

Sustainable Development Report: I-80 South Quarry

Introduction

Granite Construction Incorporated (“Granite”) is one of the largest diversified construction and construction materials companies in the United States, as well as a full-suite provider in the transportation, water infrastructure, and mineral exploration markets. Granite is an industry leader in safety and an award-winning firm in quality and sustainability. Granite’s Code of Conduct and strong Core Values guide the Company and its employees to uphold the highest ethical standards.

Dedicated to Sustainability

As described on its website, sustainability is a Granite Core Value and an area of focus for the firm. Granite’s sustainability objective is to be a business leader in the following four key areas: social responsibility, environmental stewardship, dependable governance, and enduring value. Granite’s commitment to sustainability includes the following goals:

- to promote the safety, health, and vitality of our people;
- to perform work ethically, with honesty and integrity;
- to champion the current and future needs of communities we serve;
- to recognize our impact on the environment and duty to protect it;
- to manage operations, produce material, and deliver construction projects using sustainable practices; and
- to preserve the company for generations to come by delivering long-term economic performance.

The I-80 South Quarry Project

Granite has entered into a lease with the owner of a tract of property in Salt Lake County, Utah adjacent to Interstate 80 near Parley’s Canyon. The Utah Division of Oil, Gas and Mining has issued a small mining permit which allows for mining operations to take place on the site, known as the I-80 South Quarry Project site (“I-80 Project”). Granite has also filed an application for an air permit for the I-80 Project which is pending approval with the Utah Division of Air Quality. Following receipt of all regulatory approval, Granite intends to responsibly mine aggregates at the I-80 Project. Granite’s proposed development of the I-80 Project has generated significant public interest. The proposal to responsibly develop the I-80 Project to produce aggregates aligns with Granite’s previously disclosed environmental and community engagement goals and commitments (as described further below) and would bring meaningful benefits to the entire area.

As an infrastructure builder and construction materials producer, certain impacts are obviously inherent to Granite’s work and unavoidable, including the mining of materials required to construct the infrastructure that society relies upon. At the same time,

developing a new mine site, such as the I-80 Project, in the manner proposed by Granite is consistent with Granite's commitment to sustainability.

Many of Granite's employees live and work in Salt Lake City and the surrounding communities. Our employees call Salt Lake City home, and Granite is proud to be an engaged and responsible member of the Salt Lake City business community, of which it has been a part, through its predecessor company, Gibbons and Reed, since 1915. Indeed, Granite provides more than 500 jobs to residents of Utah and has played an important role in Utah's robust financial growth over the past several decades.

Environmental Commitments

Granite's sustainability efforts prioritize sustainable development, which aims to meet current human development goals without impacting the ability of future generations to meet their needs. Civil infrastructure is essential to meeting human development goals, and the construction of reliable, resilient infrastructure is a key component of Granite's focus on sustainability. This commitment is in alignment with the Sustainable Development Goals (SDGs) established by the United Nations, including SDG 9 (Industry, Innovation, and Infrastructure), SDG 11 (Sustainable Cities and Communities), and SDG 12 (Responsible Consumption and Production).

Granite has made the following environmental commitments: 1. to operate responsibly by managing the environmental impacts of our operations; 2. to create a culture of environmental awareness, so that our teams are mindful of our environmental responsibilities and empowered to meet them; 3. to consult with stakeholders on environmental issues through our sustainability stakeholder engagement efforts; and 4. to report regularly on environmental issues through our annual sustainability progress reports¹.

1. To operate responsibly by managing the environmental impacts of our operations

Utah's population growth has resulted in increased demand for construction aggregates. Granite is working to provide sustainable business solutions that are responsive to Utah's need for such materials. Granite's planned mining operations in connection with the I-80 Project are consistent with that goal. That is because failing to utilize the resources available at the I-80 Project would require that materials be transported further distances. That, in turn, would increase air emissions, road wear, and fuel consumption. In that regard, failing to develop new, local aggregate sources could have serious adverse consequences on Utah's environment and economy. The long-term importation of aggregates to service the increasing needs of Salt Lake City is not a sustainable practice.

¹ See Keeping Granite Green: Environmental Commitment.

https://www.graniteconstruction.com/sites/default/files/inline-files/Keeping_Granite_Green-Environmental_Program_3.pdf

Granite intends to develop the I-80 Project in full alignment with its environmental stewardship commitments by:

- protecting water resources in all areas of its influence;
- utilizing industry-leading practices to minimize air emissions at the site; and
- minimizing waste.

