our stakeholders with advancing our sustainability strategic plan.

We engage with stakeholders in a variety of ways beyond the materiality assessment process, including in the publication of this annual sustainability report and by maintaining up-to-date information about our program on our [website](#). As part of our communications plan, we have increased our focus on sustainability in our external communications. Internally, in 2022 our primary focus was to further educate our teams about our mission for sustainability and engage them with initiatives to support our sustainability strategic plan.

Sustainability Week

One major initiative for our sustainability program in 2022 was launching our first company-wide Sustainability Week in June (about a month after the release of our annual Sustainability Report). This initiative expanded upon the social media theme week developed in 2021, for which Granite’s social media platforms highlighted issues related to sustainability and featured articles from subject matter experts on LinkedIn. This year, our teams expanded the effort to include additional internal communications and a campaign designed to engage our employees with our core value of sustainability.



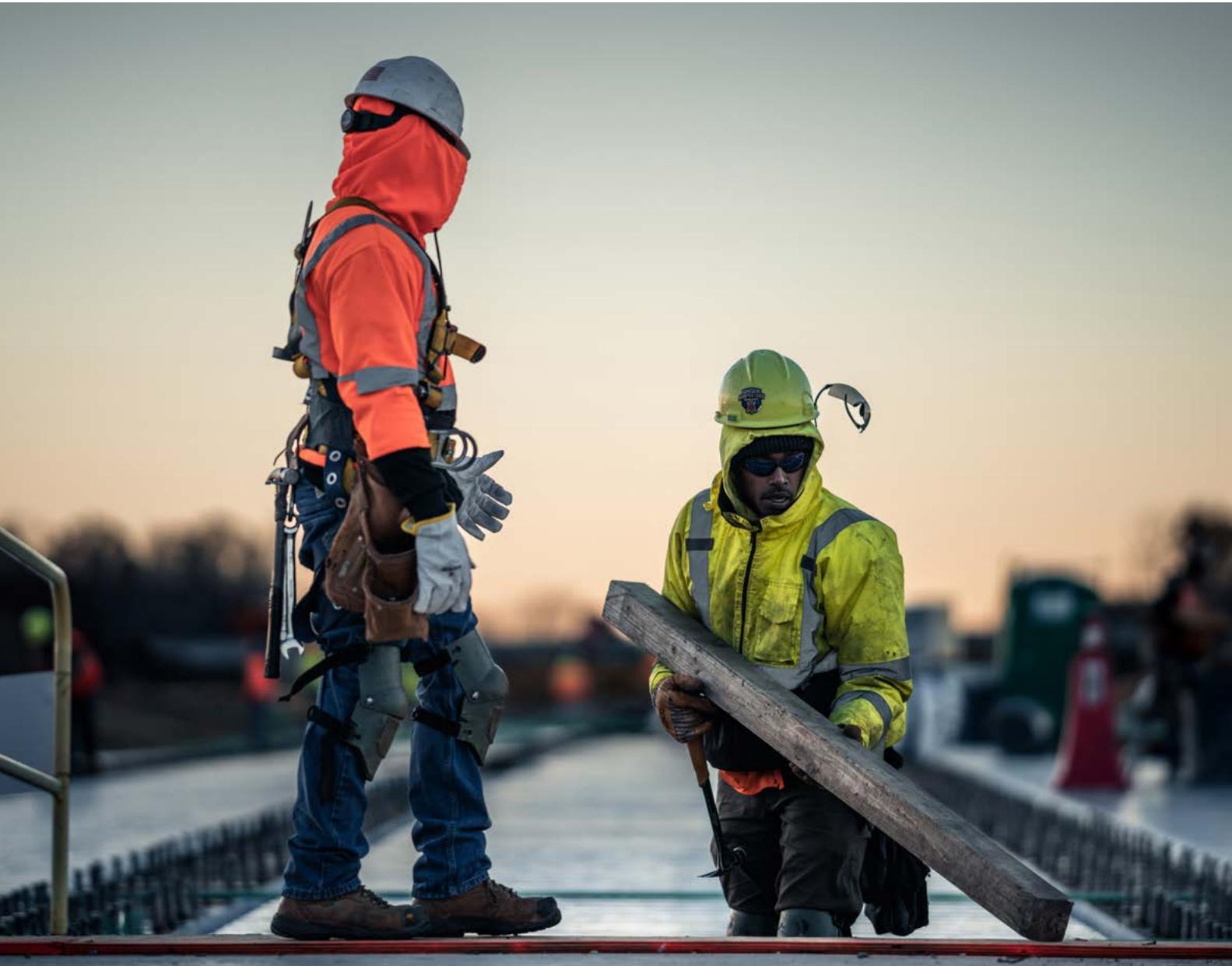


Ahead of Sustainability Week, Granite leaders received a tool kit with resources on hosting conversations with teams about the importance of sustainability for all our work. A toolbox talk was also deployed to teams in the field to guide them through discussions about sustainability. An app-based trivia game presented questions about sustainability all week. During a weeklong photo challenge, our teams shared photos of themselves or their teams doing something to have a positive social or environmental impact. Employees submitted photos of activities ranging from park cleanups to restocking produce for a food security program. Team members shared sustainable practices on the job too, such as reducing the use of materials, conserving water, and recycling construction debris.

One Sustainability Week photo submission led to a collaboration between our Sustainability and Continuous Improvement Departments, in which they worked with the team member to further capture their best practice and share it with the company. The team member's innovative modification of spray bars on a water truck helped save significant water, fuel, and cost on a project—achieving a better result for the client and the environment. This story demonstrates the value of leveraging our sustainability program to engage our team members, leverage their entrepreneurial spirits, and capture and spread best practices to improve company performance when it comes to sustainability.

How we engage with our stakeholders:

Stakeholder Group	Employees	Investors	Clients	Community	Partners & Suppliers
Engagement Methods	<ul style="list-style-type: none"> • Surveyed in 2019 & 2022 Materiality Assessments • Sustainability Center of Excellence discussion forums • Internal website & resources • Yammer page • Engagement surveys • Direct engagement • Quarterly webinars • Town hall meetings • Core value & onboarding trainings • Sustainability Week • Connections magazine 	<ul style="list-style-type: none"> • Surveyed in 2019 & 2022 Materiality Assessments • Quarterly investor calls • Direct engagement 	<ul style="list-style-type: none"> • Surveyed in 2019 & 2022 Materiality Assessments • Client alignment meetings • Client satisfaction surveys • Supplier questionnaires • Direct engagement • Sustainability strategic partnerships 	<ul style="list-style-type: none"> • Elected officials & organizational representatives surveyed in 2022 Materiality Assessment • Direct engagement with public representatives & organizations • Press releases • Social media posts highlighting sustainability issues • Sustainability strategic partnerships 	<ul style="list-style-type: none"> • Surveyed in 2022 Materiality Assessment • Direct engagement related to sustainability initiatives • Sustainability strategic partnerships
Top Concerns (from 2022 Sustainability Materiality Assessment)	<ul style="list-style-type: none"> • Workplace Health & Safety • Ethical Business Practices • Environmental Compliance • Workforce Development & Training 	<ul style="list-style-type: none"> • Workplace Health & Safety • Ethical Business Practices • Environmental Compliance • Labor Practices & Employee Well-being 	<ul style="list-style-type: none"> • Workplace Health & Safety • Ethical Business Practices • Environmental Compliance 	<ul style="list-style-type: none"> • Workplace Health & Safety • Stationary GHG Emissions • Materials Innovation • Labor Practices & Employee Well-being • Workforce Development & Training 	<ul style="list-style-type: none"> • Workplace Health & Safety • Diversity, Equity, & Inclusion • Ethical Business Practices • Recycling & Reuse of Materials



MATERIALITY ASSESSMENT

Materiality assessments are an important way to identify and define the topics that we need to address in our sustainability efforts. These assessments help us monitor risks and opportunities, and understand what topics should be elevated in our business strategies. In 2022, one of our major initiatives was conducting our second materiality assessment, to help us better understand how our stakeholders' priorities have evolved over time and in response to the sustainability strategy we are pursuing. Granite collaborated with an independent sustainability consultancy to conduct this materiality assessment, which built upon our first one (in 2019). We sought to engage a more diverse group of stakeholders to identify which sustainability issues are most important in terms of business opportunities and Granite's impacts on the planet and society.



Identifying What Matters

The materiality assessment identified the key material topics considered most critical to Granite's business and our stakeholders. The first step in this process was to customize a list of material topics pertinent to Granite's business in infrastructure construction and materials. The GRI defines material topics as those that "represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights." With sector-specific guidance from GRI, SASB, and industry peer reports, our third-party consultants—with support from Granite's Sustainability Department, Sustainability Council, and other Granite team members with relevant expertise—identified 24 material topics that represent the greatest impacts from Granite's business activities.

For guidance in identifying material topics, the team specifically relied upon the G4 Sector Disclosure for the Construction and Real Estate Industry, the Governance & Accountability Institute's Top 10 GRI Sustainability Aspects for the Construction Materials Sector, the SASB materiality map for Engineering & Construction Services, and peer ESG reporting examples. The topics were then organized into four categories: Leadership & Governance, Social Responsibility, Environmental, and Business Model & Product Innovation, as follows:

Leadership & Governance

- Transparency of Management Decisions
- Sustainability Standards for Suppliers & Partners
- Ethical Business Practices
- Pricing Integrity & Transparency

Social Responsibility

- Workplace Health & Safety
- Labor Practices & Employee Well-being
- Diversity, Equity & Inclusion
- Freedom of Association & Collective Bargaining
- Workforce Development & Training
- Community Engagement & Consideration

Environmental

- Energy Use
- Water Use
- Stationary GHG Emissions
- Mobile GHG Emissions
- Upstream/Downstream GHG Emissions
- Waste to Landfill
- Recycling & Reuse of Materials
- Wastewater & Effluents
- Air Quality
- Environmental Compliance
- Ecological Biodiversity

Business Model & Product Innovation

- Product Design & Life Cycle Management
- Materials Innovation
- Competitive Strength in ESG

One of our targeted improvements for this materiality assessment study, compared to our first study in 2019, was to develop a refreshed set of material topics that further explores and leverages recent advancements in industry sustainability reporting standards and frameworks. We achieved this goal, as reflected in comparing the lists of topics in the first study (which included 10 topics) and the second study (which included 24). Our aim is to address a list of material topics that further explore Granite's impact as a multifaceted company involved in both construction materials production and construction services.

For Comparison: Topics included in 2019 Materiality Assessment

Governance

- Ethics & Compliance

Social

- Job Site Relations & Management
- Employee Health & Safety
- Community Partnerships
- Education

Environmental

- Sourcing & Supply Chain
- CO₂ Emissions
- Waste Management & Recycling

Financial

- Financial Stability
- Operational Efficiency



Our Assessment Approach

Our materiality assessment (launched in 2022 and completed in early 2023) included interviews and quantitative surveys conducted with a range of internal (Granite's employees and Board of Directors) and external (outside of Granite) stakeholders. Internal interview participants included Granite board members, executive leadership team members, and other subject matter experts. External participants included clients, suppliers, investors, academics in the field of civil construction and materials, elected officials, as well as members of the press, non-profit organizations, and construction-related industry groups. Interview participants were asked to describe, from their perspective, what sustainability issues were most relevant to Granite's business activities and how trends across the construction industry could inform the company's strategic sustainability goals in the future.

1,652

Respondents completed the quantitative survey

Granite's sustainability team distributed a survey to both internal and external stakeholders to determine which material topics are most important to Granite's impact on the economy, environment, and people. Respondents were asked to rate the importance of all 24 material topics on a scale from one (1) (not important) to five (5) (very important). This survey was given to all interview participants and made available to all Granite employees. A total of 1,652 respondents completed the quantitative survey, the majority (1,617) of whom were company employees.



Average ratings for material topics were calculated for each stakeholder group, and each group was also assigned a weight to reflect their level of influence on Granite's business operations, degree of vulnerability to Granite's outward impacts, and their expertise on industry practice and innovation. The results of the quantitative survey were used to develop a materiality matrix. Though all 24 material topics represent significant opportunities for Granite's sustainability initiatives, those topics in the top-right quadrant of the matrix reflect issues that are most important to both internal and external stakeholders.

“A company is defined by what they do and what they won't do...Our brand is America's Infrastructure Company, and if we're going to help rebuild America's infrastructure, we need to do so in a way that takes care of the environment, our employees, and the communities where we operate.”

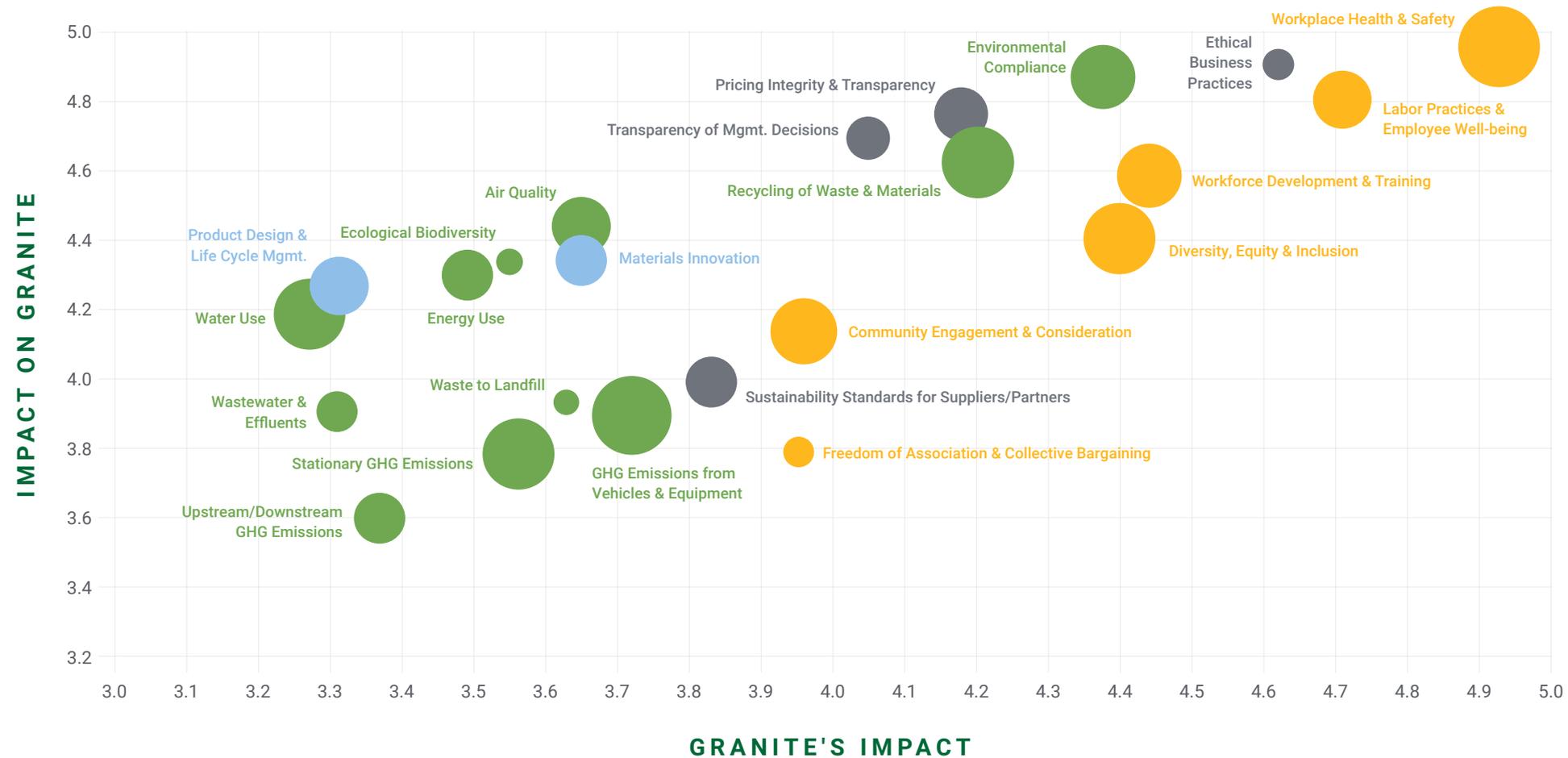
Michael McNally, Board Chair



MATERIALITY MATRIX

The following matrix illustrates the results of Granite's sustainability materiality assessment survey, for which respondents rated the importance of each of the following topics in terms of Granite's business and impacts on the economy, environment, and people. Ratings are based on a scale of one (1) (not important) to five (5) (very important). It is important to recognize that all the topics depicted were rated as at least moderately impactful (3 or above); therefore, the minimum axis values are adjusted for ease of distinguishing between topics. The results of the qualitative interviews are also depicted within the bubble size of this matrix, in that the larger bubbles indicate a higher frequency of a particular topic being emphasized in stakeholder interviews.

● Business Model & Innovation ● Environmental ● Leadership & Governance ● Social Responsibility





Emerging Themes

One finding from our study was that the results of the interviews did not closely mirror the results of the quantitative survey—meaning that as stakeholders were given the opportunity to elaborate on the topics they found important, they emphasized many topics that did not always rank in the highest portion of the materiality matrix. This may relate to the differences in relative importance overall and relative importance in making additional progress for topics that may present newer challenges. For example, our safety program is more advanced than our climate efforts, and while many stakeholders rank safety as the top priority, they also emphasized the importance of making progress on climate change challenges and emissions reduction. The following list presents the topics most frequently mentioned and brought up in discussion during the stakeholder interviews, starting with the most mentioned topic:

- Workplace Health & Safety
- Mobile GHG Emissions (from Vehicles & Equipment)
- Stationary GHG Emissions
- Recycling & Reuse of Materials
- Diversity, Equity & Inclusion
- Workforce Development & Training
- Water Use
- Environmental Compliance
- Community Engagement & Consideration
- Product Design & Life Cycle Management
- Labor Practices & Employee Well-being
- Air Quality

Comparing Granite’s First & Second Materiality Assessments

In Granite’s 2019 materiality assessment, the study focused on a smaller set of 10 topics, which covered broader issues than the 24 topics addressed in this most recent materiality assessment.

We were able to expand our stakeholder outreach significantly in this materiality assessment in terms of the different types of stakeholders, the number of participants, and the in-depth nature of the feedback provided. We included many external stakeholder groups who were not previously engaged, including union representatives, elected officials, partners, and suppliers. This quantitative part of the study involved a much larger sample size, including 1,617 quantitative survey responses from employees, compared to under 500 employee responses in 2019. This study also expanded the use of interviews to gather more detailed information from respondents and explore insights through deeper discussion.

A few consistent themes emerged in terms of overall top priorities that stakeholders rated as most important in both 2019 and 2022—including workplace health and safety, and business ethics and compliance. With our additional in-depth interviews, however, a few topics emerged in 2022 as having higher importance than had been indicated on quantitative rating surveys thus far, such as recycling of waste and materials, stationary and mobile GHG emissions, air quality, workforce development and training, and community engagement.



Next Steps

Our goal is to deliver long-term value creation for our stakeholders through our sustainability efforts. We aim to use the outcomes of this materiality assessment to continuously improve our stakeholder engagement processes, reporting efforts, and sustainability strategy.

As Granite continues to evolve our sustainability strategy, we will use the results of this materiality assessment to inform our priorities. We plan to begin revising our strategy in 2023 and will use insights from this assessment to help us align with the priorities our stakeholders value most. We will also use this information to inform future reporting in terms of how we address metrics related to material topics.

Looking forward, we will continue monitoring these topics, including potential impacts on Granite’s performance, position, and development, as well as potential environmental and social impacts of our activities on our stakeholders.



PROJECT HIGHLIGHT

LOWER OLENTANGY TUNNEL PROJECT

Constructing resilience in managing stormwater and water quality

The Lower Olentangy Tunnel (LOT) project is a consent decree project in the city of Columbus, Ohio, that will improve water quality and reduce overflows from the sewer system into creeks and rivers. Granite is working at multiple locations for this project, which will create 17,000 feet of tunnel with multiple tie-ins to the main tunnel from the surface.

Leveraging client relationships

Granite has worked with the City of Columbus before, including completing the OSIS Augmentation and Relief Sewer (OARS) project in downtown Columbus in 2017. LOT ties into the OARS tunnel. The project stakeholders benefited from Granite's existing relationships with the City and project partners.

Creating public benefit

In addition to improving water quality, this tunnel will help reduce the risk of exposure to waterborne pollutants by reducing overflows from the sewer system during flooding. We expect the river to stay cleaner due to this project, which is important because it flows into the Mississippi, which then makes its way south to the Gulf of Mexico. LOT will help Columbus reach requirements under the Clean Water Act related to the control of sewage.

Embracing sustainability

By using electric locomotives instead of diesel models in the boring, we not only devised a more sustainable solution in terms of emissions, but we also reduced our costs. The electric locomotives allow us to reduce the ventilation footprint in the small-diameter tunnel. Additionally, one LOT site was an old landfill—after the project is complete, it will be restored to a grassy area. Finally, the excavated materials from LOT can be used for other remediation projects.



SOCIAL RESPONSIBILITY



OUR PEOPLE

Our most powerful partnership is the one we have with our employees. Our employees are the primary factor for the successful implementation of our business strategies. Granite deploys significant resources to attract, develop, and retain extraordinary and diverse talent, and fully promote each of our employee's capabilities. We value our inclusive culture in which excellence is rewarded and diversity is respected and valued. We strive to attract top industry talent, create a fully engaged workforce, and create growth opportunities to retain the talent we have developed.

Compensation & Benefits

Granite's compensation programs are designed to align the compensation of our employees with Granite's performance and to provide incentives to attract, retain, and motivate employees to achieve superior results. The structure of our compensation programs balances guaranteed base pay with incentive compensation opportunities. Granite is committed to pay equity, regardless of race, gender, ethnicity, or sexual orientation, and regularly conducts a pay equity analysis. More information about our benefits program is included in Appendix A of this report.

Learning & Development

Our people are the foundation of our success. Providing development opportunities for our employees is a key factor in our ability to attract and retain talent, so we encourage every employee to actively participate in their own career growth and development. Granite offers a wide variety of training opportunities to ensure our employees are supplementing their on-the-job learning with classroom and online courses needed to promote performance and growth. Through Granite University, these training topics range from soft skills to job-specific technical skills and from formal instructor-led programs to self-guided online learning. Programs target specific employee populations including new employees, new engineers, managers, and leaders.

As we execute our new strategy, we recognize we must also raise the bar in developing our employees. After putting our in-person Granite Orientation (GO!) event on hold due to COVID-19, we held our first GO! since 2019 and it was a great success. More than 150 new employees came together to network with peers and senior leaders from across the company, hear about the broader Granite, and learn about our culture, people, and values. In 2022, we launched our inaugural Talent Summit, a yearlong program that brings together future Granite leaders to drive their development and engage them in leadership. The Learning and Development Department also refreshed the Leadership Experience and Development (LEAD) program, expanding opportunities for Granite employees to grow their careers with a wide range of leadership development courses.



With these new and improved employee development programs, more employees took advantage of key programs, such as Leadership Development and Wilkinson Academy, within Granite University. We are committed to recruiting and retaining the best people in the industry, and these programs are an important part of achieving that goal.

Sustainability Learning Initiatives

Training related to sustainability at Granite takes many forms. Training about our core value of sustainability is included in employee onboarding courses. Through Granite University, team members can also access sustainability-specific trainings. The functional departments that manage strategic focus areas related to sustainability, such as the Safety & Health, Environmental, and



Quality Departments, also have robust training programs. In 2022, our first company-wide Sustainability Week incorporated educational components through a leadership tool kit and toolbox talks, designed to further inspire and engage teams with the sustainability aspects of their work.

We continued our learning initiative around Envision, a framework for assessing sustainability and resilience in all types of civil infrastructure projects. Through virtual training sessions, team members can become certified as Envision Sustainability Professionals (ENV-SPs), which qualifies them to submit projects for Envision verification through the Institute for Sustainable Infrastructure. So far, more than 10 Granite team members have completed the ENV-SP certification process. Several more have registered for the ENV-SP training, and we plan to integrate Envision training into additional Learning and Development programs to reach critical roles such as project engineers and project executives. Our goal is to empower team members embedded in operations to better understand what sustainability means in the context of construction projects so that they can improve Granite’s approach to sustainability in the field and deliver more value to our clients.

Internship Program

For years, Granite’s internship program has been a building block of the company’s future workforce and a pillar of success for recruiting bright new employees. In 2022, Granite employed 195 interns from more than 90 schools nationwide; 51.97% of those interns were diverse (identified as gender and/or ethnicity other than white male). Many interns continue to start their careers with us at Granite and transition to entry-level full-time positions. This is a testament to our teams and the outstanding mentorship our interns are receiving through the program.

Our teams have excelled in bringing in new talent and creating excellent experiences for our interns. For the second year in a row, Granite won a Handshake Early Talent Award, which recognizes employers for talent engagement and celebrates the top workplaces that attract early talent. The introduction of Handshake into our college recruiting world two years ago has contributed significantly to our success. Our best-in-class college recruitment programs allow us to find the brightest students and bring in diverse talent to create a more inclusive workforce now and in the future.

Performance Reviews for Career Growth

All salaried employees participate in a performance review and development program: G3. The name represents the three components of the program—objectives, development, and progress—which are reviewed in two meetings throughout the year. The G3 program is an opportunity for employees and managers to step back from the day-to-day tasks to review progress, set clear objectives, and discuss their futures. We have a robust talent and succession planning process and have established specialized programs to accelerate the development of our talent pipeline for critical roles in general management, engineering, project management, and operations. On an annual basis, we conduct group succession planning reviews with senior leaders, including our President and CEO, that focus on our high-performing and high-potential talent, diverse talent, and succession for our most critical roles.

Employee Tuition Reimbursement

Employees who wish to pursue higher education or obtain a degree are eligible for Granite’s Tuition Reimbursement Program. In 2022, 23 employees received tuition reimbursements totaling over \$81,000.

NOTES:

1. For Steel Plan, Drilled Shaft Layout, Bill of Material and Sections A-A thru E-E, see Sheet 14.
2. Bars v401 and v402 shall be spliced to v403(E) bars using Mechanical Splicers for #10 bars.
3. Bars p400(E) and p401(E) shall be bundled together in order to produce a staggered lap at each bundle.



INCLUSIVE DIVERSITY

At Granite, we believe that by valuing and appreciating individual differences and similarities, we improve our performance and enrich the lives of our employees and communities. We are dedicated to creating a work culture that encourages "inclusive diversity," which actively includes an infinite range of unique characteristics, experiences, backgrounds, and perspectives. This approach allows us to be inclusive of all the diversity we have today, tomorrow, and into the future. Granite's inclusive diversity program is our overarching initiative to go beyond legal compliance and support a more inclusive and diverse workforce.

We believe that our differences and similarities enhance creativity and innovation while allowing us to develop cutting-edge working solutions that ultimately have a positive impact on how we achieve our business goals and objectives.



Strategy for Inclusive Diversity

Vision

To "build" inclusive diversity into all aspects of Granite so that individual employee differences and similarities can be leveraged as drivers of employee engagement and a mechanism for attracting, retaining, and developing diverse talent.

Mission

At Granite, inclusive diversity is more than a concept. We embrace individual differences and are committed to our inclusive environment where everyone is welcomed. We value, respect, and rely on the uniqueness of our employees, clients, and the communities where we live and work. Granite's culture includes the diversity we enjoy today, tomorrow, and into the future.





Our efforts are centered around three strategic objective areas:

Create Clarity

Build internal and external understanding of inclusive diversity

Develop Talent

Strengthen our talent pipeline with a focus on women and persons of color

Build Capability

Train leaders and employees on inclusive diversity

INCLUSIVE DIVERSITY STRATEGY

Goals & Targets

Our path to a more inclusive culture involves four key steps, where diversity is the “mix” and acting on inclusion makes the “mix” work:

Commit to the Mix (2020-23)

Focus on developing leaders as role models, achieving organizational understanding, and deploying inclusive diversity education. Reach out and engage new talent pools to attract and retain the best diverse talent.

Improve the Mix (2021-24)

Focus on leaders as mentors and sponsors to accelerate the representation of women and persons of color throughout all leadership levels.

Optimize the Mix (2023-25)

Be recognized as an industry leader in diversity and inclusion to positively impact our communities and influence the marketplace.

Maximize the Mix (2025 and on)

Consistently achieve top-tier brand distinction on key diversity metrics.



Performance Update: Inclusive Diversity Priority Targets

In 2022, we continued to execute our five-year strategic plan—here are updates on our priority targets:

12.6%

Increase female representation throughout the entire organization from 12.5% in 2020 to 18% by 2025

18.6%

Increase women in leadership* from 14% in 2020 to 20% by 2025

18.1%

Increase persons of color in leadership* from 14.7% in 2020 to 20% by 2025

74%

Increase Inclusion Index** from 71% in 2020 to 80% by 2025

*For these targets, "leadership" is defined as having direct reports or position title of supervisor or above.
**Inclusion Index obtained from Kincentric survey.

Strengthening Inclusive Diversity Engagement

We continued to execute our plan for inclusive diversity in 2022, challenging our teams to enhance our work environment by building greater awareness, increasing participation, and encouraging new levels of engagement. Our strategic focus was on improving our internal programs and strengthening our external partnership portfolio. Internally, we achieved improved organizational alignment and cross-functional collaboration around inclusive diversity initiatives. One result was the launch of 192.2 Granite Radio, an internal radio show to share company information, successes, and news.

Granite participated in Construction Inclusion Week in October, joining other companies to raise awareness by celebrating diversity, equity, and inclusion across the industry. The daily themes for Construction Inclusion Week 2022 were: commitment and

accountability, belonging, supplier diversity, workplace culture, and community engagement.

We strengthened and expanded our external partnership portfolio with organizations such as the Society of Women Engineers (SWE) and the Society of Hispanic Professional Engineers (SHPE). Granite partnered with the Associated General Contractors of America (AGC), AGC of California, and AGC of Washington. We also joined the efforts of the National Stone, Sand & Gravel Association (NSSGA), and the American Road & Transportation Builders Association (ARTBA) to develop a comprehensive workforce development strategy and actionable plans. The focus of these partnerships is to expand the talent pools feeding our industry. Granite is helping to build the future workforce, from fostering inclusive cultures and practices to helping design new approaches to recruitment, development, and retention. We continued

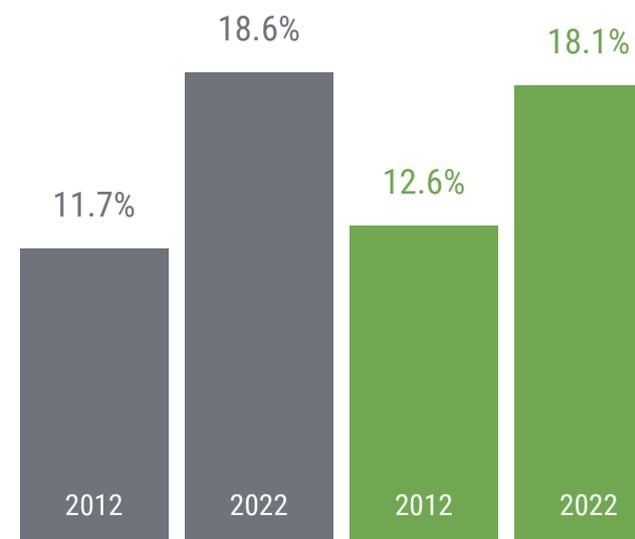
our partnership with Rosendin Electric, Inc., releasing the second season of Construction DEI Talks, an external podcast discussing DEI topics related to the Construction Industry.

Granite took a key step in providing transparency and accountability by publishing our diversity data publicly on our [website](#), providing employee demographic information for gender and race/ethnicity from 2017-2021. This site provides a view of the demographics of our professional, craft, administrative, and leadership employees.

Diverse Representation in Leadership (2012 vs. 2022)

Over the past decade, Granite has increased the representation of women and persons of color in leadership positions:

● Women ● Persons of Color





External Partnerships & Recruiting

Granite is leveraging external partnerships to support our efforts to recruit talent to support an increasingly diverse workforce. We believe these partnerships will help us reach our 2025 aspirations as we target recruitment of more women and persons of color. We have also established relationships with Historically Black Colleges and Universities and Historically Hispanic Serving Institutions with targeted talent acquisition plans for these institutions.



Catalyst: Workplaces that Work for Women

Granite continues its partnership with the Catalyst CEO Champions for Change Gender Equality Initiative. This external pledge emphasizes Granite's commitment to continue making diversity, inclusion, and gender equality a priority in the workplace.



Society of Hispanic Professional Engineers

Granite is an Industry Partner Council member with the Society of Hispanic Professional Engineers (SHPE), which aims to support Hispanic students and professionals in science, technology, engineering, and mathematics.

Handshake

Handshake

In 2022, Granite continued leveraging its relationship with the recruiting platform Handshake to increase our recruitment efforts in Historically Black Colleges and Universities and Historically Hispanic Serving Institutions.



