



The California Transparency in Supply Chains Act of 2010 (the "Act"), was enacted in 2010, but became effective in 2012. Granite Construction Incorporated, Granite Construction Company, Kenny Construction Company, Granite Construction Northeast and other subsidiary companies (collectively "Granite"), in compliance with the Act, make this disclosure. Although the disclosure itself is required by the Act, the principles of fairness and human respect, which provide the foundation for the Act, were embodied in tenants embraced by Granite as part of its code of conduct written in the 1940's by its founder, Walter Wilkinson, and have been a part of Granite's culture ever since.

Granite, through its wholly owned subsidiary companies, operates as a general engineering contractor throughout the United States. It has become one of the largest road and highway builders in the country. It takes great pride in the fact that it manufactures many of its key products in the United States using natural materials, such as rock and sand, native to the United States. In many cases, materials used in products manufactured by Granite are self-mined by Granite in one of its many locations in California and through-out the country.

Granite believes that products it necessarily purchases from third parties suppliers are of a nature that there is little likelihood that such suppliers engage in slavery or human trafficking in the production or manufacture of such products. Almost all of its suppliers are based in the United States and many are based in California. Suppliers to Granite must meet strict criteria in order to be able to provide products to Granite. Although Granite does not engage in audits of its suppliers, or act to verify compliance by its suppliers with regard to slavery and human trafficking, the purchase agreements that it puts in place with its suppliers mandates that they strictly comply with all applicable laws including labor laws. This is inclusive of all laws that prohibit or prevent slavery and human trafficking. Consequently, Granite does not maintain a certification requirement with regard to suppliers that provide products to Granite whether they be incorporated into products manufactured by Granite or incorporated into construction projects constructed by Granite.

Granite requires that each and every employee responsible for supply chain management attend and participate periodically in Granite conducted compliance seminars that encompasses ethics requirements and compliance with applicable laws. The Act is addressed during the course of these seminars as well as the responsibility of Granite employees engaged in supply chain management with respect to slavery and human trafficking by suppliers. The failure of any Granite employee to adhere to Granite's policies including its Code of Conduct and those relating to suppliers that engage in slavery and/or human trafficking will result in discipline action consistent with Granite's employee discipline policies.