100 YEARS
EST. 1922
GRANITE®

2021 SUSTAINABILITY REPORT

BUILDING BEYOND

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100 YEARS
EST. 1922
GRANITE®

A LEGACY OF
ENDURING VALUE

Founded 100 years ago in Watsonville, California, Granite has grown into one of our nation's largest civil infrastructure contractors and construction materials producers. It is hard to appreciate how much has changed in the world since 1922. At our founding, Prohibition was the law of the land, and the first transatlantic flight was still half a decade away. Personal mobility revolutionized our country and our world, and Granite was there, playing a role in driving our communities forward. As a company that has made it easier for people to get where they need to go, our history is intimately tied to the American story.

1920s

1930s

1940s

1922
With a growing number of roadbuilding and construction projects in the area, Granite Rock decides to turn its construction arm into a wholly owned subsidiary company. Granite Construction Company is born.

1933
Granite wins the low-bid contract to construct the first paved road to Glacier Point in Yosemite National Park, California.

1941
America enters WWII after the bombing of Pearl Harbor.

1944
Granite receives a Certificate of Commendation for outstanding achievement from the US Navy for the Navy War Construction Program.

1952
The first effective polio vaccine is released.

1924
The first Winter Olympics is held in Chamonix, France.

1929
"Black Thursday" on Wall Street marks the start of a market crash that bottoms out in 1932 and triggers the Great Depression.

Granite Rock and Granite Construction founder, Arthur Wilson, dies of a heart attack.

1931
The Empire State Building is completed.

Granite builds a new alignment of California's iconic Highway 1 from Cambria to San Simeon near Hearst Castle—10 miles of new construction.

1936
After a trying three years and major cost overruns, the road to Glacier Point in Yosemite National Park, California, is completed. To cover debts, Granite Rock offers Walter J. Wilkinson and Bert Scott full ownership of Granite Construction Company stock in lieu of back wages. The duo take the deal and a new era in Granite's history begins.

1945
WWII ends. During the remainder of the 1940s, Granite thrives as government contracts for airports, breakwaters, bridges, and heavy construction keep the company busy.

1955

With its headquarters and four regional offices open, Granite acquires a quarry near Sacramento, California, securing a consistent supply of materials for the contract to pave Highway 99.

1958

Walter Wilkinson retires from Granite. His "Founders Guide to Future Generations," penned circa 1940, was Granite's first code of ethics, and later developed into Granite's Code of Conduct.

1959

During the 1950s, Granite quadruples in size, going from $5 million in annual revenue in 1950, to $20.9 million in 1959.

1965

Granite begins work on Donner Pass, Rollins Dam, and portions of the California Aqueduct.

1976

Granite delivers the first of seven stations for the newly developed Washington, D.C. metro system.

1980

Granite opens its first regional offices outside of California, in Nevada and Arizona, bringing the total to 10.

1983

Work begins on the Truscott Brine Dam in Texas, leading to Granite's expansion into the Lone Star State.

1950s

1960s

1970s

1980s

1962

Spider-Man makes his first-ever appearance in Marvel's Amazing Fantasy #15.

1969

Neil Armstrong and Buzz Aldrin land on the moon.

1957

The world's first artificial satellite, Sputnik I, is launched by the Soviet Union.

Granite wins the contract to pave Interstate 80 between San Francisco and the Sierras as part of the preparations for the 1960 Winter Olympic Games in California.

1972

Pink Floyd releases "Dark Side of the Moon" in the UK.

Granite completes construction of the Powell Street BART station in San Francisco, California.

1977

Star Wars is released.

1985

Granite adopts an employee stock ownership plan (ESOP) to be shared with all salaried employees.

1987

World population reaches 5 billion.

Granite completes the $67 million, 2,400-foot long Ridgeway Dam in Colorado.

1997
Granite reaches $1 billion in annual revenue.

1996
Granite lands the $800 million San Joaquin Toll Road project in Southern California.

2000
New regional offices are opened and operations expand into the states of Washington and Alaska.

2007
A Granite joint venture is awarded a $480 million portion of the massive Intercounty Connector project in Maryland.

2013
Granite begins work on the San Clemente Dam removal project, part of a major effort to "re-wild" California's Carmel River.

2021
Granite joins the UN Global Compact, the world's largest corporate sustainability initiative.

As part of a core values refresh, Granite adds Sustainability and Inclusion as new core values.

2000s

2010s

1990s

2020s

2002
Granite builds a temporary subway station at the World Trade Center site to replace the platforms and track infrastructure destroyed in the 9/11 attacks.

2012
Granite creates its first external Sustainability Progress Report.

2018
A devastating debris flow hits areas near Montecito, California. Granite is tapped to work on cleanup efforts.

2022
Granite turns 100.

1990
Granite goes public with an initial public offering. Under the symbol GVA, Granite begins to trade on the NASDAQ exchange before later moving to the NYSE.

2016
Granite conducts its first carbon footprint assessment.

A MESSAGE FROM KYLE LARKIN, PRESIDENT & CEO

Sustainability is central to the purpose of our business as we seek to provide infrastructure solutions that support more sustainable and resilient communities. The theme of this Sustainability Report—Building Beyond 100—reflects our vision for the future as we celebrate Granite's centennial milestone.

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. While Granite originated from a quarry operation, our mission has evolved and expanded beyond providing materials and constructing roads to building all types of infrastructure needed to keep communities thriving. As we move beyond our first 100 years, we will increase our focus on delivering infrastructure solutions that help society adapt to a changing climate, reducing the environmental impacts of our own operations, and enhancing the positive social impacts we have in the communities where we work.

While Granite's business has expanded, the ethos of our company remains grounded in the values our founders established. Founder Walter J. Wilkinson wrote a code for how future Granite employees should ethically conduct business, in which he emphasized the importance of "boldly contending for that which is right and firmly rejecting that which is wrong." This sentiment, along with the importance of "respecting the rights . . . of others and maintaining harmonious relations with them," created the foundation for sustainability to become a Granite core value. Through this core value, we respect the rights of others, including future generations, and recognize our responsibility to contribute to building a more sustainable future for all people.

Inclusive diversity is a cornerstone of our commitment to sustainability—inclusion is now also one of our core values. 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. Granite has expanded the team and resources dedicated to our inclusive diversity program, and we have made significant progress on diversity, equity, and inclusion goals in recent years.

In Granite's 2020 Sustainability Report, we unveiled our new strategy for sustainability. In 2021, we used that strategy to develop action plans and initiatives to propel progress. Leveraging our strategy helped us succeed in several areas. One highlight for employee engagement was conducting a month-long core value campaign for sustainability, through which we educated our teams about this new core value and how they can contribute to our mission. Our asphalt teams came up with an exciting innovation for incorporating recycled plastic into pavement, contributing to our goal of responsible resource consumption, while also helping a major retailer meet its own sustainability goals. We also went beyond our own operations to support more sustainable practices in our industry by contributing to the development of a climate action plan for the asphalt industry.

In 2021, Granite took a significant step as a participant in the United Nations (UN) Global Compact by enrolling in the Sustainable Development Goals (SDGs) Ambition accelerator program. Through this program, our sustainability team will learn how to develop strategies and set targets aligned with the level of ambition needed to support the 17 SDGs, unlocking business value, building resilience, and enabling Granite's long-term growth. As a participant in the Global Compact, Granite confirms that we support the 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.

Granite's success in the face of many challenges over the past century has been possible thanks to the dedication and resilience of our employees. I'd like to express my heartfelt thanks to everyone who has worked at Granite, and their families. It is thanks to our employees and their commitment to Granite's vision, mission, and values that we have created an innovative culture and best-in-class team that delivers excellence for our clients. I'd also like to thank our clients for trusting us to provide the infrastructure solutions they need, along with the suppliers whose partnership empowers us to conduct our business. Finally, thank you to the communities where we operate—our goal is to contribute to your social, economic, and environmental success by providing career opportunities, operating ethically and responsibly, and engaging meaningfully for positive social impact. Granite will maintain relevance in a changing world by listening to and understanding the needs of our clients and communities as we all work towards building the next century.

With gratitude and appreciation,

Kyle Larkin
President & Chief Executive Officer

ABOUT GRANITE

Granite Construction Incorporated (Granite; NYSE: GVA) is focused on delivering 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, and celebrating its centennial this year, Granite is one of the largest diversified construction and construction materials companies in the United States (US). Granite's Code of Conduct and core values guide the company to uphold the highest ethical standards. Granite is an industry leader in safety and an award-winning firm in quality and sustainability. Granite is committed to upholding dependable governance structures, reflecting diversity within all levels of the company, and enhancing our culture of inclusion.

We recognize that reliable infrastructure is a critical component of a sustainable society as it allows the movement of people, flow of commerce, supply of energy, and availability of critical residential and commercial utilities. We also understand the importance of sustainability in the context of communities facing extreme weather events and the need to build or rebuild with increased resiliency. Our in-house expertise supports our clients in meeting their own sustainability goals. America's infrastructure is in critical need of repair, as demonstrated by the passing of the bipartisan Infrastructure Investment and Jobs Act in 2021. America's infrastructure needs to be built with increased sustainability and resiliency—we are here to build it.

External Commitments

UN Global Compact

Catalyst

CEO Action for Diversity and Inclusion

Company Awards

Engineering News-Record (ENR) Magazine Top 400 Contractors List (2021)
- #1 for Highways
- #10 for Solar
- #25 for Engineering

Certified Great Place to Work (2020-2021)

Forbes America's Best Mid-Size Employers (2021)

Solar Power World 2021 Top Solar Contractors List
- Rank 17 of 426
- Rank 4 out of 37 for installation subcontractors

OUR MARKETS & CUSTOMERS

Granite serves customers in both public and private sectors within our reportable business segments: Construction and Materials. Our expertise allows us to provide infrastructure solutions in a range of markets as a diversified civil contractor and materials producer.

Customers in 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

Rail

Pavement Preservation

Federal

Power

Industrial

Dams and Canals

Commercial and Residential

Environmental

Tunneling

Materials

CORE VALUES
THAT HAVE STOOD THE TEST OF TIME

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.

SAFETY

INTEGRITY

SUSTAINABILITY

GRANITE
CORE VALUES

INCLUSION

EXCELLENCE

A Granite crew at work in the 1920s

THE VALUES WE LIVE BY

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.

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, 2021-December 31, 2021

Report Cycle

Issued annually

Report Boundaries

Company-wide operations for Granite and its subsidiaries in 2021

COMMUNICATION ON PROGRESS
UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Reporting Frameworks

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

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

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES — 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

Environmental Stewardship

Social Responsibility

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, in accordance with the core option of the GRI G4 Sustainability Reporting Guidelines. 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.

A materiality analysis was performed 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. The materiality assessment revealed that job site relations and management, financial sustainability, employee health and safety, ethics and compliance, and community partnerships are currently the most material items for Granite, while carbon dioxide emissions, sourcing and supply chain management, waste management, and operational efficiency are also materially significant. This materiality assessment has shaped the target areas for Granite's sustainability strategy and will continue to be updated in the coming years with regular stakeholder engagement.

The final pages of this report include appendices with disclosures according to these reporting frameworks, with references to other pages and resources that contain additional information. 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 initiatives in 2021 involved assessing digital solutions for increasing efficiency of data collection and reporting. Granite is committed to continually improving sustainability in our business and working towards greater rigor, transparency, and increasing alignment to industry frameworks that are relevant to our business.

1940s

THEN

Paving Main Street in the 1940s

DEPENDABLE
GOVERNANCE

2020s

NOW

At work paving with modern equipment

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.

Strategic Objectives

Granite Sustainability Objectives: to be a business leader in four key 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 responsible environmental stewards by actively managing our environmental impacts, preserving resources, and improving the positive while reducing the negative

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

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.

AMBITION FOR GLOBAL PROSPERITY

Granite's sustainability efforts align with the Sustainable Development Goals, which provide a blueprint for peace and prosperity for people and the planet. We analyzed goal alignment with reporting metrics and strategic objectives to determine primary goals where our business can have the most direct impact, and secondary goals where we also seek to have a positive impact.

Primary Goals

8 DECENT WORK AND ECONOMIC GROWTH
Decent Work and Economic Growth

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Industry, Innovation, and Infrastructure

11 SUSTAINABLE CITIES AND COMMUNITIES
Sustainable Cities and Communities

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Responsible Consumption and Production

13 CLIMATE ACTION
Climate Action

SUSTAINABLE DEVELOPMENT GOALS

Secondary Goals

Good Health and Well-being
3 GOOD HEALTH AND WELL-BEING

Gender Equality
5 GENDER EQUALITY

Clean Water and Sanitation
6 CLEAN WATER AND SANITATION

Affordable and Clean Energy
7 AFFORDABLE AND CLEAN ENERGY

Reduced Inequalities
10 REDUCED INEQUALITIES

SUSTAINABILITY STRATEGIC PLAN: PROGRESS UPDATES

The following chart provides an overview of Granite's progress on our sustainability strategic plan, intended to show 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 relate to the global goals. The chart presents our sustainability strategic focus areas, long-term ambitions, priority targets and other key performance indicators (KPIs), updates on 2021 performance for KPIs, and notable efforts and initiatives. Some of the efforts and initiatives listed in this chart impact multiple focus areas, emphasizing the inter-connected nature of our sustainability efforts.

For our strategic focus areas, we will continue to develop internal goals, action plans for improvement, and specific targets to measure our progress. One of our primary goals is to improve our baseline data collection and reporting systems, particularly around areas of environmental impact, to support further goal setting.

Social Responsibility

Focus Area	Long-Term Ambition	Priority Targets & KPIs	KPIs: 2021 Updates	Efforts & Initiatives
Safety 8 DECENT WORK AND ECONOMIC GROWTH	Zero injuries; Support an industry-leading culture of safety	Reduce our Occupational Safety & Health Administration (OSHA) recordable incident rate from 1.07 in 2020 to 0.75 by 2023	0.92	• Safety program • Stuff That Can Kill You (STCKY) • Craft Safety Connection • Safety Onboarding & Orientation • Speak Up/Listen Up • Motion Matters • Core value campaign
Inclusive Diversity 5 GENDER EQUALITY 10 REDUCED INEQUALITIES	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	• 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	• Female representation: 12.6% • Women in leadership*: 15.3% • Persons of color in leadership*: 17.4% • Inclusion Index: 70%**	• Inclusive Diversity program • Inclusive Diversity engagement portfolio • External podcast • External partnerships for recruiting • Employee resource groups • Educational programs • Core value campaign

*For these targets, "leadership" is defined as having direct reports or position title of supervisor or above.   **In 2021, Inclusion Index obtained from Kincentric survey.

