



2016 Sustainability Update



Honolulu Authority for Rapid Transportation
(HART) Elevated Guideway and Stations
Honolulu, Hawaii

Our purpose is to **improve the quality of life** in the areas in which we work by **designing and building infrastructure** that is vital to the flow of commerce, supply of energy, and movement of goods and people.



BEFORE AND AFTER
Carmel River Reroute and San Clemente Dam Removal
Carmel Valley, California

As the largest dam removal in California, this groundbreaking project set precedence for other dam removal and river restoration efforts. The team developed a long-term solution to the public safety risk posed by the potential collapse of the outdated San Clemente Dam in the event of a large flood or earthquake, which would have threatened 1,500 homes and public buildings.

Additional benefits of removing the dam include unimpaired access to more than 25 miles of essential spawning and rearing habitat—aiding in the recovery of threatened south-central California Coast steelhead—and restoring the river's natural sediment flow, which reestablished a healthy connection between the lower Carmel River and the watershed above the San Clemente Dam.





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Message from the CEO

I am pleased to present Granite's 2016 Sustainability Update. It outlines our sustainability initiatives and documents our 2014 - 2015 performance.

We have made excellent progress since 2014, at times even more swiftly than expected. One example is our goal of management system certifications. Granite's Safety and Health Management System, Environmental Management System, and Quality Management System are certified to OHSAS 18001:2007, ISO 14001:2004, and ISO 9001:2008, respectively, which are internationally recognized state-of-the-art standards for management systems.

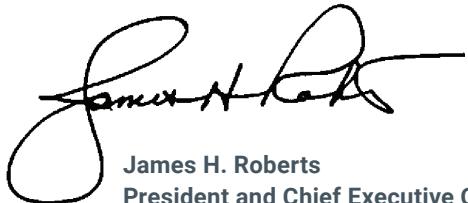
Our progress proves that we are capable of doing more and raising the bar even higher. We support efforts to operate more efficiently and responsibly. We strive to improve the quality of life for our employees and the communities they serve by building sustainably. For the seventh consecutive year, Granite has received the World's Most Ethical Company designation by the Ethisphere Institute.

From 2014 to 2016 our safety performance was again the best in the industry – and the safest in the history of our Company. We continue to better understand why incidents occur and then focus on how to eliminate causes. We have invested in advanced technologies, including auditing and data management systems, to further minimize our environmental impacts and deliver high-quality products.

A focused priority goal, as stated in our Strategic Plan, is to attract talent and develop all of our employees for future growth in all parts of the Company.

Our employees are truly the foundation of our Company. We know that it is not just about doing the right thing today but continuously improving the way we do business each and every day. These efforts, from working safely and efficiently to protecting the environment and engaging with communities, are helping create a better future for the next generation.

Our communities and stakeholders play an important role in developing our approach to sustainability. We work to benefit the communities we serve by being transparent in our business practices, operating with integrity, and upholding the highest ethical standards in all of our relationships.

A handwritten signature in black ink, appearing to read "James H. Roberts".

James H. Roberts
President and Chief Executive Officer
Granite Construction, Inc.



The "New" New York Bridge
Tappan Zee Bridge Replacement

New York State Thruway Authority
Westchester to Rockland Counties, New York

About the Company

Headquartered in Watsonville, California, Granite Construction, Inc., (NYSE: GVA), is a full-service general contractor, construction management firm, and construction materials producer.

Our company proudly serves the diverse markets of transportation, federal, power, industrial, water infrastructure, facilities and tunneling. We operate coast to coast in the continental United States, Alaska, Canada, and Guam.

Deeply embedded in our nearly 100-year history is a culture of hard work, honesty, and partnering to strengthen America's infrastructure. Granite's roots are traceable to California construction license number 89, one of the first 100 licenses, of which 96 percent are no longer in business. Our ability to survive is not an accident. Hard work and unfaltering tenacity led us from quarrying granite rock at the turn of the century— to now helping rebuild Ground Zero. Granite has always been part of a story much bigger than itself.

One of the key elements propelling Granite into the next century of operations is our continued commitment to improving the quality of life in the areas in which we work and enhancing value for all employees, clients, shareholders, and the general public that we serve.

■ CORPORATE FACTS

- Founded in 1922 in Watsonville, California
- Revenue in 2016: \$2.3 billion
- Granite Construction Inc., shares have been publicly traded on the New York Stock Exchange (NYSE) since 1990 under the stock symbol GVA
- Employs 5,000 craft, trade, and professional staff in the United States
- Owns and operates 50 aggregate facilities nationwide (specialty aggregates, sand/gravel, asphalt concrete, and ready-mix concrete)
- Owns and operates a robust equipment fleet, including more than 1,900 pieces of heavy construction equipment and 3,500 trucks, trailers, and vehicles
- Provides construction management services including design-build, pavement preservation, disaster and emergency response, and environmental remediation



San Bruno Grade Separation
Caltrain
San Bruno, California

About This Report

Our effort towards building a better future are about improving quality of life for our employees, sustaining the environment, and engaging with our communities. We center our sustainability efforts on seven pillars to measure our progress.

Our employees are the foundation of our seven pillars. Through their efforts we accomplish every goal, so safety and health are paramount. Our environment, our community, and the projects we build around them complete the seven pillars. Each pillar counts in our sustainability efforts; no matter how small, they all matter equally.

Sustainability to Granite represents the lens through which the Company views its operations to ensure that it provides a return to shareholders, value to customers, innovation to fuel improvement in processes and industry progress, and the advancement of our employees as they grow as individuals and professionals. It also represents the intersection of economic prosperity and social responsibility and how those forces interact to tackle social and environmental challenges.

A nation's infrastructure is its economic lifeline, providing the most tangible forms of economic and social benefit. Infrastructure is crucial to maintaining and improving the flow of commerce, energy and water, and connectivity among people. From aviation infrastructure to bridges and ports, from electrical utility construction to water transmission and delivery, the projects we build or supply play a pivotal role in building, repairing, and expanding the infrastructure solutions that fuel our economic and social networks. Infrastructure requires continuous maintenance and innovation to improve safety, capacity, and efficiency for current and future generations. This is at the heart of what we do.

This 2016 report is a snapshot of our progress and achievements from 2014 through 2016. Moving forward we will align our sustainability goals with our five-year Strategic Plan, thereby incorporating the value of sustainability more deeply in our business. Our Sustainability Council, comprised of Company leaders at various levels, manages our sustainability efforts. Council members and their staff relay our goals as they pertain to each pillar of sustainability. Goal updates and active participation of our internal stakeholders drive our report content.

RESULTS REPORTING STRUCTURE	
	Accomplished/completed
	Not accomplished
	Revised
	On the right track
	New for 2016

Granite's Seven Pillars of Sustainability

Our pillars represent the social, economic and environmental targets that drive the sustainable foundation of our business.



Safety and Health



**Every person is entitled to a safe workplace.
At Granite our ultimate goal is zero incidents."**

Our commitment to this goal is reflected in our safety training and development. Every employee, from craft worker to project executive, has the personal responsibility to diligently follow and enforce all elements of Granite's Safety and Health Management System.

In addition to daily and weekly safety meetings, our supervisors review and train employees by implementing best-in-class job hazard analysis tools. These tools integrate safety into every aspect of a project by evaluating the potential risks and implementing steps and processes to mitigate hazards for each type and phase of work. Safety and incident prevention is not something we do in addition to work, it is the way we work.

Granite implemented a Safety and Health Management System that establishes a consistent framework to support efficient management across the company in a manner that is verifiable and supports continuous improvement.

■ GRANITE SAFETY TASK FORCE ESTABLISHED

The Occupation Health and Safety Assessment Series (OHSAS) for health and safety management systems was developed to help companies control occupational health and safety risks using a recognized standard against which to be certified and assessed.

Granite's OHSAS 18001:2007 certification efforts were aimed at improving the efficiency and effectiveness of our Safety and Health Management System, which in turn will help us reduce injuries and incidents of loss and ultimately enable us to obtain better and more profitable work opportunities.