Building Career Pathways for Veterans with SkillBridge

As part of our military hiring strategy, Granite has a partnership with Vets2PM, an accredited Department of Defense SkillBridge provider. SkillBridge provides opportunities for military service members to gain valuable civilian work experience through specific industry training, apprenticeships, and internships during the last 180 days of military service. Since partnering with Vets2PM, Granite has successfully identified and selected five SkillBridge residents.



Training for Inclusive Diversity

All Granite employees are required to complete training on our Code of Conduct as part of initial onboarding, and then on an ongoing basis. Our Code of Conduct training provides guidance on our policies to prevent discrimination and harassment, as well as methods to report misconduct. It also conveys the message that inclusion is a priority at Granite.

We have also developed new training programs on inclusive diversity and integrated them into our leadership training courses. Through these programs, leaders learn about the different dimensions of diversity, the cognitive neuroscience behind bias, and how to mitigate biased reactions.

Employee Resource Groups

Granite created its first employee resource group in 2018, with Granite Resources & Opportunities for Women (GROW). In 2020, Granite launched a new employee resource group: Supporting & Recognizing the Veteran Community (SRVC) and in late 2022, Granite launched SOMOS, a Hispanic/Latino employee resource group. We plan to develop additional employee resource groups in the next few years, including multicultural and generational groups.



Granite Resources & Opportunities for Women

GROW is a forum to advocate for and support women through mentoring, networking, and career development, while establishing Granite as an employer of choice. In 2022, GROW continued pursuing its goal to provide networking opportunities for women across the organization for mutual support and peer-to-peer development. Highlights of GROW's activities included:

Participating in Women in Construction Week, leading a week of activities including:

- Sponsoring two Habitat for Humanity Women Build events near Granite's headquarters in Santa Cruz, as part of a larger initiative for Habitat to build 11 homes for local single mothers who are also teachers
- Delivering an employee engagement campaign highlighting women in construction, with a scavenger hunt and spotlights with testimonials from women working in quality control, in the office, and in the field
- Coordinating a social media campaign

Sponsoring women-focused conferences:

- The flagship conference was Groundbreaking Women in Construction (GWIC), an annual event produced by Engineering News-Record that brings women of varying backgrounds in the construction industry together to develop leadership skills, network, and inspire success
- Granite was the Presenting Sponsor of the Women in Construction Conference, and a Granite Board member also serves on the Board of Women in Construction

Sponsoring quarterly events where speakers share success stories and insights about successfully navigating careers in male-dominated industries:

- One panel discussion included Granite team members from Safety, Health, Environmental, and Quality (SHEQ) professionals, who discussed making tough calls in their respective fields
- Continuing the Granite Mentoring Program, which has tripled in size since its first year

GROW has consistently gained membership since its inception in 2018, increasing by more than 100% in two years. In line with the 2022 Women in Construction Week theme, Envision Equity, GROW aims to seek out and provide women with opportunities, no matter their role in the company.



Supporting & Recognizing the Veteran Community

SRVC provides a platform for Granite employees all across the organization to come together on veterans' issues. SRVC—which is open to all Granite employees—has also helped catapult Granite's military hiring and retention strategy. SRVC promotes greater understanding and the inclusion of employees who have served, as well as friends and family members of employees who have served, in all branches of the military. The mission of SRVC is to be a strategic partner within Granite to promote a culture of diversity and inclusion by supporting continual learning, employee development, and employee engagement. Highlights of the SRVC team's activities in 2022 included:

- Continuing to support the partnership SRVC launched with Vets2PM, an accredited Department of Defense SkillBridge provider, to provide career opportunities for service members, and successfully hosting SkillBridge residents
- Honoring the various military branches and supporting service members by hosting military branch birthday fun runs/walks, where team members from across Granite came together to participate on the birthday of each branch of the military
- Launching a book club focusing on stories of service, heroism, and historical military events



EMPLOYEE DEMOGRAPHICS

	Total		Employee Category							
	All US Employees		Administrative		Craft		Professional		Leadership	
	Count	%	Count	%	Count	%	Count	%	Count	%
Gender										
Female	803	12.61	29	28.16	143	3.41	631	30.39	182	18.59
Male	5,567	87.39	74	71.84	4,048	96.59	1,445	69.61	797	81.41
Total	6,370									
Ethnicity										
American Indian/Alaskan Native	130	2.04	0	0	113	2.70	17	0.82	5	0.51
Asian	148	2.32	3	2.91	65	1.55	80	3.85	26	2.66
Black or African-American	188	2.95	3	2.91	130	3.10	55	2.65	16	1.63
Hawaiian or Pacific Islander	105	1.65	1	0.97	89	2.12	15	0.72	6	0.61
Hispanic or Latino	1,885	29.59	28	27.18	1,517	36.20	340	16.38	103	10.52
Two or More Races	179	2.81	4	3.88	119	2.84	56	2.70	21	2.15
White	3,735	58.63	64	62.14	2,158	51.49	1,513	72.88	802	81.92
Age Group										
Under 30	1,376	21.60								
30-50	3,196	50.17								
Over 50	1,798	28.23								

Total employees: 6,370; includes all US employees categorized as "active" in Human Resource system as of December 31, 2022. Percentages reflect rounding.



SAFETY & HEALTH

Our safety core value means that the safety and well-being of our people, our partners, and the public is our greatest responsibility. Every level of our organization is engaged in our safety culture. We approach every task with safety planned into the process and we do not sacrifice anyone's safety to get the job done.

Safety is about People, Not Projects

Our safety culture is underpinned with relationship-based training, shared knowledge, and engagement at every level of our organization.

Safety is about Connecting People

An authentic commitment from all will elevate our program, achieving safety success and—ultimately—zero injuries.

Safety is Deeply Personal

At Granite, we are all responsible for making safe choices not only for ourselves, but for those around us. We must take care of each other.



Safety Program & Management System

Granite’s Safety Department develops and advances company-wide safety strategies, initiatives, and programs to manage our overall safety performance. Our professional safety staff members are embedded directly into our local operations and provide support and expertise associated with implementing our safety program.

Granite’s Safety and Health Management System (SHMS) procedures provide a consistent framework that supports efficient and effective management across the company in a manner that is verifiable and supports continuous improvement. The SHMS procedures incorporate our safety and health management system, which is built on the foundation of Occupational Health and Safety Assessment Series (OHSAS) 18001:2007 Standard for Occupational Health and Safety Management System. The SHMS procedures are structured in a manner that creates a consistent approach throughout the company and includes processes that address planning, implementation, checking, and corrective action (i.e., plan, do, check, adjust, and review). The SHMS procedures cover all employees and company activities—all employees are responsible for following the policies, procedures, laws, rules, regulations, and other requirements applicable to their activities.

Granite uses multiple mechanisms through which competency and awareness of the provisions of its safety and health policies and procedures are communicated, which include but are not limited to, description documents, e-learning modules, webinars, company internal publications, and company meetings and conference presentations.

Hazard Identification & Risk Assessment Granite’s Hazard Identification

Risk Assessment and Determining Controls procedures establish a process to proactively identify occupational safety or health hazards

employees could be exposed to, assess and prioritize the risks associated with those hazards, and identify the controls necessary to eliminate or mitigate those hazards.

Participation & Consultation

Granite maintains procedures for employee participation and consultation with respect to safety and health in its standard operating procedure for Safety Communication, Participation, and Consultation. Employees actively participate in the company’s safety and health management efforts.

More information about our safety program and management system, including policies on hazard identification and risk assessment, and participation and consultation, is available in [Safety by Choice: Safety Program](#).

Advancing Safety in the Construction Industry

For many years, Granite has participated in organizations that aim to advance safety performance in the construction industry. Granite works with the National Construction Safety Executives (NCSE). The purpose of NCSE is to provide a forum for safety professionals in the construction industry to share information and best practices to benefit the safety of everyone in the industry. Granite is also part of the Construction Industry Safety Initiative, which aims to strengthen the industry’s safety culture and performance. This organization also advocates for improved safety processes, mental health resources, and equipment standards that can reduce the risk of injury and create a safer environment for workers. Granite participates in Safety Week every year, joining other construction firms with a single aim: to provide the vision, insights, resources, and equipment standards to inspire everyone in the industry to be leaders in safety.





SAFETY STRATEGY

Our safety strategic plan centers around three pillars of safety success:

- Peer-to-peer accountability and ownership
- Consistent, integrated approach
- Value creation at the project level



PEOPLE

Leadership
Commitment
Training



PERFORMANCE

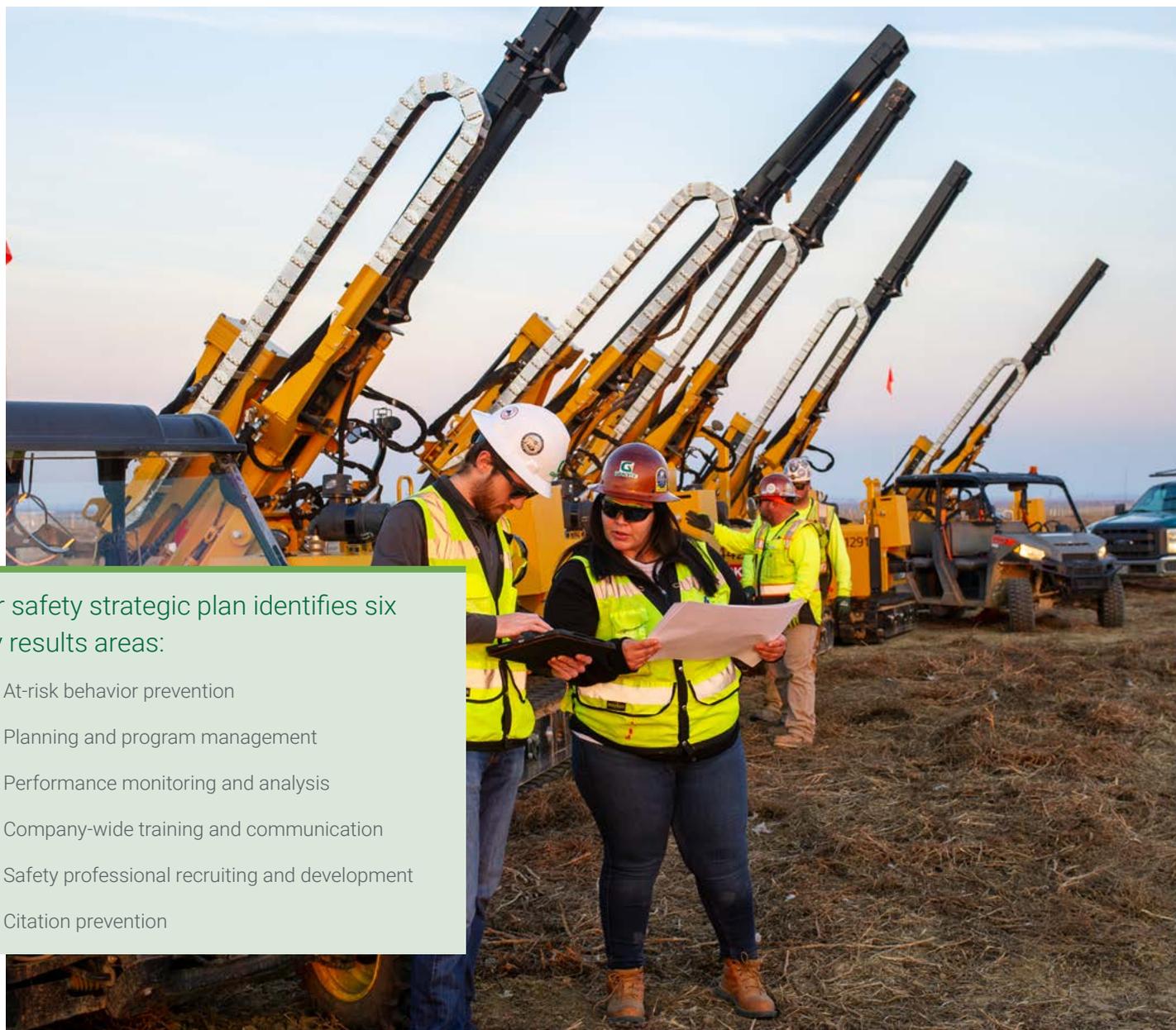


Daily inspections
Incident prevention
Analytics

PLANNING



Site-specific planning
"Take 5" daily safe work plans
Toolbox safety meetings



Our safety strategic plan identifies six key results areas:

- At-risk behavior prevention
- Planning and program management
- Performance monitoring and analysis
- Company-wide training and communication
- Safety professional recruiting and development
- Citation prevention

Nothing is more important than the safety of our people. While risks are inherent on every construction project, leveraging the three pillars of safety success—holding each other accountable by peer-to-peer accountability and ownership, through a consistent, integrated approach, and infusing value creation at the project level, ensures that safety is a part of our everyday life. These behaviors have field-proven success in reducing safety-related incidents.

Our safety strategic plan sets goals in these key results areas. Key performance indicators (KPIs) are identified to serve as metrics to measure performance, with OSHA recordable incident rates being the KPI for overall safety program performance. Granite also tracks several other leading indicators for safety, such as near misses. Our safety strategy aims to leverage the value of leading indicators and improve near miss reporting. Objectives are set for KPIs with specific, measurable, time-bound targets for certain key metrics.

Key safety initiatives include Stuff That Can Kill You (STCKY), Craft Safety Connection, Safety Onboarding & Orientation, New Employee 90-day safety review, Speak Up/Listen Up, Motion Matters, Safety Dashboards, and Reporting. Granite also participates in an industry Construction Safety Week every year, with a robust employee engagement plan and activities throughout the week. The theme of Construction Safety Week 2022 was *Remain Connected. Be Supported. Stay Safe*. This theme recognizes how a strong safety culture goes beyond having procedures in a book or having the right equipment—a strong safety culture is one in which people feel connected enough to be open and honest in their experiences.



Safety Performance

Granite's safety performance improved significantly in 2022 compared to 2021:

	2022	2021
OSHA recordable incident rate	0.71	0.92
Lost time rate	0.18	0.14
Days Away, Restricted, and Transfer (DART)	0.31	0.41

Our goal is to take action to learn from every injury or recordable incident, and to leverage our lessons learned program to avoid future injuries.

Reducing Severe & Life-Threatening Injuries

In 2022, our safety teams focused on reducing serious and potentially life-threatening injuries with the STCKY initiative. After seeing little to no improvement in reducing serious and life-threatening injuries year over year, we adjusted our focus on incident review and communication. STCKY is a process of identifying and controlling potential hazards that, if not controlled, could result in a life-altering, disabling, or fatal injury. The STCKY approach is helping us carefully analyze more serious incidents and curtail this unfavorable trend.

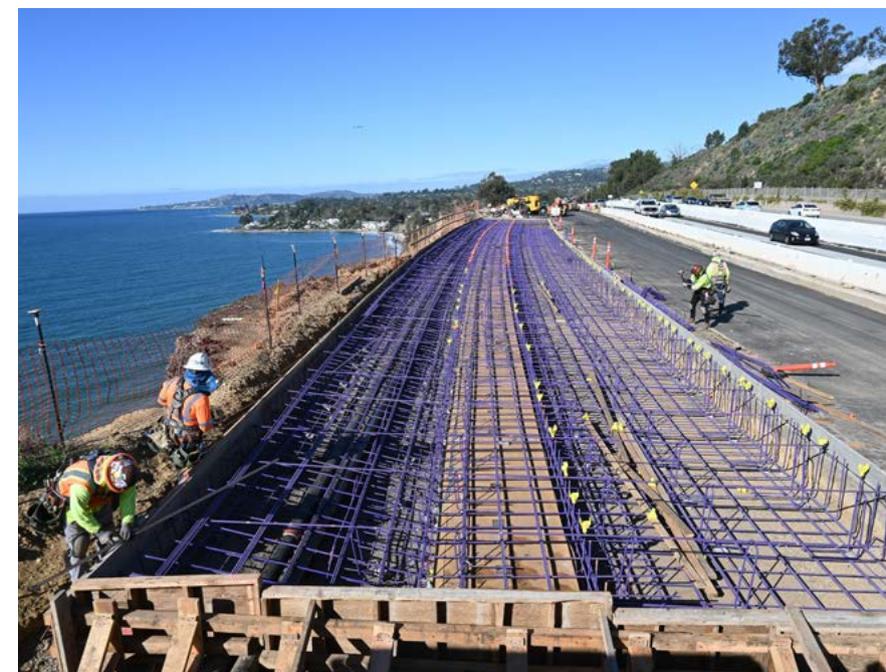
Granite continued our focus on implementing the STCKY initiative across the company in 2022. We centered our efforts on the identification and mitigation of STCKY by making sure that all of our Safety Meetings, Take 5 meetings, and inspections consider potentially STCKY issues and address potential solutions. While STCKY is geared towards the prevention of life-altering and fatal incidents, the ripple effects of a successful STCKY initiative will give us the tools to better prevent minor incidents as well. A marker of the success of

this enhancement to our safety and management system was a 50% reduction of our DART rate from 0.62 in 2020 to 0.31 in 2022.

Safety Perception Survey

A highlight of 2022 was conducting Granite's first Safety Perception Survey with craft and salaried employees companywide. This perception survey focused on seven key areas:

- Overall company impression
- Management support and accountability
- Employee involvement
- Hiring, orientation, and training
- Hazard recognition
- Evaluation and control
- Work environment



Our scoring indicated that Granite's leadership team maintains a safe working environment for their employees and is continuously engaged in assessing risk and creating necessary programs to reduce employee injury.

UPDATE

2023

TARGET

UPDATE

Reduce our Occupational Safety & Health Administration (OSHA) recordable incident rate from 1.07 in 2020 to 0.75 by 2023.

We achieved this target in 2022 and have set a more ambitious target of 0.70 for 2023.



GRANITE GIVES BACK

As part of our mission to make a lasting difference in the places we live and work, we give back to our communities through donations and by volunteering our services, supplies, and people power. Granite supports charitable organizations nationwide through financial contributions and we support our employees in their individual quests to better their communities. Each year, we make funds available to all our business units for charitable contributions to local non-profit organizations.

Volunteering Highlights

The causes we support are as diverse as our employees. Here are some highlights of local volunteering activities in 2022:

- In addition to GROW's Women Build day sponsorships for Women in Construction Week, Granite teams held other build days in their communities. Granite volunteers from the Pacific Northwest Region joined Habitat for Humanity for the 15th Annual Women Build event, where they worked on housing in Oregon's North Bend community. More than 15 Granite volunteers spent their day installing windows, firestops, and framing for the project.
- For the past 13 years, Granite's Alaska Region has donated time to the Special Olympics annual Polar Plunge event in Anchorage. The event encourages local community members to raise money in support of Special Olympics Alaska. Employees in the Anchorage office were grateful to represent Granite, taking a plunge into Goose Lake in December with temperatures at a frigid 15° F.





- Granite's Nevada Region donated more than 250 gifts to the Salvation Army's annual Silver Tree and Angel Tree programs. The Silver Tree program provides gifts to local seniors, and the Angel Tree program gives toys and clothing to local families in need during the holidays. The team also volunteered at the Salvation Army distribution center, where the parents of the children came to select their gifts. Employees enjoy giving back to the community, and we are pleased to partner with The Salvation Army year after year.
- Granite partnered with California Polytechnic State University, San Luis Obispo, by sponsoring five students in the Engineering Possibilities in College (EPIC) program and hosting two hands-on labs during their summer sessions. EPIC shares Cal Poly's College of Engineering mission "to educate students for careers of service, leadership, and distinction in engineering or other fields by using a Learn by Doing, hands-on approach." The students, typically high school juniors and seniors, spend one week living on campus at Cal Poly, participating in labs and fun activities, learning about the university, and hearing from guest speakers. Several leaders in Granite's Desert Cities Region and others were asked to plan and host a hands-on lab experience. This was a unique opportunity for Granite to engage with students prior to their selection of a school and a major, and give them insight into what a potential engineering career path would involve. The labs offered a general introduction to Granite, an overview of estimating, and a pave-by-numbers demonstration.
- Granite teams in Columbus, Ohio, kicked off Breast Cancer Awareness Month at the Lower Olentangy Tunnel project in October. The job site is directly adjacent to The Ohio State University Stefanie Spielman Comprehensive Breast Center. The center sponsored a Step Up for Breast Cancer 5k walk/run. The Granite team showed their support by flying a pink ribbon flag

from the Gowdy Field crane and designing and installing signs of support along the project fence.

- Granite's Nevada Region continued to partner in support of the Tahoe Pyramid Trail (TPT) in Lockwood, Nevada. Granite donated labor and materials to build a quarter-mile extension of the trail, which runs along the Truckee River, close to Granite's asphalt plant and aggregate facility. This project was built in partnership with the Nevada Division of Wildlife (NDOW), increasing access to the river for the fishing events they host for youth. A recap of the trail build can be heard on NDOW's Podcast "New Public Land Access, February 18, 2022." Granite built the trail in two weeks. The build included a base rock trail, water crossings, and approximately one mile of fence line.
- Our team in Nevada partnered with the Nevada Mining Association (NVMA) in its Hope for Heat Campaign to give back to the local communities. In celebration of Granite's 100th year anniversary, Granite Nevada committed an additional \$100 per day that the temperature exceeded 100° F in Las Vegas and 90° F in Winnemucca and Reno, Nevada, ultimately contributing \$7,000 to the cause. This donation was added to the NVMA's contribution to offset energy costs in the hot summer months at the local Boys and Girls Clubs. In addition to partnering in the Hope for Heat campaign, three Nevada Region engineers participated in the NVMA Mining Nevada Teacher Workshops in Reno and Las Vegas, teaching teachers about science and mining.
- A Granite team member volunteered with the Nevada Department of Wildlife to build a "guzzler" in the desert. Guzzlers support desert wildlife by providing a clean, consistent source of drinking water. It took 46 volunteers about eight hours to build the aboveground portions of the guzzler.



\$298,000

Granite's Corporate Charitable Contributions Committee donated over \$298,000 dollars to charitable organizations in 2022.



COMPLIANCE & ETHICS

We are engaged in continuously investing in our most valuable partners: our people. We realize that ethical and compliance-driven decisions do not happen by chance; they happen through engagement and reinforcement of desired outcomes. In 2022, our most significant efforts to enhance positive business ethics outcomes started with increased staffing devoted to ethics and compliance, and an aggressive education campaign aimed at opening lines of communication, cross-functional collaboration, and transparency considering changing circumstances.

Online compliance training at onboarding includes a deep dive into subjects covered in our Code of Conduct and company policies, such as antitrust, anti-bribery, disadvantaged business enterprise reporting, and government contracting compliance. The Code of Conduct Refresher is an annual process where salaried employees are given a reminder of company policies and asked to sign off on their adherence to, and understanding of, the Code of Conduct. In addition, Foreign Corrupt Practices Act Training is given on annual basis for those with exposure to our business operations outside of the continental US and covers an overview of our Anti-Bribery and Foreign Corrupt Practices Act policies and procedures.

In-person training resumed with sessions aimed at educating our workforce on Disadvantaged Business Enterprise Compliance, Equal Employment Opportunity, and Antitrust laws. These live trainings had been transitioned to computer-based trainings during the pandemic

years of 2020 and 2021. Face-to-face meetings open avenues for conversations and questions which naturally lead to transparency and cross-functional collaboration that computer-based trainings cannot achieve.

Through Legal, Risk, and Compliance webinars, we engaged personnel on topics such as:

- Buy America/Buy American Acts
- Contract Management and Contract Addenda
- Insider Trading and Public Filings
- Joint Ventures
- Risk Management
- Claims and Proper Forecasting

Following a trend that started in 2018, we saw an increase across our organization in voluntary disclosures of potential conflicts of interest. This reporting protects our employees and the company and gives us an opportunity to document, track, and mitigate potential ethical pitfalls—we are encouraged by this upward trend in reporting.

In collaboration with cross-functional teams, we reviewed and updated financial policies and operational procedures, including our employee handbook, to ensure institutional processes are sound, that policies reflect actions, and that both can do more to help detect and prevent wrongful or unethical conduct. These actions occur in the ongoing evaluation, elevation, and evolution of our compliance program.

Communication with employees on topics involving compliance is critical to our strategy of keeping a relentless focus on ethical business practices. We regularly post blogs on topics to spark conversation and create an environment where doing the right thing is normalized and expected. These blogs help raise awareness and

educate our team members, and they are shared across a portfolio of internal communication platforms. Blog topics include:

- Insider Trading
- Political and Charitable Giving
- Supplier Code of Conduct
- High-Quality Ethics and Compliance Programs
- Sharing Bad News
- Ethical Treatment of Peers
- Fraud Triangle: What is it?
- Conflicts of Interest
- Gifts Policy

Finally, we believe our quarterly compliance committee meetings, involving cross-departmental and executive leadership, is a primary platform to learn about challenges to our company's success from any failure of our multi-departmental system of compliance. Through open communication with leadership embedded across our company, we lay the groundwork for conversations to take place organically on a regular basis that will identify potential areas of risk.

2022
TARGET

Provide basic compliance training to more than 99% of employees company-wide.

We achieved a completion rate of 97% in 2022, just short of our 99% target. Going forward, we will continue to work towards this target.



PROJECT HIGHLIGHT

LOWER CALERA CREEK FLOOD CONTROL PROJECT

Constructing resilience through flood protection

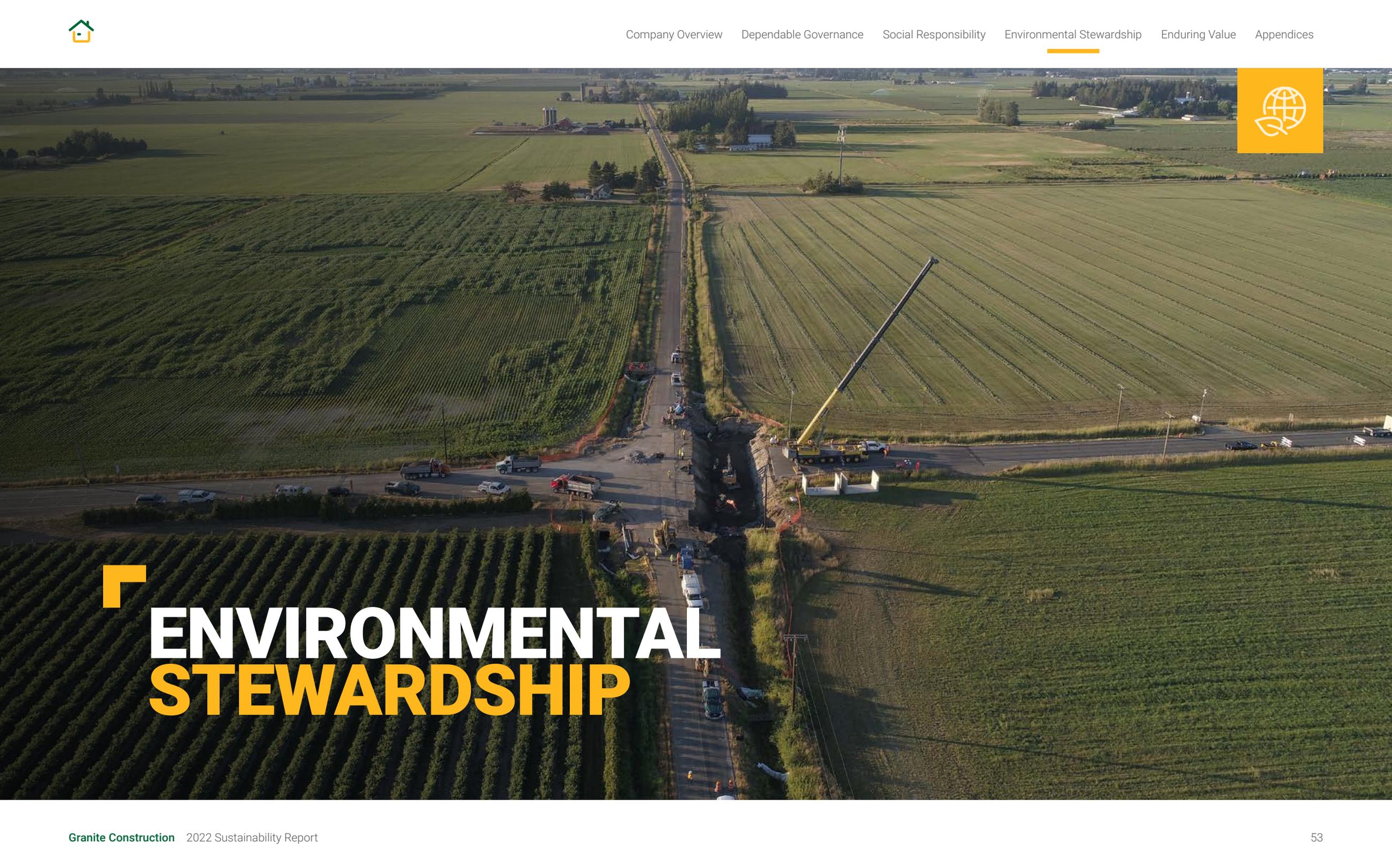
This project in Santa Clara County, California, is part of a larger collection of flood protection improvements under the Lower Berryessa Creek Flood Protection Project, which will provide new floodwalls, improved levees, and widened creek channels to accommodate high water flows. The project will also enhance and enlarge tidal and freshwater wetlands and riparian habitats. Upon completion of all project phases, nearly 2,500 homes and businesses will be protected from the threat of a 100-year flood event.

Creating public benefit

The primary public benefit arising from the Lower Calera Creek Flood Control project is protecting communities from future severe weather events. Granite's work on this project focused on improving flood protection and stormwater control along Calera Creek in urban areas of Milpitas. Over two seasons, we built concrete culverts, floodwalls, and a partially lined channel to protect properties including residences, a school, and railroad tracks.

Embracing sustainability

The project team beat budget and schedule while maintaining protections in place for wildlife and neighbors. Measures included strict work windows that imposed daily, weekly, and seasonal limits; expert survey and worker sensitivity trainings for biological and cultural resources; and in-water work restrictions, including a clear-water diversion and active treatment system.



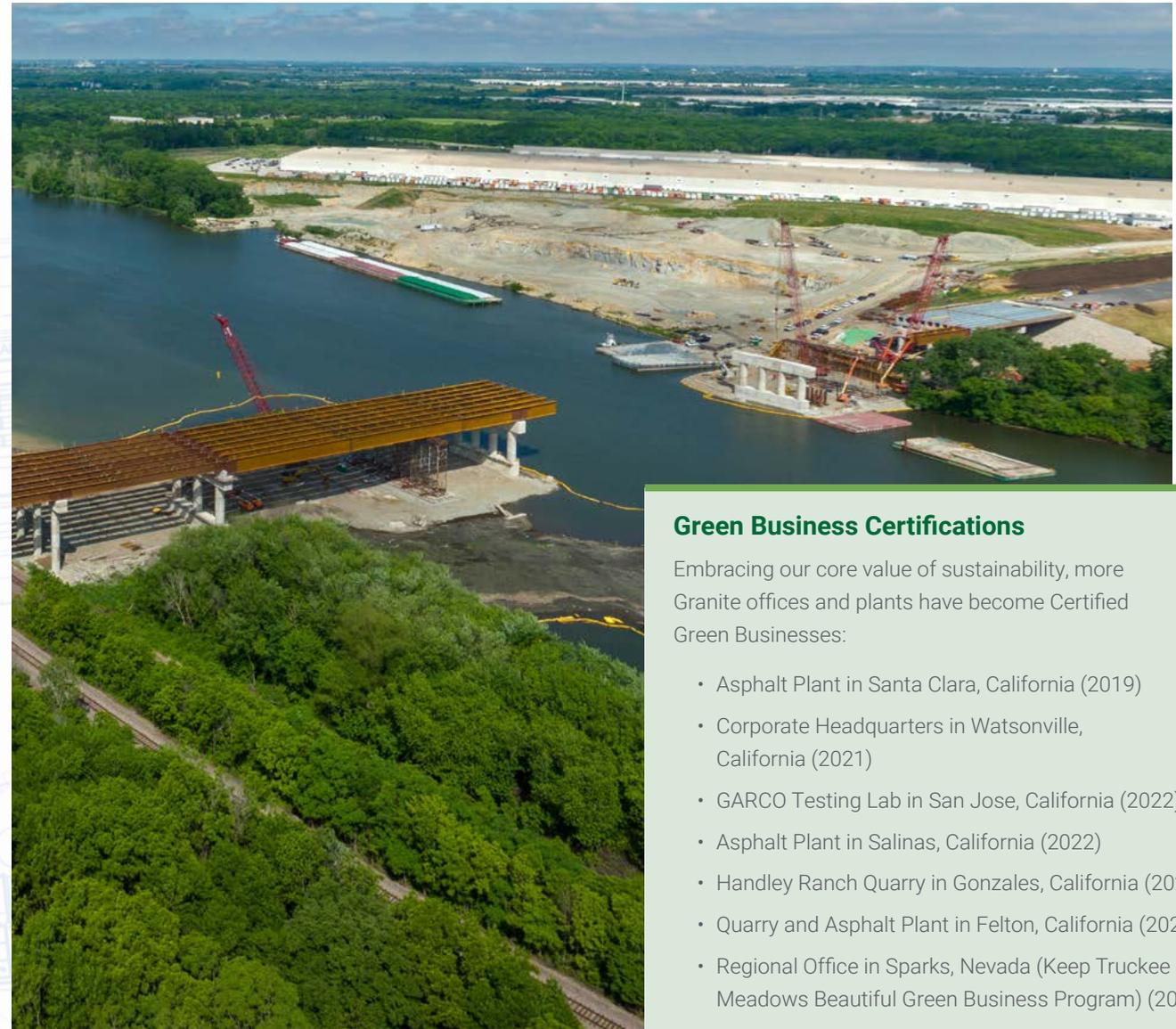
ENVIRONMENTAL STEWARDSHIP



ENVIRONMENTAL COMMITMENT

A core component of Granite's commitment to sustainability is our focus on environmental stewardship. We recognize our duty to protect the environment and our responsibility to manage the environmental impacts of our operations. We are committed to creating a culture of environmental awareness, so that our teams are mindful of our environmental responsibilities and empowered to fulfill them. We strive to be an industry leader, with a focus on environmentally responsible construction operations that provides a competitive advantage.