While Project opponents have raised concerns about impacts to air and water, Granite is committed to implementing industry-leading practices to control dust emissions from the I-80 Project. Further, there are no harmful chemicals involved in the production of aggregates and the geological formation to be mined at the I-80 Project does not have the types of acid-forming compounds that could pose a risk to water in the area.

Granite has made significant investments in reducing water and power use at plants and quarries and will continue to deploy best practices in these areas across its operations. At the I-80 Project, Granite intends to construct improvements that will reduce the amount of water required to manage fugitive dust. Additionally, at the end of the I-80 Project's functional life, the land will be reclaimed and will again be available to provide habitat for the various endemic species.

2. To create a culture of environmental awareness, so that our teams are mindful of our environmental responsibilities and empowered to meet them

Cultivating a culture of environmental awareness and stewardship is a key aspect of Granite's environmental goals. Training on its core value of sustainability is included in employee onboarding courses. Granite also hosts an annual, company-wide Sustainability Week to educate employees on the Company's sustainability goals and efforts.

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

3. To consult with stakeholders on environmental issues through our sustainability stakeholder engagement efforts

Because of the expansive nature of Granite's business, it has a wide range of stakeholders with whom it engages in a variety of ways. In 2019, Granite conducted its first sustainability materiality assessment to better understand stakeholder concerns and priorities around sustainability. In 2022, the company conducted its second

assessment to deepen its understanding and further engage its stakeholders as it works to advance its sustainability strategic plan. Stakeholders engaged during this process included employees, investors, clients, community members, partners and suppliers.

Individual construction and materials projects also involve stakeholder consultation on environmental issues as appropriate for the specific project and client. These relations are handled at the local management level. With respect to the I-80 Project, see “Community Engagement—To engage meaningfully in the communities where we work” below for additional information.

4. To report regularly on environmental issues through our annual sustainability progress reports

Granite regularly reports on environmental issues and progress in an annual sustainability report that is posted to the company’s website. The Board of Directors, through the Nominating and Corporate Governance Committee, oversees the Company’s communications with stakeholders regarding environmental issues.

Community Engagement

Part of Granite’s sustainability strategy is social responsibility, where its objective is to “participate meaningfully in the communities in which [it] operate[s] by implementing socially responsible business practices, actively managing [its] social impacts, and engaging in charitable activities.” In that regard, Granite’s sustainability strategy includes two long-term goals related to community engagement: 1. to engage meaningfully in the communities where we work; and 2. to empower our employees to volunteer and support charitable organizations.

1. To engage meaningfully in the communities where we work

When it comes to mining assets and projects, Granite strives for a constructive and mutually beneficial relationship with its local communities, based on mutual respect, meaningful engagement, responsiveness, and transparency. Granite’s mining assets and projects are governed by a rigorous regulatory system that includes oversight from a variety of federal, state, and local agencies.

For purposes of the I-80 Project, Granite has engaged in the following outreach with the Salt Lake Valley community:

- Granite has participated in the permitting and environmental review processes, including the public notice and comment periods and various opportunities for public participation.
- Granite has developed a website (<https://parleyssq.com/>) that provides detailed information about the proposed project.

Once the I-80 Project is operational, Granite is committed to remaining responsive to any issues raised by community members. Based on Granite’s experience with other quarries, such engagement could include, among other examples, community open

house events and other public outreach efforts. Granite will also work closely with state and federal agencies to ensure that all legal requirements associated with the development of the I-80 Project are fully satisfied.

2. To empower our employees to volunteer and support charitable organizations

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

In 2023, Granite looked to improve its community engagement efforts and further empower employees to contribute their time to the communities in which they live and work. Starting in 2024, as part of enhancements to Granite's paid time off policies, the company is offering employees two paid days of volunteer time off annually. This new policy creates a foundation for Granite to act more strategically, plan team volunteer opportunities, and enhance how it contributes to a more sustainable future in its communities.

Further, Granite is deeply engaged with charitable efforts in Utah, donating to a wide variety of charitable and public interest organizations in recent years, including various educational programs, community associations, and organizations such asUCAIR, the Utah Clean Air Partnership.

As Granite's Board of Directors, we fully support Granite's commitment to sustainability, and believe Granite is well positioned to develop and manage the I-80 Project in a manner that will make it an asset to the Salt Lake Valley community, providing essential materials that will support both the local economy and sustainable development of the region. Further, as demonstrated above, we believe the I-80 Project is in alignment with Granite's previously disclosed environmental and community engagement commitments. We will continue to evaluate any risks that the I-80 Project does not align with Granite's commitment to sustainable business practices as the proposed I-80 Project advances.

Respectfully,

Granite Board of Directors

January 2024