Granite established task forces for OHSAS, Fleet Safety, Plant Safety, and Construction Safety. Each task force comprises operations and safety personnel, who work together to ensure that our safety programs and processes identify safety and health hazards, assess the related risks, and determine appropriate controls in addition to complying with legal and other requirements.

■ INDUSTRYWIDE SAFETY WEEK

Annually, Granite, along with several other national construction companies, sponsors and leads an industrywide Safety Week to inspire everyone in the industry to be leaders in safety. Originally initiated by CEOs and leaders from more than 40 national and global construction firms, the effort now includes thousands of people, including subcontractors and vendors from around the world.

This annual event is an opportunity for companies and their employees to unite around a common cause: no harm. Everyone plays an integral role in getting people home to their families at the end of each day.

Our teams rallied around the national theme 'We are Stronger and Safer Together', with active involvement from our Executive Team, who made numerous visits to projects and teams across the country. Safety Week is a great way to kick off the construction season, but the growing success of these important events is reflected in improved employee awareness and engagement and ultimately—in fewer injuries.

■ LEAD FROM THE HEART SAFETY CHALLENGE

In addition, 2016 marked the first iteration of the Lead from the Heart 90-day Safety Challenge. In this challenge, where management demonstrates to employees how much it cares about them through various competitions involving safety indicators. The 90-day competition features such activities as leaders and employees sharing safety stories, discussing how safety at work translates to ensuring that each and every employee makes it home to see their family and the completion of creative activities such as safety videos.

■ ARIZONA TRANSPORTATION BUILDERS SAFETY DAY

The job of a construction worker is one of the toughest occupations, and having the right safety training and equipment can make all the difference. In October 2014 more than 30 Arizona Region employees participated in the American Road & Transportation Builders Association (ARTBA) Safety Day, an event dedicated to teaching employees about work place hazards. The Safety Day is designed for all employees across all levels of the construction process, including management and craft employees.



GOAL	OUR PROGRESS	RESULTS
<p>In the construction industry, the ultimate goal is zero incidents. As we work toward that goal, we will work to reduce our Occupational Safety and Health Administration (OSHA) recordable incident rate annually through our Safety and Health Management System and safety culture.</p>	<p>We exceeded our goal of reducing our OSHA recordable incidents rate from 1.5 in 2014 to 1.2 in 2016.</p>	
<p>The ultimate goal is zero regulatory infractions. As we focus on that goal, we will work to reduce citations by 25 percent by 2016 compared with 2014 to ensure compliance with occupational and mine safety regulations.</p>	<p>In 2014 we received 50 citations during 75 inspections. In 2015 we received 71 citations during 71 inspections and in 2016 we received 58 citations following 56 inspections.</p>	
<p>By 2016 we will improve our Safety and Health Management System, conform to OHSAS 18001, and register our Large Project construction segment and Utah Region.</p>	<p>In 2014 we received OHSAS 18001:2007 certification from an external registrar in our Utah Region and specific large projects. As our business fluctuates, we continue to improve our systems to retain certification.</p>	

More on Our Goal Progress

WHAT WE DID TO REDUCE OSHA RECORDABLE INCIDENTS

To reduce injuries and continue our march to zero injuries, Granite implemented Relationship-Based Safety. All employees are empowered to Lead from the Heart and watch out for one another by speaking up when they see an unsafe practice or condition and to listen when receiving feedback. This is in addition to our Safety and Health Management System and training.

WHAT WE DO TO REDUCE REGULATORY INFRACTIONS

Although we fell below our target of reducing citations between 2014 and 2015, we are on track to meet this goal for 2016. Audits are being conducted at each location to ensure compliance with our Safety and Health Management System, as well as regulatory requirements. Results of these audits are shared with the local management team to ensure that corrective and preventive measures are implemented on a timely basis.

Recognition & Accomplishments

In 2015 Granite's Alaska Region won the Alaska Governor's Safety Award of Excellence for the fourth consecutive year. The award is presented annually at the Governor's Safety and Health Conference to groups demonstrating excellence in safety and health systems that protect their employees in the workplace and promote corporate citizenship.

In 2015 Kennecott Utah Copper awarded the Granite Utah Regional Team with the Tailings Safety Award for their work on the Barge Anchors and Wear Heel projects, as well as a facilitywide service award for Excellence in Provision of Construction. This is a significant honor from one of our clients that highlights the safe, high-quality and productive work that the Utah team is doing at Kennecott.





Compliance and Ethics



Named by Ethisphere Institute as one of the “World’s Most Ethical Companies Seven Years in a Row.”

We hold ourselves to the highest ethical standards in business practices through comprehensive ethics and *compliance* training. At times, the terms ethics and compliance are used interchangeably, but there are distinct differences between the two. Ethics are rules of behavior based on ideas about what is morally good and bad. Compliance is simply conforming with stated requirements. We believe that our ethics and compliance program supports our employees in a dynamic business environment, helping them address complex and variable regulatory environment within our industry. Our dedication to upholding the tradition of high ethical values and responsible conduct builds stakeholder trust and confidence.

■ ONE OF THE WORLD’S MOST ETHICAL COMPANIES

In 2016 Granite was recognized by the Ethisphere Institute, an independent center of research promoting best practices in corporate ethics and governance, as one of the *World’s Most Ethical Companies*— for the seventh consecutive year!

Ethisphere’s program honors companies that excel in three areas: promoting ethical business standards and practices internally, enabling managers and employees to make good decisions, and shaping future industry standards by introducing tomorrow’s best practices today. The program recognizes organizations that continue to raise the bar on ethical leadership and corporate behavior.

In 2016, Granite competed with more than 1,000 companies globally, and was honored among 131 total companies selected. Spanning five continents and 44 different industries, Granite was one of only two companies selected within the construction industry, and the only U.S.-based construction company honored this year.

■ ONE OF AMERICA’S MOST TRUSTWORTHY COMPANIES

In 2015 and 2016, Granite was recognized by *Forbes* for being one of the *100 Most Trustworthy Companies in the U.S.* *Forbes* uses this award to highlight companies that are most transparent and reporting accurately on financial outcomes, whether good or bad. According to *Forbes*, “We screened more than 2,500 publicly traded non-financial companies to identify the 100 that most ‘consistently demonstrated transparent accounting practice and solid corporate governance.’”

■ KENNY HONORED BY FEDERATION OF WOMEN CONTRACTORS

Kenny Construction, a wholly owned subsidiary of Granite Construction, was chosen by the Federation of Women Contractors (FWC) to receive the General Contractor of the Year Award for 2014. Kenny was chosen because of its outstanding efforts to expand opportunities for women-owned businesses on its projects. We are proud to support contributions made by entrepreneurial women in the construction industry.

■ NEW COMPLIANCE TRAINING FORMAT A SUCCESS

Much of what is discussed in ethics and compliance training involves complying with the many laws and regulations that govern our work. In many instances, however what makes Granite different as a company is the proven propensity of our people to always do what is right.

In April 2014 more than 550 employees participated in compliance training, taking the dialogue about ethics to higher ground. In addition, our training platforms have been updated to include both online and in-person components. We applaud the collaboration between the Legal Department, Organizational Development, and the Human Resources Department to revamp our Compliance training.

More on Our Goal Progress

HOW WE STRIVE TO BE OF THE WORLD’S MOST ETHICAL COMPANIES

Today’s best practices quickly become tomorrow’s standard practices. Staying on this competitive list year after year requires constant and incremental improvements at various tangible and intangible category levels, including Corporate governance, the Corporate Compliance and Ethics Program, sustainability, and corporate responsibility, leadership, innovation, and reputation.





GOAL	OUR PROGRESS	RESULTS
We will retain Ethisphere's designation as one of the World's Most Ethical Companies.	In 2016 Granite was recognized for the seventh consecutive year as one of the World's Most Ethical Companies.	
By 2016 we will provide basic compliance training to more than 95 percent of employees companywide.	Out of 1,274 employees due for compliance and ethics training in 2014/2015, a total of 1,259 completed. Out of the 633 employees due for DBE compliance training in 2015/2016, a total of 616 completed.	
By 2016 we will adapt our Corporate Compliance and Ethics Program to conform to ISO 19600. This risk-based approach assists organizations in developing generally accepted compliance management programs.	We adopted many of the policies outlined in ISO 19600. In areas where our practices differ from ISO policy, a comprehensive analysis is under way to gauge the value of changing practices. Our ultimate goal is to reach ISO 19600 conformance.	