We also recognize the importance of being transparent about our operations and engaging on environmental issues with the communities where we work. Granite is committed to consulting with stakeholders on environmental issues through our sustainability stakeholder engagement efforts. Individual construction and materials projects also involve stakeholder consultation on environmental issues as appropriate for the specific project and client. Granite is committed to reporting regularly on environmental initiatives through our annual sustainability reports.



Green Business Certifications

Embracing our core value of sustainability, more Granite offices and plants have become Certified Green Businesses:

- Asphalt Plant in Santa Clara, California (2019)
- Corporate Headquarters in Watsonville, California (2021)
- GARCO Testing Lab in San Jose, California (2022)
- Asphalt Plant in Salinas, California (2022)
- Handley Ranch Quarry in Gonzales, California (2022)
- Quarry and Asphalt Plant in Felton, California (2022)
- Regional Office in Sparks, Nevada (Keep Truckee Meadows Beautiful Green Business Program) (2022)
- Office in Northbrook, Illinois (Village of Northbrook Green Business Program) (2022)



ENVIRONMENTAL PROGRAM

Mission

The primary mission of our environmental program is to manage and meet our environmental responsibilities, while controlling and reducing any environmental impacts associated with our work.

Granite is committed to operating responsibly, managing our environmental risks, and continuously improving our practices. We are focused on the following objectives:

- Meet or exceed our clients' environmental goals
- Meet or exceed requirements of applicable environmental laws and regulations
- Reduce our environmental impacts
- Protect habitat and wildlife
- Conserve natural resources
- Prevent pollution
- Reduce our carbon footprint

We achieve these objectives by retaining in-house expertise to analyze the regulatory framework around our projects and engaging with clients to gain a comprehensive understanding of their environmental goals. Using best practices, innovation, and value engineering, Granite provides solutions that meet—and often exceed—our clients' environmental goals. We recognize that effectively managing our environmental responsibilities provides a direct benefit to our clients, as it helps build confidence and trust with local communities and regulatory agencies.

The Environmental Services Department develops and advances company-wide environmental strategies, initiatives, and programs to manage our overall environmental performance. Our professional environmental staff members are embedded directly into our local operations and provide support and technical expertise associated with all environmental aspects of our diversified business operations. Expert knowledge of federal, state, and local requirements is key to the successful execution and completion of projects, especially those that may present environmental sensitivities or risks. Our experienced environmental teams provide direct support to our construction and material production operations to successfully manage environmental aspects including air quality, water quality, waste and material resources, and any other specific project impacts.

Environmental Management System

Granite's Environmental Management System (EMS) is modeled after the internationally recognized environmental management standards of ISO 14001. This approach focuses on a systematic process (which addresses planning, implementation, checking, and corrective action) that supports consistency of process and procedure while advancing continuous improvement in how we manage the environmental requirements of our work. More information about our environmental program and management system is available in "[Keeping Granite Green: Environmental Program](#)."



Protect Water

Prevent spills and manage stormwater



Protect Land

Prevent contamination and practice good housekeeping



Protect Air

Minimize dust and unnecessary emission



Protect Wildlife

Avoid harming wildlife and their habitat



Conserve Resources

Reduce, reuse, and recycle



Environmental Program Updates

In 2022, our environmental team increased their focus on permitting requirements and compliance. Our teams increased communication with compliance agencies to help ensure we maintain compliance on all projects and modifications to facilities, and that we are transparent and provide the proper information if our compliance status is questioned. Overall, notices of violation were reduced from nine in 2021 to four in 2022.

Granite's environmental professionals play a key role in our sustainability efforts, not only by implementing our environmental program, but also by acting as local champions and leaders of sustainability initiatives throughout our operations. For example, our team in Nevada established the first Granite regional sustainability committee, which worked in 2022 to identify opportunities for their local business operations to positively impact the community and the environment. The committee successfully obtained green business certification for Granite's regional office in Sparks, Nevada—the first for Granite outside of California. Some of the underlying efforts that supported certification included eliminating single use products from the office, replacing cleaning supplies with non-toxic chemicals, and participating in several community events. The committee is targeting additional improvements in 2023, including retrofitting lighting, planning for the installation of electric vehicle charging stations, and seeking additional green business certification for a materials facility. By being ambassadors for our sustainability efforts, our team members are helping Granite leverage innovation, capture best practices, and spread these best practices throughout the company.

The Derby Dam Fish Screen Project

The Derby Dam Fish Screen project, featured in Granite's 2020 Sustainability Report, has continued to win accolades, including the Associated General Contractors of America's Construction Risk Partners "Build America Merit Award" for the Best Construction Management Civil Project. The Derby Dam project is providing widespread benefits to wildlife, farmers, and recreationalists.





CLIMATE & ENERGY: REDUCING EMISSIONS

Granite recognizes that our industry must adapt and change with the evolving needs of society. We intend to drive that change by advancing more sustainable construction practices, reducing greenhouse gas (GHG) emissions, and minimizing our carbon footprint.

Climate Strategy

Granite's approach to reducing our GHG emissions and carbon footprint is two-fold:

1. Improving data collection and reporting systems to quantify GHG emissions more accurately
2. Investing in technologies and practices that directly and immediately reduce our emissions in Scopes 1 and 2

We are working on these two priorities simultaneously because we recognize the importance of quickly and effectively mitigating our impact. As detailed in the following sections, we are focusing our efforts on the highest sources of emissions: the operation of our asphalt plants and our mobile equipment fleet. We are also engaging external expertise to help us build a more detailed decarbonization plan to meet our climate ambitions.

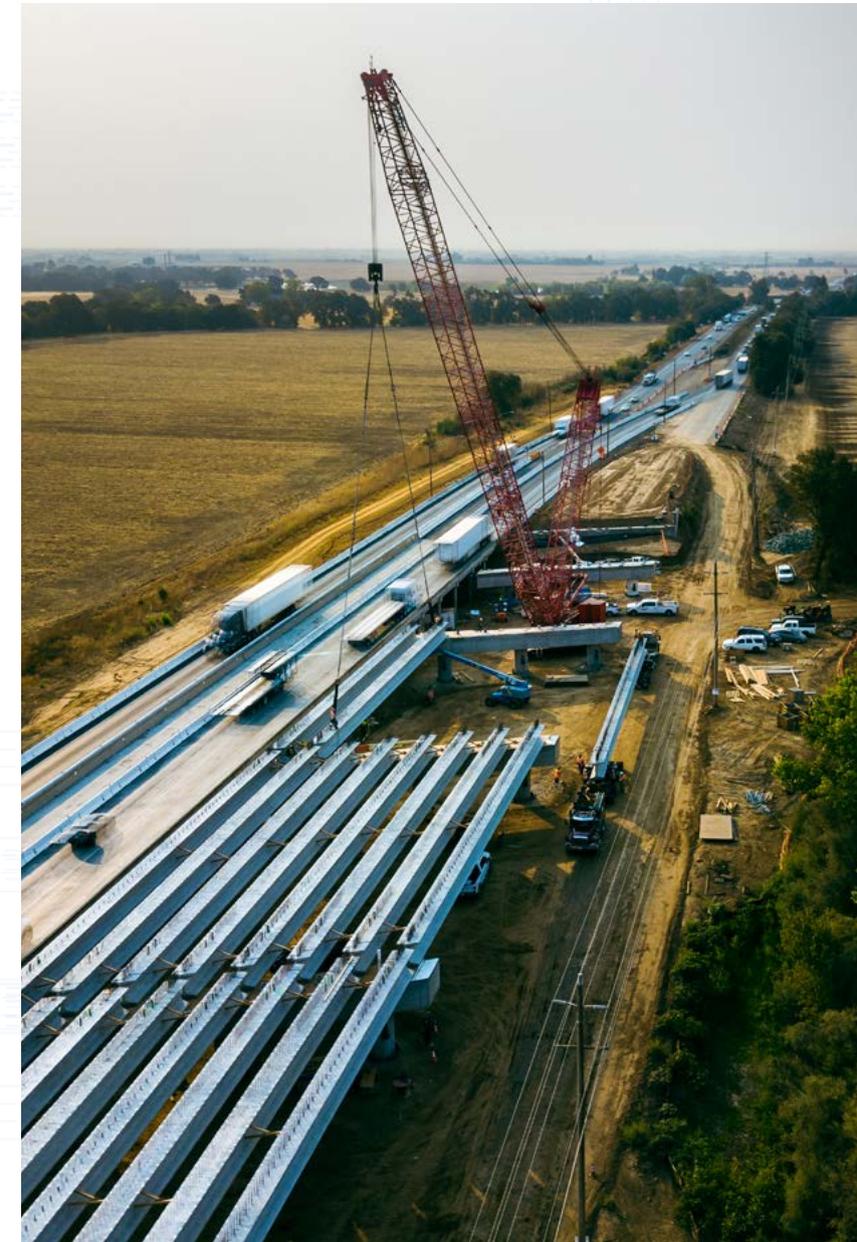
Improving Data Collection

One of the top priorities for our sustainability program in 2022 was continuing to improve our system for collecting and reporting data on our carbon footprint. Leveraging cross-functional teams across the company, including experts in information systems management, information technology, equipment, environmental engineering, quality, supply chain, and sustainability, Granite made progress on improving these systems. We have developed a plan to leverage the telematics systems in place in much of our equipment fleet to create a new GHG dashboard, which will support a more detailed GHG calculation reflecting asset-specific emissions. Our goal is to complete this new GHG dashboard in 2023 and roll it out to operational teams so that they can better assess their performance and track improvements as we move toward achieving our emissions reduction target.

**2030
TARGET**

Reduce total Scope 1 GHG emissions by 25% by 2030 from 2020 baseline.

Granite is developing a decarbonization plan for emissions reduction, and our intent is to expand our targets to include Scope 2 once we have further developed this plan. We also recognize that we may have to adjust this target once we further develop our action plan.



SLAB-ON-GRADE, SEE DWG S-10

36" DIA CASING PIPE (TYP, 4 PLCS), SEE MECHANICAL DRAWING

STA 1+43 MATCH LINE - FOR CONTINUATION, SEE SHEET S-07



What is in our Carbon Footprint?

SCOPE 1 DIRECT EMISSIONS (the fuel we burn)



Stationary Sources

Fuel used at materials plants and office buildings



Mobile Sources

Fuel used in generators at mobile plants, vehicles, and equipment

SCOPE 2 INDIRECT EMISSIONS (the electricity we use)



Electricity Usage

Emissions from generation of electricity used at our facilities

SCOPE 3 INDIRECT EMISSIONS (other indirect emissions in the value chain)



Employee Travel

Employee work-related travel



Upstream Emissions

Carbon embodied in materials we use



Downstream Emissions

Emissions from use phase of materials or infrastructure projects

Carbon Footprint Assessment

While our goal is to reduce GHG emissions in total, we also recognize that our emissions are directly correlated to business volumes and fluctuations in each year, so our approach is to compare emissions on an absolute basis as well as in relation to annual revenues. Scope 1 GHG emissions decreased in total, but increased slightly as normalized per revenue, in 2022 compared to the 2020 baseline.

Our carbon assessment follows the Greenhouse Gas Protocol principles and methodologies established by the World Business Council for Sustainable Development, as well as the Environmental Protection Agency's Inventory Guidance. Scope 1 calculations include

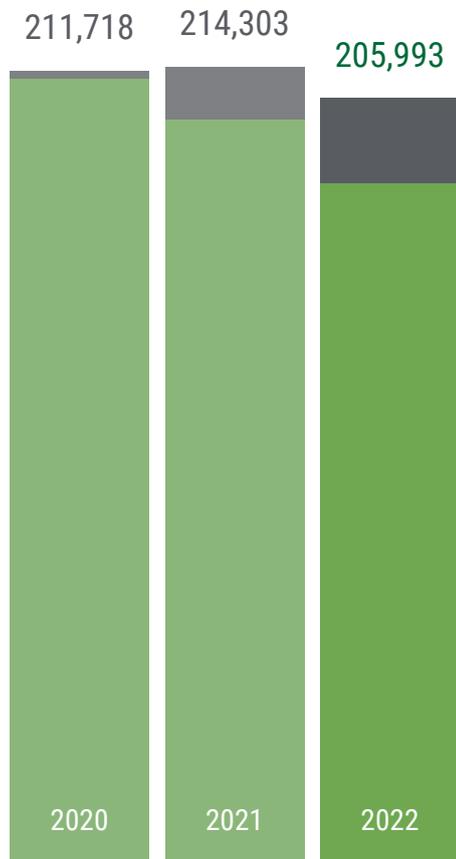
carbon dioxide, methane, and nitrous oxide, reported in equivalent CO₂ (metric tons) where available. The following emissions sources were included in Scope 1:

- Mobile sources (light-duty and heavy-duty vehicles, equipment, and corporate jets)
- Fuel used in rental equipment is included if Granite purchased the fuel (but there may be some data gaps where fuel is provided by the rental company, dependent on agreements)
- Calculations are based on bulk fuel combustion for CO₂ only; methane and nitrous oxide emissions factors for mobile equipment are not included; we are currently implementing a solution to address these data gaps

- Asphalt plant production (includes CO₂ Equivalents)
- Granite-owned diesel generators (includes CO₂ Equivalents)
- Indoor heating of Granite-owned facilities provided by fuel combustion (primarily natural gas; includes CO₂ only)
- Reporting improvement: Emissions from renewable fuels are reflected separately as Scope 1 biomass emissions (within the total of Scope 1 emissions). This reflects an improvement to our system, aligning with the Greenhouse Gas Protocol.
- Hydrofluorocarbons (HFCs), including emissions from refrigeration and air conditioning equipment, are not included. We are exploring system improvements to address this data gap.

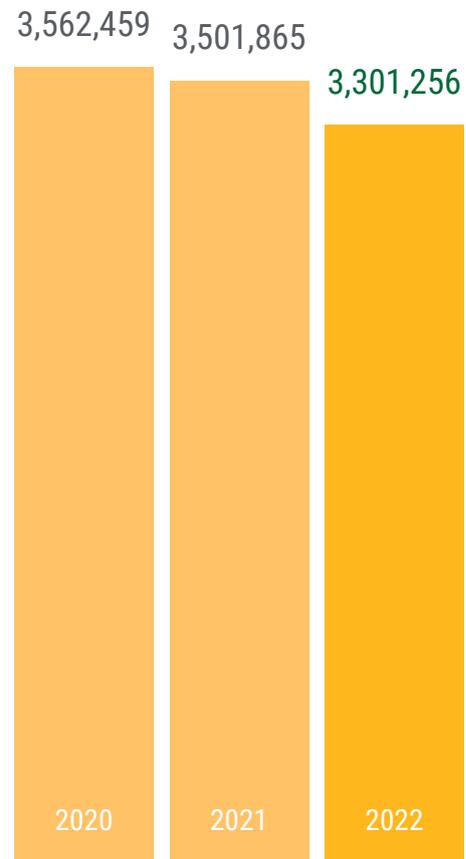


Scope 1: 2020-2022

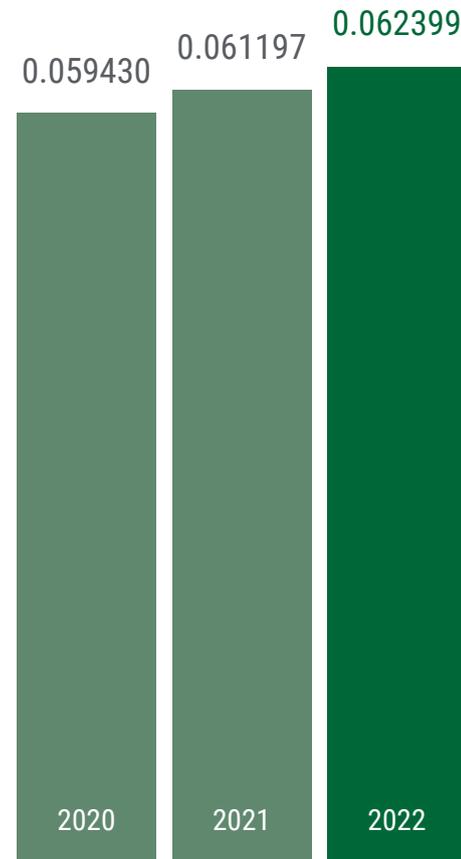


Total Scope 1 CO₂ Equivalents
(Metric Tons)

	2020	2021	2022
● Biomass	266	14,222	23,108
● Non-Biomass	211,452	200,081	182,885



Revenue
(\$ Thousand)

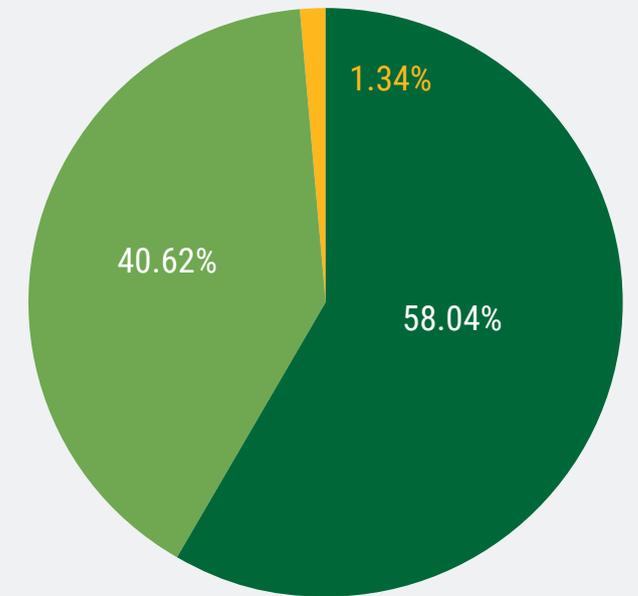


GHG Intensity: CO₂ Equivalents/Revenue
(\$ Thousand)

Scope 1: Breakdown by Source

2022 Scope 1 CO₂ Equivalents (Metric Tons) with % by Source*

● Equipment Fleet ● Materials Facilities ● Heating Buildings



205,993

Total Scope 1 Emissions in 2022
CO₂ Equivalents (Metric Tons)

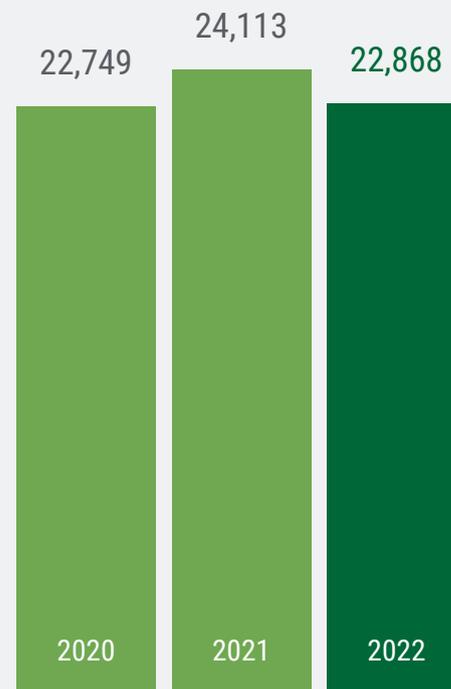
* Percentages reflect rounding.

** In alignment with the Greenhouse Gas Protocol, emissions from renewable fuels are reflected separately as biomass emissions. This reflects an improvement to our system made in 2022, which allows us to account for the use of renewable fuels more accurately and demonstrate the reduction in life cycle GHG emissions achieved through renewable fuel initiatives.



Scope 2: 2020-2022

Scope 2 emissions were calculated through an external partner that collects energy use data from utility invoices, compares it to the energy mix available from each utility provider, and provides an overall calculation of the emissions used to generate the electricity we consume. This process used methodology established by the Environmental Protection Agency and Greenhouse Gas Protocol and includes CO₂ equivalents.

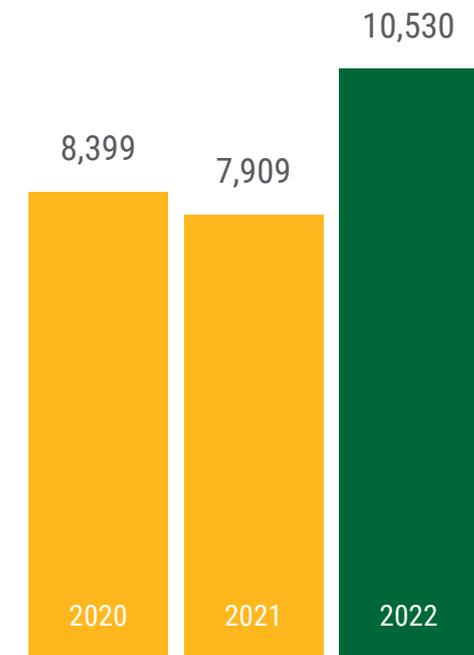


Scope 2 CO₂ Equivalents

(Metric Tons)

Scope 3: Business Travel 2020-2022

Emissions from employee business travel (not including standard commuting) was calculated from data gathered from a company travel platform and then extrapolated to other travel based on purchasing card data. This information is based on estimates and includes CO₂ only (not equivalents). Please note travel was restricted due to the COVID-19 pandemic in 2020-21.



Employee Business Travel: Estimated CO₂ Emissions

(Metric Tons)



BUILDING OUR DECARBONIZATION PLAN

In 2022, we focused our efforts on more fully assessing opportunities to reduce our emissions and building a decarbonization plan for reaching our priority target. For this project, we engaged a team of external climate experts to work collaboratively with key members of our management team. The project assessed direct (Scope 1) GHG emissions, in alignment with our current priority target to reduce total Scope 1 GHG emissions by 25% by 2030 from our 2020 baseline.

Goals

The goals of this phase of our decarbonization planning project were to:

- Identify potential abatement measures that are most relevant to our business (things we can do to reduce GHG emissions)
- Assess the GHG abatement potential of each measure (how much each measure could reduce GHG emissions, as summarized in an abatement waterfall chart)
- Assess the implementation cost of each abatement measure and its return on investment (how much each measure costs or saves relative to its GHG emissions reduction potential, as summarized in a marginal abatement cost curve)

Methodology

First, the team researched potential abatement measures, including measures of interest to operational teams, measures utilized by industry peers (disclosed through sustainability reports, CDP reports, press releases, and other publications), and measures arising from

broader research (through academic papers, industry articles and publications, technology and equipment providers and manufacturers, and conversations with industry experts). The result was a list of over 70 measures, ranging from currently available interventions to speculative measures that would require further research and development prior to implementation.

Second, the team selected 19 final measures for in-depth assessment. A generalized implementation cost and potential GHG reduction was estimated for each measure to aid in selection. Granite operational experts provided significant input related to the practicability of implementation to support the selection process. The final selection prioritized measures addressing Granite's broad and varied emissions sources and included fuel type switches, product alternatives, vehicles and mobile equipment, and equipment used in asphalt production facilities.

Finally, the team gathered related data to support calculations for the abatement waterfall chart and marginal abatement cost curve. This first required an understanding of the systems, processes, and equipment involved for each measure. Each measure required a unique calculation process, relying on cost data (e.g., fuels, equipment, retrofitting) and GHG data (e.g., fuel emissions factors, fuel efficiencies, estimated fuel savings, electrification potentials). Data was sourced primarily from Granite's actual operational data where applicable, as well as from manufacturer and retail data, academic papers, government publications, and industry publications.



Results

The abatement measures analyzed were organized into four main categories:

- Energy and Fuels (e.g., renewable natural gas)
- Products (e.g., warm mix asphalt)
- Asphalt Plant and Field Equipment (e.g., hydrogen fueled equipment)
- Electrification of Equipment (e.g., electric vehicles)

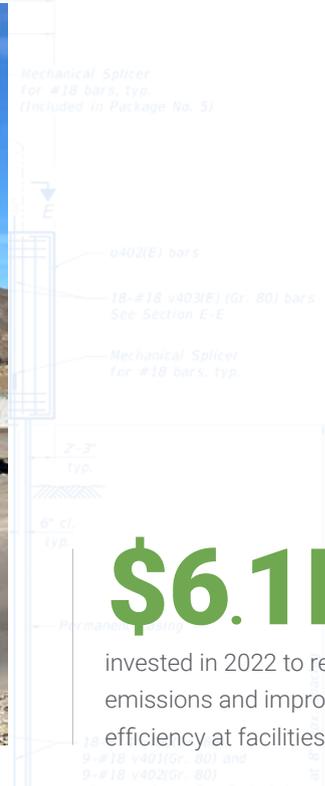
The results of the project show that our current priority target is technologically feasible. However, the results also indicate that cost is likely to be a significant barrier. We understand that reaching our priority target will require many individual decisions to be made by our project, fleet, and facility managers, and that no solution is one-size-fits-all. Our efforts focused on providing our decision makers with relevant cost and carbon data to assist in the evaluation of solutions moving forward. We are using the results of this project to inform action plans to implement new abatement measures where feasible, while also exploring funding opportunities to implement measures that are not currently feasible from a cost perspective.



ENERGY EFFICIENCY AT OUR PLANTS

Granite invested approximately \$6.1 million company-wide in projects aimed to reduce emissions and improve energy efficiency at plants in 2022. Over the past decade, Granite has invested substantially in energy conservation technologies at our construction materials facilities. Key examples of such energy conservation improvements include:

- Installing on-site solar power at three plant locations, with plans to install solar at another location in 2023
- Installing variable frequency drive technology to increase efficiency in plant operation, reducing electric power demand
- Insulating piping, storage tanks, and drums to prevent loss of thermal energy and reduce fuel use
- Replacing parallel flow drum plants with counterflow drum plants—counterflow plants allow more heat to be transferred from the burner to the finished asphalt product, increasing efficiency in heating and thus lowering fuel consumption (while also improving impacts to air quality)



\$6.1M

invested in 2022 to reduce emissions and improve energy efficiency at facilities

- Installing warm-mix asphalt systems to allow asphalt production at lower temperatures to reduce energy use—Granite was an early adopter of these systems, and has retrofitted 28 asphalt plants to produce warm-mix asphalt
- Optimizing recycled asphalt product content based upon finished product quality to reduce consumption of natural resources (including petroleum products)—all of Granite’s asphaltic concrete plants have recycled asphalt product systems
- Utilizing battery demand management systems, which contribute to the resilience of the electrical grid by shifting demand from peak periods to periods with additional capacity
- Purchasing long-term storage silos for load-out at a plant (to reduce emissions and cost)
- Installing a telescoping stacking conveyor to eliminate rehandling stockpile with a loader at a plant (to reduce fuel emissions)

NOTES:

1. For Strut Plan, Drilled Shaft Layout, Bill of Material and Sections A-A thru E-E, see Sheet 14.
2. Bars v401 and v402 shall be spliced to v403(E) bars using Mechanical Splicers for #18 bars.
3. Bars p400(E) and p401(E) shall be bundled together in order to produce a staggered lap at each bundle.



REDUCING EMISSIONS IN OUR FLEET

Granite's Equipment Department has focused on implementing technologies that improve fuel economy and help us decrease reliance on energy sources that emit GHGs. Our strategy for reducing emissions from our fleet includes:

- Transitioning to hybrid and electric technology as it becomes available
- Transitioning to the use of alternative fuels
- Investing in more fuel-efficient and emissions-efficient equipment and vehicles
- Managing the telematics data in our vehicle and equipment fleet to improve fuel efficiency

Our Equipment Department ramped up its sustainability efforts in 2022, both through collaborating to develop our decarbonization plan and through pursuing currently available technologies. We added four hybrid electric wheel loaders to our fleet to reduce GHG emissions. The next evolution of our fuel efficiency journey will be to look at vehicles to see if we can reduce the size of certain classes to improve our fleet fuel economy.

We continue to pursue zero-emission asset solutions for operations. We have six electric pickup trucks ordered for delivery in 2023. In 2022, we were able to demo one of the vehicles at our Corporate Headquarters and at our Monterey Bay Area office, and we gained valuable insights into battery charge management and vehicle range that clarified what the future will hold for battery electric vehicles in our fleet.

Granite is pursuing strategic sustainability partnerships to advance our goals, and our suppliers are key partners when it comes to electrifying our equipment fleet. In 2022, we began working with Caterpillar to demo a zero-emissions, battery-electric wheel loader. The first step was experimenting with a conventional diesel wheel loader that mimics battery operation through an on-board display. This approach teaches the crew to manage the use of the wheel loader according to its simulated "battery life," which will get the crews used to the recharging cycles for better work planning. We expect to receive the battery-electric machine in Spring 2023. In addition to this, we are working with United Rentals to supply a hydrogen fuel cell generator on-site to cleanly recharge the demo wheel loader. This kind of recharging would simplify the process of managing recharging logistics at remote locations.

In 2022, our Equipment and Information Technology Departments collaborated to provide a single-pane-of-glass view of telematics that aggregates similar metrics from different telematics providers. The use of telematics supports more detailed emissions tracking and allows us to better monitor efficiency and performance. The new view will allow operational teams to monitor fuel consuming driver behaviors and fuel economy more easily. Our teams also continued efforts to increase the use of telematics in our fleet, increasing our telematics-enabled fleet percentage from 65% in 2021 to 83% in 2022. Telematics will help us see the fleet and control fuel burn in the single-pane-of-glass solution.



Aiming to improve efficiency in equipment maintenance and management of plant and mobile equipment, Granite's Equipment Department began rolling out a new enterprise system in 2022 called the Asset Management Program (AMP). This solution provides better information for planning work, optimizing our work efforts, and reducing maintenance and repair rework and cost. AMP represents a major upgrade to the historical centralized system. This system better positions us for a future where Granite's fleet size and geographic dispersion increases with our company's growth.



IMPROVING CONSTRUCTION WASTE MANAGEMENT

Many local communities are taking steps to require tracking and reporting of construction and demolition (C&D) debris, with the goal of reducing the volume of materials that are disposed of in municipal solid waste landfills. Many clients are also growing increasingly concerned about responsible waste management on their projects. Granite's services support our clients in meeting waste management goals for their projects, including reducing waste and diverting usable resources for beneficial reuse.

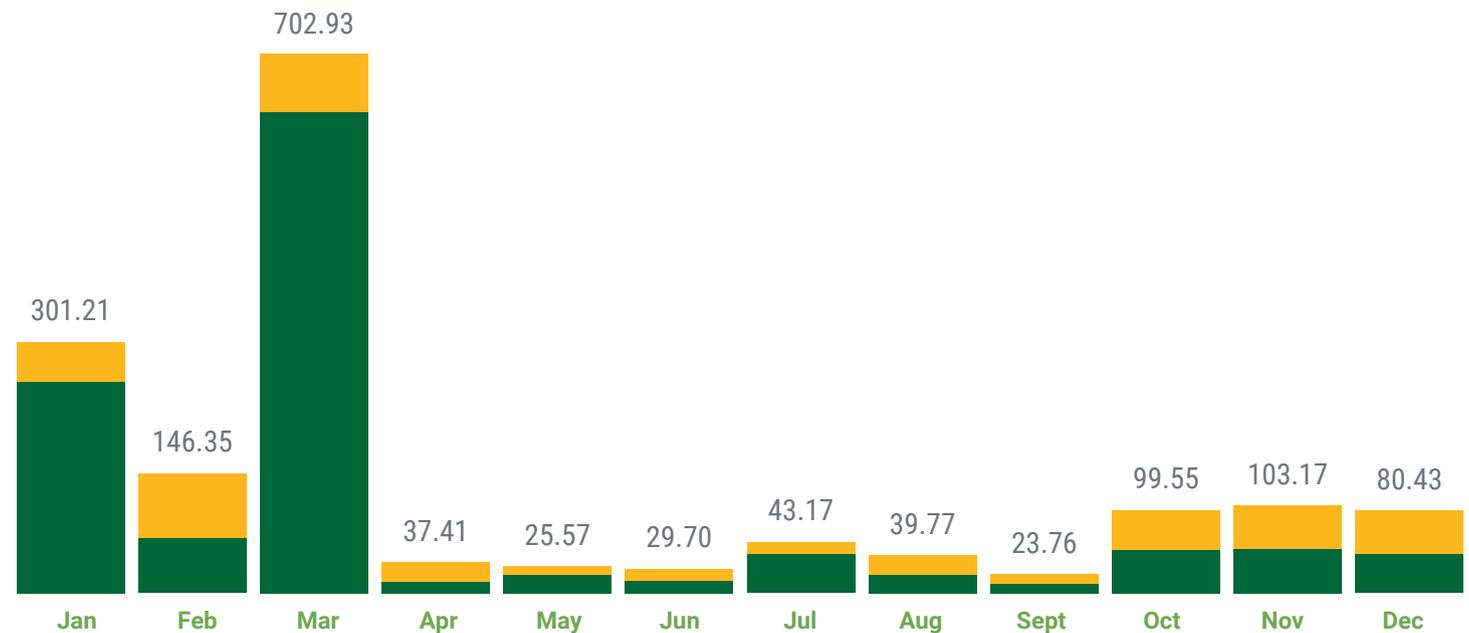
Granite's Sustainable Operations Task Force turned its attention to waste management in 2021, with a focus on establishing best practices for managing waste streams on construction project sites. In the Central Group, we launched a regional pilot project to improve our approach to waste management for C&D debris. In 2022, we continued tracking waste for this pilot project. The pilot tracked two tunnel projects and six civil infrastructure projects in the Illinois Region.