Focus Area	Long-Term Ambition	Priority Targets & KPIs	KPIs: 2021 Updates	Efforts & Initiatives
Community Engagement	Engage meaningfully in the communities where we work; Empower our employees to volunteer and support charitable organizations	Further development in progress	Further development in progress	• National partnership with Habitat for Humanity • Build Days • Corporate Charitable Contributions Committee • Local charitable efforts
Employee Engagement	Actively engage our employees with our company purpose and mission for sustainability	Further development in progress	Further development in progress	• Sustainability core value campaign • Sustainability Spotlight articles • Sustainability engagement portfolio • Sustainability Center of Excellence forums • Envision training initiative • Inclusive Diversity engagement portfolio
Project Site Relations	Employ best practices at construction sites to avoid, minimize, and mitigate disruptions to surrounding communities	Further development in progress	Further development in progress	• Environmental Management System and program (project-specific plans) • Envision pilot project
Human Rights	Uphold ethical business operations that ensure the protection of human rights in our operations and provide safeguards for our supply chain and business partners	Further development in progress	Further development in progress	• Human Rights Statement • Supplier Code of Conduct • Core value campaign

Environmental Stewardship

Focus Area	Long-Term Ambition	Priority Targets & KPIs	KPIs: 2021 Updates	Efforts & Initiatives
Climate & Emissions	Minimize greenhouse gas (GHG) emissions as much as possible, to industry-leading levels	Reduce total Scope 1 GHG emissions by 25% by 2030 from 2020 baseline	Total Scope 1 GHG emissions (CO_2 equivalents in metric tons) 2020: 211,718 2021: 214,303	• 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 road map for emissions reduction
Water	Protect water resources in all areas of our influence	Goal: Establish baseline data KPI: Volume of water used and recycled	Partial disclosure: water use at materials facilities in California: Used: 4,986 ML Recycled: 119,685 ML	• Water conservation at plants • Project-specific water management plans • Data collection improvements for water use
Waste & Recycled Content	Minimize waste and optimize the use of recycled content in asphalt production	Further development in progress Goal: Establish baseline for construction project waste KPI: % recycled content in asphalt produced	15.77% recycled content in asphaltic concrete produced	• Waste management pilot project • Recycled plastic in asphalt initiative • Recycled asphalt pavement advocacy • Project-specific waste management plans
Air	Reduce air emissions at all plants, to the extent practicable, to industry-leading levels	Goal: Establish baseline data KPI: Primary pollutant air emissions	First company-wide baseline established for all asphalt plants: NOx = 405.39, SOx = 135.75, PM = 521.99, VOCs = 436.18 (US tons)	• Data calculation improvements to reflect air emissions for all asphalt plants

Focus Area	Long-Term Ambition	Priority Targets & KPIs	KPIs: 2021 Updates	Efforts & Initiatives
Sustainable Operational Practices	Employ industry-leading sustainability and waste handling practices at our plants; Leverage alternative procurement to reduce environmental impacts of construction projects through innovation	Earn recognition by the National Asphalt Pavement Association (NAPA) Diamond Sustainable Commendation for 75% of our asphalt plants by 2025	41% of asphalt plants received the NAPA Sustainable Commendation	• Envision training initiative • Envision pilot project • Sustainable Operations Task Force • Electric vehicle charging station initiative • Project-specific plans • Waste management pilot project
Land & Biodiversity	Protect and enhance biodiversity within our sphere of influence	Goal: Establish baseline data KPI: Acres disturbed and restored	Not yet available	• Continued reclamation planning (site-specific for plants) • Project-specific plans for habitat & wildlife
Environmental Impacts of Products	Capture the environmental impacts of our products and contribute to industry understanding of the environmental impacts of construction materials	Have Environmental Product Declarations (EPDs) available for 50% of our materials facilities by 2025	8% of asphalt plants have subscribed to an EPD program	• EPD initiative to increase use of EPDs for asphalt • Industry support for development of EPDs

Dependable Governance

Reporting	Communicate our sustainability efforts to the public in a manner consistent with evolving industry standards and requirements	Goal: Improve alignment with standard reporting frameworks	Not applicable	• Sustainability program • Data collection improvements
Stakeholder Engagement	Effectively engage our stakeholders regularly to validate and refresh the sustainability topics we manage and report	Not applicable	Not applicable	• Sustainability core value campaign • Sustainability program (ongoing engagement portfolio) • Employee sustainability survey

Focus Area	Long-Term Ambition	Priority Targets & KPIs	KPIs: 2021 Updates	Efforts & Initiatives
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 completion rates exceeding 99% for salaried employees	Goal achieved: 2021 compliance training completion rate for salaried employees: 99.72%	• Legal and Compliance programs • Core value campaigns
Supply Chain	Go beyond our own operations and positively influence our supply chain to transition to more sustainable resource management	Further development in progress	Further development in progress	• Recycled plastic in asphalt initiative • Renewable diesel initiative • Human Rights Statement • Supplier Code of Conduct

Enduring Value

Focus Area	Long-Term Ambition	Priority Targets & KPIs	KPIs: 2021 Updates	Efforts & Initiatives
Infrastructure Investment	Participate in the advancement of industry-wide sustainable construction practices; 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	Further development in progress	Further development in progress	• Industry group participation • Industry climate plan support • EPD development support • Envision pilot • Local advocacy efforts
First-Time Quality (& Rework)	Achieve leading levels of first-time quality and product safety for construction and materials; Track and prevent rework	Improve our first-time quality rate for production of construction materials from 85% in 2020 to 95% by 2025	88% on 22.5 million tons of product	• Quality program

Focus Area	Long-Term Ambition	Priority Targets & KPIs	KPIs: 2021 Updates	Efforts & Initiatives
Client Alignment & Satisfaction	Effectively engage our clients regularly on sustainability topics to understand their current and future needs	Further development in progress	Further development in progress	• Business Development programs (regional) • Client alignment meetings (project-specific) • Envision training initiative • Envision pilot
Market Presence (Type of Work and End-Markets)	Become a leader in providing sustainable infrastructure solutions; Use the growth of the sustainable economy as an opportunity to grow new markets and commercial opportunities	Further development in progress	Further development in progress	• Expansion in solar and other renewable energy and energy storage markets • Recycled plastic in asphalt initiative • Envision pilot
Climate Resilience	Implement systems to manage readiness to respond to new markets in the transition to a low-carbon economy; Support the longevity of the company by monitoring the company's ability to be resilient and adapt to changing climate conditions	Further development in progress	Further development in progress	• Climate risk assessment integration into Enterprise Risk Management system • Recycled asphalt product initiative and use of rejuvenators • Recycled plastic in asphalt initiative (displaces use of petroleum binder) • Expansion in solar and other renewable energy and energy storage markets

SUSTAINABILITY 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 & Organizational Changes

In 2021, Granite developed a refreshed strategic plan for rollout in 2022, aimed to lead the company into our second centennial with a strong foundation for future growth and profitability. As part of our extensive strategy development, we conducted an in-depth portfolio analysis that examined earnings, risk, and performance by region over the last five years. We also performed market research to determine where the greatest opportunities exist for Granite. We determined there is a strong customer value proposition rooted in our home markets, and we want to strengthen and promote our home market strategy. 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, owner and regulator relationships, and finally, readily available resources, including people, materials, and equipment. Where these attributes exist, we have been—and will continue to be—successful.

We made changes to Granite's organizational structure that will strengthen our business by creating opportunities to be more efficient, better plan and win project pursuits, and consider larger geographic markets holistically. We made changes to our operating groups to improve operating efficiencies and better position the company for long-term growth in alignment with our strategic plan. Our new operating groups are: California; Mountain (formerly Northwest), which primarily includes offices in Alaska, Nevada, Utah, and Washington; and Central (formerly Heavy Civil, Federal, and Midwest), which primarily includes offices in Arizona, Colorado, Florida, Guam, Illinois and Texas. We also adjusted some of the corporate functional departments to be more effective, efficient, and better positioned to support our operations teams while reducing overhead costs.

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 supporting 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. More details about GMS are available in Granite's 2019 Sustainability Progress Report.

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, which was 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 Risk & Opportunities

Granite's Sustainability Center of Excellence launched a Climate Awareness Task Force to further integrate climate awareness into our operations. In 2021, 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 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.

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.

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.

SIMPLIFIED ORGANIZATIONAL CHART

Board of Directors

⬇ Oversight/Direction

⬆ Information/Communication

Board Risk Committee

Board NCGC

Executive Committee

Sustainability Lead

Sustainability Center of Excellence
- Sustainability Council
- Climate Awareness Task Force
- Sustainable Operations Task Force

Regional & Functional Leadership
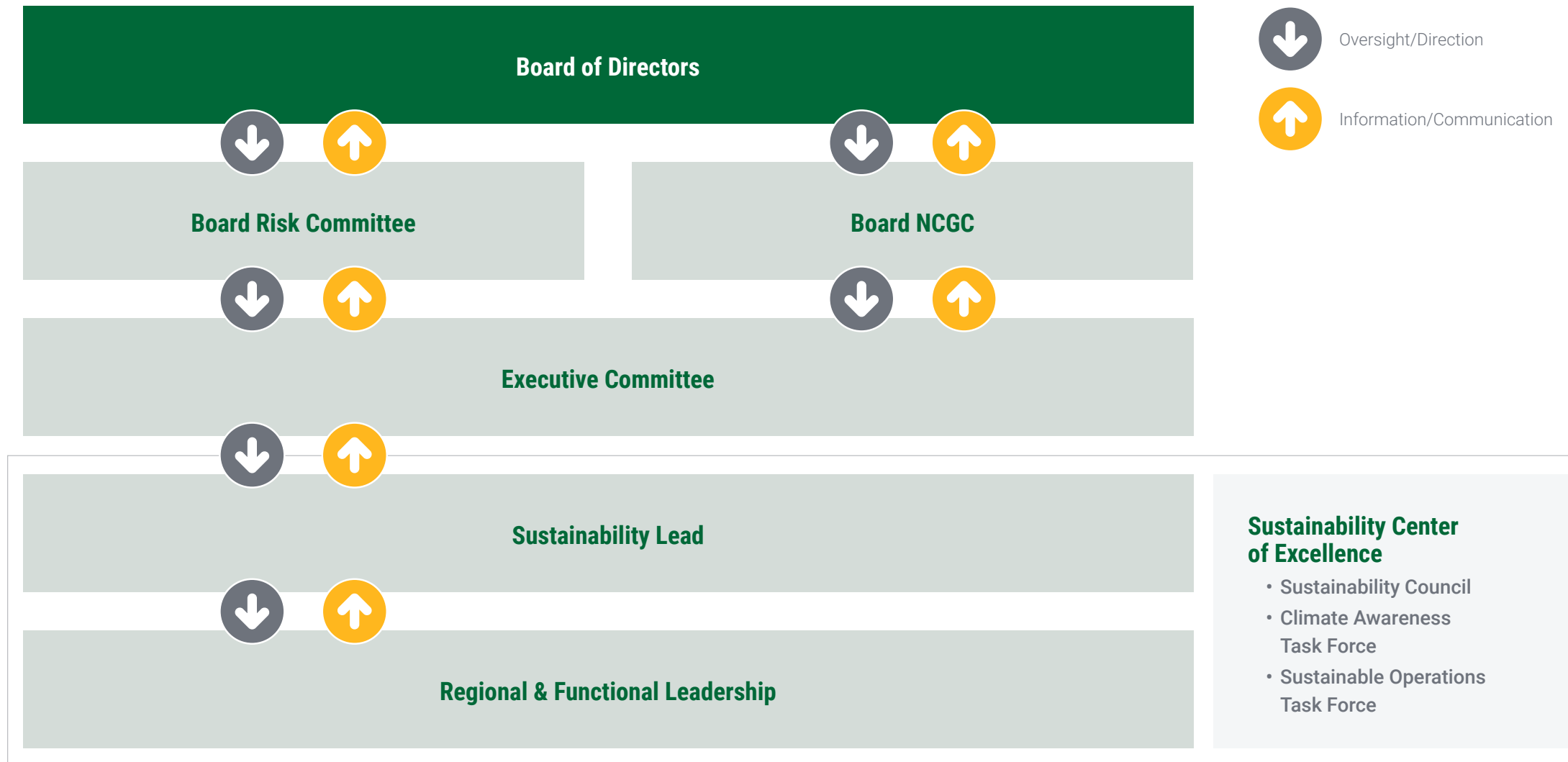
STAKEHOLDER ENGAGEMENT

All our stakeholders are welcome partners in our sustainability journey. We conducted our first materiality assessment in 2019 to better understand our stakeholders' concerns and priorities around sustainability (learn more in the Materiality Assessment section of our 2019 Sustainability Progress Report). Since that assessment, we have noted an increased focus on climate change issues across all stakeholder groups.

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. In 2021, our primary focus for internal stakeholder engagement was to educate our teams about our mission for sustainability and engage them with initiatives to support our sustainability strategic plan.

Here is a summary of the ways in which we engage our stakeholders:

Stakeholder Group	Employees	Investors	Clients	Community	Suppliers
Engagement Methods	• Surveyed in 2019 Materiality Assessment • Sustainability Center of Excellence discussion forums • Internal website & resources (with materiality survey) • Yammer page • Engagement surveys • Direct engagement • Quarterly webinars • Town Halls • 2021 sustainability core value campaign • Core value and onboarding trainings	• Surveyed in 2019 Materiality Assessment • Quarterly investor calls • Direct engagement	• Surveyed in 2019 Materiality Assessment • Client alignment meetings • Client satisfaction surveys • Supplier questionnaires • Direct engagement	• Direct engagement with public representatives and organizations • Press releases • Social media posts highlighting sustainability issues	• Direct engagement related to sustainability initiatives
Key Topics of Interest	• Employee Health & Safety • Ethics & Compliance • Climate Change & Carbon Emissions	• Employee Health & Safety • Financial Sustainability • Climate Change & Carbon Emissions	• Job Site Relations & Management • Employee Health & Safety • Climate Change & Carbon Emissions	• Job Site Relations & Management • Community Partnerships • Climate Change & Carbon Emissions	• Climate Change & Carbon Emissions

PROJECT HIGHLIGHT:

PRESERVING ACCESS TO NATIONAL PARKS

At Granite, we take pride in a long history of preserving the roads in many National Parks and Monuments across the nation, sustaining access to these treasures for future generations. In 1933, Granite won a contract to build the first roads into Yosemite National Park—Granite's first collaboration with the Department of Transportation Federal Highways Association and the Department of the Interior National Parks Service. In the years since, Granite has paved hundreds of roads and parking lots in numerous National Parks and Monuments, including:

National Parks

- Big Bend
- Death Valley
- Denali National Park
- Glacier
- Grand Teton
- Lassen Volcanic
- Olympic
- Rocky Mountain
- Wind Cave
- Yellowstone
- Yosemite
- Zion

National Monuments

- Cabrillo
- Canyon de Chelly
- Chiricahua
- Colorado
- Craters of the Moon
- Hovenweep
- Jewel Cave
- Montezuma Castle
- Navajo
- Pipe Spring
- Sunset Crater Volcano
- Tuzigoot
- Walnut Canyon
- Wupatki

1930s
THEN
Cutting the road to Glacier Point in Yosemite National Park, California

2010s
NOW
A smooth drive on fresh Granite paving work at Wawona Road in Yosemite National Park, California

SOCIAL RESPONSIBILITY

OUR PEOPLE

Our most powerful partnership is the one we have with our employees. We believe 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 conducts a pay equity analysis. More information about our benefits program is included in Appendix A.

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.

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.

Sustainability Learning Initiatives

In 2021, our Sustainability team strengthened their partnership with the Learning and Development Department to plan additional opportunities for our team members to learn about sustainability. As part of a broader core values education campaign, Granite dedicated the month of September to educating our teams about sustainability as a new core value and how they can contribute to our mission of sustainability. The campaign for sustainability engaged people at all levels of the company, stressing the importance of considering the triple bottom line (people, planet, and profits) in every business decision. More information

about the core value campaign is included in the Compliance & Ethics section of this report. This campaign provided a foundation for our teams to continue learning about sustainability and how they can leverage their roles to create positive impacts. Sustainability modules were then incorporated into onboarding training materials to ensure that all new employees are integrated into Granite's culture of sustainability.

Granite also launched a new 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 five Granite team members have completed the ENV-SP certification process. Some of these ENV-SPs have also launched an Envision pilot project, through which they are learning to apply the framework to one of Granite's large infrastructure projects. 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.

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 the succession for our most critical roles.

$760,000
Awarded

177
Employees

Employee Tuition Reimbursement

Employees who wish to pursue higher education or obtain a degree are eligible for Granite's Tuition Reimbursement Program. Since the program started in 2011, over 177 employees have been awarded over $760,000. In 2021, 37 employees received tuition reimbursements totaling over $100,000.

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. 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.

In 2021, we continued our inclusive diversity program—our overarching initiative to go beyond legal compliance and support a more inclusive and diverse workforce. Our efforts centered around executing on the strategy for inclusive diversity unveiled last year. With stakeholder engagement as a critical focus, we enhanced our communications by leveraging our inclusive diversity engagement portfolio and expanding our reach to more levels of the organization.

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.

