



# GRANITE

**Building Enduring Value:  
Our Environmental Vision  
and Strategy**

## BUILDING ENDURING VALUE: OUR ENVIRONMENTAL VISION AND STRATEGY



GRANITE

To our stakeholders:

I am pleased to share with you our environmental vision and strategy, which supports our corporate strategic plan by enabling us to deliver enduring value to our stakeholders—our employees, customers, shareholders, and communities.

As we implement the environmental strategy throughout the coming years, we will track our progress and report on our performance.

We view the increased focus on environmental stewardship as not only a challenge but a tremendous opportunity for our company. By considering stakeholder expectations for environmental responsibility we create long-term value for the business while caring for the environment and reducing consumption of natural resources. In addition, our ability to secure new sources of aggregates depends on our social license to operate—which we earn by engaging with our local communities and building a reputation for environmental responsibility. Our reputation is one of our greatest assets; it has taken our employees decades to build, and we work every day to preserve it.

In short, we aspire to be the industry leader in terms of environmental responsibility; we see such leadership as a way to serve society and ensure the long-term success of our company. This goal is perfectly in line with our business philosophy, which is to look beyond the current generation to the future and build a legacy. We are excited about Granite's future, and we hope you are too.

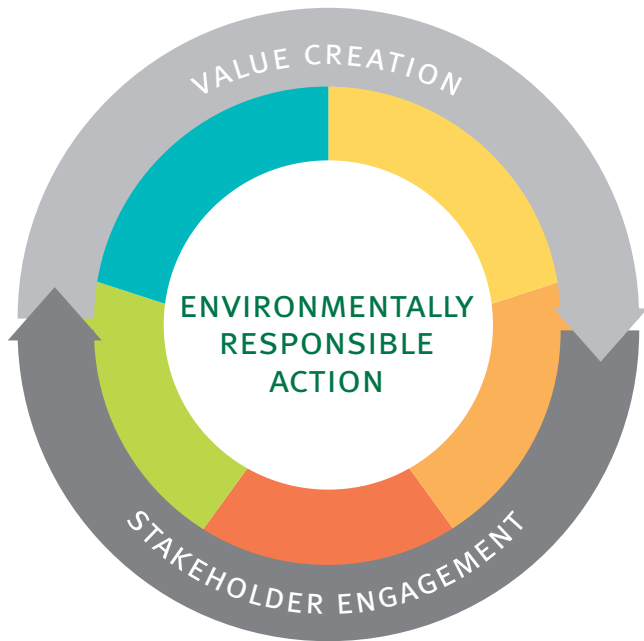
Sincerely,

Bill Dorey  
President & CEO

*Our vision comes naturally, as an extension of both our Core Values and our corporate strategic plan, and guides our environmental strategy.*

## OUR ENVIRONMENTAL VISION

*We will lead our industry in environmentally responsible operations that reflect Granite's Core Values and, in doing so, deliver enduring value for our communities, shareholders, and other stakeholders.*



- INNOVATION
- LAND USE
- ENERGY CONSERVATION
- ENVIRONMENTAL MANAGEMENT SYSTEM
- RECYCLING STRATEGIES

## OUR ENVIRONMENTAL STRATEGY

Our environmental strategy is to continually evaluate and improve the way we address our environmental responsibilities and create the greatest value from the resources that we use. This strategy is a natural extension of our corporate strategic plan, Building a Legacy, which inspires us to create long-term value for current and future generations.

Stakeholder engagement, with communities in particular, is a key component of our strategy. Only by engaging our stakeholders can we truly understand how we impact and benefit them and how we can earn their trust.

Our employees are essential to our ability to realize our vision, and we will create a culture that inspires employees to greater awareness and self-driven action.

At the heart of our strategy is environmentally responsible action: maximizing the value created from resources, balancing stakeholder interests, and continually improving how we meet our responsibilities. As illustrated by the diagram above, five strategic themes support the central idea of environmentally responsible action.