The goal of this pilot project is to use waste as a lagging indicator to learn where we can improve business operations and reduce waste. The recycled debris data collected thus far has provided more clarity into where we need to concentrate our efforts to reduce waste.

Pilot Project 2022 Results: Construction & Demolition Debris Quantities (Recycled & Waste)

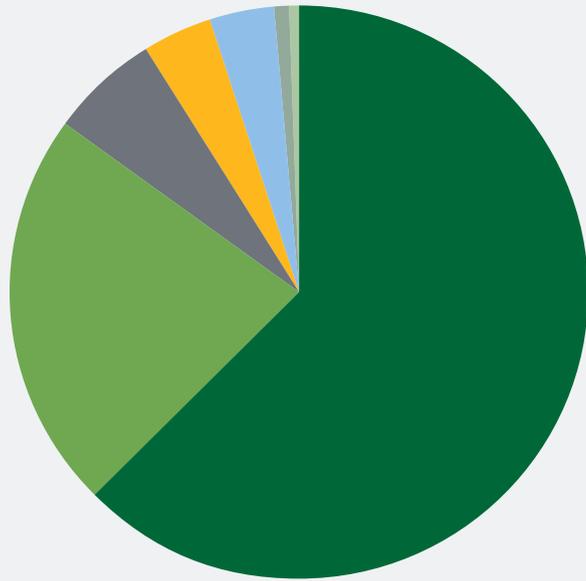
Quantity in US Tons

	Total Recycled	Total Municipal Solid Waste (MSW)	Percent Recycled	Percent MSW
Jan	273.65	27.56	91%	9%
Feb	67.95	78.40	46%	54%
Mar	627.50	75.43	89%	11%
Apr	14.02	23.39	37%	63%
May	19.68	5.89	77%	23%
Jun	15.14	14.56	51%	49%
Jul	28.72	14.45	67%	33%
Aug	17.61	22.16	44%	56%
Sept	11.95	11.81	50%	50%
Oct	65.88	33.67	66%	34%
Nov	54.04	49.13	52%	48%
Dec	33.88	46.55	42%	58%
Total	1,230.02	403.00	75%	25%



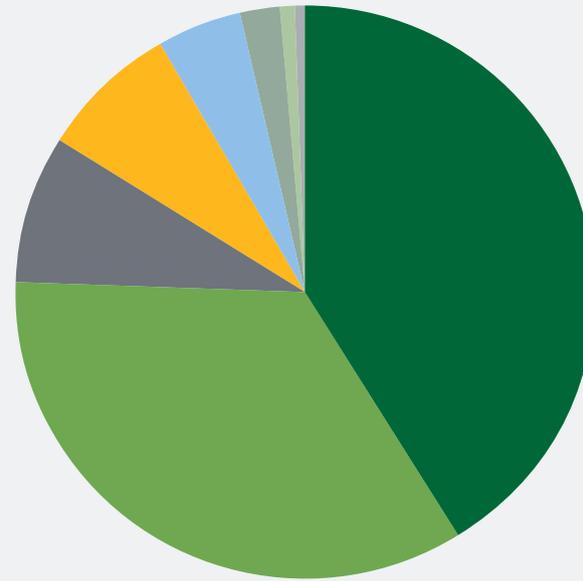


Pilot Project 2022 Results: Recycled Debris



Recycled Debris from Tunnel Projects

Metals	62.75%
Conveyor Belt	22.39%
Co-Mingled	6.15%
Paper	3.84%
Concrete	3.58%
Wood	0.98%
Other	0.32%



Recycled Debris from Illinois Region Projects

Concrete	41.17%
Wood	34.42%
Asphalt	8.46%
Cardboard	7.77%
Plastic	4.84%
Metals	2.09%
Co-Mingled	0.74%
Drywall	0.51%

For the tunnel projects, most of the recycled material was from disposal of the tunnel boring machine (TBM) and the continuous belt conveyor. The TBM was made up of cars called gantries, steel frames that carry equipment for the operation of the TBM, which can be hundreds of feet in linear length. The gantries are typically custom built by the TBM manufacturer for the machine they provide, so the manufacturers typically do not want them to be returned for reuse. The belt conveyor is run continuously through the tunnel and is used to transport the excavated earth out of the tunnel. This belt was about eight miles long. Historically, belt conveyors might be suitable for use in another project if they were in good condition, otherwise they were likely destined for a landfill. For this project, our teams found a recycler that took the belt to repurpose into other products from gym floors to fuel oil.

The Illinois Region data show that concrete and wood are the two most disposed of materials in the region. Generally, concrete debris is mostly from demolition of existing structures required by project work scopes, and debris quantities may not be able to be reduced. In contrast, wood is typically from temporary falsework and forms. The information regarding wood debris was used to inform our teams that this is an area where reduction improvements can be made in our operations. Rethinking the use of single-use wooden temporary structures and seeking more reusable systems to reduce the generation of wood debris would provide both environmental and economic benefits by reducing waste and project cost.



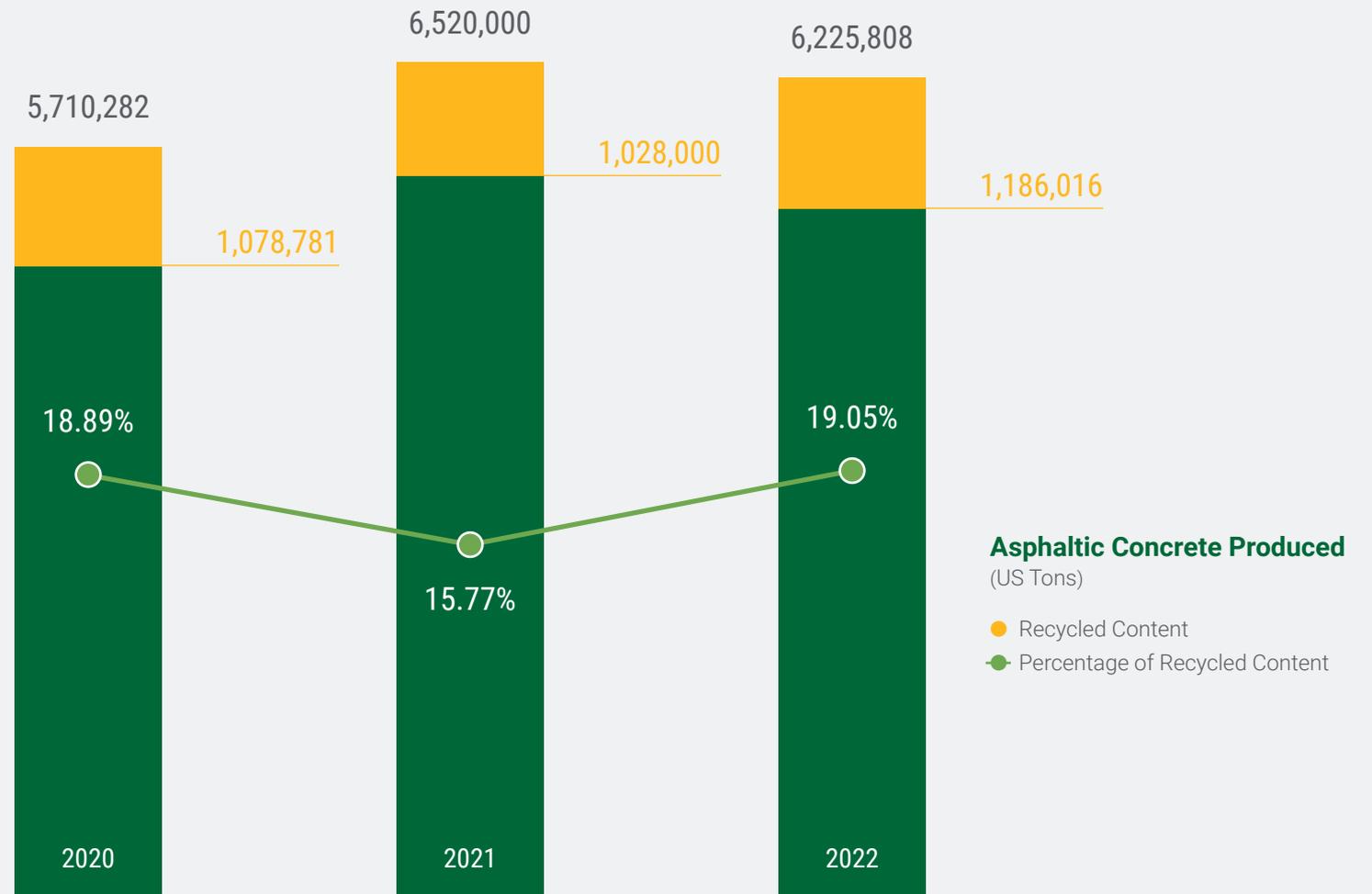
USING MORE RECYCLED MATERIALS

Conservation of natural resources is one of our priorities for responsibly managing environmental impacts associated with our work. To better understand the environmental impacts of our products, one of the priority targets of our sustainability strategic plan is to increase the use of Environmental Product Declarations (EPDs) at our materials facilities. An EPD is a declaration that “quantifies environmental information on the life cycle of a product to enable comparisons between products fulfilling the same function” (ISO 14025). An EPD is like a nutrition label, but instead of providing nutritional content, it provides the environmental impacts of a product's life cycle.

So far, all our regions in California with asphalt plants have designated team members to train on the EPD program. Granite has published two product specific EPDs for asphalt mixes. We also worked with external experts in 2022 to develop draft EPDs for six aggregate facilities (representing over 80% of Granite’s aggregate production in California and over 40% of aggregate production companywide).

One of our goals is to increase the use of recycled materials. At our asphalt plants, this includes increasing the use of recycled asphalt product. Granite’s ability to use more recycled asphalt product and other recycled materials in asphalt mixes is ultimately controlled by client specifications, so we encourage our clients to allow higher percentages of recycled materials. Through innovations in technology, balanced mix design, and performance testing, asphalt

Use of Recycled Materials (2020-2022)





can be produced with a higher percentage (over 40%) of recycled content while improving its long-term performance. This reduces material waste, overall cost, and use of virgin aggregate and asphalt binder (a petroleum product)—all while maintaining high quality and performance.

Quality engineering is an important attribute of our material products. Balanced mix design is an alternative method of designing asphalt mixes using performance tests on appropriately conditioned specimens to address multiple modes of distress while considering aging, traffic, climate, and location within the pavement structure. A mix design that develops a balance between rutting and cracking while considering moisture sensitivity performance of asphalt pavements can provide the following:

- Conservation of natural resources
- Reduced maintenance costs
- Reduced material costs
- Increased service life
- Improved durability

**2025
TARGET**

Have Environmental Product Declarations (EPDs) available for 50% of our materials facilities by 2025

In 2022, six aggregate facilities completed draft EPDs and two asphalt plants published EPDs, representing 7% of our total materials facilities



ADVANCING LOWER CARBON CONSTRUCTION MATERIALS

Innovating to Reduce Embodied Carbon in Asphalt

Granite's increased focus on sustainability has fostered innovative efforts that create value across the triple bottom line (considering not only financial outcomes, but also social and environmental ones). One example of innovation comes from a collaborative effort to integrate postconsumer plastic into asphalt concrete, which began in 2021, and continues today. Our teams are pioneering a new approach to plastics in pavements that reduces plastic in the waste stream, reduces use of virgin asphalt binder, and saves Granite money along the way. This new asphalt mix decreases not only overall EPD values but also the global warming potential (by at least 5%) compared to similar mixes

without recycled plastics—providing a unique, lower carbon alternative that differentiates Granite's product from others in the marketplace.

The innovation to use this type of plastic in hot-mix asphalt provides benefits across the triple bottom line. Some plastics can be used, recycled, and used again in a polyethene loop, so our teams wanted to avoid taking that kind of plastic from its useful stream. The plastic we are using cannot otherwise be recycled, so we are taking it out of the waste stream and putting it to a higher use. This allows us to have positive impacts within our own supply chain and beyond it. Reducing this waste stream provides social and environmental benefits by helping communities manage waste.



The first opportunity to use this new mix in a commercial setting came from a Granite customer contracted with a major retailer to pave parking lots at retail stores. In 2021, our team used the first Granite hot-mix asphalt incorporating post-consumer plastic (and 20% recycled asphalt product content) to pave a parking lot.

In 2022, Granite worked on additional projects where clients opted to use this new recycled plastic mix. In May, the California Department of Transportation tested the asphalt mix (with 10% recycled plastic) on a shoulder of State Route 99 in Elk Grove, near Sacramento, California. Pleased with the appearance and performance after several months, the department expanded the test by using the mix to pave all lanes in a 500-foot section of the highway. After a few months, with thousands of heavy trucks driving on the road in hot and cold weather, the client reported that the plasticized pavement has been performing very well, and there is no cracking or rutting. The mix was used in part of the Cosumnes Bridge Replacement Project, which aims to address structural and seismic deficiencies of the four Cosumnes River

Recycling Impact

One lane mile of mix with 20% recycled asphalt product and 10% plastic binder

229.7

Saves 229.7 tons of rock from quarries

483,706

Recycles the equivalent of 483,706 plastic bottles

99

Saves 99 barrels of oil from well extraction

4.7

Saves 4.7 tons of CO₂e by not incinerating plastic



bridges and improve freight mobility and safety along this segment of State Route 99.

This unique product sets Granite apart in the marketplace. This mix has not only created social and environmental benefits—it has improved performance. This mix design significantly improves rutting and cracking resistance, creating better performance for clients. The recycled content also makes it eligible to provide more credits in green rating systems such as LEED (Leadership in Energy and Environmental Design) and the Envision framework for sustainable infrastructure.

Granite has also expanded facilities that will allow us to continue research and development on incorporating plastic into asphalt mixes and other sustainable practices. Centennial Asphalt Company, a wholly-owned subsidiary of Granite, completed the purchase of a liquid asphalt terminal in 2022. The facility, located in Bakersfield, California, provides 170,000 barrels of liquid asphalt storage. The additional flexibility provided by the terminal is also expected to allow Centennial to expand into new, more sustainable product offerings such as asphalt modified with recycled materials.

Leveraging the capabilities provided by Centennial Asphalt, Granite used the first emulsified plastic asphalt for pavement preservation on a surface treatment project in San Luis Obispo, California. Centennial Asphalt terminal made the emulsion and Granite's Intermountain Slurry Seal team performed the construction. As we foster a culture of sustainability and innovation, we work together to help Granite realize its vision of being the leading provider of sustainable infrastructure solutions.

Building with More Sustainable Materials

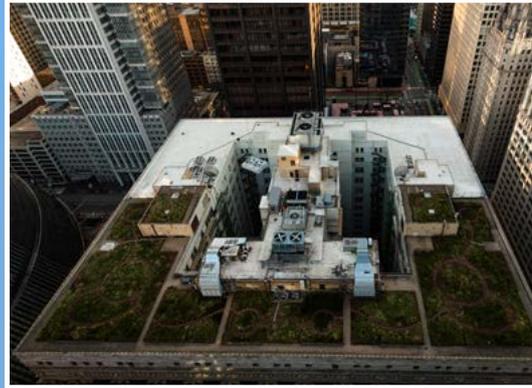
Granite is at the forefront of incorporating materials that have a lower carbon footprint in projects. Granite received the "Maximizing Sustainability Award" from the Southwest Concrete Paving Association for our project team's above-and-beyond incorporation of new sustainable practices and materials on the Highway 101 Project (Santa Barbara to Carpinteria, California). Granite received this award due to its commitment to establish an on-site concrete batch plant, which greatly reduced truck travel and emissions. Granite also became the first heavy horizontal contractor to switch its concrete mix designs to Portland Limestone Cement, which has a reduced carbon footprint when compared to Type II/V cement.



Sustainability Spotlight: Granite's Facilities Management Team

Granite Power's Facilities Management team provides services that help our clients improve energy efficiency and safety in their facilities. This team provides all types of facility upgrades, primarily to clients in municipal, county, and state government organizations, as well as public clients such as school districts and public universities. Granite can reduce the cost of ownership for these clients by implementing the most energy efficient and cost-effective systems for their facilities, including:

- Energy Efficiency Upgrades
 - Lighting upgrades
 - Mechanical system upgrades
 - Water saving device upgrades
 - Building envelope modifications - roofing, insulation, window, and door replacement
 - Building automation systems
 - Mechanical systems
 - Lighting controls
 - 5g and wireless controls
 - Coordination between compliant systems
- Life Safety Upgrades
 - Fire alarm system replacement and upgrades
 - Security system upgrades and installations
 - Code modifications and updates
 - Critical systems modifications and upgrades
 - Fire sprinkler system installation and upgrades



PROJECT HIGHLIGHT

CITY HALL FACILITIES MANAGEMENT PROJECT

In 2022, Granite’s Facilities Management team completed a significant upgrade project for the City Hall of a major US city to make the building’s climate control more energy efficient, contributing to the city’s goal to reduce its carbon footprint.

Helping City Hall reduce its carbon footprint

As part of the city’s initiative to reduce the carbon footprint of City Hall by more than 15%, the facility is currently undergoing a complete air handling unit upgrade. This project will renovate a total of 16 different air handling units, 12 on the roof and four in the basement. The existing units were more than 40 years old and consisted of a single, large belt-drive fan. These required constant maintenance—replacing fan belts, changing outdated filters, and operating dampers by hand.

Embracing sustainability

The upgrade replaces the single fan units with a series of fan walls consisting of smaller electronically commutated motor fans. Individual fans are equipped with a built-in inverter and magnet rotor, which can allow for greater efficiency in air flow in comparison to their AC motor counterparts. Instead of relying on external equipment, each individual fan has internal software and mechanical systems used to communicate with the Building Automation System (BAS). In the event of a power surge or unforeseen mechanical issue damaging a particular fan, the remaining functional fans will compensate to ensure that temperature and airflow will remain constant, sustaining a healthy work environment for the tenants of the building and reducing overall maintenance costs.

The new fan walls, dampers, and air flow sensors will all be tied into the upgraded BAS. Using the BAS, the building engineers can monitor and adjust airflow, temperature, and static pressure. Each supply and return fan has multiple dampers—outside air, return, bypass, isolation, and mixed air dampers. Every damper plays a crucial role in allowing the proper amount of airflow to enter, circulate, and exit the building. The dampers selected for this project, when adjusted by the BAS, work efficiently to reduce energy consumption by utilizing natural temperatures and allowing optimal airflow at the facility.

Reducing costs

The project team estimates \$750,000 in potential annual cost savings from this project.



ENDURING VALUE



PURSUING COLLABORATIVE CONTRACTING

The future of infrastructure is collaborative. As we face increasing challenges from climate change and seek to reduce negative social and environmental impacts from the built environment, utilizing collaborative contracting methods will be key for advancing improvements in sustainable infrastructure. Many organizations still rely on competitive, hard-bid contracting methods, which can limit opportunities to deploy more innovative and sustainable construction materials and infrastructure solutions. At Granite, we urge organizations aiming to improve the built environment to consider leveraging collaborative contracting methods to promote more equitable outcomes for communities and the environment.

Considering sustainability early in the life cycle of a construction project allows for more cost-effective implementation of more sustainable and equitable solutions. To truly meet the definition of sustainable infrastructure, sustainability must be considered in the initial planning process, so that it can be reflected in design and construction. Collaborative contracting methods, which engage the contractor earlier in the delivery process, allow for the cooperation needed to support sustainability more effectively than traditional methods in which the design is completed before a contractor is included in the process.

Collaborative contracting methods (also known as alternative procurement methods) are distinct from traditional methods (low-bid or competitive, hard-bid contracting) in that they provide the benefit of involving the contractor earlier in the planning process. While there are several types under each method, examples of collaborative contracting include Construction Manager at Risk (CMAR), Construction Manager-General Contractor (CMGC), and Progressive Design-Build (PDB). These procurement methods are also specifically designed to allow more flexibility to address issues as projects advance towards the construction phase.





At Granite, we have experienced sustainability benefits from collaborative contracting first-hand on our Highway 101 CMGC project, between Santa Barbara and Carpinteria, California, for Caltrans and the Santa Barbara County Association of Governments. The siting of a concrete batch plant on location provides one striking example. Using a traditional low-bid delivery method, permitting a plant on-site would have seemed unlikely because of regulatory and stakeholder risk. But, because the CMGC method allowed for more collaboration during design between Granite as the contractor, the owner, regulators, and community stakeholders, we were able to pursue a workable solution for all parties. As a united team, we were able to explain the community benefits of having the plant on-site to the permitting agencies, which allowed them to see the bigger-picture value proposition and ultimately approve the plant.

Siting the concrete plant on the project site created several benefits for managing environmental and social impacts. Having the plant on-site reduces environmental impacts by reducing trucking of materials and associated greenhouse gas and air pollution. The plant operates through a connection to a power line, rather than a fuel-powered generator, which significantly reduces greenhouse gas and other air emissions. The on-site plant also helps avoid impacting socio-economically disadvantaged communities located around the alternative off-site plant and in the neighborhoods through which the trucks would have passed while hauling materials. Instead, the negative impacts are narrowed to the community that is getting the most benefit from the project. The plant is also providing an economic benefit of saving approximately \$10 million for the owner, which means those funds are available for other project aspects (or other projects) to benefit the community.

As we aim to respond to the impacts of climate change, such as more frequent extreme weather events, we will need to be more adaptive and efficient with how we approach infrastructure projects. Building more resilient infrastructure will also require us to better understand and respond to impacts on communities. In the face of these complex challenges, collaborative contracting methods provide more opportunities for owners, designers, and contractors to benefit from multiple perspectives—ultimately, this holds great promise for developing more effective solutions to meet community needs. The infrastructure of the future should be built collaboratively.



QUALITY & PRODUCT SAFETY

Accountability

We hold ourselves accountable for satisfying client needs, mitigating risks, and driving continuous improvement in our operations. The processes defined in our Granite Management System (GMS) are the cornerstone of our quality risk prevention and product safety strategy, and support efficient, safe, quality-focused, and cost-effective operations. We hold ourselves accountable for following company best practices and quality procedures that are known to achieve excellence and produce consistent results.

As part of Granite's focus on continuous improvement and risk management, a comprehensive internal quality self-assessment and audit program has been implemented for many years. For the self-assessment component of the program, in 2022 a total of 30 laboratories were assessed by regional quality teams who found them to be 96% in compliance with required procedures and recommended best practices. Each lab is implementing corrective actions that are tracked through completion to assure they achieved full compliance with required procedures and adopted best practices. For the audit component of the program, quality functional leaders



conducted audits of each region's materials quality programs. The purpose of these audits was to assess each region's program ability to appropriately manage construction materials risk and ensure key materials quality goals and objectives were in place. A total of ten regional quality programs were audited with an average audit score of 95% and a total of 65 opportunities for improvement identified.

**2025
TARGET**

Improve our first-time quality rate for production of construction materials from 85% in 2020 to 95% by 2025

Construction Materials Quality

Granite began tracking first-time quality for each aggregate and asphalt product made throughout our construction materials operations in 2019. Material first-time quality is an internal Granite metric derived using thousands of inspections and tests conducted in our quality laboratories. Each region set targets based on local specifications with the goal of benchmarking current quality levels and identifying opportunities to improve the quality of the materials produced. Granite's company-wide goal is a score in excess of 90%, which is intended to match a quality level where every ton of material produced is expected to receive full pay based upon statistical evaluation. Material first-time quality scores and tons of asphalt/aggregate produced:

- 2019 - 81% on 18 million tons of product
- 2020 - 85% on 22 million tons of product
- 2021 - 88% on 22.5 million tons of product
- 2022 - 89% on 22 million tons of product

In addition to material first time quality, Granite construction materials teams have placed significant focus on several key metrics that positively impact both financial and quality performance while also supporting the company's sustainability goals, which include:

- Mix design optimization
- Recycled product usage
- Test strip performance
- Hot-mix asphalt bonus performance

Each of these items is rigorously tracked on Granite's quality-focused dashboards and reviewed as part of regular quality reviews conducted with each region to ensure continuous improvement is made and corrective action is taken when appropriate.



Construction Quality

In 2021, the Corporate Quality Group reorganized into two distinct functions. While the Construction Materials Quality team operates a mature quality program, our Construction Quality program is still in the early stages of its development. Early in 2022, the Corporate Construction Quality team undertook an endeavor to obtain the “voice of the customer” (VOC) from our operational teams, to better define how this program can best meet the needs of our business operations. VOC surveys were conducted with a cross section of Granite leaders (consisting of senior vice presidents, regional vice presidents, area managers, projects executives, senior estimators, and regional quality managers) to gather their input on how they think the Construction Quality program should evolve. The result of the VOC surveys led to the development of a Service Level Agreement (SLA) for both Construction and Construction Materials Quality. The SLA, which defines organizational responsibilities, is intended to establish a commitment for services related to providing best value quality for company operations.

As part of the new SLA, Granite’s leaders indicated a strong need to conduct more detailed strategic planning for the Construction Quality program, with an emphasis on reduction of waste through improved processes and well-defined accountability in identifying and mitigating construction risk. The strategic planning process resulted in a more defined path with the following quality strategic objectives:



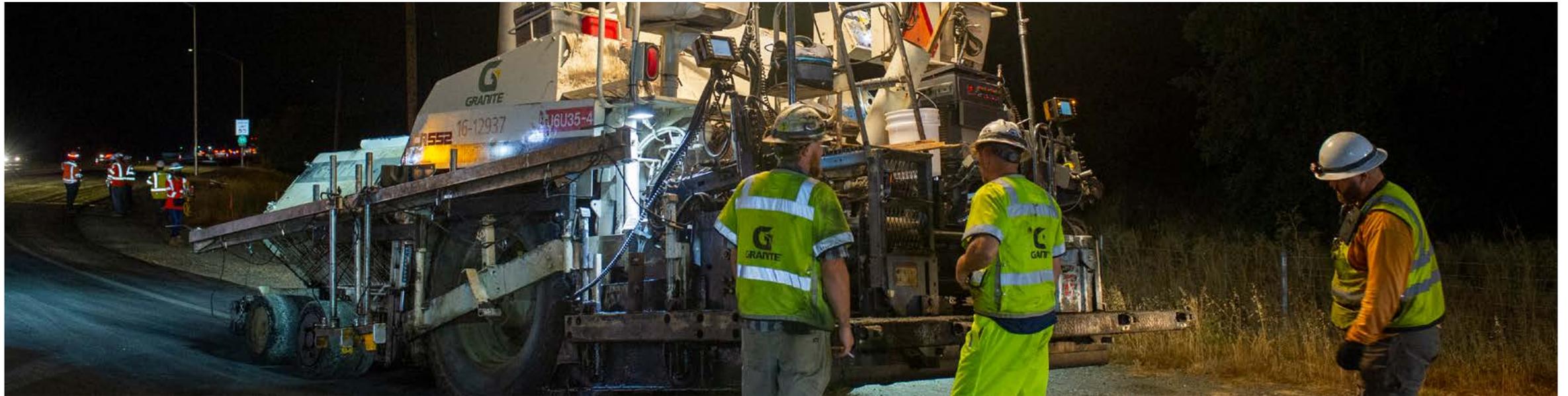
OBJECTIVE #1
Demonstrate quality's contribution to Granite's improved financial performance

OBJECTIVE #2
Communication of improved quality strategy throughout all functions

OBJECTIVE #3
Track, understand, and communicate the cost of poor quality

OBJECTIVE #4
Fortify our quality organization and expand quality career path

OBJECTIVE #5
Strengthen Granite's quality culture



Strategic Planning Implementation

Our Sustainability efforts aim to support the long-term health of our organization, and our Quality program supports this aim by supporting efficient project execution (with our motto to do work “right the first time!”). Our Construction Quality team made the strategic objective to “track, understand, and communicate the cost of poor quality” their top priority in 2022. To reduce rework and improve sustainability, Granite first needed to understand the full impact and magnitude of construction and materials “loss.” Granite Quality has created a “quality incident tracker” which allows us to provide details when we encounter rework, and subsequently identify the cost and cause of rework. We

piloted this system in 2022 and plan for a company-wide rollout in 2023. The process flow allows us to input incident information into the quality incident tracker, determine if it is a major quality incident (one with significant financial impact), and conduct a collaborative learning event (CLE) to define contributing factors and identify root causes. For major incidents, we will input “lessons learned” into a central database and publish “quality alerts” throughout the company. These alerts will empower our teams to discuss and share these major incidents, their causes and impacts, and most importantly, mitigation processes to prevent recurrence.

Driving Improvement: Quality Incident & Rework Reporting

One ongoing strategic focus for our quality program is to establish accurate accounting for quality incidents, which will support our goal of reducing incidents to avoid rework, reduce cost, and increase efficiency. Quality defects and the resulting cost and schedule impacts are so common in construction that they are routinely included in historical cost and productivity rates. Identifying and reporting larger, more time-consuming, and expensive quality incidents provides information that can drive significant operational improvements. In 2022, Granite continued to expand the implementation of an improved reporting system and database for capturing quality incidents and rework. We anticipate this system will capture more incidents and rework as it rolls out to additional regions. These systems captured the following in 2022: 179 quality incidents at an estimated total cost of \$2.1 million, and 9,505 rework events totaling over \$4.7 million.



INNOVATION & CONTINUOUS IMPROVEMENT

Our teams are leveraging Continuous Improvement (CI) efforts to support performance across the triple bottom line—considering not only financial outcomes, but also social and environmental ones. On the social side, CI’s ongoing partnership with the Safety Department fosters innovation to keep our people safe. CI training events and team-based improvement activities are also key to supporting learning and development initiatives to enhance how our teams apply sustainable principles in their work. Many CI initiatives have direct environmental considerations and are key to sustainability efforts related to reducing emissions and minimizing waste. Our growing Construction Technology program, which aims to advance the use of innovative technology in the field, is also being leveraged to support more sustainable practices in our operations.

Clean Power Generation on Carpenter Trucks

Reducing GHG emissions is one of our top sustainability priorities, and our CI and Technology initiatives are focused on supporting this priority. In 2022, we began working on a solution to replace onboard gas-powered generators on our F450 carpenter trucks with a battery storage system. Historically, generators have been used daily in our structures work to power tools and charge cordless battery-powered tools.

We are working proactively to replace generators with an onboard battery storage system and inverter. This system will be powered from the truck’s engine/alternator stock configuration or by a larger alternator system where required. Battery storage systems will be sized to minimize engine operating time to charge batteries during the workday. Ideally, the system



will be charged during the commute to and from the job, thereby optimizing engine runtime. As another option, trucks could be outfitted with solar panels to provide minimal power and plug-in charging at their home base.

These solutions will eliminate generator usage for most of our jobsite structures work and will reduce or eliminate gasoline usage in this context. This change would also provide a safety benefit by eliminating the need to carry gas cans in carpenters' trucks.

Machine Controls

The sustainability of America's transportation infrastructure requires moving soil and paving roadways. However, the machines currently needed to perform this type of work create harmful GHG emissions. We are striving to ensure that we are using the latest technologies to improve construction production, while at the same time limiting GHG emissions. Semi-autonomous capabilities in our large machines help us accomplish that. Through machine controls, we can limit the amount of passes it takes to achieve first-time quality, hence reducing our fuel usage and emissions. The continued advancements and adoption of this type of technology is allowing us to limit environmental impacts.

Thermal Mapping & Dielectric Profiling

Improving asphalt compaction is critical to the life of our paved infrastructure. Using dielectric profiling and thermal mapping systems, we can determine when density standards are met and how related operational processes impact the construction, quality, and compaction of these finished assets. Coupled with intelligent compaction technologies, these devices provide valuable readouts on any inconsistencies or segregation analytics to ensure our crews can improve paving operations, material distribution, and asphalt compaction in a timely manner. The overall value of using these types of products helps us reduce and eliminate rework, improve

production, and sustain our transportation infrastructure beyond historical expected life.

