



**GRAHAM**

# 2018

## CORPORATE SOCIAL RESPONSIBILITY

**ANNUAL REPORT**

# PRESIDENT'S MESSAGE



Contributing to the communities in which we live and work has always been a key priority within our business, and a strong facet of our corporate culture. Together with our employees, we actively seek out opportunities to add value to society that go beyond simple charitable donations. As a \$2 billion-plus construction business with operations throughout North America, we have the unique opportunity to make a tangible difference in our communities through social, economic and environmental programs. To that end, we're proud to share Graham's first Corporate Social Responsibility (CSR) Annual Report to our stakeholders.

A few years ago, Graham's leadership team embarked on a journey to identify and scope out our CSR strategy based on the needs of our business, clients, employees, unitholders and community stakeholders, as well as market research and industry best practices. Armed with this information, we identified four pillars: Community, Environment, Workplace and Marketplace. Together, these pillars support our corporate strategic plan and provide us with a formal framework to define how we can make a more impactful social, economic and environmental mark on our communities.

Strong corporate citizenship isn't new to us. We've always operated with a vision of creating thriving communities. We not only help create social infrastructure for our communities but also contribute to regional economies by hiring local subcontractors and vendors. We focus on waste reduction, recycling, re-use and recovery on the jobsite and in the office. We give to social programs and initiatives that are beneficial to our stakeholders through volunteerism and donations. These are practices we've had in place for decades, but, as a nearly 95-year-old company, we know that continuous improvement is key to our business and longevity. We actively seek out opportunities to be better.

Throughout the pages of this report, you'll learn about the initiatives we took on in support of our enhanced CSR strategy, and a keen mindset for continuous improvement. I'm proud of the accomplishments we made in 2018. At Graham, we truly "walk the talk." We gave more than \$1 million to charitable causes and sponsorships; we took tangible steps towards reducing our carbon footprint; we established new joint ventures with our Indigenous partners; and we implemented leading edge safety protocols to create safer work environments for our stakeholders. These are just a few of the examples of our approach to sustainable business practices in 2018. Keep reading to see how we're building better communities.

A handwritten signature in black ink, reading "Grant Beck".

**GRANT BECK**

President and CEO



# CSR POLICY STATEMENT

Graham actively strives to achieve a balance of economic prosperity, environmental stewardship and social responsibility, and be recognized as an industry leader that provides sustainable value for all stakeholders including employee-owners, clients, partners, industry and communities.

Graham's four CSR pillars – Community, Environment, Workplace and Marketplace – are founded on our core values of commitment, integrity, and reliability and are guided by industry standards and best practices. At Graham, we are all accountable to uphold our social and environmental performance, and be transparent about our impact, while taking proactive measures to improve them. Our CSR approach has a broad scope – it includes how we manage our business, our ethics, our culture, and our relationships with stakeholders.

## GRAHAM AT A GLANCE

EST. 1926  
MOOSE JAW  
SASKATCHEWAN

100% EMPLOYEE  
OWNED



SAFETY-FIRST CULTURE

15 LOCATIONS  
IN NORTH AMERICA

\$ 2 BILLION+  
IN ANNUAL  
REVENUE



1,600+ EMPLOYEES



2,000+ WORKFORCE  
PARTNER EMPLOYEES



RECOGNIZED  
AS A TOP  
EMPLOYER AND  
BEST MANAGED  
COMPANY

### DIVISIONS



BUILDINGS | INFRASTRUCTURE | INDUSTRIAL | DEVELOPMENT & INVESTMENT



## COMMUNITY

We are committed to investing in the communities in which we operate and helping them thrive through engagement, sponsorship and volunteerism. We drive impact through our focus areas of Healthcare, Education, Children & Family, Underprivileged, Indigenous and Industry. Our strategic efforts support employee involvement and involve hiring local suppliers and subcontractors to work with us to deliver projects. We also communicate with local organizations and residents where construction may affect the community, ensuring our interactions leave positive impressions with all community stakeholders.