HOW WE MAINTAIN A ROBUST AND COMPREHENSIVE COMPLIANCE AND ETHICS TRAINING PROGRAM

Our target to train and deliver on our responsibilities in ethics and compliance has continued to improve each year. This training is a joint effort between the Compliance and Ethics team and the Organizational Development Department. In 2016, 98.6 percent of our employees completed the compliance and ethics training, including a comprehensive module in Disadvantaged Business Enterprises (DBE).

This module collectively includes Minority Business Enterprises and Women Business Enterprises (DBE/WBE), Service Disabled Veteran Business Enterprise and Small Business programs (hereinafter DBE/WBE). Granite is committed to complying with all legal requirements related to DBE/WBE, and our vision is to be the leader in our industry and the communities in which we work as it relates to DBE/WBE programs.

We educate our employees on our DBE/WBE policy to provide opportunities for these businesses in all phases of our projects, and the Company mandates that any employee who is assigned tasks working with DBE/WBE receives training on the control environment and law. While many of our projects have specific goals for participation of these organizations, we strive to meet or exceed those goals and to do so fully in accordance with all applicable federal, state, and local laws and regulations, as well as all relevant contractual requirements.

HOW WE IMPROVE COMPLIANCE IN SOME OF OUR MOST COMPLEX LEGAL OBLIGATIONS

In 2015 the Company put in place a Committee of Sponsoring Organizations for some of its most sensitive compliance obligations, such as DBE/WBE. Some of the hallmarks of this system include the identification and subsequent mitigation of the highest risk areas for noncompliance, as well as by-name assignment of authority and responsibility and ongoing monitoring. The Company is looking to expand this model of compliance to other areas of risk, using the lessons learned from many years of applying this framework to financial reporting and obligations under Sarbanes-Oxley.



Community



Employees are the very core of Granite, and each local community is at the heart of those we serve."

Our Core Values of *Consideration of others, Reliability and Citizenship* represent our commitment to the communities in which we live and work.

We work to foster a culture that actively encourages us to be the best we can be while making a difference in our communities and the world. From blood drives, to clothing drives, marathons and sponsorships, our employees believe in giving back. Community engagement allows us to build strong relationships with local municipalities, subcontractors, suppliers, and associations, while broadening our community network and helps us proudly contribute.

■ BOYS & GIRLS CLUB OF UKIAH, CA, CHILI COOK-OFF

For the seventeenth consecutive year, Granite's Ukiah, California office spearheaded a chili cook-off fundraising event in the town square of Ukiah. The event raised more than \$27,000 in 2015— \$2,400 more than in 2014, with all proceeds going to the Boys & Girls Club of Ukiah.

■ JACOB'S HEART CHILDREN'S CANCER ASSOCIATION

Jacob's Heart Children's Cancer Support Services provides support services and family-centered care that addresses the emotional and financial struggles for families of children and teens during cancer treatment. Granite recently donated a new and expanded home to the center, nearly 5,000 square feet of space across the street from the corporate campus— doubling the non-profit organization's existing space. Most importantly, this has enabled Jacob's Heart to shift more than \$30,000 per year previously spent on rent into services for families.

■ SOUTHERN ARIZONA RODEO CAREER DAYS FOR STUDENTS

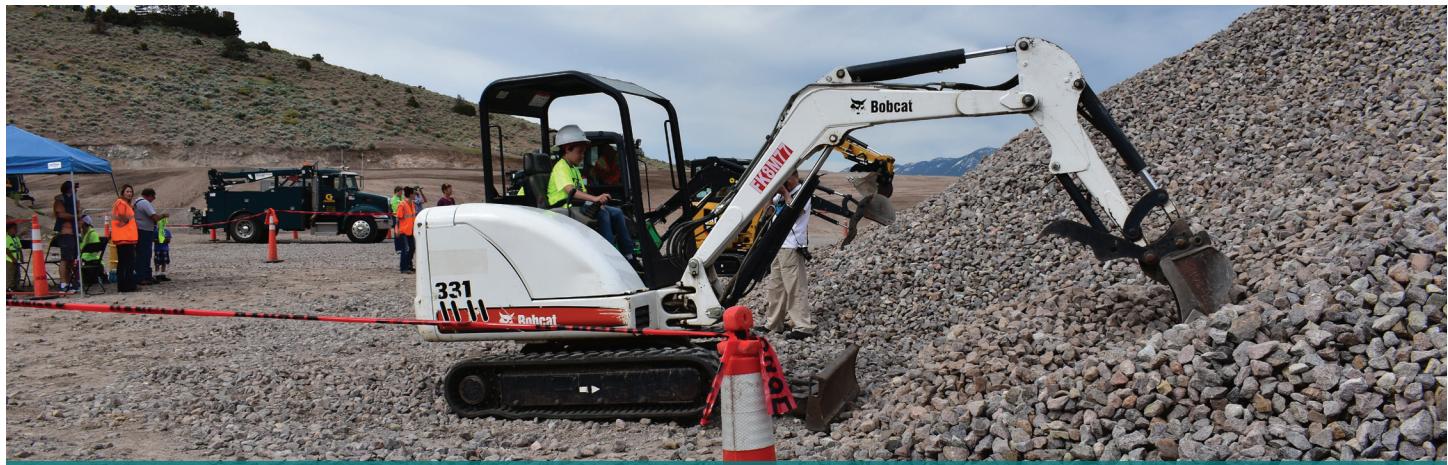
Granite's Arizona Region participated in the first Southern Arizona Construction Career Days at the Tucson Rodeo Grounds in November 2014. More than 700 students from 36 local high schools participated in the two-day event that centered on exploring careers in the construction industry firsthand. A diverse range of companies across the construction, engineering, and mining industries provided live demonstrations highlighting the career paths available in the industry. Students also visited our local office, along with construction professionals, to learn more about our business.

■ THE BIG DIG CHARITY EVENT FOR THE AMERICAN CANCER SOCIETY

Mike Soukup, Granite's regional equipment manager for the Nevada Region, has led the Big Dig for the past 15 years. The charity event allows children affected by cancer to participate in operating heavy equipment, with guidance from a licensed professional. The community event brings together local businesses and law enforcement agencies to raise money for the American Cancer Society.

■ GRANITE SPONSORS STUDENT ESTIMATING COMPETITION

Granite was a proud sponsor of the Associated Schools of Construction Student Estimating Competition in Reno, Nevada. Over 1,200 estimating students had 16.5 hours to solve their 'problem' and turn in their 'bid.' Once their bid was submitted, they had roughly seven hours to develop presentations for a panel of Granite judges. The University of Washington won first place. Second place went to Cal Poly San Luis Obispo, and California State University, Chico placed third.



15 years and counting: The Nevada Region's "Big Dig" charity event



GOAL	OUR PROGRESS	RESULTS
We will support our communities by actively participating in local outreach activities.	Employees continue to participate in community events from blood drives to marathons—in an effort to raise money and deliver services to those in need.	
We will continue our commitment to supporting local and national nonprofit associations consistent with the Company's charitable contributions strategy.	We continue to support more than 250 nonprofit associations nationwide through charitable contributions.	
By 2016 we will organize a nationwide community service initiative involving all business units.	In 2015 we partnered with the Red Cross to engage our employees nationwide to support their local communities with disaster relief.	

■ GRANITE NAMED "VETERANS EMPLOYER OF THE YEAR"

In 2015 Granite was named "Veterans Employer of the Year" by the California Employer Advisory Council. This award recognizes Granite's programs and policies in support of U.S. veterans in hiring and promotion, as well as employee retention, ongoing training, and benefits. Granite actively recruits veterans by participation in programs such as Work for Warriors, Honor a Hero, and the California Employment Department Workforce Program. Granite also offers competitive employee programs including tuition assistance, leadership training and a mentoring program.

■ SOUTHEAST REGION GETS ITS HANDS DIRTY

In November 2014 the community garden in Temple Terrace, Florida held a work day with more than 200 sixth-graders from Terrace Community Middle School. Students spent the day engaged in various activities, learning about sustainable gardening and community involvement, and they built benches, garden beds, compost piles, and a fire pit.