Digital Ticketing

Every two years, the Federal Highway Administration issues certain technology initiatives and innovative goals for our industry. During the start of the COVID-19 pandemic, one focus was around creating digital truck tickets to eliminate the physical passing of paper tickets from trucks, plants, and job sites. One of Granite's client relationships allowed us to work with their teams to implement and build what is now the standard digital ticket solution for public roadwork.

In parallel to this effort, our regions began working to define and implement another digital ticketing platform for our projects. A single platform was chosen as the best option and our operations began implementing it across many regions. We currently have over 140 active projects using digital ticketing and continue to increase adoption throughout our entire company.

Subsurface Mapping

Understanding the impacts and challenges related to subsurface utilities is a critical component of how we propose, plan, and build our work. Sourcing new and intuitive information about underground obstacles and utilities is helping us eliminate utility strikes and execute our operations with more accuracy, less cost, and less environmental impact.

Utilizing a technology analysis tool that provides utility information during our proposal efforts can help us create better detailed operational plans more effectively. We plan to test a new underground mapping technology to verify the subsurface utilities and improve the execution of our work. When implemented by our operational teams in the field, this technology would help eliminate or reduce investigative digging and prolonged schedule delays, while also providing cost savings.



INFRASTRUCTURE INVESTMENT

Sustainable Infrastructure Funding

Granite makes it a priority to advocate for the protection of sustainable infrastructure funding. In addition, our business units across the country are involved in state, regional, and local associations that advocate for increased sustainable investment in infrastructure.

Granite has a key executive assigned to each of our four national trade associations to align Granite's interests in the areas of increasing federal infrastructure investment. These associations include:

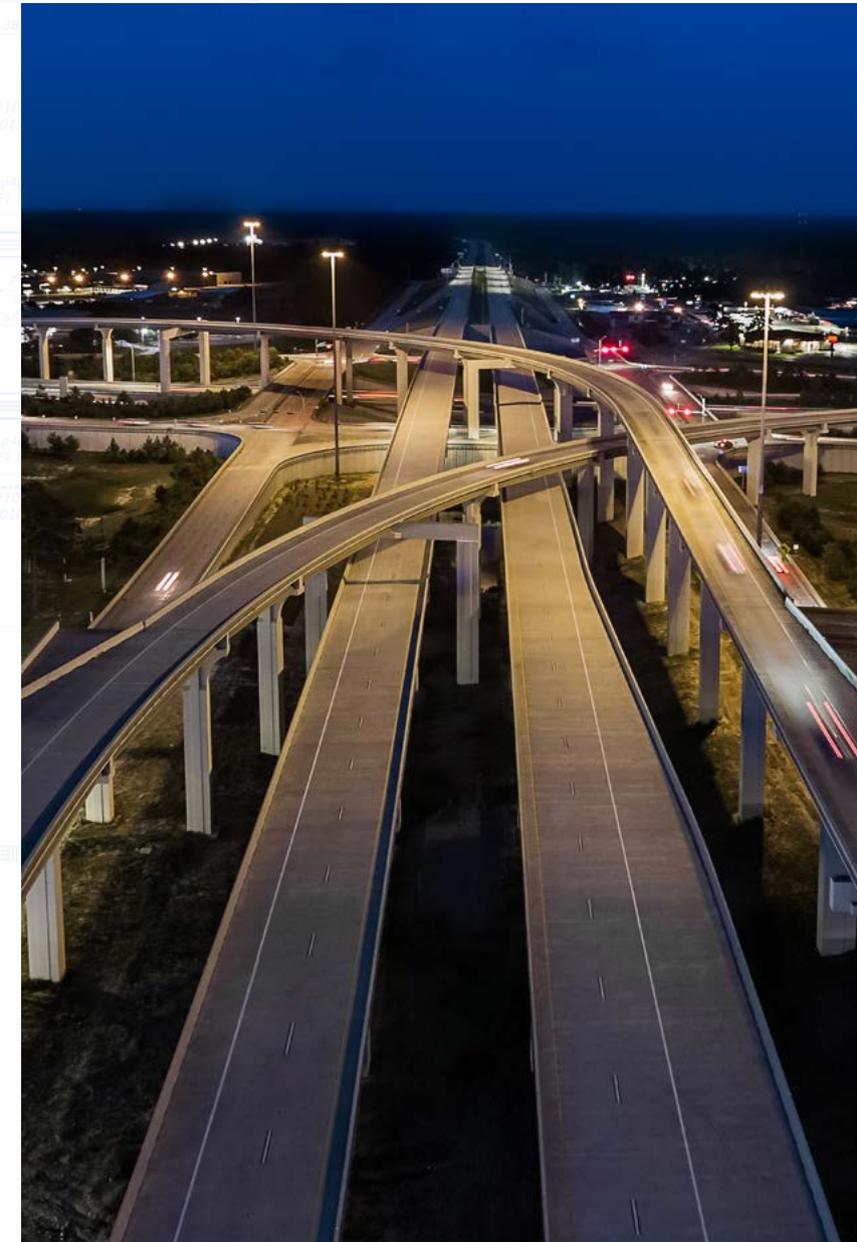
- American Road & Transportation Builders Association (ARTBA)
- Associated General Contractors of America (AGC)
- National Asphalt Pavement Association (NAPA)
- National Stone, Sand & Gravel Association (NSSGA)

Granite also has members involved in other national industry and professional organizations and conferences, including:

- American Society of Civil Engineers (ASCE)
- Association of Construction Equipment Managers (ACEM)
- Association of Equipment Management Professionals (AEMP)
- Groundbreaking Women in Construction Conference
- National Association of Sewer Service Companies (NASSCO)
- National Association of Women in Construction
- Society of American Military Engineers (SAME)
- Society of Hispanic Professional Engineers
- Society of Women Engineers
- Women in Construction Conference
- Women of Asphalt

In 2022, Granite's Chief Executive Officer and Chief Operating Officer were elected to the NAPA and ARTBA boards, respectively, further expanding our industry leadership and positioning us to advocate for transportation funding and fair regulations that allow us to grow our business. Through our collaborative efforts with our trade associations, Granite provided testimony before the US Senate Environmental and Public Works Committee about the implementation challenges and opportunities the Infrastructure Investment and Jobs Act (IIJA) presented. We successfully lobbied for full appropriation of the IIJA funding and gained approval for the Cornyn-Padilla legislation to allow state and local agencies to use up to \$104 billion in unspent but authorized COVID-19 funds for transportation funding.

Granite's labor relations team also contributed to our legislative advocacy efforts by participating in organizations developed through labor management efforts that are dedicated to securing public funding for transportation and infrastructure construction. Granite's Vice President of Labor Relations serves as the Chair of Transportation California, whose mission is "to develop robust, sustainable, and dedicated funding to properly maintain California's multimodal transportation infrastructure and build the transportation system of the future." He also serves on the boards of the California Alliance for Jobs and the Rebuild SoCal Partnership, which are principally voter education entities seeking to educate taxpayers on the value of transportation infrastructure investment.



1. Bars p400(E) and p40 (shall) be bundled together in order to produce a staggered lap at each bundle.



Supporting Sustainable Industry Practices

Granite has historically supported industry-wide efforts to advance sustainable practices, and we continue that commitment today.

Granite was a founding sponsor for two non-profits that created frameworks used to assess the sustainability of infrastructure: Greenroads (now called the Sustainable Transport Council) and the Institute for Sustainable Infrastructure (which created the Envision rating system). In 2022, Granite became a member of the US Green Building Council. We will continue to seek opportunities to collaborate with other organizations to advance sustainability in our industry.

We seek to positively impact the construction industry by working with other organizations to improve and implement best practices. In 2022:

- Answering the call from industry groups and peers, Granite’s sustainability lead expanded efforts to provide educational opportunities to advance sustainability in our industry. With a focus on building sustainability programs and systems to capture and report GHG emissions, she shared experiences and best practices at events including:
 - The California Construction and Industrial Materials Association (CalCIMA) Education Conference
 - Construction Financial Management Conference
 - NAPA climate webinar
 - World of Asphalt
- Granite sponsored NAPA’s climate initiative, The Road Forward, a vision for net zero carbon emissions for the asphalt pavement industry. Granite collaborated extensively in the development of this initiative. The primary goals include:
 - Achieve net zero carbon emissions during asphalt production and construction by 2050
 - Partner with customers to reduce emissions through pavement quality, durability, longevity, and efficiency standards by 2050

- Develop a net zero materials supply chain by 2050
- Transition to electricity from renewable energy providers in support of net zero carbon electricity generation by 2050 and reduce electrical intensities
- Granite continued to support NAPA’s Sustainability Committee efforts, with our sustainability lead serving as committee vice-chair. We also supported NAPA in the development of an industry-wide strategic plan to address the impacts of climate change and reduce carbon emissions.
- Through NAPA, Granite continued to participate in a pilot program for the Environmental Protection Agency to develop an ENERGY STAR program for the asphalt industry. The goal of the program is to improve energy efficiency in asphalt plants.
- We continued to support NAPA’s efforts to update its Environmental Product Declaration (EPD) tool, used to calculate the environmental impact of asphalt products.
- We participated in the NSSGA’s Sustainability Committee, aimed at advancing sustainable practices in the aggregate industry.
- We continued to participate in the NSSGA’s efforts to assess options for developing EPD programs and tools for aggregates, to better understand and provide data on the environmental impacts of specific aggregate products.
- We advocated for state laws to allow higher percentages of recycled asphalt, concrete, and aggregate in all construction materials used in transportation projects for local and regional transportation projects. Using higher levels of recycled materials results in lower costs, less oil use, less cement use, less use of virgin aggregate, and lower air emissions.
- One of our environmental professionals served on the National Steering Committee for the AGC’s Environmental Committee, which advocates for sustainability and environmentally responsible construction practices and policies.

- A Granite team member joined the board of the Illinois Road and Transportation Builders Association Sustainability Council, which was established “to develop an environmental conscience while designing and building sustainable infrastructure.”
- One of our environmental professionals volunteered with the Nevada Mining Association’s (NVMA) Education Committee, which hosts events for K-12 grade teachers to earn continuing education credits. The teacher workshops help local teachers learn about the history of the mining industry, modern mining practices, and the future of the mining industry. This Granite team member taught two classes in 2022, one about rocks and minerals, and another on water pollution prevention in the construction and mining industries.
- Going beyond the boundaries of our industry, Granite supported the Nevada Division of Environmental Protection’s Partners for Sustainable Nevada program. One of our environmental professionals participated as a local business representative on the statewide team and served as the program’s policy chair. This policy group strives to develop options for the Nevada legislature to consider in support of sustainable policy measures, with the goal of creating policies that incentivize sustainable business development.





PROJECT HIGHLIGHT

SANDRINI SOLAR PROJECT

Constructing resilience through a clean energy future

Granite has steadily grown its presence in the solar market, which aligns with Granite's sustainability goals by contributing to the development of a cleaner energy future. Sandrini I & II is a 300 MW combined solar project located in Bakersfield, California.

Leveraging relationships

Granite is completing this project for our biggest solar client, Rosendin Electric, Inc. Granite Industrial is performing post and mechanical tracker scopes of work, and subcontracted Granite's Bakersfield branch for the civil scope. The civil construction scope includes site disc and roll, array grading, base access roads (with base material provided by the local Granite plant), inverter skid grading, and dust palliative application. The solar post scope includes survey, offload, stage, installation, and quality control of 104,000 posts. The tracker scope includes offload, stage, installation, and quality control of 9,200 NEXTracker rows.

Creating public benefit

The most obvious public benefit of Sandrini I & II is the clean, emissions-free power it will generate—enough to power 100,000 homes. Beyond that, the project provides 650 jobs during construction and 11 permanent jobs upon completion.

Embracing sustainability

The Granite teams are diligently engaged with environmental requirements. This effort includes trainings, as all employees attend a job-specific Worker Environmental Awareness Program prior to performing any work on site, equipment inspections to ensure no foreign soil is present prior to offloading any equipment on the jobsite, awareness and avoidance of designated Environmentally Sensitive Areas identified by the full-time biologists on site, and secondary containment for all fuel and septic storage.



APPENDIX A: GLOBAL REPORTING INITIATIVE (GRI) INDEX: DISCLOSURE TOPICS & ACCOUNTING METRICS

Construction in Progress: The GRI standards were updated in 2021 (for use starting in 2023) and we are still in the process of adapting to these revisions. The following GRI Index is structured in alignment with the updated standards, but some reporting gaps remain. While Granite is committed to continuously improving our approach to sustainability reporting, data collection systems are not yet in place to support disclosures for all the metrics included in GRI, SASB, and TCFD. The recent GRI updates also made additional disclosures applicable under some of the material topics on which we have previously reported. Granite plans to make a comprehensive assessment of disclosures where information is missing by the end of 2025. This will allow us, in the meantime, to focus our efforts more effectively on the impact areas we are currently prioritizing. For disclosures where information is missing, a brief statement is made that "information is currently not available; update expected by 2026," and this statement is made in the greater context of our continuous improvement of reporting systems.

GRI Code	Metric/Description	2022
GRI 1: Foundation		
Statement of Use	Granite has reported with reference to the GRI standards for the period January 1, 2022-December 31, 2022.	
	GRI 1 used: GRI 1: Foundation 2021	
GRI 2: General Disclosures		
GRI 2-1	Organizational details	
	Legal name of the organization	Granite Construction Incorporated
	Nature of ownership	Publicly traded corporation (NYSE: GVA)
	Location of headquarters	585 West Beach St., Watsonville, CA 95076
	Location of operation(s)	The majority of both our public and private customers are in the US (Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Missouri, Nebraska, Nevada, New York, Ohio, Oklahoma, Oregon, Tennessee, Texas, Utah, Washington, Wisconsin). We also have a presence in Canada, Guam, and Mexico. Locations: https://www.graniteconstruction.com/company/our-offices
GRI 2-2	Entities included in the organization's sustainability reporting	Granite Construction Incorporated and its subsidiaries



GRI Code	Metric/Description	2022
GRI 2-3	Reporting period, frequency and contact point	
	Reporting period	January 1, 2022-December 31, 2022 (aligned with financial reporting)
	Reporting frequency	Annual
	Publication date	May 9, 2023
	Contact point for questions regarding the report	831.724.1011
GRI 2-4	Restatements of information	<p>Please see Granite's publicly available SEC filings for information on any financial restatements: https://investor.graniteconstruction.com/financial-information/sec-filings.</p> <p>In Granite's 2021 Sustainability Report, we stated that 2020 baseline calculations had been updated from figures previously presented in the 2020 Sustainability Report. These changes were based on the newest data and improved collection methods. There have been no significant impacts from this statement. In this report, we are restating previous air emissions information due to the discovery of an error. In this report, we also update the previous GHG emissions information to reflect a reporting improvement whereby biomass emissions from alternative fuels are separated out for more accurate reporting in alignment with the Greenhouse Gas Protocol.</p>
GRI 2-5	External assurance	Granite's Sustainability Reports are reviewed and approved by the Executive Committee and the Board of Directors. The contents of this report have not been externally assured.
GRI 2-6	Activities, value chain, and other business relationships	
	A description of the organization's activities	We deliver infrastructure solutions for public and private clients primarily in the US. We are one of the largest diversified infrastructure companies in the US. Within the public sector, we primarily concentrate on infrastructure projects, including the construction of streets, roads, highways, mass transit facilities, airport infrastructure, bridges, dams, power-related facilities, utilities, tunnels, water well drilling, and other infrastructure-related projects. Within the private sector, we perform various services such as site preparation, mining services and infrastructure services for commercial and industrial sites, railways, residential development, energy development, as well as provide construction management professional services.
	Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets	Our expertise allows us to provide infrastructure solutions in a range of markets as a diversified civil contractor and materials producer. Brands: https://www.graniteconstruction.com/company/our-offices



GRI Code	Metric/Description	2022		
	Provide information on markets served, including: geographic locations where products and services are offered; sectors served; types of customers and beneficiaries	Granite serves customers in both public and private sectors within our reportable business segments: Construction and Materials. We provide infrastructure solutions in a range of markets as a diversified civil contractor and materials producer. Customers of our Construction segment are predominantly in the public sector and include federal agencies, state departments of transportation, local transit authorities, county and city public works departments, school districts and developers, utilities, and private owners of industrial, commercial, and residential sites. Customers in our Materials segment include our own construction projects and third-party customers. Our third-party customers include contractors, landscapers, manufacturers of products requiring aggregate materials, retailers, homeowners, farmers, and brokers. The majority of both our public and private customers are in the US.		
	Describe significant changes to the organization's supply chain, entities downstream from the organization, and their activities compared to the previous reporting period	No significant changes		
GRI 2-7	Employees			
		2022	2021	2020
	Total number of employees	6,370	7,271	8,217
		US employee count as of December 31, 2022		
GRI 2-8	Workers who are not employees	Information is currently not available; update expected by 2026		



GRI Code	Metric/Description	2022		
GRI 2-9	Governance structure and composition	Board structure, including committees and responsibilities, are reported on in Granite's publicly filed Proxy Statement. https://investor.graniteconstruction.com/financial-information/sec-filings		
		2022	2021	2020
	Total number of Board members	12	12	-
	Independent Board members	11 (92%)	11 (92%)	-
	Employees/Executives sitting on the Board	1 (8%)	1 (8%)	-
	Number of female Board members	4	4	-
	Percentage of female Board members	33%	33%	-
	Number of male Board members	8	8	-
	Percentage of male Board members	67%	67%	-
	Number of Board members who are Black or African-American	1	1	-
	Percentage of Board members who are Black or African-American	8%	8%	-
	Number of Board members who are Hispanic or Latino	2	2	-
	Percentage of Board members who are Hispanic or Latino	17%	17%	-
	Number of Board members who are White	9	9	-
	Percentage of Board members who are White	75%	75%	-
GRI 2-10	Nomination and selection of the highest governance body	For full description of selection and nomination process, please refer to the Granite Construction Incorporated Board of Directors Nomination Policy: https://investor.graniteconstruction.com/corporate-governance/board-of-directors		
GRI 2-11	Chair of the highest governance body	The Chair of the Board of Directors is not also an executive of the company		



GRI Code	Metric/Description	2022
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	<p>The Risk Committee is a standing committee of the Board of Directors. The purpose of the Risk Committee is to assist the Board of Directors in its oversight of the company's strategic, operational, health, safety and environmental compliance risks, and environmental, social, and governance (ESG) strategy, initiatives, policies, and risks. The Board of Directors recognizes that management has primary responsibility for the development and implementation of the company's commercial strategies, operations, compliance programs, and ESG strategy, initiatives, and policies. The Risk Committee has been formed to assist the Board of Directors in assessing and overseeing the risks associated with such strategies, the company's operations, health, safety, and environmental compliance, and ESG matters. At least two times annually, the Risk Committee meets and reviews the effectiveness of the company's ESG initiatives.</p> <p>The Nominating and Corporate Governance Committee is a standing committee of the Board of Directors. The Nominating and Corporate Governance Committee develops and recommends to the Board of Directors corporate governance guidelines applicable to the company and oversees the evaluation of the Board of Directors and management. With respect to sustainability/ESG, the NCGC provides oversight of social and inclusive diversity issues and risks relevant to corporate governance. The NCGC receives updates on relevant sustainability/ESG issues at a minimum frequency of twice per year.</p>
GRI 2-13	Delegation of responsibility for managing impacts	<p>The Executive Committee (EC) provides executive direction and resourcing for the sustainability program. The EC, which includes the President and CEO, receives updates on sustainability/ESG at least quarterly. The EC communicates ESG issues and risks to the Board of Directors and its committees either directly or as delegated to other subject matter experts such as the Sustainability Lead (SL). The SL serves as the functional lead for the sustainability program to engage stakeholders, develop strategic plans, implement programs, and communicate progress. The SL provides updates to the EC at least quarterly and, as delegated by the EC, to the Board of Directors and its Committees. Group Operational Leaders are charged with implementing sustainability programs at the business unit level, supporting data collection from operations, and reporting their progress. Group leaders are responsible for managing operational ESG risks and communicating emerging issues and risks with the SL. Functional Leaders are charged with implementing sustainability programs at the level of their functional business units, supporting data collection, and reporting their progress. Functional leaders are responsible for managing ESG risks in their functional area and communicating emerging risks with the SL.</p>
GRI 2-14	Role of the highest governance body in sustainability reporting	<p>Annual Sustainability Reports are approved by the Board of Directors. The Board of Directors is ultimately responsible for overseeing our sustainability program and how we manage sustainability and ESG-related risks, including those posed by climate change. The Board of Directors is responsible for overseeing company performance. The Board of Directors receives updates on sustainability/ESG performance and related risks at a minimum frequency of twice per year and provides approval for sustainability strategic plans and sustainability reports.</p>
GRI 2-15	Conflicts of interest	<p>Our Board has oversight of the company's Code of Conduct, which states that employees, officers, and directors must be free of outside influences or interests that conflict with their duty to act in the best interests of the company in business relationships and dealings. Employees are expected to deal with owners, suppliers, customers, contractors, and all others without favor or preference. A conflict of interest occurs when an individual's private interest interferes in any way with the interests of the company as a whole. Employees annually certify to their understanding of and adherence to the Code of Conduct and are asked to report all potential or known conflicts of interest. Any conflicts of interest reported are documented and reported to the Board, along with any remediation recommendations and actions taken, on a quarterly basis.</p>



GRI Code	Metric/Description	2022
GRI 2-16	Communication of critical concerns	The company's Board of Directors commissioned the establishment of a Compliance Program, by resolution, in 1998. Since its formation, the company's Compliance Program has engaged the highest level of management within the company. The company's General Counsel, who is also a Senior Vice President, serves as the Corporate Compliance Officer (CCO). The CCO reports directly to the company's Audit/Compliance Committee (A/CC). In addition, the Compliance Program is integrated into the operating units of the company by delegation of compliance responsibilities to the leaders of Finance, Strategy, Operations, Treasury, Environmental Services, Quality Management, Information Technology, Human Resources, Safety, and the Operating Groups. The company's Director of Internal Audit reports directly to the Chief Financial Officer and has a direct line of communication to the company's A/CC. In addition, the company has a Corporate Compliance Committee (the Committee). Responsibilities of the committee include, but are not limited to, oversight of the company's Compliance Program, ensuring that the company's culture encourages ethical conduct, ensures proper reporting of compliance and ethics concerns, and promotes compliance with applicable laws and regulations. Executives who are part of the committee are the President and Chief Executive Officer, Chief Financial Officer, General Counsel and Chief Compliance Officer, Chief Operating Officer, and Senior Vice President of Human Resources. Functional leadership who report at committee meetings include: Legal & Compliance, Human Resources, Information Technology, Safety, Environmental, Tax, Internal Audit, Project Controls, Accounting, and Quality Management. The committee meets quarterly, and minutes of the meeting are presented to the company's A/CC on a quarterly basis. If there is a material concern between meetings of the A/CC, it is communicated by the General Counsel and CCO at the time it is discovered.
GRI 2-17	Collective knowledge of the highest governance body	The Board of Directors and committees receive regular updates on sustainability per the Sustainability Governance Framework, and these include efforts to advance their understanding and knowledge of sustainable development and Granite's sustainability program. One Granite Board member is Climate Leadership Certified by Diligent.
GRI 2-18	Evaluation of the performance of the highest governance body	The Nominating and Corporate Governance Committee oversees the annual evaluations of the Board and certain senior executive officers of the company. These annual evaluations of the Board are conducted through questionnaires, which include a self-assessment, an assessment of the effectiveness of the Board and committees, and a peer evaluation.
GRI 2-19	Remuneration policies	<p>Granite's executive officer compensation program consists of total direct compensation generally targeted within the range of the 50th percentile of comparable positions in the market. Actual pay levels reflect market data, individual experience, tenure, and impact on business and financial results. Short-term and long-term goals are aligned with interests of shareholders, with cash and stock-based incentives earned upon the attainment of pre-established financial and non-financial goals. Executives are eligible for a comprehensive benefits program which includes medical, dental, vision, life, accidental death and dismemberment insurance, short-term and long-term disability insurance, 401(k) Plan, Employee Stock Purchase Plan, health and wellness benefits, paid vacation, holiday pay, and retirement benefits. Executives can also participate in our Non-Qualified Deferred Compensation Program (NQDC).</p> <p>Our compensation and benefit programs outlined above are offered to all employees regardless of level with the following exceptions: only executives are eligible for the NQDC and an executive physical health program. Eligibility in our short- and long-term variable compensation plans are determined by level in the organization. Executives have a larger portion of their compensation package based on financial objectives.</p> <p>As described in our Safety Strategy, nothing is more important than the safety of our people. To further align our executive officers with our safety strategy, safety is one of the key performance metrics in our annual incentive plan. Executive officers have a safety performance metric which includes a severity metric of Days Away, Restricted, and Transfer (DART), along with an OSHA Recordable Incident Rate (ORIR), a nationally recognized metric, to benchmark our safety performance against the construction industry.</p>



GRI Code	Metric/Description	2022
GRI 2-20	Process to determine remuneration	Granite's Compensation Committee of the Board of Directors reviews and approves all aspects of compensation for our executive officers. The Compensation Committee directly retains the services of Frederic W. Cook & Co., Inc. (FW Cook) to provide advice and recommendations to the Compensation Committee on executive officer compensation programs. FW Cook reviews the company's executive compensation benchmarking peer group and recommended changes for the Compensation Committee's consideration. They review the competitive positioning of Granite's executive officers' base salaries, annual incentive and long-term incentive compensation relative to our market data. They also advise on target award levels and plan design for the annual and long-term incentive program.
GRI 2-21	Annual total compensation ratio	Full Information is currently not available; update expected by 2026. The Dodd-Frank Wall Street Reform and Consumer Protection Act requires we disclose the ratio of our CEO's total annual compensation to the median of the annual total compensation of all of our employees other than our CEO. The resulting ratio was 18:1. Please see page 47 of Granite's Proxy Statement for full details: https://otp.tools.investis.com/clients/us/granite_construction2/SEC/sec-show.aspx?FilingId=16552029&Cik=0000861459&Type=PDF&hasPdf=1 .
GRI 2-22	Statement on sustainable development strategy	See CEO Letter in this report (p. 5-6). Sustainability is central to the purpose of our business as we seek to provide infrastructure solutions that support more prosperous and resilient communities. As a participant in the United Nations (UN) Global Compact, Granite supports the Sustainable Development Goals (SDGs) and the Ten Principles of the Global Compact on human rights, labor, environment, and anti-corruption. We recognize our responsibility to contribute to a more sustainable future, particularly through SDG 11: Sustainable Cities and Communities, and have aligned our strategy with the SDGs.
GRI 2-23	Policy commitments	As a participant in the UN Global Compact, Granite supports the SDGs and the Ten Principles of the Global Compact on human rights, labor, environment, and anti-corruption. Granite has published a Human Rights Statement (https://www.graniteconstruction.com/sites/default/files/inline-files/GraniteHumanRightsStatement_EN.pdf). Granite's Supplier Code of Conduct establishes standards and expectations for suppliers related to human rights and other sustainability issues: https://www.graniteconstruction.com/sites/default/files/inline-files/GraniteSupplierCodeofConduct_EN.pdf . These commitments are approved by the Executive Committee.
GRI 2-24	Embedding policy commitments	<p>Granite Construction Incorporated, together with our subsidiaries and affiliated companies, has a strong commitment to upholding the highest ethical business standards, following the spirit and letter of the law, caring for the safety and well-being of our employees, and acting responsibly within the communities in which we live and work in a manner that benefits society.</p> <p>The Audit/Compliance Committee of the Board of Directors oversees our Ethics and Compliance Program, participates in the annual evaluation of our Corporate Compliance Officer, and provides a detailed Annual Report to the Board on the progress of the program and plans for future activities.</p> <p>Through its first iteration in 1958 to today, Granite's Code of Conduct is the playbook for appropriate business conduct and ethical expectations that ties together our company's varied geographical operations. The company requires employees to annually complete a certification of compliance with the Code of Conduct. The certification requires employees to disclose whether they have information regarding a violation of the company's Code of Conduct.</p> <p>The company uses both internal and external auditors to monitor various areas of compliance, including but not limited to Accounting, Government Contracting Compliance, Antitrust, Environmental Compliance, Motor Carrier Safety Compliance, and Foreign Corrupt Practices Act Compliance. The company's Human Resources, Finance, Risk, Information Technology, Legal & Compliance, Quality Management, Safety, and Environmental Services functions conduct audits of the company's processes to ensure compliance with applicable laws and regulations in their respective fields.</p>



GRI Code	Metric/Description	2022
		<p>In addition to the use of audits, the company offers an anonymous reporting hotline to monitor compliance at all levels of the organization. This line is staffed 24 hours a day, seven days per week, and is available via the internet. The company's hotline, called the "Ethics and Compliance Helpline", is advertised prominently in internal newsletters, promotional posters, on the company's internal and external websites, at training events, and in the Code of Conduct. Calls to the Ethics and Compliance Helpline are reported to Human Resources, and the company's Chief Compliance Officer, in some instances, for investigation. In addition, a summary of Ethics and Compliance Helpline reports is reported to the Audit/Compliance Committee as a part of the Chief Compliance Officer's quarterly report.</p> <p>The company undertakes risk assessments to assess the evolving risk landscape. The risk assessment examines substantive areas of law applicable to the company with the result being a tool the company uses to identify legal and compliance risks posing the greatest potential harm to the company. Based on this analysis, the ethics and compliance program is tailored through revision, development and/or emphasis of policies and procedures that can best be used to mitigate risks identified through the assessment.</p> <p>At Granite, we believe that compliance begins with individual stakeholders throughout the organization taking positive actions, following well-designed patterns, and reinforcing behaviors so each employee contributes by acting as a model for others to follow and in concert with fellow employees to improve the company, positively impact the communities in which it operates, and create enduring stakeholder value.</p>
GRI 2-25	Processes to remediate negative impacts	Information is currently not available; update expected by 2026
GRI 2-26	Mechanisms for seeking advice and raising concerns	Granite has two policies that address reporting ethical and/or organizational concerns: Whistleblower Policy and Fraud or Theft Reporting Policy. In addition, the company has a third-party administered Ethics and Compliance Helpline, available 24/7. Granite's Code of Conduct was revised and now includes a page devoted to reporting.
GRI 2-27	Compliance with laws and regulations	As a public company, we are required to report any significant fines and non-monetary sanctions that result from non-compliance with regulations and laws to which we are subject through public filings with the US Securities and Exchange Commission. Please see financial filings for more information: https://investor.graniteconstruction.com/financial-information/sec-filings .



GRI Code	Metric/Description		
GRI 2-28	Membership associations		
2022	2021	2020	
Memberships include, but are not limited to: UN Global Compact, US Green Building Council (USGBC), National Construction Safety Executives (NCSE), Construction Industry Safety Initiative, Catalyst, Handshake, Hispanic Association on Corporate Responsibility, Vets2PM, American Road & Transportation Builders Association (ARTBA), Associated General Contractors of America (AGC), National Asphalt Pavement Association (NAPA), National Stone, Sand & Gravel Association (NSSGA), American Society of Civil Engineers (ASCE), Groundbreaking Women in Construction Conference, National Association of Sewer Service Companies (NASSCO), National Association of Women in Construction, Society of American Military Engineers (SAME), Society of Women Engineers, Women in Construction Conference, Women of Asphalt, Conference Board, National Hispanic Corporate Council, Association of Construction Equipment Managers (ACEM), Association of Equipment Management Professionals (AEMP), Society of Hispanic Professional Engineers; Additional state organizations supported included: California Construction and Industrial Materials Association (CalCIMA), Nevada Contractors Association, Florida Transportation Builders Association	Catalyst, Mogul, Handshake, Hispanic Association on Corporate Responsibility, Vets2PM, American Road & Transportation Builders Association (ARTBA), Associated General Contractors of America (AGC), National Asphalt Pavement Association (NAPA), National Stone, Sand & Gravel Association (NSSGA), American Society of Civil Engineers (ASCE), Groundbreaking Women in Construction Conference, National Association of Sewer Service Companies (NASSCO), National Association of Women in Construction, Society of American Military Engineers (SAME), Society of Women Engineers, Women in Construction Conference, Women of Asphalt, Conference Board, National Hispanic Corporate Council; Additional state organizations supported included: California Construction and Industrial Materials Association (CalCIMA), Nevada Contractors Association, Florida Transportation Builders Association	-	
Membership to the federal trade associations provides a forum for federal, legislative, and regulatory education and outreach on issues dealing with transportation funding, construction and construction materials regulations; educational opportunities for our employees; and developing industry relationships for potential business ventures and marketing.	-	-	
Kyle Larkin, President and CEO, is on the Board of NAPA.	-	-	
Jim Radich, Executive Vice President and COO, is on the Board of ARTBA.			
Bradley Estes, Vice President, is on the Board of NSSGA.			