### KEY FOCUS AREAS

- › COMMUNITY ENGAGEMENT
- › EMPLOYEE INVOLVEMENT
- › BRAND STEWARDSHIP





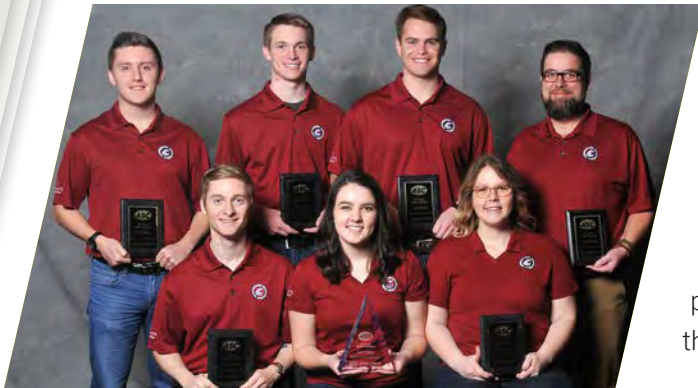
## STEPS FOR LIFE

In the spring of 2018 over 100 Graham employees from branches across Canada participated in Threads of Life's flagship fundraiser, Steps for Life, and helped raise funds for families affected by a workplace fatality or life-altering workplace injury or illness. Threads of Life provides families with one-on-one peer support, links to community resources and opportunities to promote workplace injury prevention.

In addition to being a national sponsor of Threads for Life, Graham's employees raised over \$10,000 through fundraising activities including a chili cook-off in Calgary, a BBQ in Saskatoon, and various donations from our partners and clients.



**\$10,000**  
RAISED FOR  
THREADS OF LIFE



## CONSTRUCTION MANAGEMENT COMPETITION

Graham sponsored Washington State University's (WSU) School of Design and Construction for the annual Associated Schools of Construction Management competition. In less than 24 hours, students were required to solve complex problems, present proposals, and participate in a rigorous question and answer session in a business like setting. Graham sent four employees to administer practice problems, provide feedback and share their expertise with competing students over the course of three days, in addition to a \$5,000 sponsorship.

## SUPPORT OUR TROOPS GOLF TOURNAMENT

On September 14, 2018, Graham's Toronto office held its eighth Annual Charity Golf Tournament at the Copper Creek Golf Club in Kleinburg, Ontario. Over 140 golfers from more than 50 companies participated in the event, raising \$50,000 for Support Our Troops – a non-profit that aims to meet the unique needs and special challenges faced by members of the Canadian Armed Forces community as a result of military service.

Service men and women protect the rights and freedoms we enjoy on a daily basis. Together with our partners, we aim to show our appreciation by bringing awareness to Support Our Troops using our golf tournament and providing financial resources to help ensure the support these men and women require is available.



**\$50,000**  
RAISED FOR  
MILITARY FAMILIES



**OVER  
\$20,000**  
RAISED FOR  
PEOPLE IN NEED



## MEALS ON WHEELS

In celebration of Giving Tuesday, Graham sponsored Calgary Meals on Wheels' Annual Day of Giving. This national event encourages community philanthropy amid the busy consumer season and aims to raise \$10,000 in one day! Nine Graham volunteers geared up and delivered nutritious meals to various clients throughout the City.

Calgarians demonstrated their tremendous generosity and exceeded Calgary Meals on Wheels' fundraising target. To top it all off, Graham matched their \$10,000 goal, bringing the total to more than \$20,000.

## GOING WILD FOR A CAUSE

Since 2015, Graham has been a presenting sponsor of Assiniboine Park Zoo's charity event, Wildest Dreams, this year donating \$10,000. This event provides children and families facing health and/or socio-economic challenges a once-in-a-lifetime zoo experience! Over 1,200 guests from 14 local community organizations attended. Graham volunteers handed out ice cream, helped with event registration, and watched over the kids who bounced in bouncy castles.



**OVER  
\$10,000**  
DONATED TO  
COMMUNITY  
GROUPS IN  
WINNIPEG

**OVER \$1 MILLION**  
IN COMMUNITY INVESTMENT &  
SPONSORSHIP DONATIONS

OF OUR  
TOTAL  
SPEND

**\$450  
THOUSAND**

WENT TO CAUSES IN SUPPORT  
OF, OR COLLABORATION  
WITH, OUR STRATEGIC  
PARTNERS AND CLIENTS

**\$615 THOUSAND**  
Sponsorship-based  
giving

## HABITAT FOR HUMANITY

Graham's teams in Winnipeg and Edmonton grabbed their hammers in support of their local Habitat for Humanity chapters. Eight volunteers from Graham's Winnipeg office enthusiastically donated their time and skills to construct a home for a deserving family in October 2018. Meanwhile, in July, the Edmonton group, who had participated in the nation-wide Jimmy & Rosalyn Carter Work Project the previous year, had the opportunity to turn the keys over to the new homeowners of the house they worked on!



