



CALIFORNIA AIR RESOURCES BOARD & Net-Zero Challenge Report (TCFD FRAMEWORK)

2025

GRAHAM

ABOUT THIS REPORT

Graham is committed to operating responsibly and sustainably, embedding environmental stewardship, resilience, and transparency across our business. As part of the Graham Group of Companies, we recognize the growing importance of understanding and addressing climate-related risks and opportunities throughout our operations and supply chain.

This report marks Graham Group's first formal disclosure aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. It represents an important step in our broader sustainability journey focused on integrating climate considerations into decision-making and long-term business strategy. While we have not yet completed a comprehensive climate risk and opportunity assessment, we have built the foundation for this work and plan to conduct a full analysis, including scenario modelling, in 2026-27.



COMMITMENT, INTEGRITY, RELIABILITY

GOVERNANCE

STRATEGY

RISK MANAGEMENT

METRICS & TARGETS

OUR APPROACH

Guided by our Environmental, Social, and Governance (ESG) commitments, we are advancing our sustainability program to strengthen organizational resilience, promote transparency, and enhance accountability across all business units. These efforts will support the integration of climate-related insights into project planning, investment decisions, and risk management processes.

The insights gained through the upcoming TCFD-aligned assessment and Net-Zero Challenge requirements will inform our long-term strategy, capital allocation, and operational practices as we continue to evolve into a more sustainable and climate-resilient business. One that delivers value for our clients, partners, employees, and communities.





Our expanding reach.

BUILDING ACROSS NORTH AMERICA

500+ 29

Projects Across North America

Permanent Office Locations



Our growing workforce.

INDUSTRY EXPERTS

ESTABLISHED

1926

3000+

EMPLOYEES

8900+

CRAFT CAPACITY

100%

EMPLOYEE-OWNED

Graham is financially strong.

FINANCIALLY CAPABLE

REVENUE

\$4.8 BILLION

BACKLOG

\$5.9 BILLION

REVENUE BREAKDOWN

CANADA: 60%

US: 40%

OPERATING DIVISIONS



BUILDINGS



INDUSTRIAL



INFRASTRUCTURE



SERVICES



DEVELOPMENT

GRAHAM GROUP OF COMPANIES



GRACORP



MILENDER WHITE



MOLTZ CONSTRUCTION INC.



XL INDUSTRIES

The Graham Group

Graham is an employee-owned construction solutions partner that has operated continuously since 1926. We deliver construction services across the buildings, industrial, infrastructure, and project finance sectors. As one of North America's largest and most diversified construction companies, Graham possesses the resources, capacity, and technical expertise to successfully deliver projects of every scope, scale, and complexity. Our employee-ownership model fosters a culture of accountability, collaboration, and long-term thinking—values that underpin both our operational excellence and our commitment to sustainability. With nearly a century of experience, we continue to evolve our practices to meet the changing needs of our clients and communities, integrating innovation, safety, and environmental responsibility into every stage of project delivery.

Accelerated and sustainable growth.

OUR SUBSIDIARIES



GRACORP

Gracorp Properties was founded in 2008 and has strategically worked with Graham to propel growth in the development sector. Working from Seattle, Vancouver and Calgary, Gracorp focuses on the development of mixed-use, multi-family residential, office, industrial and retail projects.



MILENDER WHITE

Joining the Graham Group in 2021, Milender White is an employee-owned construction contractor in Colorado and Southern California. They are known for delivering high-value projects, with their core business being high-complexity, multi-key commercial and residential projects.