■ UTAH TEAMS WITH GOAL FOUNDATION TO HELP LOCAL KIDS

In May 2015 Granite's Utah Region partnered with the GOAL Foundation and Striders Running to give away 110 pairs of new running shoes to the Boys & Girls Club at Odyssey Elementary, as well as 75 bike helmets to the Boys & Girls Club in Roy, Utah, as part of GOAL's Young Runners Program.

■ SAN DIEGO'S VOLUNTEER COMMITTEE

In June 2015 the San Diego Region formed a Volunteer Committee named PAVE (participate, assist, volunteer, and engage)—to assist with identifying impactful local events that the team can participate in as a region.



Granite partners with the California Work for Warriors program dedicated to assisting our Service members



Employees



Our most powerful partnership is the one we have with our employees."

Our employees are the heartbeat of our business. We strive to retain and reward our employees and provide competitive salary packages. We seek new talent and recruit some of the best college graduates who want to begin a future with Granite and break ground in our industry.

We continue to make strides on our 2016 goals. We improved our Building a Healthier You Wellness Program by making it user-friendly and mobile. We currently have over 2,000 salaried employees eligible to participate in our health and wellness program. Since 2015, over 562 salaried employees completed both the personal health risk assessment and biometric screening.

Since our previous report in 2014, we have focused on actively participating in initiatives that support women in construction. Granite supports the Society of Women Engineers (SWE) in promoting women to reach their full potential in engineering and leadership and promoting the perception of engineering as a positive force for increasing quality of life.

Granite currently supports the National Association of Women in Construction (NAWIC) through sponsorships. NAWIC has more than 14 regions nationwide, with affiliates in Canada, Australia, the United Kingdom, South Africa, and New Zealand; it is one of the largest organizations for women in construction in the world. NAWIC sponsorships allow companies to annually demonstrate their commitment and support of NAWIC's core purpose, which is to enhance the success of women in the construction industry. Seventeen Granite employees are part of NAWIC.

■ GRANITE'S FEMALE EMPLOYEES DOUBLE THE INDUSTRY

AVERAGE

We currently employ 738 women (476 salaried, 262 hourly), or 14 percent of our 5,000 employees. The construction industry average is 8.9 percent. Granite continues to recruit talented women in all areas of the Company.

Attracting and Retaining Talent

■ CHARACTER MATTERS SCHOLARSHIP FUND

The Granite Construction Character Matters Scholarship Fund has provided college financial assistance to our employees' children and grandchildren for the past 15 years. Granite has awarded a total of \$453,000 in scholarships to 306 students in the extended Granite family.

■ GRANITE GOLD FOR EMPLOYEE REFERRALS

Granite always strives to hire talented people who will bring their enthusiasm, integrity, and strengths to their job each day. Granite employees may be eligible to receive an employee referral award—Granite Gold rewards employees who actively participate in recruitment efforts by referring qualified candidates who are hired into salaried positions. Award amounts range from \$500 to \$10,000.

■ TUITION REIMBURSEMENT PROGRAM

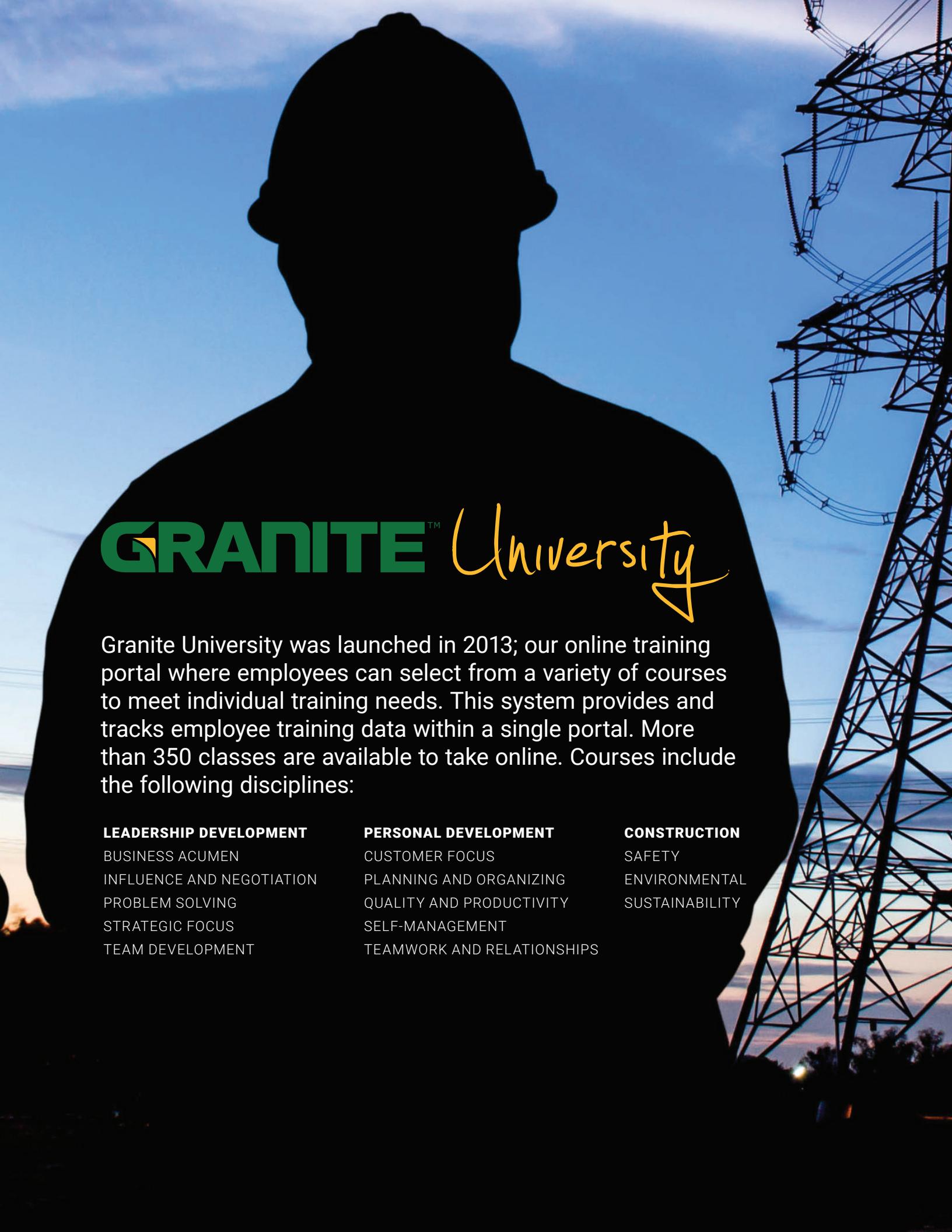
Granite employees who wish to pursue higher education or obtain a degree are eligible for Granite's Tuition Reimbursement Program. In 2014, we had 24 employees participate in the program, with tuition reimbursements of \$70,375. In 2015, we had 26 employees participate, with \$71,525 in reimbursements. In 2016 we had 35 employees participate in the program with \$105,233 in reimbursements.

Performance Management and Development

■ GRANITE'S LEADERSHIP MBA PROGRAM

Granite launched its new Leadership MBA training program with the first of three sessions in April 2015. The program was by selection only and is designed for senior leaders. Here are a few of the goals for the new Leadership MBA program:

- Create an understanding of what makes organizations successful and what makes them struggle.
- Understand how to evaluate our businesses outside of simply financial metrics.
- Implement a process for developing and implementing an effective strategy that promotes long-term organizational success.
- Maximize time and effort as a senior leader to obtain the best-in-class results.
- Benchmark our results, systems, and processes against those of other companies to continuously improve the status quo.