## REGINA FOOD FOR LEARNING

Food for Learning caters to the healthy development of children through nutritious meals and snacks. The Regina branch volunteered with the organization in March 2018, spending the morning baking cookies and granola bars, all of which are included in the meals distributed that day. This non-profit organization is Regina's largest child meal program, currently providing on average 11,150 nutritious snacks, breakfasts and lunches to 865 students each month. The Regina team continues to support this cause in order to make sure the organization has enough volunteers.



**OVER 700** TRANSACTIONS  
TO MORE THAN **250** ORGANIZATIONS

**\$555 THOUSAND**  
Directly to non-profit  
organizations

**\$129 THOUSAND**  
Education Initiatives





## ENVIRONMENT

Through environmental stewardship, sustainable resource management, and the promotion of pollution prevention, we consistently seek to minimize the impact of our activities on the environment and surrounding communities. We plan to achieve these through: our Environmental Management System (EMS); promoting efficient use of resources and reducing carbon emissions; and leveraging alternative solutions which encourage sustainable construction and incorporate waste management processes. Graham's endeavour to minimize pollution and commitment to the environment ensures continuous improvement of our overall performance.

### KEY FOCUS AREAS

- › ENVIRONMENTAL PROTECTION
- › RESOURCE EFFICIENCY
- › CLIMATE CHANGE MITIGATION
- › RESPECT FOR BIODIVERSITY





## GRAHAM'S FLEET GOES GREEN

As a company, we're proud to have made some major changes to our fleet that reduced our carbon footprint and increased operational efficiency. In 2018, Graham purchased and replaced a total of 54, three-quarter and half-ton trucks with quarter-ton trucks (Chevrolet Colorados), reducing Graham's fuel consumption by approximately 100,000 liters per year, and creating over \$178,000 in fuel savings compared to 2017.

Our focus on environmental impact hasn't wavered and we continue to downsize our vehicle fleet where it makes sense to the environment and to our business. By the end of 2019, we intend to reduce our total three-quarter-ton truck inventory by 50 per cent!

REDUCED TOTAL CO<sup>2</sup> EMISSIONS BY 400 TONNES IN 2018

## TREE PLANTING & EMISSIONS REDUCTION

Graham's focus on reducing carbon emissions also triggered our partnership with the Arbor Day Foundation, where we committed to helping them plant 10,000 seedlings in various locations across North America throughout 2018. Tree planting remains one of the cheapest, most effective means of drawing excess CO<sup>2</sup> from the atmosphere. Did you know that a single tree can absorb as much carbon in a year as a car produces in 42,000 km (26,000 miles)?

In addition to our \$28,000 donation to the Arbor Day Foundation in support of their mission, twelve employees in Calgary took shovels to the ground in rural Alberta during a hot July day to do their part and plant 1,000 seedlings. It was a physically challenging, educational and inspiring initiative for our people. Together with the Arbor Day Foundation, we were able to make a lasting and sustainable impact.





**OVER 100**  
ACTIVITIES AND  
EVENTS HOSTED ON  
ENVIRONMENTAL DAY

## ENVIRONMENTAL DAY

Graham celebrates Earth Day through our own initiative – Environmental Day. Every year, Graham's branches and project sites across North America put on events that keep our company, and our employees, aware and accountable for the impact we have on the environment. In 2018, we coordinated park clean-ups and hosted educational seminars on environmental awareness and best practices on the construction site. We also added an additional challenge to our environmental initiative – 100 Acts of Green. Eligible acts had to benefit the environment or support sustainability and promote environmental awareness. We surpassed our goal, ending with a total of 156 Acts of Green – a testament to our culture of environmental stewardship. Our employees' green activities included building a backyard compost, shopping at consignment stores, using a solar charger for cell phones, drinking out of stainless steel straws and walking/biking to work, among others.