We believe in diversity and inclusion; we act on inclusive diversity!
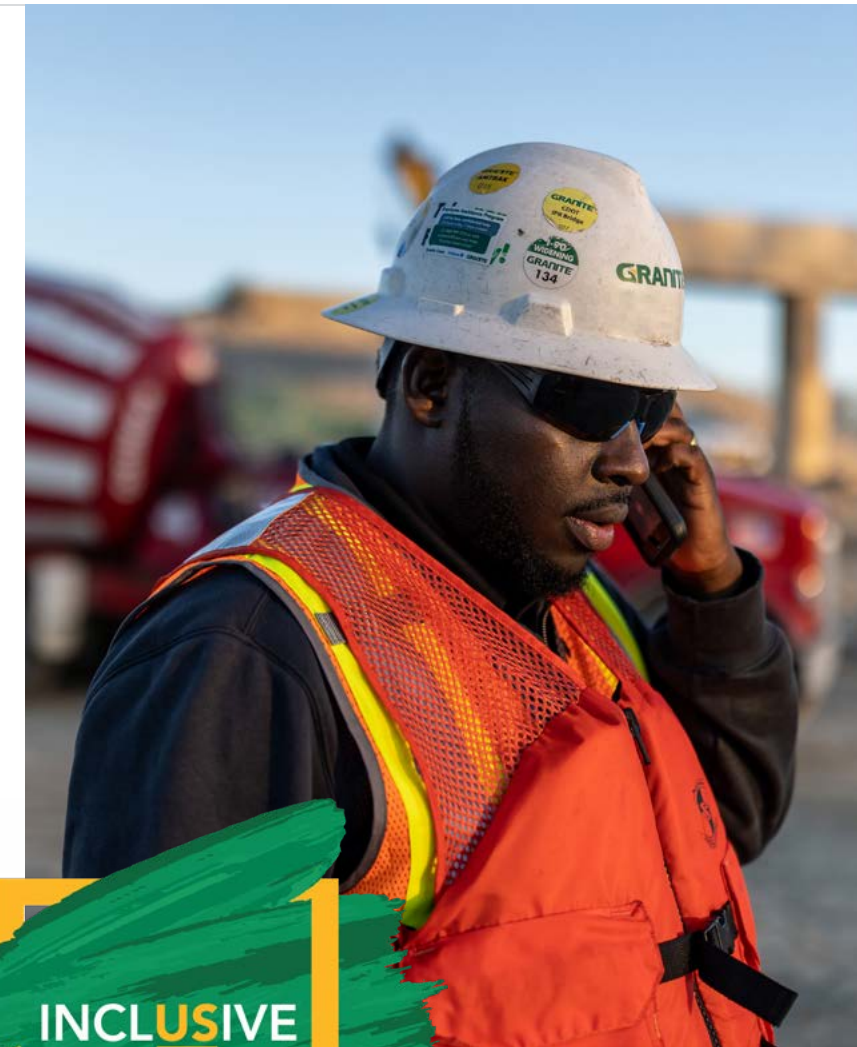
INCLUSIVE DIVERSITY

GRANITE

INCLUSIVE DIVERSITY STRATEGIC OBJECTIVES

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 people of color

Build Capacity

Train leaders and employees on inclusive diversity

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 2021, 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.

15.3%

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

17.4%

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

70%

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.
**In 2021, Inclusion Index obtained from Kincentric survey.

Diverse Representation in Leadership (2012 vs. 2021)

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

● Women   ● Persons of Color

11.7%	15.3%	12.6%	17.4%
2012	2021	2012	2021
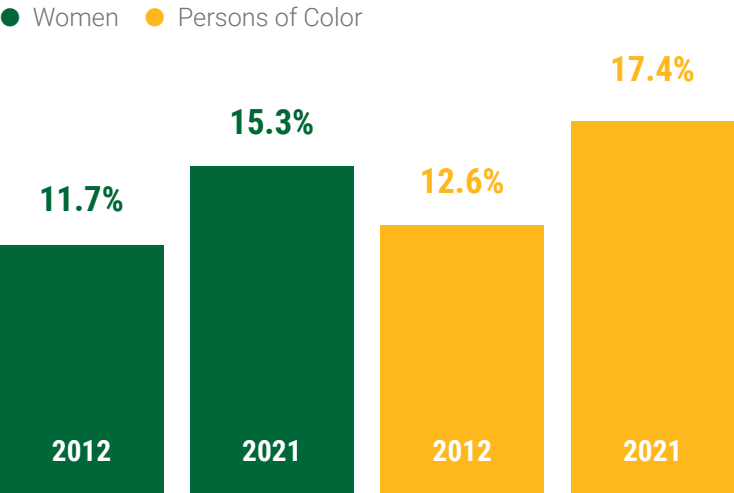
External Partnerships & Recruiting

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. In 2021, 41% of our 220 interns were women and/or persons of color.

Catalyst: Workplaces that Work for Women

Granite strengthened its partnership with the Catalyst CEO Champions for Change Gender Equality Initiative in 2021. This external pledge emphasizes Granite's commitment to continue making diversity, inclusion, and gender equality a priority in the workplace. Granite continued its pledge to advance more women into all levels of leadership by sharing our workforce data to create greater data transparency and assisting our women's employee resource group in leveraging the Catalyst programming for its monthly membership meetings.

Mogul

Granite continued its partnership with Mogul in 2021. This technology platform connects women with career-related content and opportunities to empower young women to realize their full potential.

Handshake

In 2021, Granite optimized its relationship with the recruiting platform Handshake to increase our recruitment efforts in Historically Black Colleges and Universities and Historically Hispanic Serving Institutions. The platform allowed us to safely engage with students during the pandemic.

Hispanic Association on Corporate Responsibility

We partnered with the Hispanic Association on Corporate Responsibility to share our workforce data and gain insights into our company's performance compared to other companies. This process gave us a view into where we needed to improve and where we were in our inclusive diversity journey.

Building Career Pathways for Veterans with SkillsBridge

As part of a new military hiring strategy, Granite launched 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. So far, we have successfully hosted three SkillsBridge residents. The first one to complete their residency has accepted a full-time position with Granite.

Communication & Engagement

Engaging employees with our mission of inclusive diversity continued as a foundational step in 2021. Our integrated inclusive diversity engagement portfolio aims to ultimately strengthen our ability to be the company of choice, the employer of choice, and the investment of choice.

Engagement Portfolio

Granite's extensive inclusive diversity engagement portfolio focuses on providing communication and engagement with team members at all levels of our organization. The portfolio offers a "surround sound" of information through micro-learnings, an intranet site, quarterly leadership conversations, all-employee engagement calls, and Granite's original Inclusive Conversations podcast. This engagement portfolio is instrumental in creating the proper forum for employees to share their perspectives and discuss critical issues related to race, diversity, inclusion, and equity.

To engage with the community, we host quarterly "Inclusive Engagements" calls with schools, organizations, and students to support inclusion. In 2021, we developed a partnership with Rosendin Electric to launch an external podcast on diversity, equity, and inclusion (DEI) topics: Construction DEI Talks. The podcast is the first of its kind in our industry. It serves as a way for people in the construction industry to learn, discuss, and apply the concepts presented in the podcast.

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). 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. GROW participates each year in Women in Construction Week, leading activities and implementing a communication campaign highlighting women in construction. GROW also sponsors quarterly events where speakers share success stories and insights about successfully navigating careers in male-dominated industries.

In 2021, 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 in 2021 include:

- Successfully launching the GROW Virtual Chapter
- Creating and implementing a development coaching program
- Starting a book club with a focus on professional development for women
- Raising awareness about Women's Equality Day with an employee engagement campaign
- Envisioning and developing Horizons, a job shadowing program, which is planned to launch in 2022

Supporting & Recognizing the Veteran Community

The mission of SRVC is to be a strategic partner with Granite to promote a culture of diversity and inclusion through continual learning, employee development, and employee engagement. 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. Highlights of the SRVC team's accomplishments include:

- Launching their group and holding meetings where they hosted inspirational speakers, shared personal experiences with the military, and learned from Granite leaders who shared how their military experiences built the foundation for their success
- Creating an intranet site with resources and articles for veterans and their family members
- Sending appreciation boxes to self-identified veterans at Granite with thank you letters from CEO Kyle Larkin
- Developing a culture that supports military hiring and retention
- Launching a partnership with Vets2PM, an accredited Department of Defense SkillBridge provider, to provide career opportunities for service members, and successfully hosting three SkillsBridge residents

Mentoring Program

In 2021, through a collaboration between GROW and the Learning and Development Department, Granite enhanced its mentoring program and successfully increased the number of participant pairs to 126, up from 50 pairs during the previous year. Participants also included members of our Craft workforce. The program was updated based on feedback from participants in the 2020 cohort—improvements included a robust resources page in the corporate intranet as well as meetings throughout the year for participants to seek peer-to-peer feedback, advice, and support.

EMPLOYEE DEMOGRAPHICS

Gender

Gender	Count*	%
● Female	917	12.61%
● Male	6,354	87.39%

Ethnicity

Ethnicity	Count	%
● American Indian/Alaskan Native	152	2.09%
● Asian	204	2.81%
● Black or African-American	233	3.20%
● Hawaiian or Pacific Islander	145	1.99%
● Hispanic or Latino	1,962	26.98%
● Two or More Races	193	2.65%
● White	4,382	60.27%
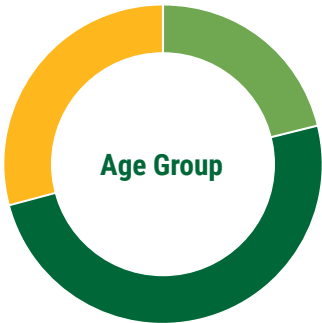
Age Group

Age Group	Count	%
● Under 30	1,534	21.13%
● 30-50	3,618	49.83%
● Over 50	2,109	29.05%

*Total employees: 7,271; includes all US employees categorized as "active" in Human Resources system as of December 31, 2021. 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.

Safety is about stories, not statistics. 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, act, 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 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.

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.

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

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 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

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, Speak Up/Listen Up, Motion Matters, and Safety Dashboards and Reporting (more information available in our 2020 Sustainability Report).

Our core safety commitments center on three pillars:

PEOPLE
Leadership
Commitment
Training

PERFORMANCE
Daily inspections
Incident prevention
Analytics

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

Safety Performance

Granite's safety performance improved significantly in 2021 compared to 2020:

	2021	2020
OSHA recordable incident rate	0.92	1.07
Lost time rate	0.14	0.24
Days Away, Restricted Time (DART)	0.41	0.62

Achieving our goal of zero injuries and fatalities is an ongoing challenge. In 2021, we deeply regret to report that one employee of Layne Christensen Company lost their life in a construction-related incident. We extend our sincere sympathies to their family. Preventing any further loss of life is our top priority.

We independently investigate all fatalities to understand the events involved and identify ways to prevent future occurrences of such incidents. The findings of these investigations are communicated across our organization with the goal of preventing future accidents through lessons learned.

In support of our priority to protect the health and well-being of every team member, our investigations and assessment of preventative measures are ongoing. Immediate actions to prevent reoccurrence involves mandatory education for affected team members as well as company-wide communication and guidance. 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 2021, our safety teams focused on reducing serious and potentially life-threatening injuries with the Stuff That Can Kill You (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.

After developing the framework for STCKY in 2020 and piloting it in several regions, Granite successfully implemented this initiative across the whole company in 2021. With strong support from executive leaders, operational

teams, Continuous Improvement, and Marketing & Communications, the Safety Department was able to meet an accelerated timeline to implement the full STCKY program by August. 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 21% reduction of our DART rate from 0.62 in 2020 to 0.41 in 2021.

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.

Partnership with Habitat for Humanity

Granite continued its national partnership with Habitat for Humanity in 2021. The partnership supports the building of homes for those in need with direct volunteering through build days with Habitat for Humanity in local communities near our businesses across the country. While the pandemic caused some delays, Granite team members were thrilled to participate in build days in 2021.

Proud Partner of **Habitat for Humanity**

Charitable Donations

In 2021, Granite's Corporate Charitable Contributions Committee donated over $170,000 to charitable organizations supporting a wide variety of causes. A small sample of supported organizations includes:

- American Red Cross
- Big Brothers Big Sisters
- Breathe California

- Brillante Mural Project
- Community Health Trust of Pajaro Valley
- Families in Transition
- Hospice Giving Foundation
- Leukemia & Lymphoma Society
- Pajaro Valley Loaves and Fishes
- Society of Young Inklings

Volunteering Highlights

The causes we support are as diverse as our employees. Here are some highlights of local volunteering activities in 2021:

- Granite continued its long-term support of First Tee, a program in central Washington that empowers youth development by seamlessly integrating the game of golf with a life skills curriculum to build self-confidence, problem-solving, and respect. Granite helped the organization build its own facility by selling an office modular unit at a discount and donating labor for installation and setup. Granite also helped construct a new three-hole practice course, complete with sand traps and a putting green, and paved the parking lot and cart path.

- Our team in Everett, Washington, provided school supplies and snacks to students at Hawthorne Elementary School.

- Granite donated supplies to the Tribal Employment Rights Ordinance (TERO) Vocational Training Center in Tulalip, Washington, continuing a history of support going as far back as 2000. Donations included work gloves, jackets, and denim work pants to ensure that graduating students have what they need to succeed in the trades.

- At the Honolulu Authority for Rapid Transportation (HART) Airport Guideway and Stations project in Hawaii, pandemic safety procedures prompted a switch from shared water coolers to plastic water bottles. The daughters of one of the project engineers devised a plan to raise awareness about sustainability by recycling to reduce plastic pollution and protect the environment. The result was Recycle 4 Keiki (*keiki* is the Hawaiian word for children), an initiative to raise funds to help Hawaii's disadvantaged kids by recycling plastic bottles and aluminum cans.

- Granite teams demonstrated their gratitude to 140 US Marines who were returning from deployment by welcoming them home, providing homecoming bags of supplies, and taking them out to dinner in Jacksonville, North Carolina.

- Our team in in Bakersfield, California, participated in the eighth Annual Mission Possible 5k Run/Walk at the California Living Museum to help fight homelessness and addiction.

- Granite supported and team members volunteered for the Community Health Trust of Pajaro Valley's El Mercado program, designed to remove barriers to healthy food access and allow patients to access free produce with a Veggie RX program, in Watsonville, California.

Supporting Education

Granite has a history of supporting higher education programs, especially those related to construction. We want to help ensure that students in the communities we serve across the country have an opportunity to succeed in our industry. In 2021, Granite continued to sponsor several educational programs in universities where we actively recruit employees, with an increasing focus on institutions with diverse student populations. In 2021, Granite supported Cal Baptist University, California Polytechnic State University, and Oregon State University Foundation (additional details in our 2020 Sustainability Report).

Since 2000, our Character Matters Scholarship Fund has provided college financial assistance to the children and grandchildren of employees at Granite and its subsidiaries. We partner with a non-profit third-party administrator for this program to ensure fairness. Granite has awarded $550,000 in scholarships to more than 375 students in the extended Granite family. In 2021, $25,000 was provided to 17 students.

Spotlight on Granite's Nevada Region

Granite's team in Nevada supported many causes in 2021 that bring together the social and environmental sides of sustainability, including:

- The region sponsored the Keep Truckee Meadows Beautiful "Raise the River" event, raising funds for local cleanup programs and local environmental and sustainability educational programs.

- Team members served on the Keep Truckee Meadows Beautiful Adult and Business Education committee, which aims to better educate local businesses on sustainability efforts.

- Granite continued its long-term partnership with the Tahoe-Pyramid Trail (TPT), envisioned to travel along the Truckee River for 114 miles from Lake Tahoe, California, to Pyramid Lake, Nevada. More than 80 miles of the trail is already complete. Granite has provided pro-bono constructability review on various sections of the trail, and in 2021 adopted the Waltham Way Section (providing trail maintenance, trash cleanup, and monitoring). Granite assisted with the construction of the Lockwood Park section, in partnership with TPT and the Nevada Division of Wildlife (NDOW), to establish a section of the TPT and provide better river access for NDOW fishing education programs.

COMPLIANCE & ETHICS

We are committed to upholding ethical and sustainable business operations, and at the center of this commitment is respect for people and their human rights. Granite's Human Rights Statement and Supplier Code of Conduct underscore our expectation that those who perform services for our company must adhere to our standards.