GRANITE™ University

Granite University was launched in 2013; our online training portal where employees can select from a variety of courses to meet individual training needs. This system provides and tracks employee training data within a single portal. More than 350 classes are available to take online. Courses include the following disciplines:

LEADERSHIP DEVELOPMENT

BUSINESS ACUMEN
INFLUENCE AND NEGOTIATION
PROBLEM SOLVING
STRATEGIC FOCUS
TEAM DEVELOPMENT

PERSONAL DEVELOPMENT

CUSTOMER FOCUS
PLANNING AND ORGANIZING
QUALITY AND PRODUCTIVITY
SELF-MANAGEMENT
TEAMWORK AND RELATIONSHIPS

CONSTRUCTION

SAFETY
ENVIRONMENTAL
SUSTAINABILITY



Folsom Dam Auxiliary Spillway and Structures
U.S. Army Corps of Engineers (USACE)
Folsom, California



GOAL	OUR PROGRESS	RESULTS
<p>We will improve the health and wellness of our employees and their families by actively maintaining a Wellness Incentive Program. The goal is to continuously improve our participation rate until 100 percent of our employees have completed a health risk assessment and biometric screening.</p>	<p>In 2016, 667 salaried employees and 70 of their spouses participated in the Wellness Program. That's an additional 112 salaried employees who participated since 2015.</p>	
<p>We will take a lead role in the industry to actively participate in initiatives that support women in construction.</p>	<p>We support the Society of Women Engineers by participating in career fairs and sponsoring SWE events. As of 2016, Granite has 17 women members of the National Association of Women in Construction.</p>	
<p>We will be an employer of choice in our industry and measure our progress by achieving high retention rates by maintaining lower-than-average industry turnover percentages.</p>	<p>For 2015 the turnover rate for salaried employees (total company) was 21.11 percent versus 16.74 percent in 2014.</p>	

■ **MY REWARDS@GRANITE PROGRAM**

In 2013 Granite rolled out a new online statement system that gives employees a snapshot of their total compensation and benefits. This system is available to employees enrolled in salaried benefits and can be accessed from work or home. Year-to-date information includes wages, overtime, bonuses, incentive compensation, retirement benefits, and a breakdown of benefit contributions between the employee and Granite.

Benefits and Rewards

In 2015, after testing different platforms, Granite announced a new benefit that is available to all salaried employees and their spouses and domestic partners: Healthyroads Online. The tool provides health resources such as coaching programs and online classes. Employees can participate in group or individual health challenges for chances at incentives. Coaching and guidebooks are available ranging from heart disease to stress management. Healthyroads Online lets you connect and track your activities from anywhere you have an Internet connection. It is quick, easy, and convenient. Since the launch of Healthyroads Online, more than 500 employees have participated.

Anniversary Recognition Program

At Granite our people are our greatest asset, and celebrating their work anniversary is just one of the ways we show how much we value our employees' ongoing dedication and commitment. In recognition of salaried employee contributions and length of service, Granite introduced a

personalized anniversary recognition program: Mile Markers. Recognition gifts range from high-end cookware to designer watches. As of January 1, 2014, all full-time salaried employees were recognized for their first, fifth, tenth, fifteenth, and so on up to forty-fifth year of service.

More on Our Goal Progress

OUTSIDE RECOGNITION

In 2015 *Forbes* named Granite one of America's Best Midsize Employers. In partnership with Statista.com, *Forbes* conducted an anonymous survey of over more than 30,000 US employees working for large and midsized US firms to compile the list. The survey parameters included asking respondents to rate 30 work-related attributes grouped in terms of atmosphere, compensation, and diversity.

OUR TURNOVER RATES

With a target to maintain a lower-than-average industry turnover percentage, we unfortunately missed our mark, with an increase from 16.74 percent in 2014 to 21.11 percent in 2015 for our salaried employees. Craft employee turnover is not tracked. In an effort to reduce our turnover rates, we have implemented several incentive programs and benefits adjustments based on employee feedback. We strive for employee engagement and will continue to build value for all of our employees and ensure that Granite remains a vital, supportive, and productive place to work.

Environment



We believe that we must be a leader in environmentally responsible operations in our industry."

Our goal is to meet all of our regulatory commitments while reducing the environmental impacts associated with our work. Environmental responsibility means promoting a better way of doing business while constantly finding ways to improve our environmental performance.

Our commitment to the environment is focused on the following objectives: conserve natural resources, exceed requirements of applicable laws and regulations, continuously improve environmentally responsible practices, prevent pollution, and reduce environmental impacts.

We achieve these objectives by comprehensively understanding our customers environmental goals, as well as the broader regulatory environment. Doing so enables Granite teams to provide solutions that meet and often exceed these goals. We continue to make positive progress in environmental sustainability on our projects, at our plant facilities, and at our office locations.

■ GRANITE COMPLETES SCOPE 1 CARBON FOOTPRINT ASSESSMENT

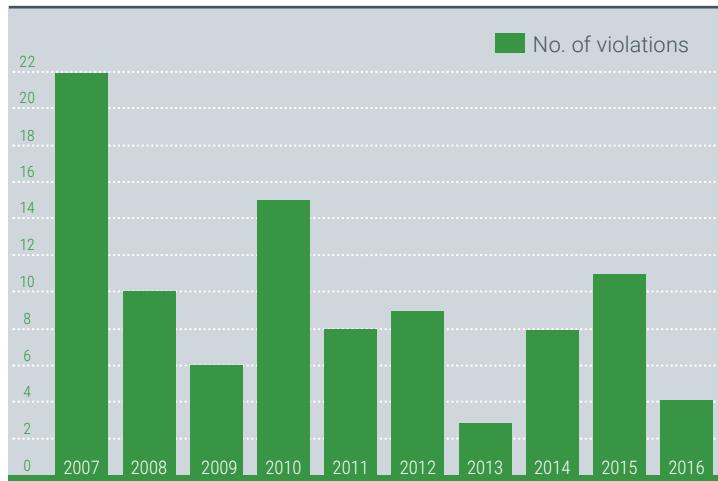
Greenhouse gas emissions are an important global concern. It is important to understand our baseline emissions and impacts to better manage them in our future operations. Once we have established this baseline, as we have done in our 2014 and 2015 assessments, our next steps would focus on improving efficiencies and resource conservation

to reduce emissions. Our goal to establish Granite's baseline Scope 1 carbon footprint assessment is presented below. Scope 1 by definition includes only direct emission by sources solely owned and controlled by the Company. Our footprint assessment follows the Greenhouse Gas Protocol principles and methodologies established by the World Business Council for Sustainable Development and includes carbon dioxide, methane, and nitrous oxide for each of the sources, reported in equivalent CO₂.

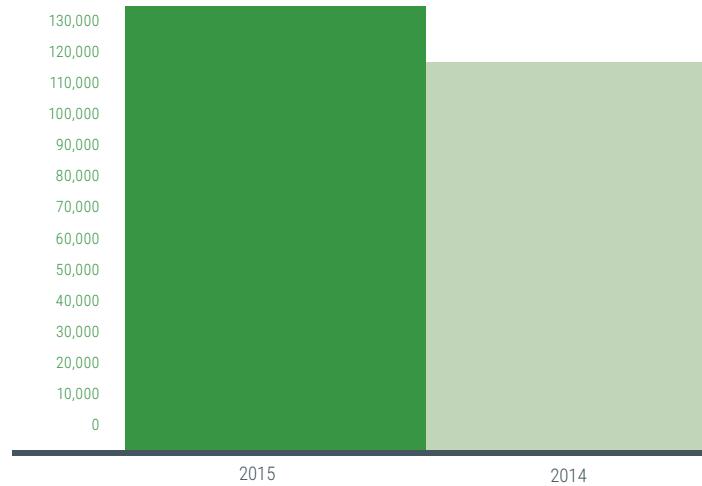
Assessment Year	Carbon Footprint CO ₂ Equivalent (US tons)
2014	114,003
2015	132,285

As this is our first assessment, Granite will use these results as our baseline years for future targets in reduction. Our emissions are directly correlated to business volumes and fluctuations in each year, so our approach is to compare future emissions as they relate to annual revenues. We had more projects in 2015, requiring increased production (particularly more volumes of asphalt) and vehicle fuel utilization, hence our increased emissions.