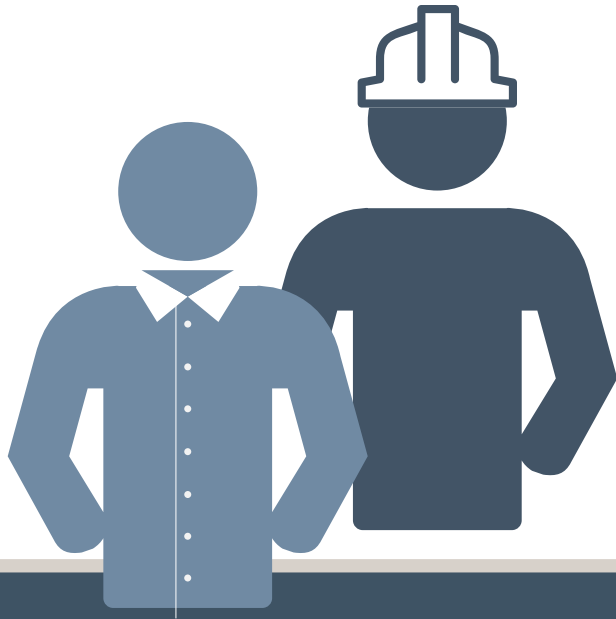


## CLIMATE SMART PROGRAM

In 2018, Graham's Edmonton branch volunteered to participate in the Corporate Climate Leaders Program – an initiative spearheaded by the City of Edmonton. Members of this program have made a commitment to act against climate change through active greenhouse gas (GHG) management across their organization.

A third party trained our employees on the process of inventorying our current GHG emissions. Armed with a comprehensive understanding of emissions measurement and our inventory, we're now analyzing where we can make sustainable changes to reduce our carbon footprint and identifying reduction targets for 2025 and 2035. The effort to reduce our carbon emissions will also cut costs through responsible energy consumption, giving Graham the opportunity to deliver greater returns to our unitholders. Graham will use the findings from this pilot project to implement a Graham Emissions Reduction plan across the entire organization in 2020.





## WORKPLACE

We are continually focused on how we can support, engage and motivate our employees. We strive to deliver superior health, safety and quality work while providing equal opportunities and competitiveness in employee compensation and recognition. We implement responsible and effective labour relations to improve business outcomes and organizational performance through the design and implementation of learning and development programs and activities. We also deliver effective corporate governance, and HR best practices including the revision of systems and processes for employees to enhance their skills and progress their careers.

### KEY FOCUS AREAS

- › SAFETY, HEALTH & WELLNESS
- › LABOUR RELATIONS
- › HUMAN RESOURCES
- › DIVERSITY & INCLUSION





## HEALTHY WORKPLACE INITIATIVE

Our people are our direct line to a profitable, productive and efficient company. With that people-first mentality, we make sure our employees work in a healthy environment. Physically, this means providing a clean, pollutant-free, well maintained work area with access to amenities that make healthy behaviours easy (such as access to water and refrigeration for prepared lunches). Mentally, it means ensuring they have access to tools and channels needed to address their psychological and emotional health, both in the workplace and at home.

To encourage our people to better understand their health and give them strategies for living a healthy lifestyle, we participate in October Healthy Workplace Month. This month-long educational initiative focuses on topics such as sleep hygiene, mental health, healthy eating, exercise, environmental health and preventative medicine. This initiative includes a Walk Around the World in 80 Days Challenge, where employees are encouraged to “get moving” and help the company walk/run/cycle/row the distance of the circumference of the earth in 80 days.

We also host an annual Employee Wellness Program. Registered nurses host private, confidential clinics to assess the overall health of an employee (based on biometric screens, BMI, glucose levels, cardiovascular health questionnaire, among other criteria) and identify any potential health issues that require further investigating by the employee’s family doctor. Results are immediate and employees can enjoy valuable discussions with the nurse, who will interpret the results and offer recommendations to improve their health.

- 125 EMPLOYEES PARTICIPATED IN THE WALK AROUND THE WORLD CHALLENGE
- 272 ENROLLMENTS IN THE EMPLOYEE WELLNESS PROGRAM IN 2018



# CAREER DEVELOPMENT

Our employees are our number one asset and the key driver to our success. Giving our people the opportunity to grow and contribute to the company in evolving ways supports our long-term business growth goals. Over the last five years we've implemented a suite of tools and processes to ensure our employees have a real opportunity to develop their careers in a rich, impactful and relevant way. Our career development suite of programs includes:

- Career Development Plan – a custom development plan based on career goals;
- The Graham Learning Portal – a robust online platform with on-demand courses;
- Mentorship Program – a one-year professional development relationship;
- Builders' Framework – an award-winning, Gold Seal and PMI-certified in-house training program;
- Leadership Transitions – seminars that empower our people to be leaders;
- Performance Management Process – a process that ties each employee's objectives into our business goals; and
- Succession planning, mobility planning, Know the Business training and many more.