1941



2006



## STRATEGIC THEMES

*Our strategic themes are flexible enough to serve our stakeholders through changes in our markets and our business. We will develop and implement tactical plans to support these strategic themes.*

### Environmental Management Systems

Our environmental management systems will enable us to consistently meet or exceed regulatory expectations and effectively manage our environmental responsibilities.



### Energy Conservation

As a business that necessarily consumes energy, we make it a priority to implement energy efficiency and conservation initiatives across our operations.

### Recycling

We will implement recycling strategies to derive maximum value from the resources that we use.



### Land Use

Once we have completed activities at a site, our goal is to reclaim the site so that it continues to serve future generations.

### Innovation

We will maintain a learning culture that fosters innovative thinking and enables us to do more with less.



*Granite Construction Incorporated was named to FORTUNE's list of 100 Best Companies to Work For in 2004, 2005, 2006, and 2007.*

## KEY STRATEGIC ELEMENTS

- I Maintain environmental management systems that ensure the effective management of our environmental risks, obligations, and opportunities.
- II Build a culture in which employees, as part of their daily activities, conserve resources and otherwise minimize their environmental impacts.
- III Maintain proactive stakeholder-engagement processes at the community and corporate levels.
- IV Implement comprehensive recycling strategies, for construction materials in particular; develop innovative approaches to utilizing recyclable materials.
- V Develop and implement energy conservation strategies.
- VI Develop and utilize new construction products and methods to maximize resource productivity.
- VII Continue to upgrade our heavy-equipment fleet to improve overall fleet emissions performance.
- VIII Evaluate future-use potential for property that we own; create and implement strategies for developing properties to ensure long-term use.



*At GRANITE  
we believe that  
environmental care  
rests with each and  
every employee of  
the company.*

## VALUE TO SOCIETY AND THE ENVIRONMENT

**Effectively managing our environmental responsibilities.** By continually evaluating and addressing our responsibilities, we reduce our environmental impact and deliver value to all of our stakeholders and future generations.

**Using resources efficiently.** By reducing and avoiding consumption, and by recycling our building materials, we maximize the value of the natural resources that we use.

**Maintaining stakeholder trust.** Our efforts to minimize our impact on the environment, while providing building solutions that benefit society, will engender trust and loyalty among all of our stakeholders.

*Our vision comes naturally, as an extension of both our Core Values and our corporate strategic plan, and guides our environmental strategy.*

### OUR CORE VALUES

PURSUIT OF EXCELLENCE

INTEGRITY

HONESTY

FAIRNESS

CONSIDERATION OF OTHERS

ACCOUNTABILITY

CITIZENSHIP

RELIABILITY

**Maintaining our license to operate, attaining growth.** Our ability to conduct business depends on access to resources. By maintaining the trust of our stakeholders—our social license to operate—we are better able to secure the land-use permits that allow us access to raw materials for our products.

**Lowering business risk.** By appropriately managing our environmental obligations we can reduce our environmental, reputation, and financial risks—all of which are business risks—and provide greater certainty to our customers, employees, and shareholders.

**Enhancing business opportunities.** By operating reliably and making responsible decisions concerning the environment and the communities in which we work, we will ensure that we are the customer's first choice as a construction partner and building-materials provider.

**Reducing cost.** Resource conservation and cost reduction go hand in hand. By recycling construction materials and reducing the consumption of other resources, we can reduce costs and gain competitive advantage.

**Improving employee morale and workforce retention.** By creating a culture of respect, innovation, and independent action based on our Core Values, we will attract and retain a talented and loyal workforce.

**Building and maintaining reputation and brand equity.** The benefits of a reputable brand support many aspects of the business, from obtaining permits to partnering with customers. The Granite brand must inspire confidence and trust among all of our stakeholders—our employees, customers, shareholders, and communities.

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[www.graniteconstruction.com](http://www.graniteconstruction.com)