ENVIRONMENTAL ENFORCEMENT ACTIONS RECEIVED



CARBON FOOTPRINT CO₂ EQUIVALENT (US TONS)



¹ In our current assessment the following emission sources were included:

- Mobile sources (light-and heavy-duty vehicles/equipment and corporate jet) – ; rental equipment is not included; however, some fuel consumption from rental equipment is included (contract and agreement dependent)
- Asphalt plant production
- Granite-owned diesel generators
- Indoor heating for Granite-owned facilities



GOAL	OUR PROGRESS	RESULTS
By 2016 we will certify one of our vertically integrated businesses as a pilot program.	<p>Our environmental management system is ISO 14001:2004 certified.</p> <p>In 2014 our Utah Region was the first area in our Company to undergo and receive this certification.</p>	
The ultimate goal is zero environmental incidents and citations. By 2016 we will reduce citations and spills by 50 percent through compliance systems and training.	<p>During 2014–2015 citations increased by three, with spills remaining unchanged.</p>	
We will measure and benchmark the sale of “green” construction materials and technologies and take steps to increase the frequency that green technologies are responsibly used in production.	<p>Our green construction materials and technology were identified, such as warm-mix asphalt, recycled asphalt concrete base, and solar power. We have taken steps to increase the use of these materials during 2014–2015.</p>	
By 2016 we will complete a pilot project that uses telematics in our heavy equipment, which will improve fuel optimization.	<p>A pilot project implementing the use of telematics was completed during 2015. We are currently implementing telematics companywide.</p>	
By 2016 we will estimate our companywide Scope 1 carbon footprint.	<p>Our Scope 1 carbon footprint was estimated for 2014 and 2015. These years will be used as baseline values.</p>	

More on Our Goal Progress

MEASUREMENT AND BENCHMARKING ON THE USE OF GREEN CONSTRUCTION MATERIALS AND TECHNOLOGIES

Granite continues our effort and commitment to promote the use of green construction materials and technologies. We have made progress increasing our capabilities to produce warm-mix asphalt, with more than 50 percent of our asphalt plants being retrofitted to produce warm-mix. In addition, significant progress has been made toward expanding the use of recycled asphalt as a percentage of total asphalt produced. Customer requirements and specifications are the primary factors that influence this objective.

EFFORT TO REDUCE ENVIRONMENTAL INCIDENTS AND CITATIONS

We were unable to meet our goal of reducing our environmental incidents; they increased from eight in 2014 to 11 in 2015. For 2016 we have significantly reduced environmental citations through the implementation of root cause analysis methods, corrective and preventive measures.

GRANITE'S MANAGEMENT SYSTEMS CERTIFIED ON LARGE PROJECTS

In 2014 Granite reached a significant milestone in our Large Project Construction segment by achieving ISO 9001:2008 and ISO 14001:2004 certification for project management and construction activities, respectively. In 2015 we achieved OHSAS 18001:2007 certification for our Safety and Health Management System and ISO 14001:2004 certification for our Environmental Management System. ISO and OHSAS are well-known international standards for quality, environmental, and safety and health management systems that represent state-of-the-art practices for companies to manage their objectives and responsibilities.

Granite's certified management system is part of a companywide Granite Management System (GMS) incorporating the ISO 9001:2004, ISO 14001:2008, and OHSAS 18001:2007 standards as a management system framework. The management processes established by the quality, environmental, and safety portions of the GMS support consistent operating practices that are safe, are environmentally responsible, and achieve customer satisfaction.



Granite Alaska: Dowling Road Phase 2

\$46.8 million • Anchorage

The West Dowling Road Phase 2, Raspberry Road to C Street project provides significant congestion relief, improves pedestrian and bike-friendly connections, improves access to existing trails, and ensures that it can all handle a 100-year storm.

- Construction includes a four-lane bridge over Arctic Boulevard and the Alaska Railroad, tracking the alignment with and minimizing environmental impacts on Tina Lake, and finally making connections with the heavily used C Street and Raspberry Road. In addition to the road construction, stormwater systems will ensure the ecological succession and restoration of the Tina Lake area, as well as a sewer mainline extension to supply future development of a Chugach Electric Association power plant.
- This project improves east-west traffic flow and takes the traffic burden off two east-west routes.
- It promotes alternative transportation choices with the Class A bike lanes and shared-use path.
- The stormwater and snow management plans improve water quality at Tina Lake.
- The project enables extensive stormwater management for Tina Lake.
- Sound berms reduce noise impacts on local Communities.



■ FIRST GREENROADS PILOT PROJECT

In 2015 the Alaska State Department of Transportation & Public Facilities (DOT&PF) completed the first Greenroads Pilot Project in Alaska in conjunction with Granite's Alaska Region West Dowling Road Phase II project. "This project is sustainable because Alaska DOT has a commitment to sustainability, the engineering firm HDR, Inc. took a holistic design approach, and Granite Construction had the experience to make it happen," says Jeralee Anderson, PhD, the executive director of Greenroads.

Greenroads is a nonprofit corporation whose mission is to advance sustainability education and best practices for transportation infrastructure. Similar to LEED certification for buildings, the key focus areas of the Greenroads

program are sustainable roadways through design and construction best practices that address water quality, environment, community impact, construction practices, and materials.

- The challenge of the four-lane superstructure was to keep freight moving while building a bridge.
- Crews reused on-site materials to build the sound berm.
- This project built dedicated snow storage and created systems to clean snow near Tina Lake.



SR 529 Ebey Slough Bridge

Washington Dept. of Transportation
Snohomish County, Washington



■ GRANITE HONORED WITH ENVIRONMENTAL AWARD

The SR 529 Ebey Slough Bridge remains one of Snohomish County's proudest achievements. In 2014 the project received the Washington State Department of Transportation's Environmental Excellence Award. The project crew faced unique challenges in building the new bridge and tearing down the original span. Working in such a sensitive marine environment required thoughtful planning and a commitment to leaving the area better than we found it.

The area has a long industrial history stretching back more than a hundred years. During the project, crews removed 5,500 cubic yards of contaminated soil, excavated three separate undocumented underground storage tanks that were leaking petroleum products, and

got rid of more than 300 creosote-treated timber piles and thousands of board feet of creosote-treated lumber. They dredged contaminated material from the marine channel and replaced it with clean sand and gravel. They spent approximately 4,000 man-hours in a work boat, testing the water and monitoring local wildlife and marine mammals for signs of distress.

On all counts the project was a huge success. It was delivered on budget and two months ahead of schedule while improving the environment and providing drivers with a new, wider bridge that will serve the area for years to come.

Sustainable Infrastructure



We will build the infrastructure of the future."

Adequate and reliable public funding of the country's infrastructure is paramount to driving our economy forward and investing in our infrastructure. We actively participate in industry associations and government programs that advocate infrastructure funding and development. Our participation has established meaningful relationships with local and state officials that is leading to advancement in sustainable business practices.

■ MAKING A DIFFERENCE - HARDHATS FOR HIGHWAYS

In 2014 Granite leaders participated in the Transportation Construction Coalition Fly-In in Washington, DC, to help highlight the crisis facing our federal transportation programs. Our management team was joined by hundreds of other industry leaders as they walked the halls of Congress to reiterate the importance of continued investment in transportation infrastructure. Other Granite leaders from around the country also made legislative visits in local district offices to help get the Word out.

Grassroots efforts like Hardhats for Highways is one such movement to support highway construction and paving jobs through the Transportation Construction Coalition. For instance, when in late 2015 Congress passed the five-year highway and transit bill known as the Fixing America's Surface Transportation (FAST) Act, the law did not provide a long-term sustainable revenue source for the Highway Trust Fund. Instead it transferred \$70 billion from the General Fund to the Highway Trust Fund. This means that when the FAST Act expires on September 30, 2020, the Highway Trust Fund will require an estimated \$18 billion annually just to maintain its current investment levels. Granite employees nationwide sent almost 40 percent of the total of E-Hardhats to Congress, urging members to find a long-term, sustainable solution for financing the Highway Trust Fund.

Currently, the FAST Act provides funding for five years for federal highway and transit programs at increased funding levels.