While these tools provide our employees with accessible and on-demand opportunities for growth, we also embarked on an initiative to refine career ladders, evaluate jobs and perform in-depth market analysis to ensure fair compensation. The result of this effort is a more clear and structured career development path for our people.

- BUILDERS' FRAMEWORK OFFERED 152 COURSES IN 14 LOCATIONS ACROSS NORTH AMERICA
- 18,014 TOTAL HOURS OF TRAINING FACILITATED ACROSS THE COMPANY



## THE ART OF LEADERSHIP FOR WOMEN

Graham believes in the critical value the female perspective brings. Every year we invite Graham managers to nominate outstanding women on their teams to attend the Art of Leadership for Women conference in Calgary and Vancouver. Here, they benefit from the opportunity to network with, learn from, and be inspired by similarly strong females across various backgrounds and industries. Speakers at the conference are dynamic business and political leaders who have made an impact on the world. They are the female face in the business landscape.

An added benefit to supporting this conference is that it gives our female workforce an opportunity to network with each other and build relationships, strengthening our camaraderie and culture, something they may not have been able to do otherwise. Participants come from a range of roles across the organization.

Feedback from attendees has been consistently positive; participants are proud that Graham is involved in this movement and excited about a future in which Graham continues to develop and promote our strong and capable women to bring that crucial perspective to the table.

WITH WOMEN MAKING UP 30 PER CENT OF GRAHAM'S  
WORKFORCE, WE CONTINUE TO FORGE TOWARDS A MORE  
GENDER-BALANCED WORKPLACE.