GRI Code	Metric/Description	2022
GRI 2-29	Approach to stakeholder engagement	<p>See pages 27-33 of this report. The extensive nature of Granite’s work means we have a wide range of stakeholders, and all are welcome partners in our sustainability journey. In 2019, we conducted our first materiality assessment to better understand stakeholder concerns and priorities around sustainability. In 2022, we launched our second assessment to update this understanding and further engage our stakeholders with advancing our sustainability strategic plan.</p> <p>We engage with stakeholders in a variety of ways beyond the materiality assessment process, including by publishing this annual sustainability report and by maintaining up-to-date information about our program on our website. As part of our communications plan, we have increased our focus on sustainability in our external communications. Internally, in 2022 our primary focus was to further educate our teams about our mission for sustainability and engage them with initiatives to support our sustainability strategic plan.</p> <p>In 2022, one of our major initiatives was conducting our second materiality assessment, to help us better understand how our stakeholders’ priorities have evolved over time and in reaction to the sustainability strategy that we are pursuing. Granite collaborated with an independent sustainability consultancy to conduct an updated materiality assessment to inform our strategic goals and priorities in our ongoing sustainability efforts. This new study built upon our first materiality assessment from 2019 and sought to engage a more diverse group of stakeholders to identify which sustainability issues were most important to them. Our 2022 materiality assessment included interviews and quantitative surveys conducted with a range of internal (Granite’s employees and Board of Directors) and external (outside of Granite) stakeholders. Interviews were conducted with internal stakeholders including Granite Board members, executive leadership team members, and other leaders, as well as a variety of external stakeholders such as clients, suppliers, investors, academics in the field of civil construction and materials, elected officials, members of the press, non-profit organizations, and construction-related industry groups.</p>
GRI 2-30	Collective bargaining agreements	As of December 31, 2022, three of our wholly-owned subsidiaries, Granite Construction Company, Layne Christensen Company, and Granite Industrial, Inc., were parties to craft collective bargaining agreements in many areas in which they operate. Additional information is currently not available; update expected by 2026.
	Percentage of total employees covered by collective bargaining agreements	Information is currently not available; update expected by 2026



GRI Code	Metric/Description	2022
GRI 3: Material Topics		
GRI 3-1	Process to determine material topics	Determination of Material Topics for 2022-23 Materiality Assessment (which will inform Granite's continued adaptation to GRI reporting): The first step in this process was to determine a list of material topics to guide stakeholder interviews and surveys. The GRI defines material topics as those that "represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights." With sector-specific guidance from GRI, SASB, and industry peers, 24 material topics were identified that represent the greatest impacts from Granite's business activities. This list of material topics was developed by our third-party consultants with support from Granite's Sustainability Department, Sustainability Council, and other Granite team members with relevant expertise. For guidance in identifying material topics, the team specifically relied upon the G4 Sector Disclosure for the Construction and Real Estate Industry, the Governance & Accountability Institute's Top 10 GRI Sustainability Aspects for the Construction Materials Sector, the SASB materiality map for Engineering & Construction Services, and peer ESG reporting examples.
GRI 3-2	List of material topics	GRI Material Topics are as included in this index. Topics included in 2022-23 Materiality Assessment (which will inform Granite's continued adaptation to GRI reporting): Leadership & Governance, Transparency of Management Decisions, Sustainability Standards for Suppliers & Partners, Ethical Business Practices, Pricing Integrity & Transparency, Social Responsibility, Workplace Health & Safety Labor Practices, Employee Well-being, Diversity, Equity & Inclusion, Freedom of Association & Collective Bargaining, Workforce Development & Training, Community Engagement & Consideration, Environmental, Energy Use, Water Use, Stationary GHG Emissions, Mobile GHG Emissions, Upstream/Downstream GHG Emissions, Waste to Landfill, Recycling & Reuse of Materials, Wastewater & Effluents, Air Quality, Environmental Compliance, Ecological Biodiversity, Business Model & Innovation, Product Design & Life Cycle Management, Materials Innovation, and Competitive Strength in ESG.
GRI 3-3	Management of material topics	Each GRI Topic in this table contains a specific management statement.

GRI 201: Economic Performance

3-3 Management Statement	<p>We are focused on execution, process efficiency, data-driven decision-making, and innovation to drive profitability. This theme represents our commitment to disciplined project pursuit and improving our financial performance by executing work and attaining best-in-industry project delivery—all of which are under way. We are focused on driving improved and consistent execution through standardized requirements and best practices across all our businesses, as well as automation within our materials business.</p> <p>A key conclusion of our strategic plan is that we perform best when we leverage our competitive advantages in our home markets. This has been demonstrated throughout Granite's history by the performance of our vertically integrated businesses. We intend to continue evolving to a more client-centric culture and investing in our vertically integrated business model. Our strong liquidity coupled with a positive macroeconomic environment positions us to expand our businesses in all three of our operating groups.</p> <p>Details about Granite's financial performance and related governance mechanisms are available in Granite's financial statements and filings with the Securities and Exchange Commission; more information is available here: https://investor.graniteconstruction.com.</p>
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GRI Code	Metric/Description	2022		
201-1	Direct economic value generated and distributed	Note: historical data revised from previous sustainability reports to align with financial filings.		
		2022	2021	2020
	Revenues (thousands)	\$3,301,256 USD	\$3,501,865 USD	\$3,562,459 USD
	Cost of revenue (thousands)	\$2,931,762 USD	\$3,139,220 USD	\$3,217,671 USD
	Employee wages and benefits (thousands)	\$177,506 USD	\$190,975 USD	\$196,534 USD
	Payments to providers of capital (thousands)	\$125,164 USD	\$8,922 USD	\$83,433 USD
201-2	Financial implications and other risks and opportunities due to climate change	Please see Appendix C: TCFD Index in this report for information on climate risks.		
201-3	Defined benefit plan obligations and other retirement plans			
	Profit sharing and 401(k) plan	The Profit Sharing and 401(k) Plan (the 401(k) Plan) is a defined contribution plan covering all employees except employees covered by collective bargaining agreements and certain employees of our consolidated construction joint ventures. Our 401(k) matching contributions can be up to 6% of an employee's gross pay at the discretion of the Board of Directors. Our 401(k) matching contributions to the 401(k) Plan for the years ended December 31, 2022, 2021, and 2020 were \$17.7 million, \$19.1 million and \$17.6 million, respectively. Profit sharing contributions from the company may be made to the 401(k) Plan in an amount determined by the Board of Directors. We made no profit sharing contributions during the years ended December 31, 2022, 2021, and 2020. The 401(k) plan is voluntary and as of December 31, 2022 our participation rate was 90.8%.		
	Non-qualified deferred compensation plan	We offer a Non-Qualified Deferred Compensation Plan (NQDC Plan) to a select group of our highly compensated employees and non-employee directors. The NQDC Plan provides participants the opportunity to defer payment of certain compensation as defined in the NQDC Plan. Our NQDC Plan obligations are funded through a Rabbi Trust which was fully funded as of December 31, 2022. The assets held by the Rabbi Trust at December 31, 2022 and 2021 are substantially in the form of company-owned life insurance and are included in other noncurrent assets in the consolidated balance sheets. As of December 31, 2022, there were 63 active participants in the NQDC Plan. NQDC Plan obligations were \$23.1 million and \$32.7 million as of December 31, 2022 and 2021, respectively, and were primarily included in other long-term liabilities in the consolidated balance sheets. In addition, we had supplemental retirement benefits of \$3.7 million and \$4.9 million in other long-term liabilities in the consolidated balance sheets as of December 31, 2022 and 2021, respectively.		
		Additional information is currently not available; update expected by 2026		
201-4	Financial assistance received from government	Information is currently not available; update expected by 2026		



GRI Code	Metric/Description
GRI 205: Anti-corruption	

3-3 Management Statement
 We are committed to defining, improving, and upholding the highest ethical values and responsible business practices through resources devoted to development, maintenance, communication, and enforcement of our Code of Conduct (https://www.graniteconstruction.com/sites/default/files/inline-files/Code_of_Conduct_final_2021.pdf), our anti-bribery compliance policies, our internal control processes, and our compliance-related policies.

We expect our business partners to adhere to our Supplier Code of Conduct (<https://www.graniteconstruction.com/supplier-code-conduct>), which states that suppliers must be aware of and adhere to applicable laws, including all aspects of the US Foreign Corrupt Practices Act. Any deviation found can have an adverse effect on the relationship with Granite, ultimately leading to an immediate discontinuation of the business relationship. Stakeholder engagement on this topic is included in our periodic Materiality Assessments, through stakeholder surveys and interviews.

Granite’s Legal & Compliance Department is responsible for managing adherence to anti-corruption policies. Our goal is to leverage corruption risk assessments, incident reviews, and industry trends to identify policy and training enhancements that act as a deterrent for fraud and corruption.

Within Granite’s Sustainability Strategic Plan, under the Focus Area of Business Ethics & Anti-Corruption, our long-term ambition is to emphasize an ethical culture and create commitment through training that empowers all employees to uphold the highest ethical, legal, and moral standards. We have an ongoing goal to provide basic compliance training to all employees and achieve completion rates exceeding 99% for salaried employees.

GRI 205-1	Operations assessed for risks related to corruption	Any incidents of fraud, illegal activity, or material breaches in company policies are communicated to the Audit Committee of the Board of Directors and may be subject to public disclosure in accordance with the US Securities and Exchange Commissions guidelines.
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GRI 205-2	Communication and training about anti-corruption policies and procedures	
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2022	2021	2020
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<p>Non-craft employees situated in foreign countries, or who have been identified as individuals who are regularly exposed or have potential to conduct business on behalf of the company in foreign jurisdictions are given training on Granite’s Anti-Bribery and Foreign Corrupt Practices Act (FCPA) Policy. All non-craft employees are enrolled at onboarding in Antitrust Laws and Fair Competition Training. Employee counts: 104 = Anti-Corruption and FCPA Compliance Training (27%*); 274 = Antitrust and Fair Competition Standards (95%); 1,635 = Code of Conduct Refresher (100%).</p> <p>*Lower completion rate year over year is due to enrollment taking place late in calendar year and 30-day completion timeframe.</p>	<p>(1) All employees are exposed to Anti-Bribery and FCPA Policy and Antitrust Laws and Fair Competition Standards during onboarding and annually through the Code of Conduct Certification Process. Due to refreshed core values and corresponding education efforts, the Code of Conduct Certification was archived for 2021 and micro-learnings on each core value were deployed. (2) Non-craft employees situated in foreign countries, or who have been identified as individuals who are regularly exposed or have potential to conduct business on behalf of the company in foreign jurisdictions are given training on Granite’s Anti-Bribery and FCPA Policy. All non-craft employees are enrolled at onboarding in Antitrust Laws and Fair Competition Training. Employee counts: 72 = Anti-Corruption and FCPA Compliance Training (94%); 255 = Antitrust and Fair Competition Standards (98%); 2,099 = Core Value Refresh Campaigns (100%)</p>	<p>(1) All employees are exposed to Anti-Bribery and FCPA Policy and Antitrust Laws and Fair Competition Standards during onboarding and annually through the Code of Conduct Certification Process. Employee count: 2,518 = Anti-Bribery/FCPA Policy; 2,518 = Antitrust and Fair Competition Standards; (2) Non-craft employees situated in foreign countries, or who have been identified as individuals who are regularly exposed or have potential to conduct business on behalf of the company in foreign jurisdictions are given training on Granite’s Anti-Bribery and FCPA Policy. All non-craft employees are enrolled at onboarding in Antitrust Laws and Fair Competition Training. Employee count: 427 = Antitrust and Fair Competition Standards (91%); 1 = Anti-Bribery/FCPA Training (100%); 2,838 = Code of Conduct Refresher (90%)</p>
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GRI Code	Metric/Description	2022	2021	2020
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All vendors, suppliers, and subcontractors who are paid by Granite or by any joint venture partnership of which Granite is a managing partner are encouraged to adhere to our Supplier Code of Conduct which requires they comply with all aspects of the US Foreign Corrupt Practices Act (FCPA) and other applicable anti-corruption and anti-bribery laws enforceable in the jurisdictions in which they conduct business. We strictly prohibit illegal payments, or promises to provide anything of value, to a Foreign Government Official (FGO) which are designed to gain an illegal business advantage (bribe), including without limitation, inappropriate payments made directly or indirectly to a FGO. We require that our books, records, and accounts be kept in reasonable detail and that all transactions be accurately and fairly reflected in accounting records. These standards apply to our employees, suppliers, and any stakeholder acting on behalf of Granite.

GRI 205-3		2022	2021	2020
	Confirmed incidents of corruption and actions taken	None	None	None

GRI 301: Materials

3-3 Management Statement Construction is inherently a materials-intensive industry, which heightens the importance of managing materials responsibly. Conservation of natural resources is one of our priorities for responsibly managing environmental impacts associated with our work. Managing the use of different materials in our supply chain is an essential part of conserving resources.

Our teams in the field manage the use of materials on a project-specific basis. Our management of company-wide strategic planning and initiatives in this area fall under Granite’s Sustainability Governance Framework. Stakeholder engagement on this topic is included in our periodic Materiality Assessments, through stakeholder surveys and interviews.

In Granite’s Sustainability Strategic Plan, two different Focus Areas address materials use:

First, under Waste & Recycled Content, we state our long-term ambition to minimize waste and optimize the use of recycled content in asphalt production. This is tracked by the percentage of recycled content used in asphalt production. Specific initiatives in this area include: a waste management pilot project, our recycled plastic in asphalt initiative, recycled asphalt pavement advocacy, and project-specific waste management plans.

Second, in the Environmental Impacts of Products focus area, we express our long-term ambition to capture the environmental impacts of our products and contribute to industry understanding of the environmental impacts of construction materials. Our priority target is to have Environmental Product Declarations (EPDs) available for 50% of our materials facilities by 2025.

GRI 301-1	Materials used by weight or volume	Information is currently not available; update expected by 2026		
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GRI Code	Metric/Description	2022	2021	2020
GRI 301-2	Recycled input materials used			
	Percentage of recycled content input in total asphaltic concrete (AC) production	19.05 %	15.77 %	18.89 %
GRI 301-3	Reclaimed products and their packaging materials	Information is currently not available; update expected by 2026		

GRI 302: Energy

3-3 Management Statement

Granite recognizes that our industry must adapt and change with the evolving needs of society to respond to climate change and its negative economic, environmental, and social impacts. This includes minimizing emissions from the use of electricity (as reflected in Scope 2) and transitioning to cleaner sources of energy. We intend to drive our response to climate change by advancing more sustainable construction practices that support emissions reduction, reducing greenhouse gas (GHG) emissions from our operations, and minimizing our carbon footprint.

Climate & Emissions is one of the focus areas of Granite's Sustainability Strategic Plan, in alignment with SDG 13 (Climate Action). Our management of strategic planning and implementation of initiatives in this area fall under Granite's Sustainability Governance Framework. Stakeholder engagement on this topic is included in our periodic Materiality Assessments, through stakeholder surveys and interviews. Granite has established an absolute target to reduce Scope 1 greenhouse gas emissions by 25% by 2030 from a 2020 baseline. This is a priority target within Granite's Sustainability Strategic Plan. Once we have further developed our action plan to reduce Scope 1 emissions, we intend to expand our targets to cover Scope 2.

Over the past decade, Granite has invested substantially in energy conservation technologies at our construction materials facilities. Key examples of such energy conservation improvements include:

- Installing on-site solar power at three plant locations
- Installing variable frequency drive technology to increase efficiency in plant operation, reducing electric power demand
- Insulating piping, storage tanks, and drums to prevent loss of thermal energy and reduce fuel use
- Replacing parallel flow drum plants with counterflow drum plants—counterflow plants allow more heat to be transferred from the burner to the finished asphalt product, increasing efficiency in heating and thus lowering fuel consumption (while also improving impacts to air quality)
- Installing warm-mix asphalt systems to allow asphalt production at lower temperatures to reduce energy use—Granite was an early adopter of these systems, and has retrofitted 28 asphalt plants to produce warm-mix asphalt
- Optimizing recycled asphalt product content based upon finished product quality to reduce consumption of natural resources (including petroleum products)—all of Granite's asphaltic concrete plants have recycled asphalt product systems
- Utilizing battery demand management systems, which contribute to the resilience of the electrical grid by shifting demand from peak periods to periods with additional capacity



GRI Code	Metric/Description			
GRI 302-1	Energy consumption within the organization			
		2022	2021	2020
	Total company grid electricity consumed	83,895,637.99 kWh	84,403,188.00 kWh	-
	Total solar production generated at plants	1,685,885.00 kWh	1,661,000.00 kWh	1,750,000.00 kWh
GRI 302-2	Energy consumption outside of the organization	Information is currently not available; update expected by 2026		
GRI 302-3	Energy intensity	Information is currently not available; update expected by 2026		
GRI 302-4	Reduction of energy consumption	Information is currently not available; update expected by 2026		
GRI 302-5	Reductions in energy requirements of products and services	Information is currently not available; update expected by 2026		



GRI Code	Metric/Description
GRI 303: Water and Effluents	

3-3 Management Statement

Granite recognizes the importance of conserving water, and our goal is to protect water resources in all areas of our influence. Granite’s primary consumptive water uses are related to construction activities at project sites (such as dust suppression and grading activities) and construction material production activities (such as aggregate washing and dust control).

The primary mission of our environmental program is to manage and meet our environmental responsibilities, while controlling and reducing any environmental impacts associated with our work, including managing impacts to water. The Environmental Services Department manages our overall environmental performance utilizing Granite’s Environmental Management System (EMS), modeled after the internationally recognized environmental management standards of ISO 14001.

Potential impacts to waterways are assessed and managed on a project-specific basis. Our professional environmental staff members are embedded directly into our local operations and provide support and expertise associated with water-related environmental aspects of our operations.

Water in Construction Activities

Granite’s construction activities seek to acquire required water supplies near the project site via surface delivery systems or wells. Because potable water is not required for most construction activities, Granite commonly partners with local water suppliers to use reclaimed or recycled gray water, reducing impacts on potable water supplies. Our project teams aim to protect regional water quality and avoid negative water resource impacts by using best management practices. Examples of best practices include implementing stormwater management plans, deploying spill prevention plans, and scheduling work processes and activities to protect regional water resources.

Water Conservation & Reuse in Construction Materials Production

Granite operates construction materials facilities in the western US, which produce a wide range of construction sand, gravel, and crushed stone in addition to asphaltic concrete for use in local construction projects. Many of the aggregate operations rely on self-extracted groundwater as their primary water source and implement strategies to maximize operational water efficiency. Our aggregate operations capture stormwater to the extent feasible and recapture processed water from our aggregate operations. We use settling ponds, clarifiers, and filter presses to separate the rinsed sediment fines from slurry before recirculating the reclaimed water back into the aggregate washing operations. Utilizing water reclamation and recycling significantly reduces consumptive use of water resources (generally by 70% or more). Operational water recycling rates vary throughout our operations based on aggregate material quality, regional climate conditions, and pond loss resulting in groundwater recharge.

Facilities use closed loop systems, whereby all post-processing water is reclaimed and recirculated through the system (meaning the total volume recycled and reused can exceed the total withdrawn). Consumptive use (approximately 25%) is limited to water lost to evaporation, dust control, and product capture (i.e., water absorbed by sand/gravel during washing). Analysis for permitting efforts for Big Rock and Solari Quarry indicate that we reclaim between 75%-85% of water for reuse.

Within Granite’s Sustainability Strategic Plan, under the focus area of Water, our long-term ambition is to protect water resources in all areas of our influence. Initiatives in this area include project-specific water management plans, water conservation at plants; and data collection improvements for water use. Stakeholder engagement on this topic is included in our periodic Materiality Assessments, through stakeholder surveys and interviews.



GRI Code	Metric/Description	2022		
GRI 303-1	Interactions with water as a shared resource	Granite recognizes the importance of conserving water, and our goal is to protect water resources in all areas of our influence. Granite's primary consumptive water uses are related to construction activities at project sites (such as dust suppression and grading activities) and construction material production activities (such as aggregate washing and dust control). The primary mission of our environmental program is to manage and meet our environmental responsibilities, while controlling and reducing any environmental impacts associated with our work, including managing impacts to water. The Environmental Services Department manages our overall environmental performance utilizing Granite's Environmental Management System (EMS), modeled after the internationally recognized environmental management standards of ISO 14001.		
GRI 303-2	Management of water discharge-related impacts	Potential impacts to waterways are assessed and managed on a project-specific basis. Our professional environmental staff members are embedded directly into our local operations and provide support and expertise associated with water-related environmental aspects of our operations.		
GRI 303-3		2022	2021	2020
	Water withdrawal in Megaliters (ML)	Disclosure limited in scope to material facilities in California with metered wells (approximately 15 out of 19 facilities). Withdrawal type: groundwater wells.	Disclosure limited in scope to material facilities in California with metered wells (approximately 15 out of 19 facilities). Withdrawal type: groundwater wells.	Disclosure limited in scope to material facilities in California with metered wells (approximately 15 out of 19 facilities). Withdrawal type: groundwater wells.
	Estimated water recycled/reused	97,029.60 ML	119,685.42 ML	101,800.74 ML
	Percentage recycled of total fresh water withdrawn	Approximately 75%	Approximately 75%	Approximately 75%
	Total groundwater well withdrawal	4,078.47 ML	4,986.89 ML	4,241.70 ML
GRI 303-4	Water discharge	Information is currently not available; update expected by 2026		
GRI 303-5	Water consumption	Information is currently not available; update expected by 2026		



GRI Code	Metric/Description	2022
GRI 304: Biodiversity		
3-3 Management Statement	<p>The primary mission of our environmental program is to manage and meet our environmental responsibilities, while controlling and reducing any environmental impacts associated with our work, including protecting biodiversity. The Environmental Services Department manages our overall environmental performance utilizing Granite's Environmental Management System (EMS), modeled after the internationally recognized environmental management standards of ISO 14001.</p> <p>Potential biodiversity impacts are assessed and managed on a project-specific basis. Our professional environmental staff members are embedded directly into our local operations and provide support and expertise associated with all environmental aspects of our diversified business operations, including potential impact on habitat, wildlife, and biodiversity. Expert knowledge of federal, state, and local requirements is key to the successful execution and completion of projects, especially where potential biodiversity impacts are a concern. Granite maintains standard operating procedures and processes for managing environmental responsibilities and objectives. Through operationally embedded environmental professionals, Granite evaluates projects for all environmental requirements through a pre-construction process, which includes evaluation of critical or sensitive habitat as identified by the project owner and regulatory agencies. All construction methods include standard procedures for ensuring compliance with legal and other requirements, including Granite's commitment to the protection of all resources identified through the local, state, and federal requirements impacting both Granite projects and facilities.</p> <p>For construction projects, clients are generally responsible for conducting Environmental Impact Assessments (through which the project owner and regulatory agencies identify critical or sensitive habitat and other environmental concerns) prior to engaging with Granite. Through the pre-construction process, Granite develops project-specific construction methods to protect identified resources, embeds environmental professionals within the operation, and actively monitors site activities to ensure resources are protected at the project location.</p> <p>Within Granite's Sustainability Strategic Plan, under the focus area of Land & Biodiversity, our long-term ambition is to protect and enhance biodiversity within our sphere of influence.</p> <p>In addition to managing our own environmental responsibilities, Granite also operates in end-markets aimed at helping others manage environmental impacts that relate to protecting or supporting wildlife habitat and biodiversity. Granite is committed to preserving and protecting our natural resources through conservation, remediation, and reclamation services.</p> <ul style="list-style-type: none"> • Conservation services include in-water marine work, dredging, tide gates, jetties, sea walls, channel rerouting and dewatering services, wildlife refuge, marine sanctuaries, and state park construction services. • Remediation services include hazardous material abatement and removal, contaminated soils management and removal, brownfield sites, Environmental Protection Agency superfund sites, chemical or nuclear waste cleanup, and lead abatement services. • Reclamation services include a wide array of services for reclaiming areas that have been used for activities like mining, such as grading, slope repair/stabilization, tailings encapsulation, drainage controls, and process water storage improvements. 	
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Information is currently not available; update expected by 2026
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	Information is currently not available; update expected by 2026
GRI 304-3	Habitats protected or restored	Information is currently not available; update expected by 2026
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information is currently not available; update expected by 2026



GRI Code	Metric/Description
GRI 305: Emissions	

3-3 Management Statement

Granite recognizes that our industry must adapt and change with the evolving needs of society to respond to climate change and its negative economic, environmental, and social impacts. Beyond greenhouse gases, Granite recognizes the importance of reducing other air emissions to protect air quality. We intend to drive our response to climate change by advancing more sustainable construction practices that support emissions reduction, reducing greenhouse gas (GHG) emissions from our operations, and minimizing our carbon footprint.

Climate & Emissions is one of the focus areas of Granite’s Sustainability Strategic Plan, in alignment with SDG 13 (Climate Action). Our management of strategic planning and implementation of initiatives in this area fall under Granite’s Sustainability Governance Framework. Stakeholder engagement on this topic is included in our periodic Materiality Assessments, through stakeholder surveys and interviews.

Granite has established an absolute target to reduce Scope 1 greenhouse gas emissions by 25% by 2030 from a 2020 baseline. This is a priority target within Granite’s Sustainability Strategic Plan. Once we have further developed our action plan to reduce Scope 1 emissions, we intend to expand our targets to cover Scope 2.

Within the Focus Areas of Granite’s Sustainability Strategic Plan, our Long-Term Ambition for Climate & Emissions is to minimize greenhouse gas (GHG) emissions as much as possible, to industry-leading levels. Granite’s Long-Term Ambition for Air is to reduce air emissions at all plants, to the extent practicable, to industry-leading levels.

Granite’s approach to reducing our GHG emissions and carbon footprint is two-fold:

1. Improving data collection and reporting systems to quantify GHG gas emissions more accurately
2. Investing in technologies and practices that directly and immediately reduce our emissions in Scopes 1 and 2

We are working on these two priorities simultaneously because we recognize the importance of quickly and effectively mitigating our impact. We are focusing our efforts on the highest sources of emissions: the operation of our asphalt plants and our construction equipment fleet.

Granite reassessed the baseline for operational Scope 1 greenhouse gas emissions in 2020. We included employee travel as an expansion into Scope 3 emissions. We added Scope 2 in 2021 (including baseline data for 2020). We have achieved significant improvements in our data collection systems and are currently working to improve the level of specificity for calculations through a new system.

In 2022, our major focus was gathering and analyzing information to provide the basis for our decarbonization plan. With the assistance of external climate experts, we assessed the abatement potential and cost of several greenhouse gas emissions abatement (reduction) measures for Scope 1 emissions. We plan to use the results of this work to inform the next phase of our strategy and associated action plans for implementing abatement measures to reduce emissions.

Efforts and initiatives (details in annual Sustainability Report) include:

- Telematics and fuel economy management
- Electric vehicle procurement
- Electric vehicle charging station initiative
- Renewable diesel initiative
- Electric locomotives
- Research and development related to plant operations
- Plant energy conservation investments
- Data collection improvements, including addition of Scope 2
- Development of decarbonization plan



GRI Code	Metric/Description	2022	2021	2020
GRI 305-1	Direct (Scope 1) GHG emissions		Note on Reporting improvement: biomass added for 2021 for historical comparison	Note on Reporting improvement: biomass added for 2020 for historical comparison
	Gross direct (Scope 1) GHG emissions (metric tons CO ₂ e)	205,993.47 t CO ₂ e	214,303.00 t CO ₂ e	211,718.00 t CO ₂ e
	Portion of total above Scope 1 emissions from biomass emissions (metric tons) (reporting improvement; added for historical years)	23,108.00 t CO ₂	14,222.00 t CO ₂	266 t biomass t CO ₂
	Materials Facilities	40.62%	45.21%	39.62%
	Equipment Fleet	58.04%	53.41%	59.36%
	Heating	1.34%	1.28%	0.84%
	Inliner Processing	0.00 % (no longer part of operations)	0.09%	0.18%
GRI 305-2	Energy indirect (Scope 2) GHG emissions			
	Energy indirect (Scope 2) GHG emissions (metric tons CO ₂ e)	22,868.03 t CO ₂ e	24,113.00 t CO ₂ e	22,749.00 t CO ₂ e
GRI 305-3	Other indirect (Scope 3) GHG emissions			
	Employee travel GHG emissions (metric tons CO ₂)	10,530.32 t CO ₂	7,909.00 t CO ₂	7,619.00 t CO ₂
GRI 305-4	GHG emission intensity			
	Numerator	Metric tons of carbon dioxide equivalent	Metric tons of carbon dioxide equivalent	
	Denominator	Revenues (Thousand USD)	Revenues (Thousand USD)	Revenues (Thousand USD)
	GHG emission intensity (Scope 1)	0.062399	0.061197	0.059430



GRI Code	Metric/Description	2022	2021	2020
GRI 305-5	Reduction of GHG emissions			
	GHG emissions reduced as a direct result of a reduction initiative	Information is currently not available; update expected by 2026	-	-
GRI 305-6	Emissions of ozone-depleting substances (ODS)	Information is currently not available; update expected by 2026	-	-
GRI 305-7	Nitrogen oxides, sulfur oxides, and other significant air emissions	Note: updated to metric tons for 2022 for consistency with other emissions reporting metrics		Note: Disclosure limited in scope to 12 plants with readily available data, in US tons (t)
	Tons of Nox	72.30 metric tons	79.92 t (72.50 metric tons)	23.17 t
	Tons of SOx	25.20 metric tons	26.97 t (24.47 metric tons)	5.08 t
	Tons of particulate matter (PM10)	81.92 metric tons	90.87 t (82.43 metric tons)	26.54 t
	Tons of VOCs	74.52 metric tons	81.09 t (73.57 metric tons)	11.22 t
	Tons of CO	379.63 metric tons	417.77 t (387.99 metric tons)	112.95 t



GRI Code	Metric/Description	2022
GRI 306: Waste		

3-3 Management Statement

The primary mission of our environmental program is to manage and meet our environmental responsibilities, while controlling and reducing any environmental impacts associated with our work, including waste management. The Environmental Services Department manages our overall environmental performance utilizing Granite's Environmental Management System (EMS), modeled after the internationally recognized environmental management standards of ISO 14001.

In Granite's Sustainability Strategic Plan, three different Focus Areas address waste and management of material use throughout the supply chain:

First, under Waste & Recycled Content, we state our long-term ambition to minimize waste and optimize the use of recycled content in asphalt production. This is tracked by the percentage of recycled content used in asphalt production. Specific initiatives in this area include: a waste management pilot project, our recycled plastic in asphalt initiative, recycled asphalt pavement advocacy, and project-specific waste management plans. Based on the growing interest in Granite's asphalt mix with recycled plastic (which also has a lower carbon footprint), we expect to start recycling significant amounts of plastic in our asphalt mixes in 2023. The plastic we use in this mix is not otherwise recyclable, so its use in this content removes it from the waste stream.

Second, under Sustainable Operational Practices, we present our goal to utilize industry-leading sustainability and waste handling practices at our plants; and to leverage alternative procurement to reduce environmental impacts of construction projects through innovation. Our priority target is to earn recognition by the National Asphalt Pavement Association (NAPA) Diamond Sustainable Commendation for 75% of our asphalt plants by 2025.

Finally, in the Environmental Impacts of Products focus area, we express our long-term ambition to capture the environmental impacts of our products and contribute to industry understanding of the environmental impacts of construction materials. Our priority target is to have Environmental Product Declarations (EPDs) available for 50% of our materials facilities by 2025.

Our management of strategic planning and implementation of company-wide initiatives in this area fall under Granite's Sustainability Governance Framework. Stakeholder engagement on this topic is included in our periodic Materiality Assessments, through stakeholder surveys and interviews.

GRI 306-1	Waste generation and significant waste-related impacts	Granite's business operations do not generate large volumes of regulated or hazardous waste. Our equipment maintenance shops generate typical wastes including used oil, used antifreeze, paint waste, batteries, light bulbs, and electronic equipment waste. All our shop facilities located throughout the nation are categorized by the Environmental Protection Agency as very small or small quantity generators of hazardous waste under the Resource Conservation and Recovery Act (RCRA).
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GRI 306-2	Management of significant waste-related impacts	The primary mission of our environmental program is to manage and meet our environmental responsibilities, while controlling and reducing any environmental impacts associated with our work, including waste management. The Environmental Services Department manages our overall environmental performance utilizing Granite's Environmental Management System (EMS), modeled after the internationally recognized environmental management standards of ISO 14001.
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GRI 306-3	Waste generated				
			2022	2021	2020
		Total amount of waste generated	Information is currently not available; update expected by 2026	-	-
	Total hazardous waste (US tons)	102.46 t	127.65 t	75.26 t	

Disclosure limited in scope to hazardous waste in California operations.