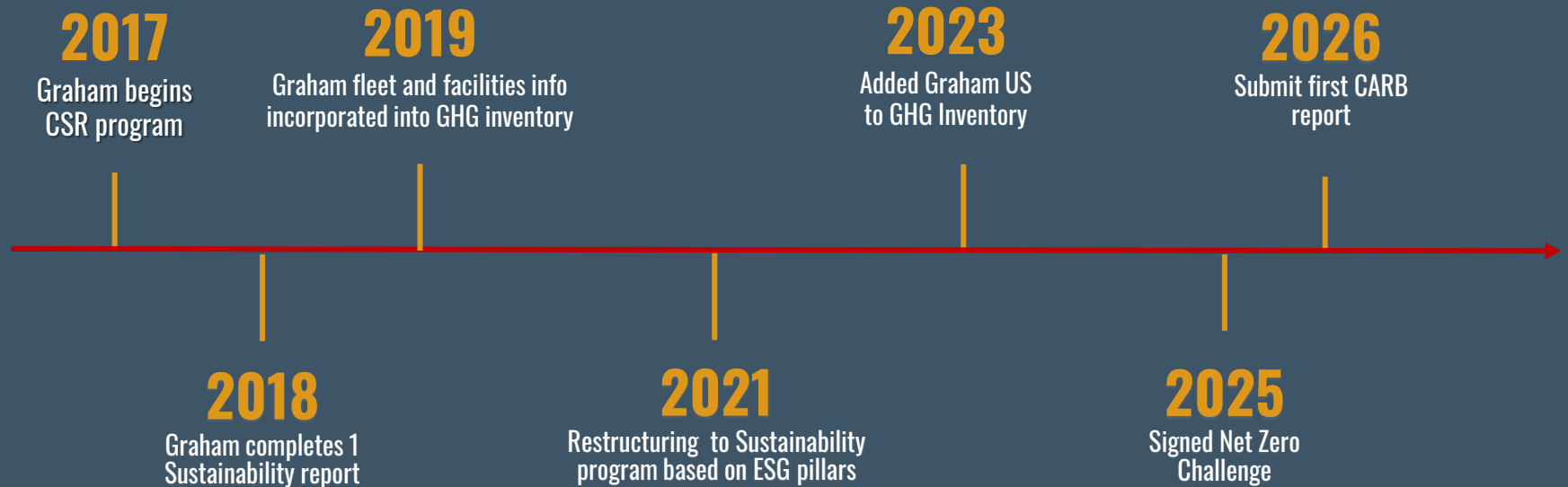
With over 30 years of experience, Moltz specializes in constructing water and wastewater related projects. After the acquisition in 2019, Graham and Moltz have combined to continue delivering high quality facilities throughout Colorado, and with expansive experience in alternative delivery methods.



Joining the Graham Group in 2025, XL Industries (XLI) has been a trusted construction services provider in Northern California for over 30 years, delivering excellence across diverse sectors. XLI integrates sustainable building practices and cutting-edge construction technology and is recognized for delivering exceptional outcomes for clients and communities.



GRAHAM'S CLIMATE ACTION TIMELINE



MATERIALITY ASSESSMENT

In 2025, Graham Construction undertook a comprehensive Materiality Assessment to identify and prioritize the environmental, social, and governance (ESG) topics most significant to our business and stakeholders. This process involved engagement with internal teams, clients, trade partners, and other key stakeholders to understand the issues that have the greatest potential impact on Graham's long-term success and societal contribution.

The resulting Materiality Heat Map visually represents the relative importance of each topic, plotting them according to their impact on Graham's operations and importance to stakeholders. Key material topics identified through this assessment include climate resilience, health and safety, ethical business practices, community engagement, and waste and emissions management.

The heat map serves as a foundational tool for our sustainability strategy, helping align corporate priorities with stakeholder expectations and directing focus toward areas where Graham can create the greatest value. This assessment will be reviewed and updated regularly to ensure it remains relevant as our business, industry, and external context evolve.



GOVERNANCE AT GRAHAM

OVERSIGHT & ACCOUNTABILITY

Oversight of climate-related issues is embedded within our existing governance structure:

Provides strategic direction on ESG & climate-related matters, ensuring integration with corporate strategy & business planning.

**Audit
Committee**

**Board of
Directors**

**Risk
Committee**

Provides strategic direction on ESG & climate-related matters, ensuring integration with corporate strategy & business planning