In 2021, we took a close look at our core values and Code of Conduct to align them with our goals and strategic outlook. Under the core values of integrity, safety, excellence, sustainability, and inclusion, we look forward to a future focused on our people, the planet, and profits for our stakeholders.

Our Code of Conduct emphasizes that we are committed to defining, improving, and upholding the highest ethical values and responsible business practices. We revised the Code of Conduct to extend its reach to suppliers, vendors, and others with whom we work. We devote resources to the development, maintenance, communication, and enforcement of our Code of Conduct, our anti-bribery compliance policies, our internal control processes, and compliance-related policies. We strive to conduct timely internal investigations of potential violations and take appropriate action depending upon the outcome of the investigation.

Our most significant effort to enhance business ethics performance in 2021 centered on a core values education campaign intended to embed our refreshed core values into Granite's company culture. Considering that sustainability and inclusion were newly added core values, this presented an important opportunity for our sustainability program and was one of the strategic priorities for our sustainability efforts for the year.

Each core value had a dedicated month that included a standardized set of engagement activities, which were carefully curated to impact each level of our business and drive change throughout our company's culture. We deployed field-level supervisory personnel to sponsor small-group discussions with stakeholders throughout the company, ensuring we reached all team members (hourly and salaried) in offices and in the field. Each core value campaign consisted of these communication tools:

- **Leadership Toolkit:**
  Guidance for leaders to use to sponsor discussions with their teams on the intent, reasoning, and desired behaviors of each core value

- **Core Value Kickoff Email:**
  Communication signed by members of Executive Committee and group leaders, along with a short video introducing the core value and what it means to the success of our company

- **Core Value Executive Leadership Discussion:**
  Discussion among executive leaders about the core value and how it is to be applied to our operations and workplace culture, including an open forum for employees to ask questions

- **Core Value Micro Learning:**
  Micro learning highlighting the core value's desired behaviors and outcomes, followed by a learning assessment

- **Core Value Toolbox Talk:**
  Short video highlighting the core value's desired behaviors and outcomes, followed by a learning assessment

- **Core Value Spot Survey:**
  Survey deployed through a weekly newsletter at the end of each core value campaign to assess engagement and culture throughout the company

- **Core Value Wrap-Up Email:**
  Communication signed by members of the Executive Committee and group leaders to emphasize the importance of the core value campaign and encouraging participation and engagement

- **Legal & Compliance Blog:**
  Blog highlighting core value of the month

- **Inclusive Diversity Podcast:**
  Podcast highlighting leadership and influencers throughout the company discussing the core value of the month

Another highlight from our efforts to enhance business ethics performance in 2021 was the implementation of the use of electronic signatures to improve administrative efficiency. Our Legal and Compliance Department instituted the use of a digital signing solution on all contracts that did not require wet signatures. This resulted in reduced amounts of printed paper and time spent collecting signatures across the enterprise. This effort also improved record retention and safekeeping of contracts.

PROJECT HIGHLIGHT:

REPAIRING COMMUNITIES DAMAGED BY FIRE

Communities across the planet are experiencing more extreme weather events and changing climates. In California, recent fires have been devastating. A massive dry lightning storm in August of 2020 broke records, starting at least 650 wildfires in northern California that grew to affect over 2.5 million acres. As individuals and agencies repair the damage, Granite teams have helped with emergency response efforts, fire cleanup projects, and vital infrastructure repairs in communities across the state. We continue to develop our expertise and ability to help communities respond to disasters and build more resilient infrastructure projects, as demonstrated by the following efforts in 2021:

Meyers Fire Emergency Repairs: In 2020, the LNU Lightning Complex, near Sonoma County, burned 363,000 acres—the fifth largest burn in state history at the time. Granite constructed a new retaining wall and repaired several existing wall structures on Highway 1 north of Jenner, California. Granite encouraged Caltrans to use fire-resistant concrete on repairs to existing walls to protect the structure from future flames. The concrete was treated with a water-based concrete stain, an eco-friendly alternative to acid-based products. Encountered sensitive wildlife was either safely relocated per state requirements or left undisturbed.

Fire Cleanup in Calistoga (pictured): The Glass Fire damaged a large area of property, including a private resort. Granite was hired to help clean up damage from the fire and assist with remediation of the site so the community could rebuild. Granite's scope of work included earthwork, removal of burned materials and impacted soils, and waterway restoration.

Emergency CZU Fire Repair at Big Basin State Park: Granite provided emergency response and ongoing support after the 2020 CZU fire in the Santa Cruz Mountains impacted Big Basin State Park and surrounding communities. Coordination with Caltrans, State Parks, Cal Fire, Santa Cruz County, and subcontractors was critical. Granite supported the reopening of vital corridors after fire damage blocked access to portions of Highways 1, 9, and 236. Our construction teams helped prepare highways for post-fire impacts. Trees that posed hazards to highway traffic were cleared and mulched on site, keeping the roadway safe for emergency and utility crews to reach affected neighborhoods. Retaining walls and culverts were fitted with new headwalls and maintenance holes to reinforce sewer systems and help prevent landslides during heavy rain. Meanwhile, our materials team opened the local Felton Quarry for emergency access and helped with the county's fire cleanup efforts. Overall, Granite accepted and processed about 48,000 tons of concrete debris for reuse.

1950s
THEN

Granite completed upgrades on Interstate 80 between San Francisco and the Sierra Nevada mountains in preparation for the 1960 Winter Olympic Games in California

2010s
NOW

Granite's award-winning Tahoe East Shore Trail in California

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 all 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:

- Corporate Headquarters in Watsonville, California
- Asphalt Plant in Salinas, California
- Asphalt Plant in Santa Clara, California
- GARCO Testing Lab in San Jose, California
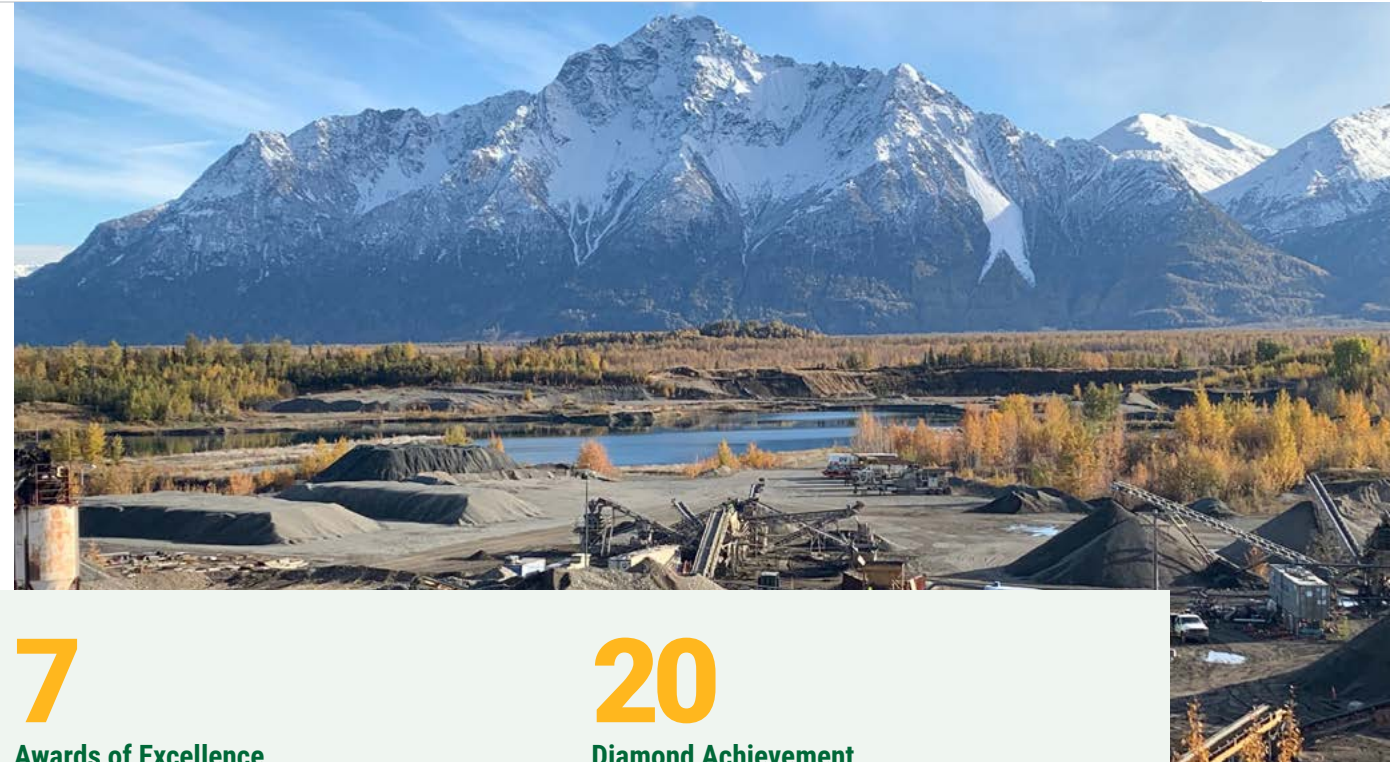
7
Awards of Excellence

The National Sand and Stone Gravel Association (NSSGA) recognized seven Granite facilities with 2021 Awards of Excellence:

4 Environmental Excellence Awards

- Capay Facility (Gold)
- Lockwood Facility (Gold)
- Handley Ranch Quarry (Silver)
- Palmer Facility (Bronze)

3 Community Relations Excellence Awards

- Felton Quarry (Bronze)
- Handley Ranch Quarry (Bronze)
- Highway 175 Quarry (Bronze)

20
Diamond Achievement Sustainable Commendations

The National Asphalt Pavement Association (NAPA) recognized 20 Granite plants with Diamond Achievement Sustainable Commendations in 2021. This expanded level of the Diamond Achievement Commendation evaluates the social, economic, and environmental efforts of an asphalt facility and how it puts sustainability and community engagement principles into action.

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 engage 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

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 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. 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 construction equipment fleet. We are also engaging external expertise to help us build a more detailed road map to meet our climate ambitions.

Improving Data Collection

One of the top priorities for our sustainability program in 2021 was 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, environmental engineering, quality, supply chain, and sustainability, Granite significantly improved the systems in place for collecting and reporting our carbon footprint. This process involved vetting and validating the systems used the previous year, which uncovered additional data gaps and opportunities to improve the accuracy of source data. We have filled these data gaps and updated the carbon calculations used for the 2020 baseline.

For the first time, this report includes an assessment of the Scope 2 carbon emissions from our operations. Incorporating Scope 2, which reflects emissions from electricity use, allows us to have a more comprehensive understanding of how our operations contribute to climate change so that we can reduce them along with Scope 1 emissions.

Other improvements in 2021 included automating parts of the process to reduce the time required to collect, collate, and organize data for carbon calculations. System automation included expert review and validation of data sources to improve data quality. We are in the process of developing live dashboards that reflect carbon emissions at different organizational levels, which will empower regional and local leaders to monitor and manage the impacts of their operations more effectively.

2030 Target:

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

Granite is developing a road map for emissions reduction, and our intent is to expand our targets to include Scope 2 once we have further developed this road map.

Carbon Footprint Assessment

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. GHG emissions increased in total and as normalized per revenue in 2021 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 CO_2 (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 CO_2 only; methane and nitrous oxide emissions factors for mobile equipment are not included; we are currently implementing a solution to address these data gaps
  - Note on Renewable Fuels: Reduced emissions from renewable fuels are not reflected in this calculation; biodiesel and renewable diesel are treated as petroleum diesel as a conservative calculation; we are working on system improvements to address this data limitation
- Inliner thermal processing (fuel used to heat water for liner curing process; includes CO_2 only)
- Asphalt plant production (includes CO_2 Equivalents)
- Granite-owned diesel generators (includes CO_2 Equivalents)
- Indoor heating of Granite-owned facilities provided by fuel combustion (primarily natural gas; includes CO_2 only)

What is in our Carbon Footprint?

SCOPE 1
Direct Emissions
(the fuel we burn)

Stationary Sources
Fuel used at materials plants and office buildings; fuel used for thermal processing

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
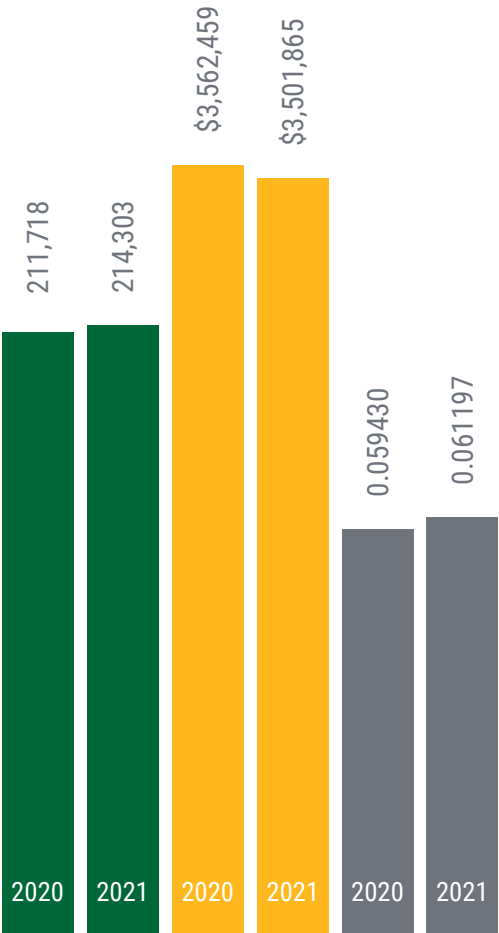Emissions from use phase of materials or infrastructure projects

Scope 1: 2021 vs. 2020* Baseline

- Total Scope 1 CO_2 Equivalents (Metric Tons)
- Revenue ($ Thousand)**
- CO_2 Equivalents/Revenue ($ Thousand)

211,718 — 2020
214,303 — 2021
$3,562,459 — 2020
$3,501,865 — 2021
0.059430 — 2020
0.061197 — 2021

Scope 1: Breakdown by Source

2021 Scope 1 CO_2 Equivalents (Metric Tons) with % by Source***

- **Materials Facilities:** 96,887
- **Equipment Fleet:** 114,469
- **Heating:** 2,753
- **Inliner Processing:** 194

Pie chart: 45.21%, 53.41%, 1.28%, 0.09%
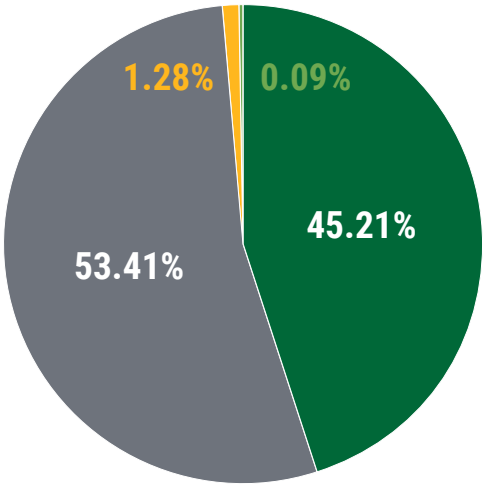
214,303

Total Scope 1

Scope 2: 2021 vs. 2020 Baseline

Scope 2 CO_2 Equivalents (Metric Tons)

Reporting Scope 2 emissions reflects a significant improvement to our carbon footprint assessment capabilities. 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 CO_2 equivalents.

22,749.00 — 2020
24,113.00 — 2021
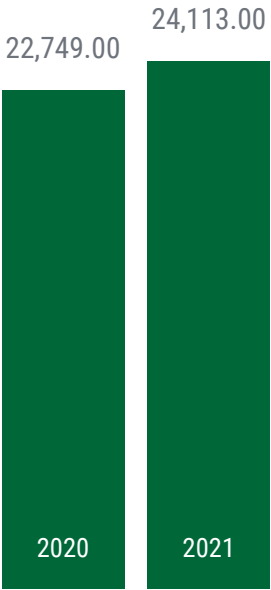
Scope 3: Employee Travel (2020 vs. 2021)

Estimated CO_2 Emissions (Metric Tons)

- Air travel
- Hotel
- Car

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 CO_2 only (not equivalents).