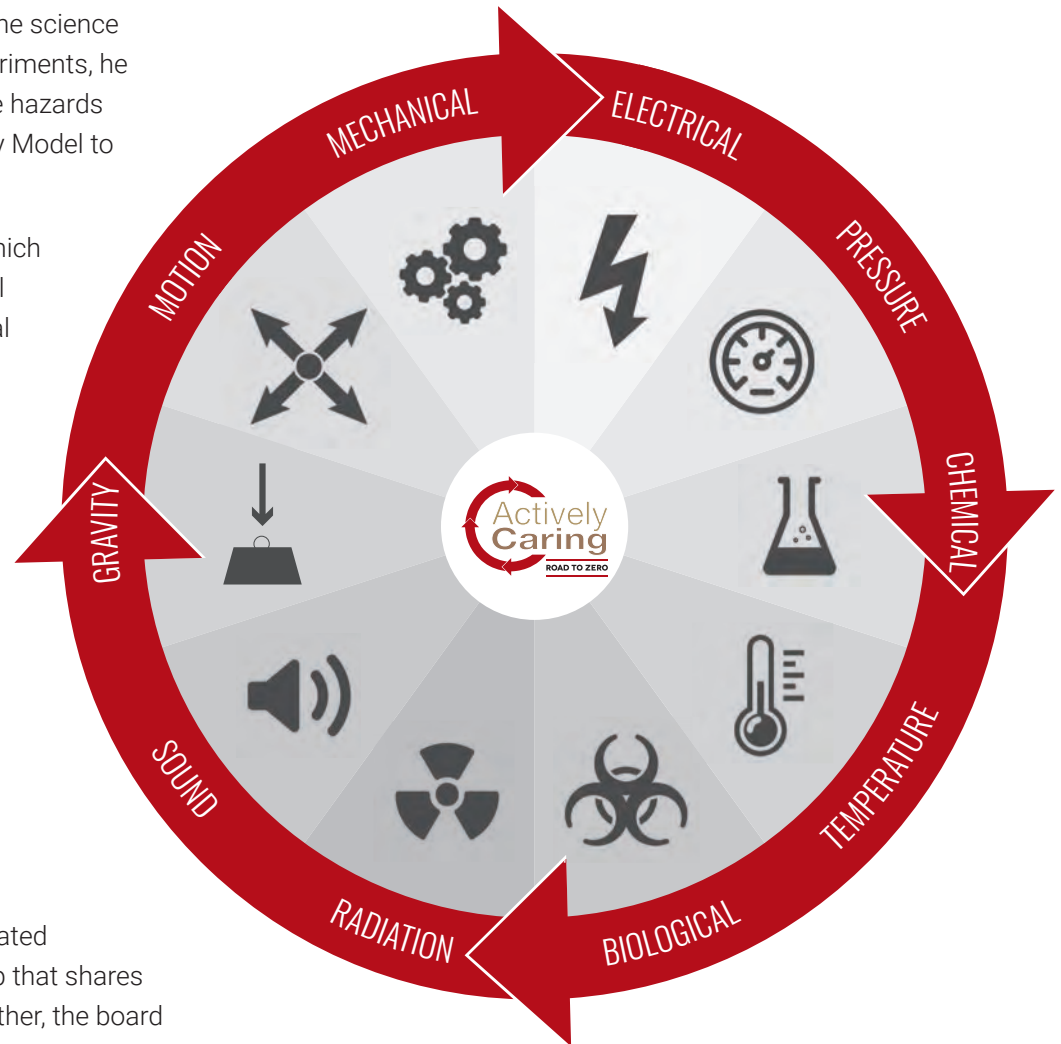
# THE SCIENCE OF SAFETY

In 2018, we took our commitment to safety another step forward with Dr. Matthew Hallowell from the University of Colorado. Dr. Hallowell focuses on the science behind construction safety. Based on five years of field and lab experiments, he discovered that humans are unintentionally blind to about half of the hazards they encounter at work. Based on his findings, he created the Energy Model to identify the 10 energy release potentials.

Based on the Energy Model, Dr. Hallowell created the Hurt Model, which evaluates criteria from each of the 10 energy sources (see the wheel to the right) to determine the severity of potential incidents (Potential Hurt Value). This process initiates a more robust investigation and rigour to high potential incidents and near misses, and refocuses our resources to incidents that have a higher possibility of being a major event.

We worked with Dr. Hallowell to create assessment tools based on the Energy and Hurt Models that change how we evaluate hazards and risks, and subsequently increase our ability to identify the true causes of injury. Our operations teams were trained on these tools and how to incorporate them into our Preliminary Incident Notifications, Field Level Risk Assessments, and investigations. These tools have been widely embraced by our employees, who are committed to creating safe work environments.

As a result of our eager support and engagement in the Energy and Hurt Models, Dr. Hallowell asked Graham to help form the newly created Construction Research Safety Alliance (CRSA). A collaborative group that shares the best tools within safety to better the construction industry. Together, the board of the CRSA has established a three-year business plan and research focus area for Dr. Hallowell and his PhD students. This initiative has the potential to enhance current safety theory and practice by providing science behind future initiatives.





## MARKETPLACE

We are committed to upholding the highest standards of corporate governance and ethics. We conduct our business in an open, honest and ethical manner as outlined in our Code of Business Conduct. Through responsible, transparent and respectful practices, we comply with all relevant and applicable laws, regulations and industry standards in the jurisdictions we operate. We also implement socially responsible supply chain practices working closely with our clients, contractors and suppliers as partners. We expect our contractors and suppliers to operate with similar values and encourage them, where necessary, to adopt similar corporate responsibility policies.

### KEY FOCUS AREAS

- › SUSTAINABLE SUPPLY CHAIN
- › STAKEHOLDER ENGAGEMENT
- › CORPORATE ETHICS
- › QUALITY & SUSTAINABLE PROJECTS





# INDIGENOUS PARTNERSHIPS



One of Graham's major strengths is building capacity within Indigenous groups, through the transfer of construction practices and business development methods, so they can meaningfully participate in projects.

Depending on the circumstances, Graham organizes Indigenous partnerships via individual Indigenous entrepreneurs, through operating businesses, with development corporations, or Nations. Many of the projects Graham is interested in lie within affected areas and traditional territories. Those Indigenous groups are looking for partners with the capacity to deliver projects collectively, so it will create employment, training, economic development and educational opportunities.

Our continued focus on creating Indigenous partnerships led to the creation of Graham's Three Nations strategy. To represent this strategy, we created a logo that represents the

three areas of Graham's strategic focus, and each icon has symbolic and traditional meaning:

1. Feather Icon – the symbolic meaning of feathers relates to ascension and spiritual evolution toward a higher plane.
2. Infinity Icon – the infinity symbol has two meanings - the joining of two cultures and the existence of a people forever.
3. Inukshuk Icon – an Inukshuk in the shape of a person signifies safety, hope and friendship.

Our Three Nations strategy aims to build partnerships and be inclusive with Inuit, Métis and First Nations organizations. We're proud of the progress we've made. We have formalized seven partnerships and nearly two dozen joint ventures. Our focus is on high quality partnerships, not quantity. The Indigenous groups we work with live our values of commitment, integrity and reliability, and have the capacity to support Graham when we're looking to deliver a project.