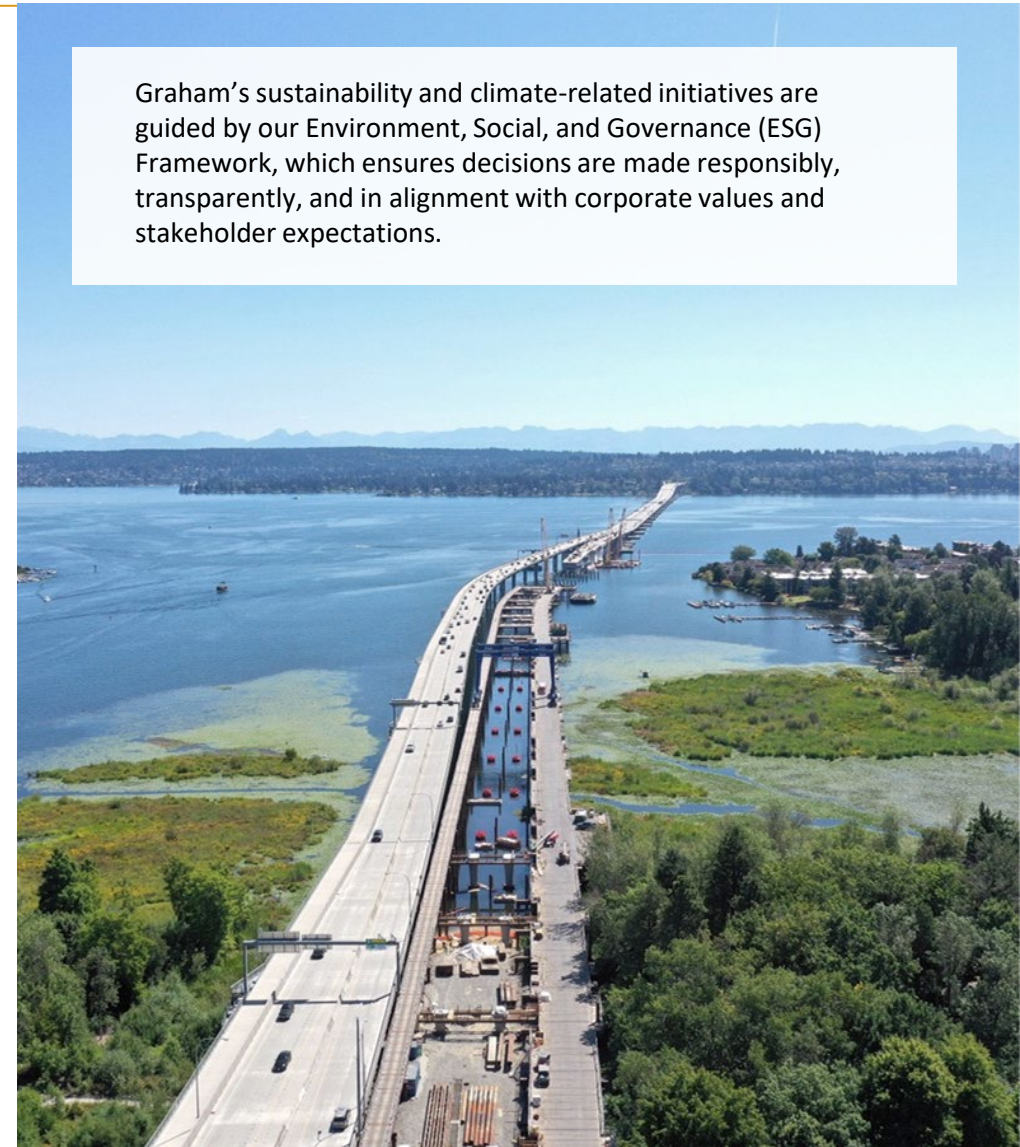
**Corporate
Sustainability
Committee**

**Management
Teams**

Implements local-level environmental & energy management practices & ensures compliance with applicable regulations.

Regional Sustainability Committees

Graham's sustainability and climate-related initiatives are guided by our Environment, Social, and Governance (ESG) Framework, which ensures decisions are made responsibly, transparently, and in alignment with corporate values and stakeholder expectations.



IDENTIFIED CLIMATE-RELATED RISKS & OPPORTUNITIES

STRATEGY AT GRAHAM

While Graham maintains an active sustainability program grounded in the three pillars of Environment, Social, and Governance (ESG) and demonstrates strong dedication to responsible environmental stewardship, the organization is committed to conducting a comprehensive Climate Scenario Analysis through 2026–27. This assessment will explore multiple climate trajectories, including a 2°C or lower global warming scenario consistent with the Paris Agreement. The goal is to better understand potential climate-related risks and opportunities and to use this insight to inform future strategic and operational decisions.

As part of this climate risk assessment, Graham will evaluate both physical and transition risks across short-, medium-, and long-term horizons. This process will assess potential implications for our business operations, capital planning, and future growth, ensuring that resilience and adaptability are embedded in our long-term planning. The findings will guide the integration of climate considerations into our strategic objectives, investment decisions, and performance metrics, forming a key component of our evolving ESG framework.

In preparation for the 2026 assessment, Graham has already identified preliminary climate-related risks and opportunities based on our operational context, regional exposure, and industry trends. These initial insights provide an important foundation for understanding how changing climate conditions may influence our activities and how we can proactively position ourselves to mitigate risks and capture emerging opportunities.

We are committed to advancing our climate strategy and will integrate these considerations into our formal assessment in 2026.

RISKS

- Evolving regulatory requirements (e.g., Net-Zero Challenge, California Air Resources Board, provincial emissions reporting).
- Rising operational and materials costs due to carbon pricing and energy market volatility.
- Project delays and resource disruptions caused by extreme weather events.

OPPORTUNITIES

- Operational efficiency gains through energy, fuel, and waste reduction initiatives.
- Enhanced stakeholder trust through transparent ESG communication.
- Competitive advantage from early adoption of low-carbon construction practices.