7,909

Travel: 2021 Total Estimated CO_2 Emissions
2020 Total: 7,619

4,230 — 2020
4,625 — 2021
3,267 — 2020
3,125 — 2021
122 — 2020
159 — 2021

*2020 baseline calculations have been updated from figures previously presented in 2020 Sustainability Report. These changes are based on the newest data and improved collection methods.

** Revenue reflects total revenue before discontinued operations.

*** Percentages reflect rounding.

Energy Efficiency at our Plants

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 (more information available in our 2020 Sustainability Report)

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

Envisioning an Electrified Future

To imagine and develop the jobsite of the future—one that runs on clean energy—we must first gain experience with the technologies that will support it. In 2021, Granite's Equipment Department continued it efforts to pursue battery electric solutions whenever available.

Energy Conservation Investments in 2021

Granite invested approximately $1.85 million company-wide on projects aimed to reduce emissions and improve energy efficiency at plants in 2021, including:

- Installing two additional battery demand management systems, bringing the total to eight company-wide (to improve energy management and grid resilience)

- Completing insulation projects at two plants (to reduce energy demand)

- Installing counterflow drums and natural gas burners at a plant (to reduce emissions due to fuel type, reduce energy use through plant design, and allow higher percentages of recycled content)

- Purchasing long-term storage silos for load-out at a plant (to reduce emissions and cost)

- Installing variable frequency drives at two plants (to reduce energy consumption)

- Installing a telescoping stacking conveyor to eliminate rehandling stockpile with a loader at a plant (to reduce fuel emissions)

Our teams promoted the use of electric F150 pickup trucks by making them available in the capital budget and giving presentations to operational teams about the capabilities and logistics of using these new electric trucks. We are also pursuing collaborative partnerships with vendors to allow us to test out new prototypes and contribute to a better understanding of how construction sites can function utilizing electric equipment. Granite is making plans with one partner to test a prototype electric loader in 2023. We are also engaging our major rental vendors to understand their electric construction equipment options and strategies, because it is likely the first pieces of electric construction equipment Granite utilizes will be rented.

An essential part of transitioning to an electric fleet is creating the internal infrastructure to support vehicle and equipment charging while maintaining effective operations. Some locations installed charging stations as early as 2018, and our Sustainable Operations Task Force launched an electric vehicle charging station initiative in 2021 to help establish the charging stations needed to support Granite's transition to electric vehicles. Charging stations can now be found at several locations including Granite's corporate headquarters in Watsonville, California, the Cottonwood Facility in Utah, and offices in Salt Lake City and Ogden, Utah. As we establish stations at more offices, we are gathering best practices to support further transition efforts.

Electric Locomotives for Tunnel Projects

Granite will reduce fuel use and create other benefits across the triple bottom line—people, planet, and profit—in a tunneling operation by transitioning from diesel-powered locomotives to battery-powered locomotives. The battery-powered machines also operate more efficiently, decreasing energy consumed, which reduces cost and impact to the environment.

These battery-powered locomotives also create health and safety improvements for teams working in the tunnels. While diesel-powered machines emit carbon, nitrogen, and other air particulates, the battery-powered machines do not produce exhaust during operation. The resulting reduction of point-source emissions in the tunnel means smaller, less noisy ventilation equipment can be used. Reducing noise and exhaust improves health and safety conditions for workers on the jobsite. The smaller ventilation equipment also uses less energy, creating additional energy and cost savings.

Improving Fuel Efficiency

Until we can replace all carbon-emitting assets with clean-burning alternatives, we will continue to reduce fuel consumption as much as possible. Pathways to improvement include increasing fuel-conscious behaviors and investing in more fuel-efficient assets.

In 2012, we began replacing the purchase of V8 engines with the introduction of the Ford EcoBoost V6 engine, which provided an immediate improvement to the fleet's fuel economy. Today, most of our pickup engines are EcoBoost engines. Our 2021 purchases of property and equipment in California included approximately $17 million in off-road construction equipment with emission reduction improvements.

Our teams aim to support fuel-conscious behaviors that promote conservation by making those behaviors visible, setting goals for improvement, and recognizing the efforts to achieve those goals.
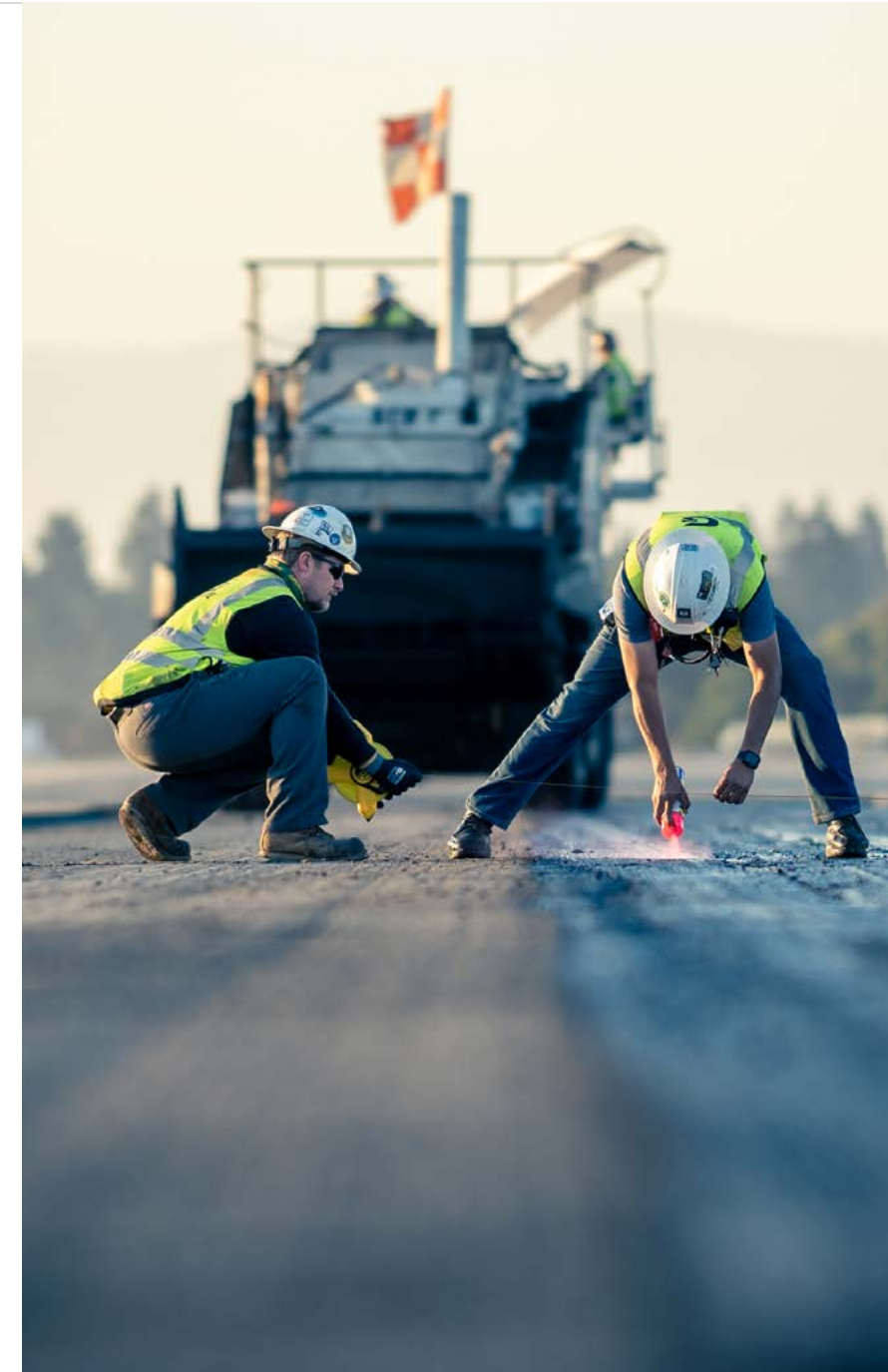
The use of telematics plays a key role in enabling our operations to monitor and manage equipment use. Increasing the quantity of telematics-reporting assets helps us to aggregate fuel-related data so that operations can leverage this information to better manage and improve fuel economy. Granite currently has over 5,000 assets enabled with telematics. In 2021, we added over 200 additional telematics devices to our fleet. Granite's Equipment Department and Information Technology Department are currently collaborating on an initiative to import the data from several telematics providers into a single dashboard to simplify equipment monitoring and management for operational teams.

Renewable Diesel Initiative in California

In 2021, we continued our initiative to transition from petroleum diesel fuel to renewable diesel in our California fleet. Renewable diesel, like biodiesel, is made from non-petroleum renewable resources derived from agricultural products such as waste vegetable oil. Renewable diesel differs from biodiesel in how it is processed, which makes it nearly chemically identical to petroleum diesel. Typically blended with biodiesel, renewable diesel fuel reduces GHG emissions over its life cycle compared to petroleum diesel. Life-cycle fuel emissions (also known as well-to-wheel emissions) measure the total emissions from a fuel's creation (when oil is extracted, or a crop is planted) until the fuel is burned in a motor. Reducing emissions throughout any stage of the life cycle of a fuel is a step towards responsible consumption. According to the California Air Resources Board, using renewable diesel provides a 40-50% reduction of GHG from well-to-wheel emissions and and reduces tail-pipe emissions compared to petroleum diesel*.

In 2020, Granite purchased 27,662 gallons of renewable diesel blends in place of previously used petroleum diesel. In 2021, we replaced 1,480,030 gallons with renewable diesel. Emissions reductions from the use of renewable diesel and other bio-fuels are not currently reflected in Granite's Scope 1 carbon emissions calculation. We are working on improvements to the carbon accounting system that will allow us to report this more precisely in the future.

*California Air Resources Board, LCFS Pathway Certified Carbon Intensities,
 https://ww2.arb.ca.gov/resources/documents/lcfs-pathway-certified-carbon-intensities

40-50%

Use of renewable diesel results in 40-50% fewer life-cycle GHG emissions compared to petroleum diesel.

IMPROVING CONSTRUCTION WASTE MANAGEMENT

In 2021, Granite's Sustainable Operations Task Force turned its attention to waste management, with a focus on establishing best practices for managing waste streams on construction project sites. 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.

In the Central Group, we launched a regional pilot project to improve our approach to waste management for C&D debris. First, we standardized our approach by creating a C&D waste stream management reference guide to define terms, establish responsibilities, and provide instruction on how to plan and report waste management efforts. Training on C&D waste management was then provided to teams in the pilot region, so that they could support the collection of the appropriate data in the field.
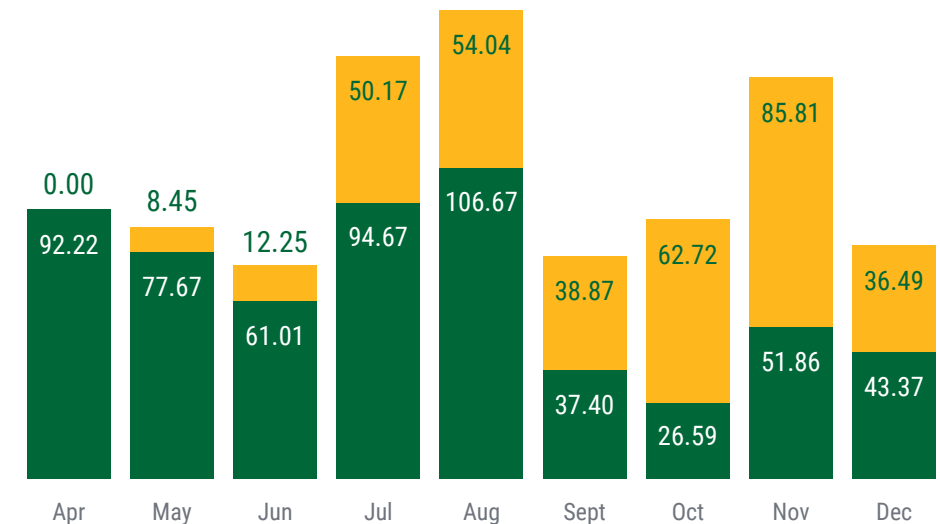
The initial stages of data collection for the pilot project relied on the analysis of invoices from the most frequently utilized waste haulers in the region. Information was collected into a spreadsheet to record total waste, recycled waste, and waste sent to a landfill. Teams transitioned the data collection effort to the project teams for monthly reporting, which improved data quality because the project teams have direct knowledge of waste disposal practices that might not be reflected on vendor invoices.

The scope of the pilot project continued to expand throughout the year and, at the end of 2021, included nine civil infrastructure construction projects and two tunnel projects. For the nine months of data collected for the nine civil projects, a total of 62% of C&D debris was recycled (38% to landfill). In the three months of data collection for the two tunnel projects, results showed 71% of C&D debris was recycled (29% to landfill). Recycling streams for C&D debris included co-mingled (82%), metals (11%), concrete (5%), wood (1%), railroad ties (1%), plastic (<1%), paper (<1%), and cardboard (<1%). The pilot project will continue in 2022, with the aim of improving the current approach and establishing best practices to be spread to other regions.

2021 Pilot Project: Project C&D Debris Quantities

Quantity in US Tons

● Total Recycled Debris   ● Total Municipal Solid Waste

Month	Total Recycled Debris	Total Municipal Solid Waste
Apr	92.22	0.00
May	77.67	8.45
Jun	61.01	12.25
Jul	94.67	50.17
Aug	106.67	54.04
Sept	37.40	38.87
Oct	26.59	62.72
Nov	51.86	85.81
Dec	43.37	36.49

Recycling of C&D Debris

- ● **Co-mingled:** 82%
- ● **Metals:** 11%
- ● **Concrete:** 5%
- ● **Wood:** 1%
- ● **Railroad Ties:** 1%
- **Plastic:** <1%
- **Paper:** <1%
- **Cardboard:** <1%
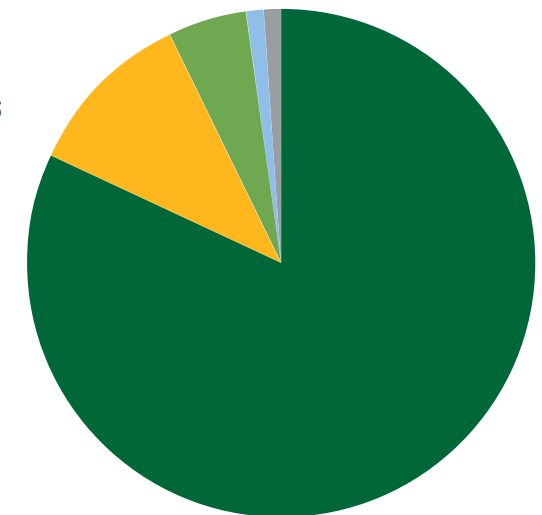
USING MORE RECYCLED MATERIALS

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, four Granite plants have subscribed to EPD programs for asphalt.