■ WASHINGTON LANDSLIDE HITS CLOSE TO HOME

A massive mudslide occurred in March 2014 between the towns of Arlington and Darrington near the community of Oso in Snohomish County, Washington. Mud and debris slid into the North Fork Stillaguamish River Valley, covering a 1-square-mile area in less than a minute and claiming the lives of 43 individuals. The

slide material, estimated at approximately 8 million cubic meters, inundated State Route 530. Six separate major contracts totaling more than \$40 million were awarded for the clean-up. Granite's Washington Region was responsible for one of the contracts that provided four months of 24-hour traffic control and road maintenance on the temporary 6-mile one-way emergency access road. This project has special meaning, as the slide forever impacted Granite families and the community in which we live and work. Through restoring access around the disaster area, Granite's crews reestablished a major connection with the town of Darrington. The work by our crews not only allowed the emergency recovery efforts to continue but also provided the community with the opportunity to begin the emotional process of recovery and healing through the reestablishment of "normal".

■ HOUSTON METRO OPENS TWO NEW RAIL LINES

In May 2015 two new light-rail lines—The Green Line (East End Line) and the Purple Line (Southeast Line)—were opened to residents in Houston, Texas. The Houston Rapid Transit Joint Venture (HRT) was awarded the design-build contract in 2009. Led by Parsons Transportation Group, Inc., and Granite, the HRT team includes Kiewit Texas Construction LP and Stacy & Witbeck, Inc. The team was responsible for expanding the existing light-rail transit system in three new corridors in downtown Houston, totaling an additional 15 miles of light-rail transit. The scope of the work included 24 stations, storage and inspection facilities, and a major renovation of the existing Rail Operations Center.





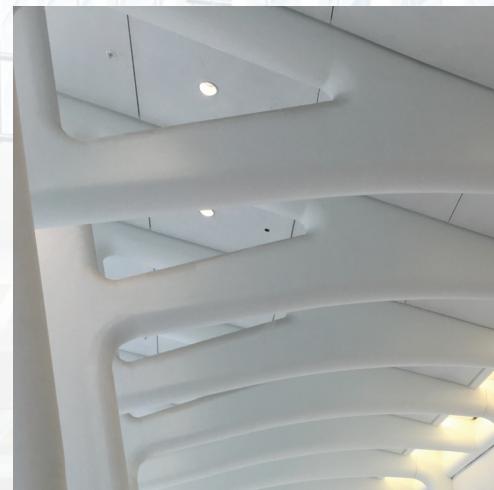
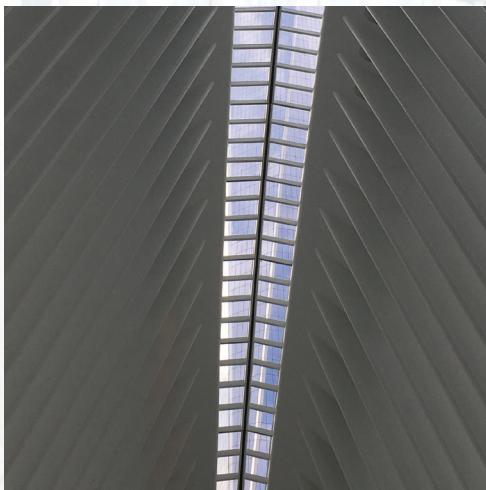
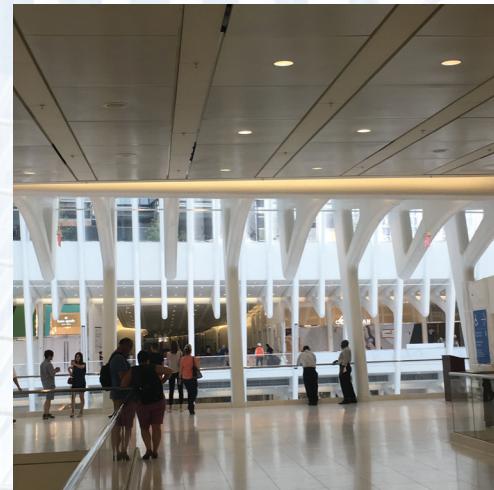
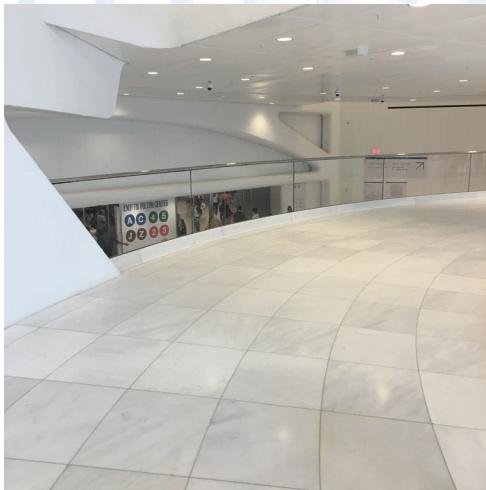
BUILDING ARIZONA'S FIRST SOLAR STEAM GENERATOR

Granite's Arizona Region is currently constructing the state's first solar steam generators. The system was designed by AREVA, an energy company based in France, and the project is being built for Tucson Electric Power.

AREVA has constructed similar systems in India and Australia, but this will be the first commercially operated system in the United States. Granite is responsible for constructing drilled shafts that support 269 above-grade piers. We are also erecting all the structural steel, which

includes approximately 6,000 linear feet of structural steel beams, 570 reflector cradles, 20 towers that stand more than 100 feet tall, and a 1,500-foot-long pipe array receiver. Granite will also be building a pipe utility rack and a pipe bridge over an on-site roadway.

Finally, Granite will install 540 reflector mirrors that cover almost 10 acres of land. As the project nears completion, it remains on budget with zero safety incidents.



■ WORLD TRADE CENTER PORT AUTHORITY TRANS-HUDSON CORPORATION HUB

The state-of-the-art World Trade Center Transportation Hub, completed in 2016, serves 250,000 Port Authority Trans-Hudson (PATH) daily commuters and millions of annual visitors from around the world. At approximately 800,000 square feet, the Hub, designed by internationally acclaimed architect Santiago Calatrava, is the third-largest transportation center in New York City.

The Hub's concourse will ultimately connect visitors to 11 different subway lines, the PATH rail system, the Battery Park City Ferry Terminal; the National September 11 Memorial & Museum, and World Trade Center Towers 1, 2, 3, and 4. The

PATH Hub represents the most integrated network of underground pedestrian connections in New York City.

The Oculus serves as the Hub's centerpiece incorporating 78,000 square feet of multi-level state-of-the-art retail and dining.

As part of a joint venture, the Granite team recently completed the \$682 million World Trade Center PATH Hub project. The team constructed the PATH station roof prior to building the track/platform and mezzanine levels as a schedule priority for the National September 11 Memorial & Museum opening.



GOAL	OUR PROGRESS	RESULTS
We will support and be actively engaged in industry associations that advocate infrastructure funding. Additionally, we will commit a senior manager in a leadership position for the major industry associations, at the state and federal levels, in all regions in which Granite operates.	We have several senior managers committed to many industry organizations such as the American Road & Transportation Builders Association; National Stone, Sand & Gravel Association; and Associated General Contractors of America.	→
We will lead active, local, grassroots advocacy programs that promote the advancement of infrastructure development.	We continue to encourage our employees to develop and maintain local and regional relationships with elected officials and the communities to promote sustainable funding of transportation infrastructure.	→
We will participate in the advancement of industrywide sustainable construction practices.	We participate in the sustainable business practices and partner with Envision and the Greenroads program.	→

More on Our Goal Progress

OUR SUPPORT OF AND ACTIVE ENGAGEMENT IN INDUSTRY ASSOCIATIONS

Many Granite employees including top management, are members or board members of various professional organizations: Associated General Contractors of America; National Asphalt Pavement Association; Resource Development Council; Rubber Pavements Association; American Road & Transportation Builders Association ; Association for the Improvement of American Infrastructure; National Stone, Sand, & Gravel Association; California Construction and Industrial Materials Association; United Contractors, and various local associations and coalitions in more than 10 states.

OUR PARTICIPATION IN INDUSTRYWIDE SUSTAINABLE CONSTRUCTION PRACTICES

Our audacious goal is to fundamentally change the way infrastructure projects are built. To this end we share and publish state-of-the-art industry design and construction practices. The Greenroads Rating System provides an easy way for us to measure and manage sustainability on our transportation projects. This system challenges project teams to go above and beyond the minimum environmental, social, and economic practices with an independent third-party review. Through Greenroads we

also act as a global ambassador for the good that transportation projects can do for the people, the planet, prosperity, and posterity.