## INDUSTRY INVOLVEMENT

Being a good builder is more than hammers and nails, it's also being an active participant in the construction industry, which contributes billions of dollars towards the gross domestic product in both Canada and the United States.

What is industry involvement? It means advocating on behalf of the industry and its workers. It means collaborating with our peers, sharing best practices and process improvements, seeking out safety enhancements, contributing to construction education and providing mentorship opportunities to future builders. It means boosting our communities through employment opportunities, indigenous engagement, charitable donations and delivering facilities that improve the quality of life of our neighbours.

Together with the construction associations we belong to, we actively participate in the growth of the industry. Many of our employees also volunteer their time on their regional construction associations, influencing hot topics in the industry on behalf of Graham and making sure we have a voice in regulatory requirements and legislation that impacts our business, while also providing insight into issues and trends. They share Graham's perspective, collaborate with our peers and focus on the betterment of the industry through initiatives such as Workforce Development, Safety and Secondary School Outreach Construction Programming.

GRAHAM IS A MEMBER AND KEY CONTRIBUTOR TO OVER **100** INDUSTRY ASSOCIATIONS IN NORTH AMERICA

## CORPORATE GOVERNANCE AND ETHICS

The foundation of Graham's commitment to upholding high ethical standards is our Code of Business Ethics and Conduct (CoBC) and the Whistleblower Policy, which set out our expectations of conduct. Annually, our employees complete CoBC and Whistleblower training. We have achieved **100 per cent compliance** with this program, demonstrating a deeply-rooted commitment to ethical behaviour among our employees.

Graham's CoBC is supplemented with the Ethics & Compliance Helpline – a confidential platform that allows employees to raise concerns

anonymously and provides a rigorous process that ensures complaints are investigated and resolved.

The Helpline offers value that extends beyond identifying misconduct – it also provides insight into our business that leadership wouldn't otherwise be able to see. Graham's Ethics & Compliance Helpline and Whistleblower Policy are an asset for the company, giving visibility into the people aspect of the organization. It has also given Graham the opportunity to ensure we have strong leadership, protecting our strong culture, our people, and our assets.



## SUSTAINABLE SUPPLY CHAIN

Vendors are critical partners to Graham and often make the difference in our ability to deliver cost efficient, innovative, and timely solutions for our clients. To ensure we uphold a sustainable procurement strategy, Graham created a vendor charter in 2018 that our entire supply chain must adhere to. The charter provides a clear strategy for how we engage our supply chain and clearly defines our expectations. It also provides the framework necessary to ensure our procurement strategy contributes to the betterment of our local communities and economy.

While the vendor charter ensures that Graham utilizes a responsible procurement model, it also serves to create two-way accountability between us and our supply chain. We advocate for transparency in our business, and invite feedback from our stakeholders to keep us accountable and ensure we are upholding our own standards.

To further enhance our procurement model, Graham is implementing a robust vendor accreditation process and performance management platform that will score our vendors on the following categories: health and safety, quality, people and resources, cost management, relationship building, sustainability and design. Graham will provide this score, along with feedback and supporting documentation to our vendors. They can use this information to promote themselves to other businesses, or as a framework for improvement.

To supplement the accreditation process, Graham has expanded the financial analysis performed on vendors who apply for our subcontractor default insurance program. An assessment of their financial statements, surety limits, banking references and work on hand, gives our business a better understanding of subcontractor capabilities, and the insight we need to complete a successful and profitable project. With the same knowledge of each of our subcontractors' capabilities, we're able to put together a harmonious project team that will deliver exceptional value to our clients.



WE'VE INVITED **2,415** COMPANIES TO PARTICIPATE IN OUR VENDOR ACCREDITATION PROCESS

**280** VENDORS HAVE ENABLED GRAHAM TO VIEW THEIR FINANCIALS AS PART OF OUR FINANCIAL ASSESSMENT PROCESS

## Canada

- + VANCOUVER
- + KELOWNA
- + CALGARY
- + EDMONTON
- + FORT MCMURRAY
- + REGINA
- + SASKATOON
- + WINNIPEG
- + TORONTO

## United States

- + SEATTLE
- + SPOKANE
- + OMAHA
- + MINNEAPOLIS
- + MINOT
- + DENVER

[grahambuilds.com](http://grahambuilds.com)



Your Construction Solutions Partner