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 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), and cost—all while maintaining high quality and performance.
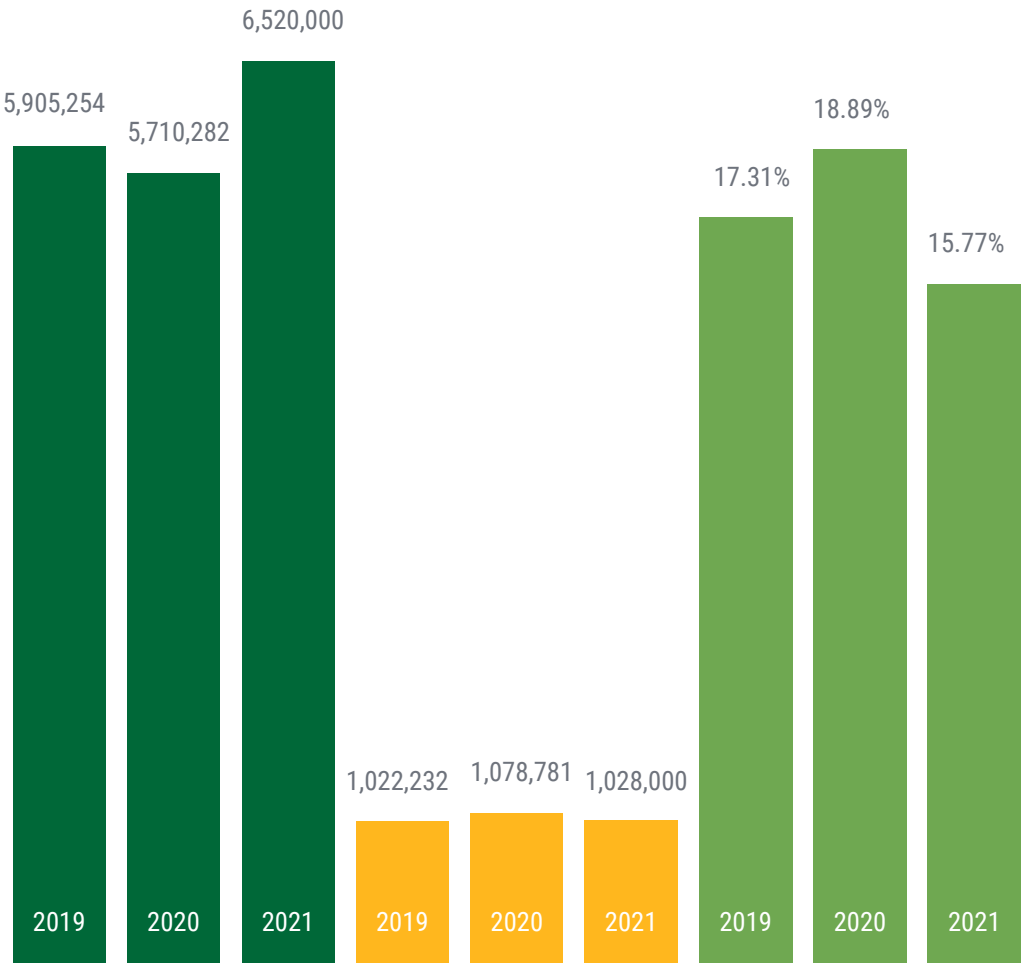
Quality engineering is an important attribute of our material products. Balanced mix design is an alternative method of designing asphalt mixes using performance tests on appropriately conditioned specimens to address multiple modes of distress while considering aging, traffic, climate, and location 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 materials costs
- Increased service life
- Improved durability

Use of Recycled Materials (2019-2021)

US Tons

- ● Asphaltic Concrete Produced
- ● Recycled Content in Asphaltic Concrete
- ● Percentage of Recycled Content*

	2019	2020	2021
Asphaltic Concrete Produced	5,905,254	5,710,282	6,520,000
Recycled Content in Asphaltic Concrete	1,022,232	1,078,781	1,028,000
Percentage of Recycled Content*	17.31%	18.89%	15.77%

*Percentages reflect rounding.

RECYCLING PLASTIC IN PAVEMENT

Granite's increased focus on sustainability is fostering innovative efforts that create value across the triple bottom line. One example of innovation comes from a collaborative effort to integrate post-consumer plastic into asphalt concrete. 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 embodied carbon in the mix (by an estimated 8-14%) compared to similar mixes without recycled plastic—providing a unique, lower carbon alternative that differentiates Granite's product from others in the marketplace.

Humans create a lot of plastic, and we can only recycle certain types of plastic in limited amounts, leaving lots of material as waste. This issue was exacerbated in 2018 when China banned the import of most post-consumer plastics and other recyclable materials. With nowhere to send waste for recycling, communities across the US started looking for other ways to manage the waste. Proposals to bury the waste in roads or incorporate plastic into asphalt pavements were considered, but many in the asphalt industry were concerned about how incorporating plastic might impact things like pavement performance, worker health and safety, and the ability to use recycled asphalt pavement in a continuous loop.

Considering this problem, our teams sought out a better way to approach plastic waste not by burying it, but by benefiting from it, and using it as a functional replacement for asphalt binder. The first challenge was finding the right type of plastic, because it needed to be sorted properly to provide a clean source of just one type of plastic. Our teams tested many different sources and types, including post-

industrial plastic, until they found a unique supplier that could provide a clean source of post-consumer plastic that they were able to break down into the right shape and size for use in asphalt plants. This was a collaborative effort, with different labs helping to blend, test, and validate different mixes. After many rounds of performance testing, our team found the right mix and temperature that met standard specifications.

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 October 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.

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 reused 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.

This unique product sets Granite apart in the marketplace. This mix has not just created social and environmental benefits—it has improved performance. This mix design maximizes 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. 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.

This innovation aligns with Granite's sustainability goals, particularly to support Sustainable Development Goal 12: Responsible Consumption and Production.

Recycling Impact

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

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

4.69
Saves 4.69 tons of CO_2e by not incinerating plastic

PROJECT HIGHLIGHT:

BATTERY ENERGY STORAGE SYSTEM

Granite had a unique opportunity to support the construction of a battery energy storage system in Moss Landing, California, contributing to the state's clean energy transition. Granite worked in conjunction with Vistra, the project owner, and Fluence, the prime contractor, on integral parts of this project as the civil and structural contractor. Through advanced innovation, the power plant is creating positive change with sustainable solutions for the future.

The Moss Landing Energy Storage Facility is now the largest battery energy storage system in the world, operating with 400 megawatts/1,600 megawatt-hours. The plant's system contains over 4,500 battery racks, each with 22 battery modules, contained in a building nearly the length of three football fields. The system holds electricity that can be released to the grid when energy demands are high, helping the network meet the strain of peak periods and be more resilient.

Granite's involvement in the facility's energy storage program started in 2019 as part of a structural update to a former oil/steam generator turbine building. Involvement continued into 2020 and 2021 with civil and structural scopes for batteries and support equipment. Phase I was completed in December 2020, bringing the system online with 300 megawatts, and Phase II added 100 MW when completed in July 2021. Projects like this contribute to the development of energy storage to meet California's energy needs as the state pursues its goal to transition to 100% renewable electricity by 2040.

1970s
THEN

Constructing an overpass on Highway 1 between Santa Cruz and Watsonville, California

ENDURING VALUE

2010s
NOW

Paving a section of the iconic Pacific Coast Highway in California

QUALITY & PRODUCT SAFETY

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 NAPA's Quality in Construction and Diamond Commendation programs in 2021:

- **2 Diamond Paving Commendations** recognizing exceptional paving crews, including the use of best practices in paving, and compliance

- **2 Diamond Achievement Commendations** emphasizing continuous improvement and including operations in a manufacturing plant and around a plant's site

- **20 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

- **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

- **26 Quality in Construction Awards** recognizing industry-leading performance for construction projects in the field

Quality Approach

Granite's commitment to construction and materials quality supports our strategic vision of being the leading provider of sustainable infrastructure solutions. All operational team members, whether at projects, quarries, or plants, take active roles in implementing our quality systems during all phases of work including planning, execution, and production. We strive to build projects and produce materials within specification tolerances to support our goal of providing the best value to our clients.

World Quality Month & Sustainability

The 2021 theme of World Quality Month was sustainability. Granite took this opportunity to engage teams with communications highlighting the relationship between quality and sustainability, and how our focus on quality contributes to improving not only our products, but also our impacts on people and the planet.

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. Each year, Granite performs internal quality audits to evaluate the use of GMS quality processes and best practices. In 2021, Granite assessed performance of 31 quality laboratories and found them to be 96% in compliance with required procedures and recommended best practices. Each lab implemented corrective actions that were tracked through completion to assure they achieved full compliance with required procedures and adopted best practices. In 2021, Granite continued to complete construction quality assessments on seven additional projects, representing a cross-section of different types of projects throughout our operational regions. These assessments resulted in an average assessment score of 83% and a total of 32 opportunities for improvement.

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 41 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 of above 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

Construction Quality

In 2021, we implemented changes to our organizational structure that will align our quality program more effectively with construction operations. The key to construction quality is robust project planning. Our focus in 2022 will be to present a newly revised work planning process to our team members. This updated management procedure will ensure timely verification of specification compliance through inspection and testing. We will measure successful implementation by utilizing a quality incident tracker, which will allow us to utilize data to establish baseline metrics and identify trends in quality incidents and the associated cost of rework. When the cost of rework exceeds a certain threshold, a formal root cause analysis will be required. Significant root cause analysis findings will be documented, along with associated mitigation processes, and archived in a library where all team members can access these "lessons learned" and help prevent future reoccurrence.

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 2021, 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 2021:

234
quality incidents at an estimated total cost of $4.3 million.

9,721
rework events totaling over $4.7 million

INNOVATION & CONTINUOUS IMPROVEMENT

With Granite's increasing focus on sustainability as a core value, the connection between our Continuous Improvement (CI) program and sustainability efforts has never been more vital and clear. The underlying core principle of CI's Lean practice is "respect for people," which reflects Granite's responsibility to provide employees with a safe, efficient, and rewarding working environment. Creating opportunities for long-term careers is essential to sustaining Granite's performance and growth.

Our teams are leveraging 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.

continuous **improvement**

Eliminating Repeat STCKY Safety Events

Our CI and Safety teams continue to collaborate to further the goal of providing teams in the field with better ways to access and leverage information to perform their work more safely. As part of the implementation of the Stuff That Can Kill You (STCKY) initiative, the CI and Safety teams are developing a process that will automatically apply relevant STCKY alerts to appropriate Job Hazard Analysis (JHA) discussions. JHAs are used in the planning and development of work plans for various construction activities. The primary focus of the JHA is to identify potential hazards in any work activity and attempt to eliminate or reduce risk. With the addition of the STCKY alerts, the project teams developing these JHAs will have additional information and insight from throughout the company on how these risks can be avoided.

Creating Safer Work Zones

Our CI, Construction Technology, and Safety teams are collaborating to support Granite's goal of developing improvements in work zone safety practices that will benefit the construction industry. Through extensive research and selective partnerships, our teams are working to create a three-phase proactive approach to work zone intrusion detection and mitigation. This innovative approach will leverage proven solutions and the latest technologies to alert

workers when unwanted intrusions are expected and provide personal protection for them when those threats become imminent. Once it is fully developed, our hope is that this solution will provide more secure work zones not only for people at Granite, but for people across the construction industry.

Reducing Fuel Use in Demolition

Our CI team collaborated with a masonry flatwork crew to develop a process that ultimately saves time, energy, and fuel when completing demolition of old driveways and flatwork. The old process involved breaking material apart and loading rubble into loader buckets, where the rubble was so bulky as to make it difficult to utilize the maximum weights for containers, which ultimately required more trips to the landfill or recycle yard. The demolition process also damaged the subgrade, requiring much of the subgrade to be re-established by using imported material. The improved process allowed flatwork to be lifted and removed in one piece, so that slabs could be stacked more efficiently into containers, allowing teams to maximize the legal weights of the containers and minimize truck hauling trips required to remove material. These improvements in efficiency result in reduced fuel use, which equates to fewer GHG emissions.

Improving Fuel Reporting

Granite's climate strategy and pursuit of carbon emissions reduction includes efforts to continuously improve data collection and reporting related to our carbon footprint. One opportunity for improvement centers around developing more accurate and timely fuel reporting for remote equipment. The manual process in place, which required field mechanics to handwrite paper fuel reports that were then mailed or dropped off at regional offices, was susceptible to issues with reporting timeliness and information accuracy. Our CI team worked with several regions to improve accuracy and timeliness by developing an electronic method, which was first piloted in the Alaska Region. The pilot project resulted in an electronic method of daily fuel reporting, featuring quality control methods for calculations, that creates a table that can be automatically uploaded into Granite's accounting system. The benefits of this improvement include improved financial reporting, improved fuel tracking to measure environmental impacts, and reduced pressure on both field mechanics and administrative personnel that allows them to use their time more efficiently. This new fuel reporting program has been implemented in several operational regions and will continue to roll out to other regions in 2022.

INFRASTRUCTURE INVESTMENT

Sustainable Infrastructure Funding

Granite makes it a priority to advocate for the protection of sustainable infrastructure funding. In 2021, Granite collaborated with our 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. This sustains and grows a public investment portfolio that provides the base of Granite's work portfolio.

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, and Gravel Association (NSSGA)

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

- 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

In addition, our business units across the country are involved in state, regional, and local associations that advocate for increased sustainable investment in infrastructure.

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 and the Institute for Sustainable Infrastructure (which created the Envision rating system). We will continue to seek out 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 2021:

- We participated in the AGC's initiative to address climate change by pushing for the construction of less carbon-intensive projects. As part of this initiative, construction professionals collaborated to outline steps public officials and the construction industry should take to address the impacts of construction on climate change.

- 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, and the underlying Product Category Rules for asphalt EPDs. We

also supported development and testing of an impact analysis tool that allows producers to compare the environmental impacts of different asphalt mixes.

- We participated in the NSSGA's Sustainability Working Group aimed to advance 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.

- 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.

- One of our environmental professionals served on the Greenroads Construction Technical Advisory Council.

- 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.

- 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:

ATHOS I & II SOLAR PROJECT

Granite partnered with Rosendin Renewable Energy Group to construct one of the largest solar projects in California: Athos I and II in Desert Center, California. This project, covering over 3,000 acres, will generate more than 2,200 gigawatt hours per year of renewable energy—enough energy to power approximately 179,000 homes.

Granite has been working with Rosendin on solar projects since 2014, and this is the largest one yet. For this project, Granite performed grading and site preparation, including the construction of heavy-duty site access roads. Granite also installed approximately 228,000 steel posts in preparation for tracker installation.

While managing the project in the desert climate with high temperatures, Granite took precautions to ensure the team remained safe and healthy. Granite provided training to team members on how to best handle the heat, along with cooling towels, cooling stations, and plenty of water. Work hours were shifted early to get ahead of the heat and halted early during extreme temperatures, if needed, to keep people safe.

In coordination with another environmental contractor, precautions were also taken to protect wildlife species, including the desert tortoise. Biologists cleared the site area prior to commencing work, a tortoise fence was installed along the entire perimeter of the project, and monitors were used on equipment to avoid contact with wildlife.

Granite has steadily grown its presence in the solar market, which aligns with Granite's mission of sustainability by contributing to the development of a cleaner energy future. Granite was recognized by Solar Power World on its 2021 Top Solar Contractors list, achieving a rank of 17th out of 426 companies and a rank of 4th out of 37 for installation subcontractors.

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

GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
GRI 102: Organizational Profile					
102-1	Name of organization	Granite Construction Incorporated	Granite Construction Incorporated		
102-2	Activities, brands, products, and services	p. 7-8; Brands: https://www.graniteconstruction.com/company/our-brands	p. 8; 10; Brands: https://www.graniteconstruction.com/company/our-brands		
102-3	Location of headquarters	585 West Beach St., Watsonville, CA 95076	585 West Beach St., Watsonville, CA 95076		
102-4	Location of operations	p. 8; Locations: https://www.graniteconstruction.com/company/our-offices	p. 10; Locations: https://www.graniteconstruction.com/company/our-offices		
102-5	Ownership and legal form	Publicly traded corporation (NYSE: GVA)	Publicly traded corporation (NYSE: GVA)		
102-6	Markets served	Construction and Construction Materials; https://www.graniteconstruction.com/our-work	Transportation; Water; Specialty; Construction Materials; https://www.graniteconstruction.com/our-work		

*Page numbers in this column reflect this 2021 Sustainability Report unless otherwise noted.   **Page numbers in this column reflect 2020 Sustainability Report unless otherwise noted.

GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
102-7	Scale of organization (1) total number of employees; (2) total revenue	(1) Total US employees on December 31, 2021: 7,271. (2) Total revenue (total revenue before discontinued operations): $3,501,865,000; $3,010,053,000 (continuing operations) (more details in Form 10-k, https://investor.graniteconstruction.com/financial-information/sec-filings)	(1) Total US employees on December 31, 2020: 8,217. (2) Total revenue: $3.6 billion (more details in Form 10-k, https://investor.graniteconstruction.com/financial-information/sec-filings)		
102-8	Information on employees	Total US employees on December 31, 2020: 7,271. Hourly employee count fluctuates with seasonal construction activity (ranged from 2,200 to 4,200 and averaged 3,700).	Total US employees on December 31, 2020: 2,629 salaried and 5,588 hourly employees (total 8,217). Hourly employee count fluctuates with seasonal construction activity.		