We also partner with Envision, an innovative resource that provides guidance on and a holistic framework for sustainable best practices at no cost to users involved in planning, designing, building, and maintaining civil infrastructure. This resource consists of a broad range of criteria that help individuals make better decisions at each step of the project. The criteria address a project's impact on the surrounding community and environment, technical considerations regarding materials and processes, and other critical choices spanning the project's life cycle.



Quality



We deliver high-quality projects and materials to meet or exceed our customers' standards, and we aspire for 100% customer satisfaction."

Operating with international standards gives Granite's stakeholders, especially our customers, the confidence to build trust and continue to see us as a reliable contractor and materials provider. We systematically control construction and materials quality to ensure conformance with statutory, regulatory, and other customer quality requirements.

Our Quality Management System continues to be based on ISO 9001 principles of customer focus, leadership and engagement of people, evidence-based decision making, and relationship management and improvement.

■ ASPHALT OPERATIONS TRAINING

In 2015 Granite's Quality, Equipment, Organizational Development, Materials, and Construction and Engineering Departments supported Kentin Hill, quality manager for Washington, in reviewing to revive the Asphalt Operations Training Program. During the first week of February, the team held their first Asphalt Operations Training for the Washington Region. T.J. Young, Technical Training & Advisory Services (asphalt production), and Caterpillar Paving Products provided the classroom and "In the Iron" training. Adam Hand, former director of quality, led a session for the group on measuring compaction and materials bonus. The combined training gave all those who attended a full perspective of what it takes to be successful at any point in the asphalt production cycle. This program has rolled out to our projects in North Carolina, Arizona, and California. The goal of the Asphalt Operations Training team is to provide Asphalt Operations Training on an annual basis.

■ OPERATIONAL EXCELLENCE AWARENESS MONTH

August 2015 marked Granite's first Operational Excellence Awareness Month a success. Our Operation Excellence program is built around the STAR program. The five points are Code of Conduct, Safety, Productivity, Environment, and Quality.

The five star points represent either a single department within the organization or a collection of departments grouped in the Star Performance Program for convenience with the common theme of operational excellence.

The Star Performance Process supports achievement of operational excellence by placing continual focus on key operational areas of the business at the crew level. Every day, or with a change of work item during the shift, each

crew will focus on Granite's Code of Conduct, safety, productivity, environment, and quality.

■ GRANITE QUALITY WEEK

The timing of Quality Week could not have been better, as the Southeast Connector Project in Reno, Nevada, had just completed the project Quality Plan, a focus throughout the week. Granite staff have the support of the senior project leaders, and they are all working diligently to move the team out of the learning curve and into a full performing program. Getting the word out did not end with Quality Week. The teams continued to work with the existing crew and new members to make sure everyone is being proactive and heading toward the same quality goal.

Granite Boasts an Impressive Record of Industry Awards

Since 2009 Granite has received a total of 260 awards from the National Asphalt Pavement Association and the National Stone, Sand & Gravel Association.

Earning awards like these demonstrates Granite's commitment to being a good neighbor and citizen and to providing high quality products to our customers.

■ HIGHWAY 99 PROJECT KEEPS WINNING

The Highway 99 Stanislaus project won several commendations in 2014 from Caltrans and the National Asphalt Pavement Association:

- NAPA Diamond Achievement Commendation
- NAPA Diamond Quality Commendation
- NAPA Diamond Quality in Construction Award—Over 50,000 Tons with QIC Green Award and QIC Innovative Award

■ WASHINGTON RECOGNIZED BY NAPA

In 2014 Granite received two National Asphalt Paving Association awards for projects completed in Vancouver, Washington. These Quality in Construction awards for projects over 50,000 tons were awarded for the State Route 14-Camas/Washougal Add Lanes and Build Interchange, a 74,000-ton paving subcontract that included the reconstruction and realignment of 3.5 miles of state highway. The second project, 2013 County-Wide HMA Overlay, was a 55,000-ton paving prime contract that included overlays and the rehabilitation of 17 county roads and streets.



GOAL	OUR PROGRESS	RESULTS
We have a Quality Management System that conforms to ISO 9001:2008. By 2016 we will complete a feasibility study on implementing ISO 9001:2008 in our vertically integrated businesses.	<p>The initial evaluation indicates that the scope should not be included in the vertically integrated businesses at this time. However, the Quality Management System used in the vertically integrated businesses continues to be based on ISO 9001 principles and GMS standards and continues to approach conformance to the ISO 9001 standard.</p>	
By 2016 we will increase the number of Quality staff with recognized professional quality certifications and licensure by 10 percent.	<p>The number of Quality staff with recognized professional certifications and licensure has increased by approximately 10 percent. As staff is sometimes project specific however, the percentage will fluctuate, as projects come and go. We anticipate the increase to be about 15 percent by 2016–2017.</p>	
As evidence of customer satisfaction, we will earn at least 15 distinguished industry awards, commendations, or recognitions annually by 2016.	<p>The number of quality awards and commendations earned in 2014–2015 exceeded 15.</p>	

■ NAPA 2014 QUALITY IN CONSTRUCTION AWARD

Patrick Spencer received the 2014 Quality in Construction Award from the National Asphalt Pavement Association on January 28, 2015, in recognition of Excellence in Construction of Asphalt Paving for the Highway 50 Overlay project in Rancho Cordova, California.

■ UDOT AND AGC AWARDS

Congratulations to the Utah team for receiving the following awards during Associated General Contractors of America's annual conference in January 2015:

- SR224 in Park City: Urban Highway Project of the Year
- SR193: UDOT Partnering Award and UDOT Contractor of the Year Award

■ SR 520 PROJECT TAKES HOME AGC HONOR

In March 2015, Granite and Eastside Corridor Constructors were awarded the Associated General Contractors of America's Alliant Build America Merit Award in the Highway and Transportation Renovation category for the design-build of the SR 520 Eastside Transit and high-occupancy vehicle (HOV) lane.

The Eastside Transit and HOV project improves an 8-mile HOV system from Evergreen Point Road in Medina to the SR 202 interchange in Bellevue, Washington. The award was presented by AGC President Alan Landes during the association's 96th Annual Convention in San Juan, Puerto Rico. Congratulations to the SR 520 team.

■ SUPERPAVE READINESS

In 2016 the California Department of Transportation (Caltrans) announced its intention to move in the direction of the national Superpave standard for asphalt pavement mix design and testing. Superpave is a new mix design method for asphalt binder evaluation that accounts for traffic loading and environmental conditions. Granite has been diligent in tracking changes to, and assessing the impacts of, Superpave specifications on our operations in California, as well as partnering with Caltrans to provide valuable feedback during the development of the new specs.

In the California Central Valley, Granite produced 35,000 tons of Superpave mix on Highway 99 in Stanislaus County and on State Route 216 in Visalia out of our Vernalis and Coalinga hot-mix asphalt (HMA) plants.

Additionally, the California-based Garco testing laboratories located in Stockton, Sacramento, and Fresno are certified to run the new set of test methods required by the Superpave HMA specs. Other laboratories will soon be certified.



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.

CONTACT US

All of us at Granite are deeply committed to improving the way we share information with our stakeholders about our sustainability efforts. We welcome your feedback and comments.

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GRANITETM

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I-4 Ultimate Recognized by Infrastructure Journal

In 2015, Granite won the category of North American Transport for the I-4 Ultimate P3 at the IJ Global Americas Awards ceremony in New York. Attended by over 550 market professionals, the event spotlights excellence, achievement, and innovation in energy and infrastructure finance.

The I-4 Ultimate project was procured by the Florida Department of Transportation and will add four tolled express lanes to the major highway connecting the West and East coasts of Florida. The I-4 Ultimate financing will be used to design, build, finance, operate and maintain concession for the improvements on 21 miles of I-4.



Headquartered in Watsonville, California, Granite Construction, Inc., (NYSE: GVA), is a full-service general contractor, construction management firm, and construction materials producer.

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