GRI Code	Metric/Description	2022
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GRI 306-4	Waste diverted from disposal	Information is currently not available; update expected by 2026
GRI 306-5	Waste directed to disposal	Information is currently not available; update expected by 2026

GRI 401: Employment

3-3 Management Statement
 We believe our employees are our most valuable resource and are the primary factor in the successful implementation of our business strategies. Significant resources are employed to attract, develop, and retain extraordinary and diverse talent and fully promote each employee’s capabilities. We believe our workforce possesses strong dedication and great pride in our company as demonstrated by our managerial and supervisory personnel having an average tenure of 11 years with Granite. Our focus on inclusive diversity, talent development, talent acquisition, and succession planning has allowed us to build our bench throughout the company on many levels.

GRI 401-1	New employee hires and employee turnover						
		Operating Group	Male	Female	Hourly (Craft)	Salaried (Professional)	Total
California	New Hires	497	53	469	81	550	
	Total Turnover	408	40	372	76	448	
Central	New Hires	612	46	593	65	658	
	Total Turnover	870	73	806	137	943	
Corporate	New Hires	17	25	9	33	42	
	Total Turnover	21	29	8	42	50	
Mountain	New Hires	775	70	736	109	845	
	Total Turnover	1,098	120	1,102	116	1,218	
Total Company (US)	New Hires	1,901	194	1,807	288	2,095	
	Total Turnover	2,397	262	2,288	371	2,659	



2021 Disclosure

Operating Group		Female	Male	Hourly	Salaried	Grand Total
California	New Hires	72	763	757	78	835
	Total Turnover	78	999	963	114	1,077
Corporate	New Hires	21	10	3	28	31
	Total Turnover	22	16	2	36	38
Federal	New Hires	12	140	142	10	152
	Total Turnover	13	101	88	26	114
Heavy Civil	New Hires	34	423	41	46	457
	Total Turnover	66	526	452	140	592
Midwest	New Hires	21	295	287	29	316
	Total Turnover	15	199	173	41	214
Northwest	New Hires	150	1,064	1,130	84	1,214
	Total Turnover	81	547	547	81	628
Operations Services	New Hires	2	2	0	4	4
	Total Turnover	1	7	0	8	8
Water & Mineral Services	New Hires	28	409	383	54	437
	Total Turnover	38	426	374	90	464
Total Company (US)	Total New Hires	340	3,106	3,113	333	3,446
	Total Turnover	314	2,821	2,599	536	3,135

2020 Disclosure

Operating Group		Female	Male	Hourly	Salaried	Grand Total
California	New Hires	88	1,199	1,170	117	1,287
	Total Turnover	43	341	320	64	384
Corporate	New Hires	28	27	10	45	55
	Total Turnover	18	22	9	31	40
Federal	New Hires	13	129	108	34	142
	Total Turnover	8	86	70	24	94
Heavy Civil	New Hires	54	672	640	86	726
	Total Turnover	76	932	892	116	1,008
Midwest	New Hires	11	240	230	21	251
	Total Turnover	14	138	103	49	152
Northwest	New Hires	82	638	668	52	720
	Total Turnover	69	465	473	61	534
Operations Services	New Hires	1	2		3	3
	Total Turnover	1	3		4	4
Water & Mineral Services	New Hires	32	446	288	190	478
	Total Turnover	55	710	656	109	765
Total Company (US)	Total New Hires	309	3,353	3,114	548	3,662
	Total Turnover	284	2,697	2,523	458	2,981



GRI Code	Metric/Description
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GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
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2022	2021	2020
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Granite’s compensation programs are designed to align the compensation of our employees with Granite’s performance and to provide incentives to attract, retain, and motivate employees to achieve superior results. The structure of our compensation programs balances guaranteed base pay with incentive compensation opportunities. We provide employee wages that are competitive and consistent with employee positions, skill levels, experience, knowledge, and geographic location. We engage nationally recognized outside compensation and benefits consulting firms to independently evaluate the effectiveness of our executive compensation and benefit programs, and to provide benchmarking against our peers within the industry. We align our executives’ long-term equity compensation with our shareholders’ interests by linking realizable pay and stock performance. Annual increases and incentive compensation are based on merit, which is communicated to employees at the time of hiring and documented through our talent management process as part of our annual review procedures and upon internal transfer and/or promotion. All employees are eligible for health insurance, leaves of absence, a retirement plan with a generous 6% company matching contribution, and life and disability/accident coverage. We have a robust well-being program, called Granite Cares, which supports our employees’ physical, mental, and financial wellness. Granite Cares includes access to counseling, tools to build day-to day resiliency, and opportunities to improve financial security. It is incentive-based to further encourage employees to focus on their personal well-being goals. We also offer a variety of voluntary benefits including pet, legal, and identity theft insurance options.

For 2022, we added a new healthy incentives program that further incentivizes employees to focus on their personal well-being goals by rewarding them with medical premium cost reductions and/or HSA contributions for the following year. To ensure our employees have access to care when it meets their schedule, we have a new muscular skeletal (MSK) provider offering physical therapy in a virtual setting. To support our employees in cancer treatment we offered a new cancer concierge program that provides high quality, comprehensive, and personalized care in all areas of treatment. Providing paid time away from work is an important part of our benefits program and therefore, we added a new floating holiday for our salaried employees.

Granite’s compensation programs are designed to align the compensation of our employees with Granite’s performance and to provide incentives to attract, retain, and motivate employees to achieve superior results. The structure of our compensation programs balances guaranteed base pay with incentive compensation opportunities. Specifically: We provide employee wages that are competitive and consistent with employee positions, skill levels, experience, knowledge, and geographic location. We engage nationally recognized outside compensation and benefits consulting firms to independently evaluate the effectiveness of our executive compensation and benefit programs and to provide benchmarking against our peers within the industry. We align our executives’ long-term equity compensation with our shareholders’ interests by linking realizable pay and stock performance. Annual increases and incentive compensation are based on merit, which is communicated to employees at the time of hiring and documented through our talent management process as part of our annual review procedures and upon internal transfer and/or promotion. All employees are eligible for health and wellness insurance, paid and unpaid leaves, a retirement plan, and life and disability/accident coverage. We also offer a variety of voluntary benefits that allow employees to select the options that meet their needs, including telemedicine, paid parental leave, prescription savings solutions, a personalized health wellness program, pet insurance, and a financial wellness program. For 2021, we continued our focus on improving mental health (emotional well-being) and added a comprehensive "emotional well-being" program, branded as "Granite Cares." This program brings four benefit programs together to focus on a holistic approach to overall wellness. It includes tools to build day-to-day resiliency, access to counseling services, opportunities to build financial wellness skills, and a comprehensive incentive-based wellness program to encourage physical activity and healthy nutrition.

Granite’s compensation programs are designed to align the compensation of our employees with Granite’s performance and to provide incentives to attract, retain, and motivate employees to achieve superior results. The structure of our compensation programs balances guaranteed base pay with incentive compensation opportunities. Specifically: We provide employee wages that are competitive and consistent with employee positions, skill levels, experience, knowledge, and geographic location. We engage nationally recognized outside compensation and benefits consulting firms to independently evaluate the effectiveness of our executive compensation and benefit programs and to provide benchmarking against our peers within the industry. We align our executives’ long-term equity compensation with our shareholders’ interests by linking realizable pay and stock performance. Annual increases are based on performance and are communicated to employees at the time of hiring and documented through our talent management process as part of our annual review procedures or upon internal transfer and/or promotion. Employees are eligible to participate in various incentive compensation programs dependent upon their role within the company. All employees are eligible for health and wellness insurance, paid and unpaid leave, a retirement plan, and life and disability/accident coverage. We also offer a variety of voluntary benefits that allow employees to select the options that meet their needs, including telemedicine, a personalized health wellness program, pet insurance, and a financial wellness program.



GRI Code	Metric/Description	2022	2021	2020
GRI 401-3	Parental leave			
	Female employees that took leave	7	17	12
	Male employees that took leave	71	33	44
	Female employees that returned after leave	7	17	11
	Male employees that returned after leave	71	33	42

402: Labor/Management Relations

3-3 Management Statement It is our objective to foster and maintain relationships founded upon trust, cooperation, and shared goals with our labor partners. Assuring decisions relating to interpretation and administration of collective bargaining agreements and employee relations are fair and focused on the mutual interests of the parties leads to success for workers and Granite. We participate internally and externally in labor-management relations at every level and support communication in an open and constructive manner. We encourage dissemination of timely, relevant information in accordance with applicable laws, industry standards, and collective bargaining obligations to build alignment between labor and management so that decision making, and the management of change, can occur at the most effective level possible. Further, we promote total commitment from every employee, both management and craft workers, to improve the employment environment and support the sustained growth of our industry.

Providing career opportunities based on fair pay with benefits, safe and respectful working conditions, training, skills development, and recognition for daily contributions is foundational to fostering a high-performance culture in our craft workforce. We support apprenticeship and pre-apprenticeship programs as entry level pathways to encourage individuals from diverse backgrounds to launch lifelong careers in the construction industry. We recognize the importance of providing working conditions at every jobsite where everyone is safe, treated fairly, feels valued, and can improve their personal skills, financial well-being, and value as construction industry professionals.

Stakeholder engagement on this topic is included in our periodic Materiality Assessments, through stakeholder surveys and interviews.

GRI 402-1	2022	2021	2020
Minimum notice periods regarding operational changes	It is Granite’s practice to provide notice in alignment with State and Federal law. Our Union agreements contain language specific to the closure or layoff of employees, and our Labor Relations staff negotiates and manages these agreements with our Union partners.	It is Granite’s practice to provide notice in alignment with State and Federal law. Our Union agreements contain language specific to the closure or layoff of employees, and our Labor Relations staff negotiates and manages these agreements with our Union partners.	It is Granite’s practice to provide notice in alignment with State and Federal law. Our Union agreements contain language specific to the closure or layoff of employees, and our Labor Relations staff negotiates and manages these agreements with our Union partners.



GRI Code	Metric/Description
GRI 403: Occupational Health & Safety	

3-3 Management Statement

Granite’s choice to include safety as a core value reflects our belief that the safety and well-being of our people, our partners, and the public is our greatest responsibility. Every level of our organization is engaged in our safety culture. We approach every task with safety planned into the process, and we do not sacrifice anyone’s safety to get the job done.

Safety is a deeply personal choice. We are responsible for making safe choices not only for ourselves, but for those around us. This commitment elevates our program, drives safety success, and ultimately results in zero injuries. Our goal is to ensure all team members are able to provide for their families in an environment that is free from harm.

Executives, managers, and supervisors proactively and visibly demonstrate their commitment to safety daily by integrating the specified planning and performance goals we have established. Executives, managers, and supervisors are responsible for portraying our core values, holding employees accountable for deficiencies and corrective actions, planning safety into the production cycle, and considering safety and health-related needs, training, equipment, and resources prior to the award of contracts.

The Safety Department develops and advances company-wide safety strategies, initiatives, and programs to manage our overall safety performance. Our professional safety staff members, who are embedded directly into local operations, provide support and expertise associated with implementing Granite’s safety program.

Granite’s safety commitments are defined in our Safety and Health Management System (SHMS) policies. These commitments reflect the Granite Core Values and Code of Conduct while supporting our “zero incident” safety and health vision. Senior management proactively and visibly demonstrates their commitment to safety by integrating the specified planning and performance safety goals the organization has established as part of its strategic plan.

In summary, Granite is committed to the following:

- The prevention of injury and illness and the continuous improvement of safety and health performance by the adoption of our SHMS, which:
 - Provides incident prevention performance requirements for all operations, including construction projects, shops, mines, and plants
 - Assigns responsibilities and establishes minimum safety standards for managers, supervisory personnel, and employees
 - Establishes standard procedures that ensure consistent safe work practices
- Meeting or exceeding the requirements of applicable safety and health laws, regulations, and contractual obligations related to Granite’s safety performance
- Maintaining internal capabilities and management systems to meet our safety and health commitments, including company objectives
- Continually reviewing, improving, and communicating the way in which we manage our safety and health responsibilities



GRI Code	Metric/Description
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Granite’s Sustainability Strategic Plan includes Safety as Focus Area, and our long-term ambition is to record zero injuries and to support an industry-leading culture of safety. Our priority target was to reduce our Occupational Safety & Health Administration (OSHA) recordable incident rate from 1.07 in 2020 to 0.75 by 2023. We achieved this target in 2022 and have set a more ambitious target of 0.70 for 2023.

Granite’s safety strategic plan sets additional goals in key results areas. Key performance indicators (KPIs) are identified to serve as metrics to measure performance, with OSHA recordable incident rates being the KPI for overall safety program performance. Granite also tracks several other leading indicators for safety. Objectives are set for KPIs with specific, measurable, time-bound targets for certain key metrics.

Granite’s SHMS procedure provides a consistent framework that supports efficient and effective management across the company in a manner that is verifiable and supports continuous improvement. Our SHMS procedure incorporates our Safety and Health Management System, which is built on the foundation of OHSAS 18001:2007 Standard for Occupational Health and Safety Management Systems. Our SHMS procedure is structured to establish a consistent approach across the company and includes processes that address planning, implementation, checking, and corrective action (i.e., plan, do, check, act, and review).

We encourage employees to actively participate in our safety and health management efforts. Employee participation includes involvement with craft employee safety teams regarding the following:

- Hazard identification, risk assessments, and determination of controls
- Incident investigations
- The development and review of safety and health policies and objectives
- Consultation where there are any changes that affect their safety and health
- Regulatory inspections
- Contributing ideas and recommendations during safety meetings and Take 5 meetings

Stakeholder engagement on this topic is also included in our periodic Materiality Assessments, through stakeholder surveys and interviews.



GRI Code	Metric/Description				
GRI 403-1	Occupational health and safety management system	2022			
		2022	2021	2020	
	Has the organization implemented an occupational health and safety management system?	Yes: Granite's Safety and Health Management System (SHMS) procedures provide a consistent framework that supports efficient and effective management across the company in a manner that is verifiable and supports continuous improvement. The SHMS procedures are structured in a manner that creates a consistent approach throughout the company and includes processes that address planning, implementation, checking, and corrective action (i.e., plan, do, check, act, and review).	-	-	
	Describe health service offerings and their functions	Granite engages with a medical direction service provider to ensure employees receive real-time, comprehensive, and convenient care for work-related incidents.	Granite engages with a medical direction service provider to ensure employees receive real-time, comprehensive, and convenient care for work-related incidents.	Granite engages with a medical direction service provider to ensure employees receive real-time, comprehensive, and convenient care for work-related incidents.	
	Describe how Granite ensures the quality of these services	Consultation with employees and providers during and after assessments. Review of provider policies and notes, ongoing consultation, and review of incident rates.	Consultation with employees and providers during and after assessments. Review of provider policies and notes, ongoing consultation, and review of incident rates.	Consultation with employees and providers during and after assessments. Review of provider policies and notes, ongoing consultation, and review of incident rates.	
	Describe how Granite facilitates workers' access to the services	Communicated through orientation and posters at job sites in addition to town hall meetings and on-site training by providers.	Communicated through orientation and posters at job sites in addition to town hall meetings and on-site training by providers.	Communicated through orientation and posters at job sites in addition to town hall meetings and on-site training by providers.	



GRI Code	Metric/Description								
GRI 403-2	Hazard identification, risk assessment, and incident investigation								
	<table border="1"> <thead> <tr> <th data-bbox="385 326 932 375"></th> <th data-bbox="932 326 1453 375">2022</th> <th data-bbox="1453 326 1973 375">2021</th> <th data-bbox="1973 326 2460 375">2020</th> </tr> </thead> </table>		2022	2021	2020				
	2022	2021	2020						
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GRI Code	Metric/Description	2022	2021	2020
	Description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health	Speak Up/Listen Up and stop work authority, in conjunction with embedded Craft Safety Connection team members, provide psychologically safe avenues for stopping work when persons consider the environment or situation to be dangerous. All employees read and sign our "personal commitment to safety" which gives them the authority to intervene if an unsafe condition or behavior is identified.	-	-
	Description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.	Work-related incidents are thoroughly reviewed and investigated through a Collaborative Learning Event (CLE). CLE's are a systematic evaluation of significant incidents or near misses where management and operations work together to determine how the incident occurred, the cause and contributing factors, and importantly, the necessary measures, innovations, controls, and communication necessary to prevent a reoccurrence.	-	-
GRI 403-3	Occupational health services	2022	2021	2020
	Description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks.	Granite engages with a medical direction service provider to ensure employees receive real-time, comprehensive, and convenient care for work-related incidents. How Granite ensures the quality of these services: Consultation with employees and providers during and after assessments. Review of provider policies and notes, ongoing consultation, and review of incident rates. How Granite facilitates workers' access to the services: Communicated through orientation and posters at job sites in addition to town hall meetings and on-site training by providers.	Granite engages with a medical direction service provider to ensure employees receive real-time, comprehensive, and convenient care for work-related incidents. How Granite ensures the quality of these services: Consultation with employees and providers during and after assessments. Review of provider policies and notes, ongoing consultation, and review of incident rates. How Granite facilitates workers' access to the services: Communicated through orientation and posters at job sites in addition to town hall meetings and on-site training by providers.	Granite engages with a medical direction service provider to ensure employees receive real-time, comprehensive, and convenient care for work-related incidents. How Granite ensures the quality of these services: Consultation with employees and providers during and after assessments. Review of provider policies and notes, ongoing consultation, and review of incident rates. How Granite facilitates workers' access to the services: Communicated through orientation and posters at job sites in addition to town hall meetings and on-site training by providers.



GRI Code	Metric/Description	2022
GRI 403-4	Work participation, consultation, and communication on occupational health and safety	Participation & Consultation: Granite maintains procedures for employee participation and consultation with respect to safety and health in its standard operating procedure for Safety Communication, Participation, and Consultation. Employees actively participate in the company's safety and health management efforts.
GRI 403-5	Worker training on occupational health and safety	

2022	2021	2020
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All employees receive an overview of our Safety and Health Management System during onboarding, in addition to awareness trainings during weekly/monthly safety meetings. Granite has established a training matrix which outlines the training requirements for all employees. Each region conducts a training needs assessment based on the scope and type work to determine which skills and certifications are required. Granite's Safety and Health Management System (SHMS) procedures provide a consistent framework that supports efficient and effective management across the company in a manner that is verifiable and supports continuous improvement. The SHMS procedures are structured in a manner that create a consistent approach throughout the company and includes processes that address planning, implementation, checking, and corrective action (i.e., plan, do, check, act, and review). Granite uses multiple mechanisms through which competency and awareness of the provisions of its safety and health policies and procedures are communicated, which include but are not limited to, description documents, e-learning modules, webinars, company internal publications, and company meetings and conference presentations. Hazard Identification & Risk Assessment: Granite's Hazard Identification, Risk Assessment, and Determining Controls procedure establishes a process to proactively identify occupational safety or health hazards employees could be exposed to, assess and prioritize the risks associated with those hazards, and identify the controls necessary to eliminate or mitigate those hazards.

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In order to identify and respond to emergencies, and minimize the potential negative impact to the safety and health of individuals and the environment, we have developed and maintain an overarching emergency response plan, in addition to region, site, and job specific plans. Training and drills are conducted annually to familiarize personnel with emergency procedures and to measure the effectiveness of the Emergency Response Plan.



GRI Code	Metric/Description	2022
GRI 403-6	Promotion of worker health	Information is currently not available; update expected by 2026
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Information is currently not available; update expected by 2026
GRI 403-8	Workers covered by an occupational health and safety management system	
	Has the organization implemented an occupational health and safety management system?	Yes
	Number of employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system	0
	Percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system	0
	Number of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited	0
	Percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited	0
	Percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party	0
	Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded	No exclusion



GRI Code	Metric/Description			
GRI 403-9	Work-related injuries			
		2022	2021	2020
	Total number of work-related fatalities	0	1	3
	Fatality rate for direct employees	0	0.01	0.03
	Explanation	All employee hours and injuries associated with any work directed by our personnel are included in our incident rates (i.e., not tracked separately as direct and contract employees).	All employee hours and injuries associated with any work directed by our personnel are included in our incident rates (i.e., not tracked separately as direct and contract employees).	All employee hours and injuries associated with any work directed by our personnel are included in our incident rates (i.e., not tracked separately as direct and contract employees).
	Main types of injuries	Hand injuries	Hand injuries	Hand Injuries; strains and sprains
	Percentage of occurrence	21%	-	-
	Actions taken or underway to eliminate main hazards and minimize risk:	Hand injury prevention was a focus during Safety Week. Hand injury prevention is part of our STCKY prevention processes, and Take 5 meetings identify potential situations where there is a risk to pinches/crush, moves. Crews focus on identifying and eliminating these potential hazards. Hand injury prevention training is included in safety onboarding orientation.	Persistent focus on managing line-of-fire hazards to ensure employees maintain awareness of their hand positioning. Ensuring all employees have and use the right gloves for their assigned tasks. Hand injury prevention and hazard awareness are discussed thoroughly during employee orientation, addressed in our Job Hazard Analysis (JHA), and are routine topics at our daily Take 5 meetings.	Implemented hand safety awareness campaign, updated onboarding, and safety orientation to communicate hand injury prevention. Implemented Lean operations and ergonomics trainings available throughout the company.
	Explanation	We achieved a 1% reduction overall in the number of hand injuries between 2021 and 2022. We continue to make hand injury prevention a significant focus in our training and daily safety meetings.	-	-
	OSHA recordable incident rate	0.71	0.92	1.07
Lost Time Injury Frequency Rate (LTIFR)	0.18	0.14	0.24	



GRI Code	Metric/Description			
GRI 403-10	Work-related ill health			
		2022	2021	2020
	Number of fatalities as a result of work-related ill health	0	0	0
	Number of cases of recordable work-related ill health	0	0	1
	The main types of work-related ill health	The most common ill health condition related to our work types is heat illness. There were no recordable heat illness events in 2022.	Heat illness	Heat illness and hearing loss
Actions taken or underway to eliminate these hazards and minimize risks	To prevent heat illness we conduct heat illness training at onboarding and continually throughout the year. Through innovation and sharing on jobs with a high potential for heat illness, we have implemented an introductory rotation, allowing newly hired personnel to work 2 hours the first day, 4 the next day and so on until they are fully acclimated and can work a full 8 hours. In addition, apples, oranges and grapes are stocked in coolers full of ice water and handed out to crew members in the morning and throughout the day to ensure proper nutrition and hydration.	Heat Illness prevention efforts include hazard identification for heat, acclimatization, provisions, communication, employee monitoring, emergency response, and training. Heat Illness training is conducted during onboarding orientation and regularly reviewed throughout the year. Job site assessments are conducted prior to the start of work to identify and mitigate heat-related concerns; water, rest and shade are provided to prevent heat-related illness. Strict adherence to our Heat Illness Prevention standard operating procedure to ensure adequate hydration, shade and/or cooling stations, and adjusted work/rest cycles.	Heat Illness prevention efforts include hazard identification for heat, acclimatization, provisions, communication, employee monitoring, emergency response, and training. Heat Illness training conducted during onboarding orientation and is regularly reviewed throughout the year. Job site assessments are conducted prior to the start of work to identify and mitigate heat-related concerns; water, rest and shade are provided to prevent heat-related illness. Granite conducts noise monitoring at regular intervals and employees exposed to noise above the action level are enrolled in a hearing conservation program.	

GRI 404: Training and Education

3-3 Management Statement The development of all employees is critical to Granite’s success and is a key factor in our ability to attract and retain talent. Our people are the foundation of our success, and we encourage every employee to actively participate in their own career growth and development. Granite offers a wide variety of training opportunities to ensure our employees are supplementing their on-the-job learning with classroom and online courses needed to promote performance and growth. Through Granite University, these training topics range from soft skills to job-specific technical skills and from formal instructor-led programs to self-guided online learning. Our programs are targeted toward specific employee populations including new employees, new engineers, managers, and current and emerging leaders.

We have a robust talent and succession planning process and have established specialized programs to accelerate the development of our talent pipeline for critical roles in general management, engineering, project management, and operations. On an annual basis, we conduct group succession planning reviews with senior leaders to focus on our high performing and high potential talent, diverse talent, and succession for critical roles.

Stakeholder engagement on this topic is included in our periodic Materiality Assessments, through stakeholder surveys and interviews.



GRI Code	Metric/Description	2022	2021	2020
GRI 404-1	Average hours of training per year per employee	Disclosure limited in scope to salaried employees	Disclosure limited in scope to salaried employees	Disclosure limited in scope to salaried employees
	Average training hours per salaried employee	14.18 h	10.20 h	11.68 h
	Number of training hours provided to male employees	20,456.22	-	-
	Average training hours per male employee	14.32 h	-	-
	Average training days per male employee	1.79	-	-
	Number of training hours provided to female employees	8,774.25	-	-
	Average training hours per female employee	13.88 h	-	-
	Average training days per female employee	1.74	-	-



GRI Code	Metric/Description	2022
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Granite has a tuition reimbursement program.
	Type and scope of programs implemented and assistance provided to upgrade employee skills	

2022	2021	2020
<p>The development of all employees is critical to Granite’s success and is a key factor in our ability to attract and retain talent. Our people are the foundation of our success, and we encourage every employee to actively participate in their own career growth and development. Granite offers a wide variety of training opportunities to ensure our employees are supplementing their on-the-job learning with classroom and online courses needed to promote performance and growth. Through Granite University, these training topics range from soft skills to job-specific technical skills and from formal instructor-led programs to self-guided online learning. Our programs are targeted toward specific employee populations including new employees, new engineers, managers, and current and emerging leaders.</p>	<p>Providing development opportunities for our employees is a key factor in our ability to attract and retain talent, so we encourage every employee to actively participate in their own career growth and development. Granite offers a wide variety of training opportunities to ensure our employees are supplementing their on-the-job learning with classroom and online courses needed to promote performance and growth. Through Granite University, these training topics range from soft skills to job-specific technical skills and from formal instructor-led programs to self-guided online learning. Programs target specific employee populations including new employees, new engineers, managers, and leaders. In 2021, we recorded over 36,000 course completions tracked in our Learning Management System, including more than 100 employees graduating from our multi-level leadership development suite that ranges from emerging leaders through senior leaders. The pandemic required Granite to convert many live programs to a virtual instructor-led format. We successfully delivered over 100 classes in this virtual format in addition to ongoing in-person and self-paced online learning.</p>	<p>We believe the ongoing development of our employees is critical to our company’s success. Through our training and development programs, we create great career opportunities while ensuring that our teams are informed and trained to uphold our policies. Our people are a key competitive advantage and we encourage every employee to actively participate in their own career growth and development. Granite offers a wide variety of training opportunities to ensure our employees are supplementing their on-the-job learning with classroom and online courses needed to promote performance and growth. Through Granite University, these training topics range from soft skills to job-specific technical skills and from self-guided online learning to formal instructor-led programs. The programs target specific employee populations including new employees, new engineers, managers, and leaders. The pandemic has required Granite to convert many live programs to a virtual instructor-led format. In 2020, we successfully delivered over 100 classes in this virtual format including the graduation of 96 employees from our multi-level leadership development suite that ranges from emerging leaders through senior leaders, and 112 graduating from our 12-week Foundations for Engineers program. We have a robust talent and succession planning process and have established specialized programs to support the development of our talent pipeline for critical roles in general management, engineering, project management, and operations. On an annual basis, we conduct group succession planning reviews with senior leaders, including our president, focusing on our high-performing and high-potential talent, diverse talent, and the succession for our most critical roles.</p>



GRI Code	Metric/Description	2022
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Performance Reviews for Career Growth: All salaried employees participate in an ongoing performance review and development program: G3. The name represents the three components of the program—objectives, development, and progress—which are reviewed in two meetings throughout the year. The G3 program is an opportunity for employees and managers to step back from the day-to-day tasks to review progress, set clear objectives, and discuss their future.

GRI 405: Diversity and Equal opportunity

3-3 Management Statement

In a strong macroeconomic market with a low rate of unemployment, the demand and competition for people at all levels of our organization is unprecedented. We want to be the contractor of choice, and we are committed to hiring and retaining the best people in the industry, building their knowledge and skills, modeling inclusive diversity, and accelerating our talent pipelines. We are proud of our focus on inclusive diversity not only as the right thing to do for our people but also as a differentiator in the construction industry.

Our culture is driven by our core values, including an unwavering commitment to inclusive diversity. This stems from our guiding belief that diverse backgrounds, perspectives, and experiences enhance creativity and innovation. We have added Inclusion as one of our core values and designated October as Inclusion Month throughout our operations.

Within Granite’s Sustainability Strategic Plan, under the focus area of Inclusive Diversity, our long-term ambition is to have a workforce that reflects the diversity of the communities where we work; and to foster a culture of inclusive diversity where everyone feels fully engaged in an accepting environment. Stakeholder engagement on this topic is included in our periodic Materiality Assessments through stakeholder surveys and interviews.

We continue to execute our inclusive diversity strategy with the following key goals:

- Increase female representation throughout the entire organization from 12.5% in 2020 to 18% by 2025
- Increase women in leadership from 14% in 2020 to 20% by 2025
- Increase persons of color in leadership from 14.7% in 2020 to 20% by 2025
- Increase Inclusion Index from 71% in 2020 to 80% by 2025

Granite is leveraging external partnerships (e.g., with Catalyst, Handshake, and Vets2PM) to support our efforts to recruit talent to support an increasingly diverse workforce. We engage with the community by hosting quarterly "Inclusive Engagements" calls with schools, organizations, and students to support inclusion. In 2022, we continued our partnership with Rosendin Electric to create and publish an external podcast on diversity, equity, and inclusion (DEI) topics: Construction DEI Talks.

We have been successful with our targeted talent acquisition plan that focused on diverse colleges and universities. We have developed new training programs on inclusive diversity and integrated them into our leadership training courses. Through these programs, leaders learn about the different dimensions of diversity, the cognitive neuroscience behind bias, and how to mitigate biased reactions.



GRI Code	Metric/Description			
GRI 405-1	Diversity of governance bodies and employees			
		2022	2021	2020
	Number of Board members over 50	12	12	-
	Percentage of Board members over 50	100%	100%	-
	Number of female Board members	4	4	-
	Percentage of female Board members	33%	33%	-
	Number of male Board members	8	8	-
	Percentage of male Board members	67%	67%	-
	Number of Board members who are Black or African-American	1	1	-
	Percentage of Board members who are Black or African-American	8%	8%	-
	Number of Board members who are Hispanic or Latino	2	2	-
	Percentage of Board members who are Hispanic or Latino	17%	17%	-
	Number of Board members who are White	9	9	-
Percentage of Board members who are White	75%	75%	-	



GRI Code Metric/Description

Employee Diversity

	Total		Employee Category							
	All US Employees		Administrative		Craft		Professional		Leadership	
Gender	Count	%	Count	%	Count	%	Count	%	Count	%
Female	803	12.61	29	28.16	143	3.41	631	30.39	182	18.59
Male	5,567	87.39	74	71.84	4,048	96.59	1,445	69.61	797	81.41
Total	6,370									
Ethnicity										
American Indian/Alaskan Native	130	2.04	0	0	113	2.70	17	0.82	5	0.51
Asian	148	2.32	3	2.91	65	1.55	80	3.85	26	2.66
Black or African-American	188	2.95	3	2.91	130	3.10	55	2.65	16	1.63
Hawaiian or Pacific Islander	105	1.65	1	0.97	89	2.12	15	0.72	6	0.61
Hispanic or Latino	1,885	29.59	28	27.18	1,517	36.20	340	16.38	103	10.52
Two or More Races	179	2.81	4	3.88	119	2.84	56	2.70	21	2.15
White	3,735	58.63	64	62.14	2,158	51.49	1,513	72.88	802	81.92
Age Group										
Under 30	1,376	21.60								
30-50	3,196	50.17								
Over 50	1,798	28.23								

Total employees: 6,370; includes all US employees categorized as "active" in Human Resource system as of December 31, 2022. Percentages reflect rounding.

Historical Information

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2021 Sustainability Report, p. 37

2020 Sustainability Report, p. 43

GRI 405-2

Ratio of basic salary and remuneration of women to men

Information is currently not available due to legal prohibitions, including attorney-client privilege; update expected by 2026

GRI 406: Non-discrimination

3-3 Management Statement

All Granite employees are required to complete training on our Code of Conduct as part of initial onboarding, and then on an ongoing basis. Our Code of Conduct training provides guidance on our policies to prevent discrimination and harassment, as well as methods to report misconduct. Our Equal Opportunity and Violence, Intimidation and Harassment Prevention, and Whistleblower policies establish our commitment to non-discrimination. Our externally-operated, anonymous helpline operates around the clock, all year long, allowing employees, clients, and others to report any incidents of discrimination. Granite's Discipline policy provides guidance on remediating incidents that are found to involve discrimination, including termination of employment, if warranted.



GRI Code	Metric/Description	
GRI 406-1	Incidents of discrimination and corrective actions taken	
2022	2021	2020
In 2022, there was one hotline compliance call alleging discrimination. The allegation was investigated, and the claims were found to be unsupported. All claims were closed after investigation.	In 2021, there were 30 ethical compliance hotline calls, all closed after completed investigation.	In 2020, there were 26 ethical compliance hotline calls and all were closed after investigations, with one resulting in termination. The others were not supported by fact after investigations were completed. Of these calls, one alleged discrimination and four alleged harassment. The discrimination investigation concluded inconclusive and none of the claims were supported.