2021 Disclosure[1]

Operating Group	Female	Male	Hourly	Salaried	Grand Total
California	208	1,864	1,494	578	2,072
Corporate	150	138	6	282	288
Federal	18	222	186	54	240
Heavy Civil	101	651	446	306	752
Midwest	33	370	311	92	403
Northwest	257	1,942	1,620	579	2,199
Operations Services	12	20		32	32
Water & Mineral Services	138	1,147	880	405	1,285
Grand Total (US)	917	6,354	4,943	2,328	7,271

2020 Disclosure

Operating Group	Female	Male	Hourly	Salaried	Grand Total
California	243	2,713	2,336	620	2,956
Corporate	164	149	6	307	313
Federal	25	218	163	80	243
Heavy Civil	134	752	473	413	886
Midwest	53	415	321	147	468
Northwest	230	1,739	1,403	566	1,969
Operations Services	15	33		48	48
Water & Mineral Services	151	1,183	886	448	1,334
Grand Total (US)	1,015	7,202	5,588	2,629	8,217

[1] Disclosure limited in scope to US employees active in Human Resources system on December 31, 2021.   *Page numbers in this column reflect this 2021 Sustainability Report unless otherwise noted.   **Page numbers in this column reflect 2020 Sustainability Report unless otherwise noted.

GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
102-9	Supply chain	Granite's Supply Chain Department focuses on vendors with large, repetitive spend. We strive to build contracts with these national vendors to enable easy and cost-effective tranasctions by our field teams. These vendors make up approximately 20% of our annual spend. All purchasing decisions are made in the field under a decentralized approach, where field purchasers can choose to purchase from local or national vendors or other suppliers.	Granite's Supply Chain Department focuses on vendors with large, repetitive spend. We strive to build contracts with these national vendors to enable easy and cost-effective tranasctions by our field teams. These vendors make up approximately 20% of our annual spend. All purchasing decisions are made in the field under a decentralized approach, where field purchasers can choose to purchase from local or national vendors or other suppliers.		
102-10	Significant changes to the organization and its supply chain	Granite adjusted its operating groups (p. 23); In 2022, Granite announced its intent to divest of certain parts of the business and separated "continuing operations" from "discontinued operations" in financial reporting. This report reflects all operations in place during 2021 (i.e., continuing and discontinued operations) unless otherwise specified.	Granite closed our Northeast Heavy Civil operations in 2020, resulting in the layoffs of 23 employees. Granite followed New York State and Federal protocol in terms of notification along with severance payments to those impacted by the closure. All employees within the operation were offered opportunities to stay with Granite at other locations; however, 23 refused and accepted severance.		
102-12	External initiatives	p. 34; 65-66	p. 8; 91-93		
102-13	Membership of associations	p. 34; 65; Also: the Conference Board; National Hispanic Corporate Council; Additional state organizations supported inlcluded: California Construction and Industrial Materials Association (CalCIMA); Nevada Contractors Association; Florida Transportation Builders Association	p. 91-92; Also: the Conference Board; National Hispanic Corporate Council		

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics

GRI 102: Strategy

GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
102-14	Statement from most senior decision-maker	p. 5-6	p. 7		
102-15	Key impacts, risks, and opportunities	**Sustainability Risk Impact Areas** Unfavorable economic conditions may affect federal, state, and local government infrastructure spending, or private market demand for commercial and residential construction projects. Through organic expansion and strategic acquisitions, Granite has diversified its funding sources to better manage this risk. Changes in costs or availability of labor and/or materials may affect profitability. Granite employs various strategies to insulate against downside risks and capitalize on opportunities. Employee recruitment and retention that aligns with inclusive diversity and brings the capabilities necessary to execute along the company's strategic plan depends on a variety of factors, including profitability and reputation. Strategic initiatives include the development of employee resource groups and an extensive array of skills and leadership development programs. Safety continually poses a challenge given inherent risks in construction worksites. Granite's ability to ensure the safety of our employees, subcontractors, and third parties is critical to our ability to win work, and attract and retain employees and business partners. Granite has prioritized this risk above all others and has embedded it into our core values. While the risk is well managed, Granite continues to strive for improvements, in part through implementation of new technologies. Environmental considerations, from regulatory compliance to reducing emissions and decarbonizing, have inspired innovation and a wide array of strategic initiatives, as discussed in the Environmental sections of this report. Climate change impacts in the form of increased natural disasters have disrupted Granite's operations, primarily as project delays, however, they have also provided opportunities for the company to deploy its vast resources to cleanup efforts in established geographies. Granite is focused on identifying and strategizing around the myriad of future impacts from continued climate change. More information is included in Appendix C of this report.	p. 22-23		TCFD Strategy, Risk Management

*Page numbers in this column reflect this 2021 Sustainability Report unless otherwise noted.   **Page numbers in this column reflect 2020 Sustainability Report unless otherwise noted.

GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
GRI 102: Ethics and Integrity					
102-16	Values, principles, standards, and norms of behavior	p. 9-10	p. 9		
102-17	Mechanisms for advice and concerns about ethics	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.	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.		
GRI 102: Governance					
102-18	Governance structure	p. 24-25; Corporate Governance Guidelines & Policy (https://investor.graniteconstruction.com/corporate-governance/board-of-directors); Proxy Statement, Schedule 14A, pages 13-20 (https://investor.graniteconstruction.com/financial-reports/annual-reports)	p. 22-23; 26-27; Corporate Governance Guidelines & Policy (https://investor.graniteconstruction.com/corporate-governance/board-of-directors); Proxy Statement, Schedule 14A, pages 7-12 (https://investor.graniteconstruction.com/financial-reports/annual-reports)		TCFD Governance
102-22	Composition of the highest governance body and its committees	Proxy Statement, p. 6-20 (https://investor.graniteconstruction.com/financial-reports/annual-reports)	Proxy Statement, Schedule 14A, pages 7-12 (https://investor.graniteconstruction.com/financial-reports/annual-reports)	SDG 5.5 SDG 16.7	
102-25	Conflicts of interest	Corporate Governance Guidelines and Policy (https://investor.graniteconstruction.com/corporate-governance/board-of-directors)	Corporate Governance Guidelines and Policy (https://investor.graniteconstruction.com/corporate-governance/board-of-directors)		
102-32	Highest governance body's role in sustainability reporting	Report approved by Board of Directors; p. 24	Report approved by Board of Directors; p. 26-27		TCFD Governance

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
GRI 102: Stakeholder Engagement					
102-40	List of stakeholder groups	p. 26	p. 24-25		
102-42	Identifying and selecting stakeholders	p. 26	p. 24-25		
102-43	Approach to stakeholder engagement	p. 26	p. 24-25		
102-44	Key topics and concerns raised	p. 26	p. 24-25		
GRI 102: Reporting Practice					
102-47	List of material topics	p. 26; as included in Appendices to this Sustainability Report	p. 24-25; as included in Appendices to this Sustainability Report		
102-50	Reporting period	January 1, 2021-December 31, 2021	January 1, 2020-December 31, 2020		
102-53	Contact point for questions regarding the report	831.724.1011	831.724.1011		
102-55	GRI content index	This Appendix	This Appendix		

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
GRI 103: Management Approach					
103-1	Explanation of the material topic and its boundary	p. 12	p. 11-12		
103-2	The management approach and its components	p. 12	p. 11-12		
103-3	Evaluation of the management approach	p. 12	p. 11-12		
GRI 201: Economic Performance					
201-1	Direct economic value generated and distributed	For continuing operations only: Revenue: $3,010,053,000; Economic value distributed: $2,704,496,000 COGS + $157,112,000 employee wages and benefits + $8,922,000 payments to providers of capital = $2,870,530,000; Net: $139,523,000	Economic value generated: $3,562,459,000 Revenue; Economic value distibuted: $3,217,671,000 COGS + $74,827,000 + $83,433,000 payments to providers of capital = $3,375,931,000; Net: $186,528,000	SDG 8.2	
201-2	Financial implications and other risks and opportunities due to climate change	See TCFD Appendix C	p. 29-31		TCFD Strategy
GRI 203: Indirect Economic Impacts					
203-1	Infrastructure investments and services support	Not yet available; assessing reporting improvements	Not yet available; assessing reporting improvements	SDG 9.1	
203-2	Significant indirect economic impacts	Not yet available; assessing reporting improvements	Not yet available; assessing reporting improvements		

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
GRI 205: Anti-Corruption					
205-2	Communication and training about anti-corruption policies and procedures	(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 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%)	SDG 16.5	SASB: IF-EN-510a.3
205-3	Confirmed incidents of corruption and actions taken	None	None		SASB: IF-EN-510a.2
GRI 301: Materials					
301-2	Recycled input materials used	Asphaltic concrete (AC) production: 15.77%; calculation of (total tons recycled content input)/(total tons AC produced)	AC production: 18.89%; calculation of (total tons recycled content input)/ (total tons AC produced)	SDG 8.4 SDG 12.5	

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
GRI 302: Energy					
302-1	Energy consumption within the organization	Total company electricity consumption from grid: 84,403,188 Kwh; Solar production generated at plants: 1,661,000 Kwh	Not yet available; implementing reporting improvements	SDG 7.3 SDG 8.4 SDG 12.2	SASB: EM-CM-130a.1
GRI 303: Water					
303-1	Water withdrawal by source in Megalitres (ML)	Disclosure limited in scope to material facilities in California with metered wells (approximately 15 out of 19 facilities). Withdrawal type: groundwater wells. **Approximate water withdrawn: 4,986 ML.**	Disclosure limited in scope to material facilities in California with metered wells (approximately 15 out of 19 facilities). Withdrawal type: groundwater wells. **Approximate water withdrawn: 4,241.6974 ML.**		SASB: EM-CM-140a.1
303-3	Water recycled and reused, in Megalitres (ML)	Disclosure limited in scope to material facilities in California with metered wells (approximately 15 out of 19 facilities). 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. A conservative estimate of 75% was applied for this analysis. **Estimated water recycled/reused: 119,685 ML.**	Disclosure limited in scope to material facilities in California with metered wells (approximately 15 out of 19 facilities). 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. A conservative estimate of 75% was applied for this analysis. **Estimated water recycled/reused: 101,800.7365 ML.**		SASB: EM-CM-140a.1

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
Additional Statement on Water Management		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). **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.			

GRI 304: Biodiversity

GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
304-3	Habitats protected or restored	Not yet available; assessing reporting improvements	See p. 75-76; total disclosure not yet available; assessing reporting improvements	SDG 14.5 SDG 15.5	SASB: EM-CM-160a.2

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
GRI 305: Emissions					
305-1	Direct (Scope 1) GHG emissions	2020: 211,718 CO_2 equivalents (metric tons) (corrected value due to data system improvements) 2021: 214,303 CO_2 equivalents (metric tons); p. 52	244,727.61 CO_2 equivalents (US tons); p. 66-67	SDG 12.4 SDG 13.2	SASB: EM-CM-110a.1
305-2	Energy indirect (Scope 2) GHG emissions	Significant improvement in data collection achieved. 2020: 22,749 CO_2 equivalents (metric tons) 2021: 24,113 CO_2 equivalents (metric tons); p. 52	Not yet available; implementing reporting improvements	SDG 12.4 SDG 13.2	
305-3	Other indirect (Scope 3) GHG emissions	Partial in scope, includes employee travel only: estimated 7,909 CO_2 (metric tons); p. 52; 2020 value in metric tons: 7,619	Partial in scope, includes employee travel only: estimated 8,399 CO_2 (US tons); p. 66-67	SDG 12.4 SDG 13.2	
305-4	GHG emissions intensity	CO_2 equivalents (metric tons)/revenue ($ thousand): 2020: 0.059430 (corrected value due to data system improvements) 2021: 0.061197	0.068696 CO_2 equivalents (US tons)/ revenue ($ thousand)	SDG 12.4 SDG 13.2	
305-5	Reduction of GHG emissions	See p. 52-55; assessing reporting improvements	See p. 63-70; case study p. 69; assessing reporting improvements	SDG 12.4 SDG 13.2	
305-7	Nitrogen oxides, sulfur oxides, and other significant air emissions	Significant improvement in data collection achieved: first company-wide baseline established for all asphalt plants, in tons (t): NOx = 405.39 t, SOx = 135.75 t, PM = 521.99 t, VOCs = 436.18 t	Disclosure limited in scope to 12 plants with readily available data, in tons (t): (1) NOx=23.17 t; (2) SOx=5.08 t; (3) PM=26.54 t; (4) VOCs=11.22 t; (5) CO=112.95 t Assessing reporting improvements.	SDG 3.9 SDG 12.4 SDG 13.2	SASB: EM-CM-120a.1

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
GRI 306: Effluents and Waste					
306-2	Waste by type and disposal method	Disclosure limited in scope to hazardous waste in California operations. Total hazardous waste: 127.65 tons; percent hazardous waste recycled: 1%; Correction to 2020 data (to exclude recycled used oil, which is not considered hazardous): Total hazardous waste: 75.26 tons; percent hazardous waste recycled: 33%	Disclosure limited in scope to hazardous waste in California operations. Total hazardous waste: 119.08 tons; percent hazardous waste recycled: 58%	SDG 6.3 SDG 12.5	SASB: EM-CM-150a.1
Additional Statement on Waste Management		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).			
GRI 307: Environmental Compliance					
307-1	Non-compliance with environmental laws and regulations	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.	SDG 16.6	SASB: IF-EN-160a.1

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics

GRI 401: Employment

| 401-1 | New employee hires and employee turnover | | | SDG 5.0 SDG 9.3 SDG 8.5 | |

2021 Disclosure[1]

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

[1]Disclosure limited in scope to US employees active in Human Resources system on December 31, 2021.

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time 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:	p. 35		

- 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 wholistic 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.

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
401-3	Parental leave (1) total number of employees that took parental leave, by gender; (2) total number of employees that returned to work in the reporting period after parental leave ended, by gender	Took leave: Female=17; Male=33; Returned: Female=17; Male=33	Took leave: Female=12; Male=44; Returned: Female=11; Male=42		

GRI 402: Labor/Management Relations

402-1	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.		

GRI 403: Occupational Health and Safety

403-1	Occupational health and safety management system	p. 38-41; https://www.graniteconstruction.com/sites/default/files/inline-files/Safety_by_Choice-Safety_Program_1.pdf	p. 45; https://www.graniteconstruction.com/sites/default/files/inline-files/Safety_by_Choice-Safety_Program_1.pdf	SDG 8.8	
403-2	Hazard identification, risk assessment, and incident investigation	p. 39; https://www.graniteconstruction.com/sites/default/files/inline-files/Safety_by_Choice-Safety_Program_1.pdf	p. 45; https://www.graniteconstruction.com/sites/default/files/inline-files/Safety_by_Choice-Safety_Program_1.pdf	SDG 8.8	

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
403-3	Occupational health services	(1) 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. (2) 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. (3) How Granite facilitates workers' access to the services: Communicated through orientation and posters at job sites in addition to town hall meetings and onsite training by providers.	(1) 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. (2) 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. (3) How Granite facilitates workers' access to the services: Communicated through orientation and posters at job sites in addition to town hall meetings and onsite training by providers.	SDG 8.8	
403-4	Work participation, consultation, and communication on occupational health and safety	p. 39; https://www.graniteconstruction.com/sites/default/files/inline-files/Safety_by_Choice-Safety_Program_1.pdf	p. 45; https://www.graniteconstruction.com/sites/default/files/inline-files/Safety_by_Choice-Safety_Program_1.pdf	SDG 8.8	

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
403-5	Worker training on occupational health and safety	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.	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.	SDG 8.8	
403-9	Work-related injuries	(1) The number of fatalities: 1. (2) The number/rate of high-consequence injuries: Lost Time Rate: 0.14. (3) The rate of recordable work-related injuries: OSHA recordable incident rate: 0.92. (4) The main types of work-related injuries: hand injuries. (5) Actions taken or underway to eliminate main hazards and minimize risk: Persistant 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.	(1) The number of fatalities: 3. (2) The number/rate of high-consequence injuries: Lost Time Rate: 0.24. (3) The rate of recordable work-related injuries: OSHA recordable incident rate: 1.07. (4) The main types of work-related injuries: hand Injuries; strains and sprains. (5) Actions taken or underway to eliminate main hazards and minimize risk: 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. More on p. 48-49.	SDG 8.8	"SASB: IF-EN-320a.1 SASB: EM-CM-320a.1"

[1] Disclosure limited in scope to US employees.   *Page numbers in this column reflect this 2021 Sustainability Report unless otherwise noted.   **Page numbers in this column reflect 2020 Sustainability Report unless otherwise noted.