SHORT-TERM

RISKS

- Supply chain instability due to climate impacts on material availability and logistics.
- Increased insurance premiums and risk exposure for climate-sensitive projects.
- Challenges attracting and retaining talent if climate ambition does not meet industry expectations.

OPPORTUNITIES

- Market differentiation through climate-resilient design and construction capabilities.
- Access to sustainability-linked financing and green capital.
- Innovation partnerships focused on carbon reduction technologies (e.g., low-carbon concrete, mass timber).

MID-TERM

RISKS

- Chronic physical impacts such as heat stress, drought, and flooding affecting operations and infrastructure.
- Reputational risks if climate action lags industry peers or public expectations.
- Potential stranded assets due to shifts in infrastructure demand and technology transitions.

OPPORTUNITIES

- Leadership in climate-adaptive infrastructure and resilient design.
- Contribution to net-zero infrastructure through decarbonization of operations.
- Long-term value creation through sustainable growth and innovation.

LONG-TERM

BUSINESS, STRATEGY, AND FINANCIAL IMPACTS

Prior to 2025, Graham had not yet completed a formalized assessment of climate-related risks and opportunities. This work is scheduled for completion through 2026-27. In the interim, through Graham's Enterprise Risk Management (ERM) framework, the company has considered how climate change may present both risks and opportunities across its operations. These considerations include potential impacts from regulatory changes, evolving public expectations, and shifts in market demand, particularly for activities and projects associated with fossil fuels. Our teams have also evaluated the implications of changing regulations and standards, such as updates to building codes aimed at enhancing resilience to extreme weather events. These developments not only pose potential business impacts but also create new opportunities in emerging markets focused on climate adaptation and energy transition. Climate-related risks can affect project delivery schedules, material sourcing, and operating costs. Conversely, low-carbon innovation, improved energy efficiency, and circular economy practices present significant opportunities to strengthen project performance, resilience, and competitiveness.

STRATEGY AT GRAHAM

We are integrating sustainability into long-term strategic planning by:

Monitoring and preparing for emerging regulatory requirements (e.g., Net-Zero Challenge, CARB, EPA, and state-level reporting).

Participating in industry sustainability initiatives such as Founding members of the Canadian Construction Sustainability Alliance (CCSA) and the Net Zero Challenge.

Building capacity for future climate scenario analysis and risk mapping.

Partnering with suppliers and research institutions to advance low-carbon materials and processes.

While climate-related financial risks are not yet fully quantified, we anticipate:

Increased capital investment in energy-efficient and resilient technologies.

Budget adjustments to address compliance with emissions and disclosure regulations.

Future opportunities to access green or sustainability-linked financing.

DATA

METRICS & TARGETS AT GRAHAM

- Energy/fuel consumption
- GHG emissions (2024)
 - Scope 1 116,870.196 tonnes CO₂e
 - Scope 2 1887.592 tonnes CO₂E
 - Scope 3* 6274.857 tonnes CO₂e

**Includes business travel, concrete, employee commuting,*

*By 2026, Graham intends to:

- Develop GHG emissions baselines (Scopes 1 and 2, and applicable Scope 3).
- Establish short- and long-term reduction targets aligned with national and state-level decarbonization pathways.
- Enhance data collection and verification systems to support public disclosure under SB 253 and Net-Zero Challenge.
- Report on climate-related financial risk performance in accordance with SB 261.

Graham has committed to being net-zero across its scope 1 and 2 emissions, and for applicable scope 3 categories by 2050.

Over the past several years, Graham has focused on identifying and gathering the data necessary to establish a strong foundation for its sustainability program. This work has included the compilation of greenhouse gas (GHG) inventories to better understand the company's emissions profile. At present, Graham has not yet established formal ESG targets. As the program continues to evolve, strategic goals and measurable targets will be developed to guide progress. Once established, metrics will be collected and tracked to monitor performance and demonstrate continuous improvement toward these objectives.

Year	Objective	Key Deliverable
2025	Prepare for climate-related disclosures	Develop reporting framework aligned with CARB*
2026-27	Complete formal climate risk and opportunity assessment Complete Phase 1 of the Net-Zero Challenge	Conduct TCFD-aligned assessment and scenario analysis Questionnaire submitted
2027-28	Integrate climate risk into financial planning Complete Phase 2 of the Net Zero Challenge	Embed risk data into enterprise risk management (ERM) and capital planning Comprehensive Questionnaire with updated GHG emission reduction targets
2028+	Establish science-based targets and annual disclosure	Publish verified climate data and progress toward reduction goals