GRI Code	Metric/Description
GRI 413: Local Communities	

3-3 Management Statement

We know that all our stakeholders, including community members, are welcome partners in our sustainability journey. Our engagement with community covers a broad range of activities, from charitable giving and supporting employee volunteering, to reporting, surveys, and site visits. Within Granite's Sustainability Strategic Plan, under the focus area of Community Engagement, our long-term ambition is to engage meaningfully in the communities where we work; and to empower our employees to volunteer and support charitable organizations.

We encourage our employees to be involved in their communities through local charities and projects, and we designate funds each year to support these efforts. The annual budget for charitable contributions is split between our operating groups. At the discretion of leadership, each operating group establishes local policies to determine the distribution of charitable funds. In accordance with our Corporate Charitable Contributions Policy, funds must support 501(c)3 organizations, with an emphasis on serving children and seniors; education and youth activities; strategic higher education partnerships; those less fortunate; and those charities with which our employees are involved. Our local businesses are engaged with community members, agency representatives, and elected officials through events like open houses for neighborhoods where our facilities are located, tours of job sites and facilities, and other community-based events such as fundraisers for local non-profits.

We engage with our stakeholders in a variety of ways, including by publishing annual sustainability reports. We also maintain other information about our program on our website. As part of our communications plan, we have increased our focus on sustainability in our external communications.

Additionally, we conducted our first materiality assessment in 2019 to better understand our stakeholders' concerns and priorities around sustainability. We conducted our second materiality assessment in 2022-23. Stakeholder engagement on this topic is included in our periodic Materiality Assessments, through stakeholder surveys and interviews.

Our community engagement efforts include work by our Inclusive Diversity team, including hosting quarterly "Inclusive Engagements" calls with schools, organizations, and students to support inclusion. In 2022, we continued our partnership with Rosendin Electric to create and publish an external podcast on diversity, equity, and inclusion (DEI) topics: Construction DEI Talks.

When it comes to our mining assets and projects, we strive for a constructive and mutually beneficial relationship with our local communities, based on mutual respect, meaningful engagement, responsiveness, and transparency. Our mining assets and projects are governed by a complex, multi-levelled system that includes a variety of federal, state, and local laws and, depending on the project, require various permits from multiple agencies. Embedded in the diverse permitting and environmental review processes are public notice and comment periods and various opportunities for public participation. In addition to complying with applicable public notice and comment requirements, we engage in a range of proactive activities and outreach throughout the project life cycle to create opportunities for dialogue with local stakeholders about impacts and benefits of our developments. Such community engagement can take on a range of forms, depending on what is appropriate for a given project, and may include exchanging information and disclosing relevant project information (e.g., through fact sheets, website posts, community meetings, open days, etc.); collaborating and consulting with local communities on matters that directly affect them so as to provide them with opportunities to express their views and allow our team to consider and respond to them; and affording mechanisms through which complaints, grievances, and concerns may be raised, considered, and addressed. Our relationships with our local communities and stakeholders are based on honesty, equity, and integrity, begin long before construction or operation of a facility commences, and are preserved throughout the life of the project and beyond.



GRI Code	Metric/Description			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs			
		2022	2021	2020
	Local community engagement, impact assessments, and development programs	Our local businesses are engaged with community members, agency representatives, and elected officials through events like open houses for neighborhoods where our facilities are located, tours of job sites and facilities, and other community-based events such as fundraisers for local non-profits.		
	Percentage of operations with local community engagement, impact assessments, and/or development programs	100%	100%	100%
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Information is currently not available; update expected by 2026		



GRI Code	Metric/Description
GRI 415: Public Policy	

3-3 Management Statement
 Granite makes it a priority to advocate for the protection of sustainable infrastructure funding. For example, Granite collaborated with federal trade associations and peer companies to advocate for the passage of the Infrastructure Investment and Jobs Act, which increases road, bridge, highway, and transit funding in the US for the next five years. Included in the omnibus appropriation bill passed in December 2022 was the Cornyn-Padilla amendment which allows states to use unspent COVID-19 relief money for transportation funding. This sustains and grows a public investment portfolio that provides the base of Granite’s work portfolio.

With the goal of advocating for the protection of sustainable infrastructure funding, Granite makes contributions to state and local campaigns, which are subject to state disclosure requirements.

Granite created a federal Political Action Committee (PAC) in 1998, which is governed by the Federal Election Campaign Act of 1971. Granite’s PAC is funded by voluntary contributions from qualified employees of Granite and its affiliates. The Granite PAC uses funds to make contributions to federal Congressional or Senatorial campaigns and to other federal trade association PACs that support Granite’s advocacy work.

Granite has a key executive assigned to each of our four primary national trade associations to align Granite’s interests in the areas of increasing federal infrastructure investment. Granite also has members involved in other national industry and professional organizations and conferences. In addition, our business units across the country are involved in state, regional, and local associations that advocate for increased sustainable investment in infrastructure.

GRI 415-1	2022	2021	2020
Political contributions	Granite total political contributions: \$265,568.94 (California: \$198,518.94; Florida: \$16,500; Illinois: \$600; Michigan: \$200; Nevada: \$29,250; Utah: \$20,500). Granite Construction Employee PAC: \$46,000	Granite: \$82,350; Granite Construction Employee PAC: \$60,000. The Employee PAC is funded by voluntary employee contributions and overseen by an independent board of Granite employees. Granite advocates for and contributes to campaigns that support infrastructure funding.	Granite: \$126,950; Granite Construction Employee PAC: \$37,000. Granite advocates for and contributes to campaigns that support infrastructure funding.



APPENDIX B: SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX: DISCLOSURE TOPICS & ACCOUNTING METRICS

SASB Code	Metric/Description	2022	2021	2020
Engineering and Construction Services Standard				
Environmental Impacts of Project Development				

IF-EN-160a. 1	Number of incidents of non-compliance with environmental permits, standards, and regulations			
	Number of incidents	4	9	2
	Description of the nature, context, and any corrective actions taken as a result of the monetary losses			

2022	2021	2020
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In two incidents, source tests were submitted beyond the allowed time frame for testing or submittal. Changes to contracts with source testing consultants have been modified to ensure on time delivery of the reports to the agency. One incident related to track out onto a public street adjacent to a construction project. Training by the water board was completed for all construction employees to align expectations of track out control on project sites. One incident involved a late submittal of a dewatering permit Discharge Monitoring Report (DMR). A consultant was assigned to this task to ensure compliance.

Nine incidents or Notices of Violation (NOV) total in 2021. Three incidents were caused by air quality violations, where opacities exceeded limits along the project boundary. Corrective actions included training of staff on EPA Method 9 (opacity observations) and instruction of project and facility limitations. One NOV was related to sediment track out onto public roads. Increased inspections of projects sites have been implemented to reduce instances of track out. Two NOVs arrived from administrative errors such as late submittal of required reporting. These were corrected by training and proper use of our permit tracking program. Two violations were caused by waste disposal errors such as inactive EPA identifications and not submitting hazardous materials business plans. Corrective actions included updating the EPA identifications and the use of a tracking system for establishing a hazardous waste reporting schedule. One violation was caused by discharge of an oil emulsion into a storm drain during a storm event. The spill area was completely cleaned, and additional training was provided to the responsible team members.

Two incidents total. (1) Granite self-reported a notice of violation for failure to use a registered hazardous waste transporter to transport hazardous waste; no penalty yet assessed; Granite remediated by providing additional training to crews; (2) code violation for turbid water discharge into a surface water canal in Florida; fine \$500; Granite implemented a Corrective Action Plan including additional best management practices protection and staff training, and required applicable staff to complete Florida Stormwater, Erosion and Sediment Control Inspector's Course.



SASB Code	Metric/Description	2022	2021	2020
Structural Integrity & Safety				
IF-EN-250a.1	Amount of defect- and safety-related rework costs	Disclosure limited in scope: Granite continues to roll out implementation of a rework tracking system. In 2022, this system captured approximately \$4.7 million (not yet reflecting the whole company). We expect this figure to grow as more regions implement the tracking system.	Disclosure limited in scope: Granite continues to roll out implementation of a rework tracking system. In 2021, this system captured \$4,721,901 (not yet reflecting the whole company). We expect this figure to grow as more regions implement the tracking system.	Disclosure limited in scope: Granite continues to roll out implementation of a rework tracking system. In 2020, this system captured \$3,498,628 in approximately 18 out of 28 total regions (not yet reflecting the whole company). We expect this figure to grow as more regions implement the tracking system.
IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Information is currently not available; update expected by 2026	Not yet available; assessing reporting improvements.	Not yet available; assessing reporting improvements.
Workforce Health & Safety				
IF-EN-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	(1) Total recordable incident rate: 0.71; (2) Fatality rate: 0. All employee hours and injuries associated with any work directed by our personnel are included in our incident rates (i.e., not tracked separately as direct and contract employees).	(1) Total recordable incident rate: 0.92; (2) Fatality rate: 0.01. All employee hours and injuries associated with any work directed by our personnel are included in our incident rates (i.e., not tracked separately as direct and contract employees).	(1) Total recordable incident rate: 1.07; (2) Fatality rate: 0.03. All employee hours and injuries associated with any work directed by our personnel are included in our incident rates (i.e., not tracked separately as direct and contract employees).
Life-Cycle Impact of Buildings & Infrastructure				
IF-EN-410a.1	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard, and (2) active projects seeking such certification	Information is currently not available; update expected by 2026	Not yet available; assessing reporting improvements.	Not yet available; assessing reporting improvements.



SASB Code	Metric/Description	2022	2021	2020
IF-EN-410a.2	<p>Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design</p> <p>2022 Water:</p> <p>Granite recognizes the importance of conserving water, and our goal is to protect water resources in all areas of our influence. Granite’s primary consumptive water uses are related to construction activities at project sites (such as dust suppression and grading activities) and construction material production activities (such as aggregate washing and dust control). The primary mission of our environmental program is to manage and meet our environmental responsibilities, while controlling and reducing any environmental impacts associated with our work, including managing impacts to water. The Environmental Services Department manages our overall environmental performance utilizing Granite’s Environmental Management System (EMS), modeled after the internationally recognized environmental management standards of ISO 14001.</p> <p>Potential impacts to waterways are assessed and managed on a project-specific basis. Our professional environmental staff members are embedded directly into our local operations and provide support and expertise associated with water-related environmental aspects of our operations.</p> <p>Water in Construction Activities</p> <p>Granite’s construction activities seek to acquire required water supplies near the project site via surface delivery systems or wells. Because potable water is not required for most construction activities, Granite commonly partners with local water suppliers to use reclaimed or recycled gray water, reducing impacts on potable water supplies. Our project teams aim to protect regional water quality and avoid negative water resource impacts by using best management practices. Examples of best practices include implementing stormwater management plans, deploying spill prevention plans, and scheduling work processes and activities to protect regional water resources.</p> <p>Water Conservation & Reuse in Construction Materials Production</p> <p>Granite operates construction materials facilities in the western US, which produce a wide range of construction sand, gravel, and crushed stone in addition to asphaltic concrete for use in local construction projects. Many of the aggregate operations rely on self-extracted groundwater as their primary water source and implement strategies to maximize operational water efficiency. Our aggregate operations capture stormwater to the extent feasible and recapture processed water from our aggregate operations. We use settling ponds, clarifiers, and filter presses to separate the rinsed sediment fines from slurry before recirculating the reclaimed water back into the aggregate washing operations. Utilizing water reclamation and recycling significantly reduces consumptive use of water resources (generally by 70% or more). Operational water recycling rates vary throughout our operations based on aggregate material quality, regional climate conditions, and pond loss resulting in groundwater recharge. Facilities use closed loop systems, whereby all post-processing water is reclaimed and recirculated through the system (meaning the total volume recycled and reused can exceed the total withdrawn). Consumptive use (approximately 25%) is limited to water lost to evaporation, dust control, and product capture (i.e., water absorbed by sand/gravel during washing). Analysis for permitting efforts for Big Rock and Solari Quarry indicate that we reclaim between 75%-85% of water for reuse.</p>			



SASB Code	Metric/Description	2022	2021	2020
	<p>Energy:</p> <p>Granite recognizes that our industry must adapt and change with the evolving needs of society to respond to climate change and its negative economic, environmental, and social impacts. This includes minimizing emissions from the use of electricity (as reflected in Scope 2) and transitioning to cleaner sources of energy. We intend to drive our response to climate change by advancing more sustainable construction practices that support emissions reduction, reducing greenhouse gas (GHG) emissions from our operations, and minimizing our carbon footprint.</p> <p>Over the past decade, Granite has invested substantially in energy conservation technologies at our construction materials facilities. Key examples of such energy conservation improvements include:</p> <ul style="list-style-type: none"> • Installing on-site solar power at three plant locations • Installing variable frequency drive technology to increase efficiency in plant operation, reducing electric power demand • Insulating piping, storage tanks, and drums to prevent loss of thermal energy and reduce fuel use • Replacing parallel flow drum plants with counterflow drum plants—counterflow plants allow more heat to be transferred from the burner to the finished asphalt product, increasing efficiency in heating and thus lowering fuel consumption (while also improving impacts to air quality) • Installing warm-mix asphalt systems to allow asphalt production at lower temperatures to reduce energy use—Granite was an early adopter of these systems, and has retrofitted 28 asphalt plants to produce warm-mix asphalt • Optimizing recycled asphalt product content based upon finished product quality to reduce consumption of natural resources (including petroleum products)—all of Granite’s asphaltic concrete plants have recycled asphalt product systems • Utilizing battery demand management systems, which contribute to the resilience of the electrical grid by shifting demand from peak periods to periods with additional capacity 			
		2021 Sustainability Report, p. 49-50; 53-55		
		2020 Sustainability Report, p. 68-72		

Climate Impacts of Business Mix				
IF-EN-410b.1	Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects	(1) Hydrocarbon-related projects: \$1,331,201,136; (2) Renewable energy projects: \$70,518,517	(1) Hydrocarbon-related projects: \$982,496,590 (reflecting all projects except for renewable energy projects); (2) Renewable energy projects: \$54,262,831	Backlog amounts per category (1) Hydrocarbon-related projects: \$1,463,718,940; (2) Renewable energy projects: \$47,098,083
IF-EN-410b.2	Amount of backlog cancellations associated with hydrocarbon related projects	Information is currently not available; update expected by 2026	No information yet available on backlog cancellations; assessing reporting improvements	No information yet available on backlog cancellations; assessing reporting improvements



SASB Code	Metric/Description	2022	2021	2020
IF-EN-410b.3	Amount of backlog for non-energy projects associated with climate change mitigation	\$2,414,729 USD	\$452,051 USD	\$2,884,887 USD
Business Ethics				
IF-EN-510a.1	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	(1) 0; (2) \$0	(1) 0; (2) \$0	(1) 0; (2) \$0
IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	(1) \$0; (2) \$0	(1) \$0; (2) \$0	(1) \$0; (2) \$0
IF-EN-510a.3	(1) Total number and/or percentage of employees and governance body members that have received communication around Granite's anticorruption policies and procedures; (2) Total number and/or percentage of employees and governance body members that have received anticorruption training	<p>Non-craft employees situated in foreign countries, or who have been identified as individuals who are regularly exposed or have potential to conduct business on behalf of the company in foreign jurisdictions are given training on Granite's Anti-Bribery and FCPA Policy. All non-craft employees are enrolled at onboarding in Antitrust Laws and Fair Competition Training. Employee counts: 104 = Anti-Corruption and FCPA Compliance Training (27%*); 274 = Antitrust and Fair Competition Standards (95%); 1,635 = Code of Conduct Refresher (100%).</p> <p>*Lower completion rate year over year is due to enrollment taking place late in calendar year and 30-day completion timeframe.</p>	(1) All employees are exposed to Anti-Bribery and FCPA Policy and Antitrust Laws and Fair Competition Standards during onboarding and annually through the Code of Conduct Certification Process. Due to Refreshed Core Values and corresponding education efforts, the Code of Conduct Certification was archived for 2021 and micro-learnings on each core value were deployed. (2) Non-craft employees situated in foreign countries, or who have been identified as individuals who are regularly exposed or have potential to conduct business on behalf of the company in foreign jurisdictions are given training on Granite's Anti-Bribery and FCPA Policy. All non-craft employees are enrolled at onboarding in Antitrust Laws and Fair Competition Training. Employee counts: 72 = Anti-Corruption and FCPA Compliance Training (94%); 255 = Antitrust and Fair Competition Standards (98%); 2,099 = Core Value Refresh Campaigns (100%)	(1) All employees are exposed to Anti-Bribery and FCPA Policy and Antitrust Laws and Fair Competition Standards during onboarding and annually through the Code of Conduct Certification Process. Employee counts: 2,518 = Anti-Bribery/FCPA Policy; 2,518 = Antitrust and Fair Competition Standards; (2) Non-craft employees situated in foreign countries, or who have been identified as individuals who are regularly exposed or have potential to conduct business on behalf of the company in foreign jurisdictions are given training on Granite's Anti-Bribery and FCPA Policy. All non-craft employees are enrolled at onboarding in Antitrust Laws and Fair Competition Training. Employee counts: 427 = Antitrust and Fair Competition Standards (91%); 1 = Anti-Bribery/FCPA Training (100%); 2,838 = Code of Conduct Refresher (90%)



SASB Code	Metric/Description	2022	2021	2020
Activity Metric				
IF-EN-000.A	Number of active projects	823	518	833
IF-EN-000.B	Number of commissioned projects	951	991 (note improvement in metric to align with standard; reflects number of completed projects in 2021)	967 (backlog contracts at 2020 year end)
IF-EN-000.C	Total backlog	\$4,485,139,000 USD	\$4,010,063,998 USD	\$4,281,754,873 USD
Construction Material Standard				
GHG Emissions				
EM-CM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations			
	Gross direct (Scope 1) GHG emissions (metric tons CO ₂ e)	205,993.47 t CO ₂ e	214,303.00 t CO ₂ e	211,718.00 t CO ₂ e
	Biomass CO ₂ emissions (metric tons) (reporting improvement; added for historical data)	23,108 t CO ₂	14,222 t CO ₂	266 t biomass t CO ₂
	Materials Facilities	40.62%	45.21%	39.62%
	Equipment Fleet	58.04%	53.41%	59.36%
	Heating	1.34%	1.28%	0.84%
	Inliner Processing	0.00 % (no longer part of operations)	0.09%	0.18%
EM-CM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 and life cycle emissions, emissions reduction targets, and an analysis of performance against those targets	2022 Sustainability Report, p. 57-63	2021 Sustainability Report, p. 50-55	2020 Sustainability Report, p. 28-31; 65-70



SASB Code	Metric/Description	2022	2021	2020
Air Quality				
EM-CM-120a.1	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	Note: updated to metric tons for 2022 for consistency with other emissions reporting metrics	Note: corrected values for 2021; with addition of units converted to metric tons (for comparison)	
	Tons of NOx	72.30 metric tons	79.92 t (72.50 metric tons)	23.17 t
	Tons of SOx	25.20 metric tons	26.97 t (24.47 metric tons)	5.08 t
	Tons of particulate matter (PM10)	81.92 metric tons	90.87 t (82.43 metric tons)	26.54 t
	Tons of VOCs	74.52 metric tons	81.09 t (73.57 metric tons)	11.22 t
	Tons of CO	379.63 metric tons	417.77 t (387.99 metric tons)	112.95 t
Energy Management				
EM-CM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative, (4) percentage renewable			
	Total company grid electricity consumed	83,895,637.99 kWh	84,403,188.00 kWh	-
	Total solar production generated at plants	1,685,885.00 kWh	1,661,000.00 kWh	1,750,000.00 kWh
Water Management				
EM-CM-140a.1	(1) Total fresh water withdrawn (in thousands of cubic meters), (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	Disclosure limited in scope to material facilities in California with metered wells (approximately 15 out of 19 facilities). Withdrawal type: groundwater wells.	Disclosure limited in scope to material facilities in California with metered wells (approximately 15 out of 19 facilities). Withdrawal type: groundwater wells.	Disclosure limited in scope to material facilities in California with metered wells (approximately 15 out of 19 facilities). Withdrawal type: groundwater wells.
	Total groundwater well withdrawal	4,078.47 ML	4,986.89 ML	4,241.70 ML
	Percentage recycled of total fresh water withdrawn	Approximately 75%	Approximately 75%	Approximately 75%



SASB Code	Metric/Description	2022	2021	2020
Waste Management				
EM-CM-150a.1	Amount of waste generated, percentage hazardous, percentage recycled	Disclosure limited in scope to hazardous waste in California operations.	Disclosure limited in scope to hazardous waste in California operations.	Disclosure limited in scope to hazardous waste in California operations.
	Total amount of waste generated	Information is currently not available; update expected by 2026	-	-
	Total hazardous waste (US tons)	102.46 t	127.65 t	75.26 t
	Percentage of hazardous waste recycled	Estimated 1%	Estimated 1%	Estimated 33%

Biodiversity Impacts

EM-CM-160a.1 Description of environmental management policies and practices for active sites

2022	2021	2020
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Potential biodiversity impacts are assessed and managed on a project-specific basis. Our professional environmental staff members are embedded directly into our local operations and provide support and expertise associated with all environmental aspects of our diversified business operations, including potential impact on habitat, wildlife, and biodiversity. Expert knowledge of federal, state, and local requirements is key to the successful execution and completion of projects, especially where potential biodiversity impacts are a concern. Granite maintains standard operating procedures and processes for managing environmental responsibilities and objectives. Through operationally embedded environmental professionals, Granite evaluates projects for all environmental requirements through a pre-construction process, which includes evaluation of critical or sensitive habitat as identified by the project owner and regulatory agencies. All construction methods include standard procedures for ensuring compliance with legal and other requirements, including Granite's commitment to the protection of all resources identified through the local, state, and federal requirements impacting both Granite projects and facilities.

For construction projects, clients are generally responsible for conducting any required Environmental Impact Assessments (through which the project owner and regulatory agencies identify critical or sensitive habitat and other environmental concerns) prior to engaging with Granite. Through the pre-construction process, Granite develops project-specific construction methods to protect identified resources, embeds environmental professionals within the operation, and actively monitors site activities to ensure resources are protected at the project location.

Granite maintains standard operating procedures and processes for managing environmental responsibilities and objectives. Through operationally embedded environmental professionals, Granite evaluates projects for all environmental requirements through a pre-construction process, which includes evaluation of critical or sensitive habitat as identified by the project owner and regulatory agencies. All construction methods include standard procedures for ensuring compliance with legal and other requirements, including Granite's commitment to the protection of all resources identified through the local, state, and federal requirements impacting both Granite projects and facilities.

For construction projects, clients are generally responsible for conducting Environmental Impact Assessments (through which the project owner and regulatory agencies identify critical or sensitive habitat and other environmental concerns) prior to engaging with Granite. Through the pre-construction process, Granite develops project-specific construction methods to protect identified resources, embeds environmental professionals within the operation, and actively monitors site activities to ensure resources are protected at the project location.

2020 Sustainability Report, p. 75-76



SASB Code	Metric/Description	2022	2021	2020
EM-CM-160a.2	Terrestrial acreage disturbed, percentage of impacted area restored	Information is currently not available; update expected by 2026	Not yet available; assessing reporting improvements	Not yet available; assessing reporting improvements
Workforce Health & Safety				
EM-CM-320a.1	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) fulltime employees and (b) contract employees	Note: All employee hours and injuries associated with any work directed by our personnel are included in our incident rates (i.e., not tracked separately as direct and contract employees).	Note: All employee hours and injuries associated with any work directed by our personnel are included in our incident rates (i.e., not tracked separately as direct and contract employees).	Note: All employee hours and injuries associated with any work directed by our personnel are included in our incident rates (i.e., not tracked separately as direct and contract employees).
	Total Recordable Incident Rate (TRIR)	0.71	0.92	1.07
	Near Miss Rate (NMR) for full-time employees	8.9	2.8	10.82
EM-CM-320a.2	Number of reported cases of silicosis	0	0	0
Product Innovation				
EM-CM-410a.1	Percentage of products that qualify for credits in sustainable building design and construction certifications	Information is currently not available; update expected by 2026	Not yet available; assessing reporting improvements	Not yet available; assessing reporting improvements
EM-CM-410a.2	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	Information is currently not available; update expected by 2026	Not yet available; assessing reporting improvements	Not yet available; assessing reporting improvements
Pricing Integrity & Transparency				
EM-CM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	\$0 USD	\$0 USD	\$0 USD
Activity Metric				
EM-CM-000.A	Production by major product line (US tons)			
	Total asphaltic concrete production	6,225,808 t	6,520,000 t	5,710,282 t
	Total aggregate production	16,575,437 t	16,400,000 t	14,451,567 t
	Total recycled aggregate production	1,687,351 t	860,000 t	-



APPENDIX C: TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX: RECOMMENDED DISCLOSURES

TCFD Issue & Code	Recommended Disclosure	2022 Response
Governance a)	Describe the organization's governance around climate-related risks and opportunities.	<p>The Board of Directors is responsible for overseeing company performance. The Board of Directors receives updates on sustainability/ESG performance and related risks at a minimum frequency of twice per year and provides approval for sustainability strategic plans and sustainability reports. The Board Risk Committee is responsible for overseeing the company's strategic, operational, health, safety, and environmental compliance risks. The Risk Committee provides oversight of sustainability strategic planning and program performance. The Risk Committee also provides oversight of sustainability/ESG-related risks, including those posed by climate change, which are integrated in the ERM system. The Board Risk Committee receives updates on sustainability/ESG performance and related risks at a minimum frequency of twice per year.</p>
Governance b)	Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The Executive Committee (EC) provides executive direction and resourcing for the sustainability program. The EC, which includes the President and CEO, receives updates on sustainability/ESG at least quarterly. The EC communicates ESG issues and risks to the Board of Directors and its Committees either directly or as delegated to other subject matter experts such as the Sustainability Lead (SL).</p> <p>The SL serves as the functional lead for the sustainability program to engage stakeholders, develop strategic plans, implement programs, and communicate progress. The SL provides updates to the EC at least quarterly and, as delegated by the EC, to the Board of Directors and its Committees.</p> <p>Group Operational Leaders are charged with implementing sustainability programs at the business unit level, supporting data collection from operations, and reporting their progress. Group leaders are responsible for managing operational ESG risks and communicating emerging issues and risks with the SL. Functional Leaders are charged with implementing sustainability programs at the level of their functional business units, supporting data collection, and reporting their progress. Functional leaders are responsible for managing ESG risks in their functional area and communicating emerging risks with the SL.</p> <p>Granite's Sustainability Center of Excellence launched a Climate Awareness Task Force to further integrate climate awareness into our operations. In 2022, the task force continued developing improved strategies for measuring, reporting, and reducing our carbon footprint. As described in our 2020 Sustainability Report, Granite performed its first climate risk assessment to deliver a high-level picture of the potential risks and opportunities Granite may face with a changing climate. Our teams continue to analyze the specific climate change-related opportunities and risks identified in the assessment. We are assessing the relevant priorities of these risks, and plan to establish a process for identifying and managing them as they evolve and implement key metrics and targets for improvements. Our top priority is reducing greenhouse gas emissions, as discussed in the climate section of this report.</p>



TCFD Issue & Code	Recommended Disclosure
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Strategy a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
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Risk Type	Risk Area	Potential Impacts	Timeframe
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Physical Risk	Chronic physical risks (i.e., rising sea levels, increasing mean temperatures, changing wind and precipitation patterns)	Flooding risk to offices, plants, and facilities	Medium Term
		Cost and availability of insurance	Medium Term
		Construction timelines extended or disrupted due to increased frequency of extreme heat or precipitation	Short Term
		Increased energy demand	Medium Term
		Limited water availability	Short Term
		Changes in zoning and development code	Long Term
		Decreased demand for projects in particular markets and locations	Long Term
	Acute physical risks (i.e., increased severity and frequency of extreme events)	Delays in projects	Short Term
		Disruptions in supply and distribution routes	Medium Term
		Disruptions in operations	Medium Term
		Damaged infrastructure	Medium Term
		Cost and availability of insurance	Medium Term



Risk Type	Risk Area	Potential Impacts	Timeframe
Transition Risk	Policy (i.e., regulatory changes, pricing of GHG emissions, enhanced emissions reporting obligations)	Increased spend on reporting activities	Short Term
		Increased scrutiny from investors and other stakeholders on emissions reporting	Short Term
		Compliance risks become more material	Medium Term
		Higher carbon taxes or limited emissions allowances raise operation costs	Medium Term
		Increased competition from imported materials that are not subject to the same carbon taxes or emissions allowances	Medium Term
	Market (i.e., increased cost of raw materials, shift in consumer preferences)	Increased energy, water, and raw material prices affect operational costs	Short Term
		Demand for lower carbon services and products, particularly if a carbon tax increases the cost of high-carbon products	Medium Term
	Reputation (i.e., changing public perceptions of the sector)	Negative ESG-related public image of the sector and/or Granite reduces the demand for products and services, the interest of potential employees, and investments from investors	Short Term
Legal Risk	Litigation risks (i.e., climate change litigation)	Litigation related to ESG disclosures	Short Term
		Increased exposure to damages claims	Long Term
		Financial and reputational costs of defending litigation	Long Term
		Reputational damage caused by legal action against the company	Long Term



TCFD Issue & Code	Recommended Disclosure	2022 Response
Strategy b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>See p. 57-63 for Climate Strategy; Our strategy is to first leverage the results of the climate risk assessment to address the risks it identifies, and then progress toward more detailed planning for different climate scenarios. Our next steps will involve further analysis of the specific climate change-related opportunities and risks identified in the assessment. We will assess the relevant priorities of these risks, establish a process for identifying and managing them as they evolve, and implement key metrics and targets for improvement in risk management.</p> <p>Physical, transition, and regulatory risks related to climate change could have a material adverse impact on our business, financial condition, and results of operations. Physical risks related to climate change, such as changing sea levels, temperature fluctuations, severe storms, and energy and technological disruptions, could cause delays and increases in project costs, resulting in variability in our revenue and profitability, as well as potentially adverse impacts to our operating results and financial condition. In addition, growing public concern about climate change has resulted in the increased focus of local, state, regional, national, and international regulatory bodies on greenhouse gas emissions and climate change issues. Legislation to regulate greenhouse gas emissions has periodically been introduced in the US Congress and in the legislatures of various states in which we operate, and there has been a wide-ranging policy debate, both in the US and internationally, regarding the regulation of greenhouse gas emissions. Such policy changes, including any enactment of increasingly stringent emissions or other environmental regulations, could increase the costs of projects for us and for our clients and, in some cases, delay or even prevent a project from going forward, thereby potentially reducing demand for our services. Consequently, this could have a material adverse effect on our business, financial condition, and results of operations.</p>
Strategy c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Scenario analysis not yet available; assessing improvements
Risk Management a)	Describe the organization's processes for identifying and assessing climate-related risks.	Granite performed its first climate risk assessment (as detailed in Granite's 2020 Sustainability Report) in partnership with external experts. Working with external experts helped us ensure greater objectivity and reliability of the results. The purpose of this assessment was to deliver a high-level picture of the potential risks and opportunities Granite may face with a changing climate, and to begin the process of integrating climate risks into Granite's ERM strategies. The process for the climate risk assessment involved conducting interviews with Granite employees representing various departments, including Supply Chain, Legal, Equipment, Environmental Management, ERM, and other relevant subject matter experts. Industry insights were collected through research papers, webinars, interviews, and reporting standard guidelines. Interviews and external research were analyzed in parallel and synthesized into a final comprehensive report.
Risk Management b)	Describe the organization's processes for managing climate-related risks.	Climate-related risks are integrated into Granite's ERM framework. The Sustainability Department and Climate Awareness Task Force also provide input into managing these risks. The management of climate-related risks falls under the Sustainability Governance Framework.
Risk Management c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate-related risks are integrated into Granite's ERM framework.



TCFD Issue & Code	Recommended Disclosure	2022 Response
Metrics & Targets a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Our strategy is to first leverage the results of the climate risk assessment to address the risks it identifies, and then progress toward more detailed planning for different climate scenarios. Our next steps will involve further analysis of the specific climate change-related opportunities and risks identified in the assessment. We will assess the relevant priorities of these risks, establish a process for identifying and managing them as they evolve, and implement key metrics and targets for improvement in risk management.
Metrics & Targets b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	p. 59-60
Metrics & Targets c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Target: Reduce total Scope 1 GHG emissions by 25% by 2030 from 2020 baseline. See p. 59-60 for performance updates.



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Sustainability data can be challenging to measure accurately. We work continuously to improve our data measurement, gathering, and reporting processes to increase the integrity of the information presented. This report contains the best data available at the time of publication. Data reporting periods are for calendar year 2022, unless otherwise noted. All of us at Granite are deeply committed to improving the way we share information with our stakeholders about our sustainability efforts. We welcome your feedback and comments.

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