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
403-10	Work-related ill health	(1) The number of cases of work-related ill health (and fatalities if applicable): In 2021, no cases and no fatalities due to work-related ill health. (2) The main types of work-related ill health: heat illness. (3) Actions taken or underway to eliminate hazards and minimize risk: 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 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.	(1) The number of cases of work-related ill health (and fatalities if applicable): In 2020, there was one OSHA recordable work-related illness event, due to hearing loss. No fatal events related to work-related illness. (2) The main types of work-related ill health: heat illness, hearing loss. (3) Actions taken or underway to eliminate hazards and minimize risk: 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 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.	SDG 8.8	"SASB: IF-EN-320a.1 SASB: EM-CM-320a.2"

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics

GRI 404: Training and Education

| 404-1 | Average hours of training per year per employee | Salaried employees: average = 10.20 hours per employee. Disclosure limited in scope to salaried employees. | Salaried employees: average = 11.68 hours per employee. Disclosure limited in scope to salaried employees. | | |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | p. 29-30 | p. 37 | | |

GRI 405: Diversity and Equal Opportunity

| 405-1 | Diversity of governance bodies and employees | US Employees: p. 37; Board of Directors: 12 total members including 4 women and 3 people of color (including one woman of color), all over 50. | US Employees: p. 43; Board of Directors: Proxy Statement, Schedule 14A, p. 7, https://investor.graniteconstruction.com/corporate-governance/annual-meeting | SDG 5.5 SDG 8.5 | |
| 405-2 | Ratio of basic salary and renumeration of women to men | Not yet available; assessing reporting improvements | Not yet available; assessing reporting improvements | SDG 5.0 SDG 8.5 SDG 10.2 | |

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GRI Code	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding SASB or TCFD Metrics
GRI 406: Non-discrimination					
406-1	Incidents of discrimination and corrective actions taken	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.	SDG 5.1 SDG 16.0	
GRI 413: Local Communities					
413-1	Operations with local community engagement, impact assessments, and development programs	100%; p. 42-43	100%; p. 50-53		
GRI 415: Public Policy					
415-1	Political contributions	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; p. 65-66.	Granite: $126,950; Granite Construction Employee PAC: $37,000. Granite advocates for and contributes to campaigns that support infrastructure funding; p. 91-92		
GRI 419: Socioeconomic Compliance					
419-1	Non-compliance with laws and regulations in the social and economic area	No significant fines	No significant fines		

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

SASB Code	Topic	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding GRI or TCFD Metrics
Engineering and Construction Services Standard						
IF-EN-160a.1	Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards, and regulations	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 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 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.	SDG 6.0 SDG 14.0 SDG 15.0	GRI 307-1

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SASB Code	Topic	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding GRI or TCFD Metrics
IF-EN-250a.1	Structural Integrity & Safety	Amount of defect- and safety-related rework costs	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.	SDG 9.0	
IF-EN-250a.2	Structural Integrity & Safety	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Not yet available; assessing reporting improvements	Not yet available; assessing reporting improvements		
IF-EN-320a.1	Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) 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).	SDG 8.0	GRI 403-9 GRI 403-10
IF-EN-410a.1	Life-Cycle Impact of Buildings & Infrastructure	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	Not yet available; assessing reporting improvements	Not yet available; assessing reporting improvements	SDG 9.0 SDG 11.0	
IF-EN-410a.2	Life-Cycle Impact of Buildings & Infrastructure	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	p. 49-50; 53-55	p. 68-72	SDG 7.0 SDG 9.0 SDG 11.0 SDG 12.0 SDG 13.0	TCFD Risk

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SASB Code	Topic	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding GRI or TCFD Metrics
IF-EN-410b.1	Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects	(1) Hydrocarbon-related projects: $982,496,590 (reflecting all projects except for renewable energy projects); (2) Renewable energy projects: $54,262,831; (3) Non-energy projects associated with climate change mitigation: $452,051; (4) Projects outside the scope of these metrics: $2,972,852,526	Backlog amounts per category (1) Hydrocarbon-related projects: $1,463,718,940; (2) Renewable energy projects: $47,098,083; (3) Non-energy projects associated with climate change mitigation: $2,884,887; (4) Projects outside the scope of these metrics: $1,793,783,437	SDG 7.0 SDG 9.0 SDG 11.0 SDG 13.0	TCFD Risk
IF-EN-410b.2	Climate Impacts of Business Mix	Amount of backlog cancellations associated with hydrocarbon-related projects	Not yet available; assessing reporting improvements	Not yet available; assessing reporting improvements	SDG 7.0 SDG 9.0 SDG 11.0 SDG 13.0	TCFD Risk
IF-EN-410b.3	Climate Impacts of Business Mix	Amount of backlog for non-energy projects associated with climate change mitigation	$452,051	$2,884,887	SDG 7.0 SDG 9.0 SDG 11.0 SDG 13.0	TCFD Risk
IF-EN-510a.1	Business Ethics	(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	SDG 8.0	
IF-EN-510a.2	Business Ethics	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	SDG 8.0	GRI 205-3

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SASB Code	Topic	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding GRI or TCFD Metrics
IF-EN-510a.3	Business Ethics	(1) Total number and/or percentage of employees and governance body members that have received communication around Granite's anti-corruption policies and procedures; (2) Total number and/or percentage of employees and governance body members that have received anti-corruption training	(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%)	SDG 8.0	GRI 205-2
IF-EN-000.A	Activity Metric	Number of active projects	518 active projects	833 active projects		
IF-EN-000.B	Activity Metric	Number of commissioned projects	991 (note improvement in metric to align with standard; now reflects number of completed projects in 2021)	967 (backlog contracts at 2020 year end)		
IF-EN-000.C	Activity Metric	Total backlog	$4,010,063,998 total Committed & Awarded Projects (CAP)	$4,281,754,873		

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SASB Code	Topic	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding GRI or TCFD Metrics
Construction Materials Standard						
EM-CM-110a.1	GHG Emissions	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations	2020: 211,718 CO_2 equivalents (metric tons) (corrected value due to data system improvements) 2021: 214,303 CO_2 equivalents (metric tons); p. 52; Approximately 90% company-wide; 100% for construction materials facilities	244,727.61 CO_2 equivalents (US tons); p. 66-67. Approximately 90% company-wide; 100% for construction materials facilities	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	GRI 305-1
EM-CM-110a.2	GHG Emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	p. 50-55	p. 28-31; 65-70	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	
EM-CM-120a.1	Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	Significant improvement in data collection achieved: first company-wide baseline established for all asphalt plants, in US tons (t): NOx = 405.39 t, SOx = 135.75 t, PM = 521.99 t, VOCs = 436.18 t	Disclosure limited in scope to 12 plants with readily available data, in tons (t): (1) NOx=23.17 t; (2) SOx=5.08 t; (3) PM=26.54 t; (4) N/A; (5) VOCs=11.22 t. Assessing reporting improvements.	SDG 15.0	GRI 305-7
EM-CM-130a.1	Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative, (4) percentage renewable	(1) Total energy consumed: complete data not yet available; (2) Total company electricity consumption from grid: 84,403,188 Kwh; (3) N/A; (4) Solar production generated at plants: 1,661,000 Kwh	Complete data not yet available; implementing reporting improvements. Total solar power generated at asphalt and aggregate locations: 1,750,000 Kwh	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	GRI 302-1

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SASB Code	Topic	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding GRI or TCFD Metrics
EM-CM-140a.1	Water Management	(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. (1) **Approximate water withdrawn: 4,986.89 thousand cubic meters.** (2) Analysis for permitting efforts for Big Rock and Solari Quarry indicate that we reclaim between 75-85% of water for reuse. 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). **Estimated water recycled/reused: 119,685.42 thousand cubic meters.** A conservative estimate of 75% was applied for this analysis.	Disclosure limited in scope to material facilities in California with metered wells (approximately 15 out of 19 facilities). Withdrawal type: groundwater wells. (1) Approximate water withdrawn: 4,241.69 thousand cubic meters. (2) Analysis for permitting efforts for Big Rock and Solari Quarry indicate that we reclaim between 75-85% of water for reuse. 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). Estimated water recycled/reused: 101,800.73 thousand cubic meters. A conservative estimate of 75% was applied for this analysis.	SDG 6.0 SDG 12.0 SDG 13.0 SDG 14.0	GRI 303-1
EM-CM-150a.1	Waste Management	Amount of waste generated, percentage hazardous, percentage recycled	Disclosure limited in scope to hazardous waste in California operations. Total hazardous waste: 127.65 tons; percent hazardous waste recycled: 1%; Correction to 2020 data (to exclude recycled used oil, which is not considered hazardous): Total hazardous waste: 75.26 tons; percent hazardous waste recycled: 33%	Disclosure limited in scope to hazardous waste in California operations. Total hazardous waste: 119.08 tons; percent hazardous waste recycled: 58%	SDG 12.0 SDG 14.0 SDG 15.0	GRI 306-2

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SASB Code	Topic	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding GRI or TCFD Metrics
EM-CM-160a.1	Biodiversity Impacts	Description of environmental management policies and practices for active sites	p. 49; 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.	p. 75-76	SDG 11.0 SDG 13.0	GRI 304-3

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SASB Code	Topic	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding GRI or TCFD Metrics
			Alternative procurement methods allow Granite to engage with the client's design and management team to collaborate for improved sustainability prior to a finalized design. Through value engineering, Granite can often provide additional opportunities to reduce environmental impacts beyond those originally anticipated by the client. When designing construction material operations, Granite focuses on minimizing development and operational impacts, and designs an end-of-life reclamation plan based on local environmental resources and community needs. Reclamation plans outline reclamation or restoration of impacted areas with a focus on developing a beneficial reuse of disturbed lands, habitat restoration, or future wildlife reintroduction. Granite Regional Park in California provides one example—after completing mining, Granite partnered with the City of Sacramento to redevelop previously mined areas into a mixed-use area with community park improvements and a habitat preserve. For construction material operations, Granite focuses on sustainable development, operation, and full life-cycle management of land assets.			
EM-CM-160a.2	Biodiversity Impacts	Terrestrial acreage disturbed, percentage of impacted area restored	Not yet available; assessing reporting improvements	Not yet available; assessing reporting improvements	SDG 15.0	GRI 304-3
EM-CM-320a.1	Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) fulltime employees and (b) contract employees	(1) The rate of recordable work-related injuries: OSHA recordable incident rate: 0.92. (2) Near miss frequency rate: 2.8. 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) The rate of recordable work-related injuries: OSHA recordable incident rate: 1.07. (2) Near miss frequency rate: 10.82. 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).	SDG 3.0	GRI 403-9

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SASB Code	Topic	Metric/Description	Response/Comment 2021*	2020 Response**	Corresponding UN SDGs	Corresponding GRI or TCFD Metrics
EM-CM-320a.2	Workforce Health & Safety	Number of reported cases of silicosis	0	0	SDG 3.0	GRI 403-10
EM-CM-410a.1	Product Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	Not yet available; assessing reporting improvements	Not yet available; assessing reporting improvements	SDG 9.0 SDG 11.0 SDG 12.0	
EM-CM-410a.2	Product Innovation	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	Not yet available; assessing reporting improvements	Not yet available; assessing reporting improvements	SDG 9.0 SDG 11.0 SDG 12.0	
EM-CM-520a.1	Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	$0	$0	SDG 8.0	
EM-CM-000.A	Activity Metric	Production by major product line	Total asphaltic concrete production: 6.52 million tons; Total aggregate production: 16.44 million tons; Total recycled aggregate production: 860,000 tons	Total asphaltic concrete production: 5,710,282 tons; Total aggregate production: 14,451,567 tons		

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

TCFD Issue	Recommended Disclosure	Response/Comment*	Corresponding UN SDGS	Corresponding SASB or GRI Metrics
Governance a)	Describe the organization's governance around climate-related risks and opportunities.	p. 22-25	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	GRI 102-18, 102-32
Governance b)	Describe management's role in assessing and managing climate-related risks and opportunities.	p. 24-25	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	GRI 102-32

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TCFD Issue	Recommended Disclosure	Response/Comment*	Corresponding UN SDGS	Corresponding SASB or GRI Metrics
Strategy a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	See table below.	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	GRI 102-15

Risk Type	Risk Area	Potential Impacts	Timeframe
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

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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

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TCFD Issue	Recommended Disclosure	Response/Comment*	Corresponding UN SDGS	Corresponding SASB or GRI Metrics
Strategy b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	See p. 50-55 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.	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	GRI 201-2 SASB: IF_EN-401b.1 SASB: IF_EN-401b.2 SASB: IF_EN-401b.3
Strategy c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	p. 50-55; scenario analysis not yet available; assessing improvements	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	
Risk Management a)	Describe the organization's processes for identifying and assessing climate-related risks.	p. 23	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	GRI 102-15 SASB: IF-EN-410a.2
Risk Management b)	Describe the organization's processes for managing climate-related risks.	p. 23	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	
Risk Management c)	Describe how processes for identifying, assessing, and managing climated-related risks are integrated into the organization's overall risk management.	p. 23	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	

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TCFD Issue	Recommended Disclosure	Response/Comment*	Corresponding UN SDGS	Corresponding SASB or GRI Metrics
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.	p. 23; 50-55	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	
Metrics & Targets b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	p. 50-55	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	GRI 305
Metrics & Targets c)	Describe the targets used by the organization to manage climate-related risks, opportunities, and performance against targets.	p. 52	SDG 7.0 SDG 11.0 SDG 12.0 SDG 13.0	

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Cautionary Note Regarding Forward-Looking Statements

From time to time, Granite makes certain comments and disclosures in reports and statements, including in this Sustainability Report, or statements made by its officers or directors, that are not based on historical facts, including statements regarding future events, occurrences, circumstances, strategy, activities, performance, outlook, outcomes, and guidance, that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by words such as "future," "outlook," "assumes," "believes," "expects," "estimates," "anticipates," "intends," "plans," "appears," "may," "will," "should," "could," "would," "continue," and the negatives thereof or other comparable terminology or by the context in which they are made. In addition, other written or oral statements that constitute forward-looking statements have been made and may in the future be made by or on behalf of Granite. These forward-looking statements are estimates reflecting the best judgment of senior management and reflect our current expectations regarding future events, occurrences, circumstances, strategy, activities, performance, outlook, outcomes, and guidance. These expectations may or may not be realized. Some of these expectations may be based on beliefs, assumptions, or estimates that may prove to be incorrect. In addition, our business and operations involve numerous risks and uncertainties, many of which are beyond our control, which could result in our expectations not being realized or otherwise materially affect our business, financial condition, results of operations, cash flows and liquidity. Due to the inherent risks and uncertainties associated with our forward-looking statements, the reader is cautioned not to place undue reliance on them. The reader is also cautioned that the forward-looking statements contained herein speak only as of the date of this Sustainability Report, and, except as required by law, we undertake no obligation to revise or update any forward-looking statements for any reason.

This image is comprised of photos from Granite's 100-year history, along with employee-submitted photos.

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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 2021 unless otherwise noted. Governance structures described reflect those in effect at the time of publication. 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.

Published in May 2022.