



INTRODUCTION

At McCarthy Holdings, Inc. (McCarthy) and subsidiaries, including McCarthy Building Companies, Inc., honesty and accountability directly support our core values and our ongoing effort to be the best builder in America. As part of this commitment, we proudly disclose our greenhouse gas (GHG) emissions data.

OPERATIONAL EXCELLENCE:

We demonstrate our dedication to sustainable practices and efficient resource management by disclosing our GHG emissions data. This transparency enables us to identify areas for improvement, implement innovative solutions, and continuously optimize our operations to reduce our environmental impact.

CLIENT FOCUS:

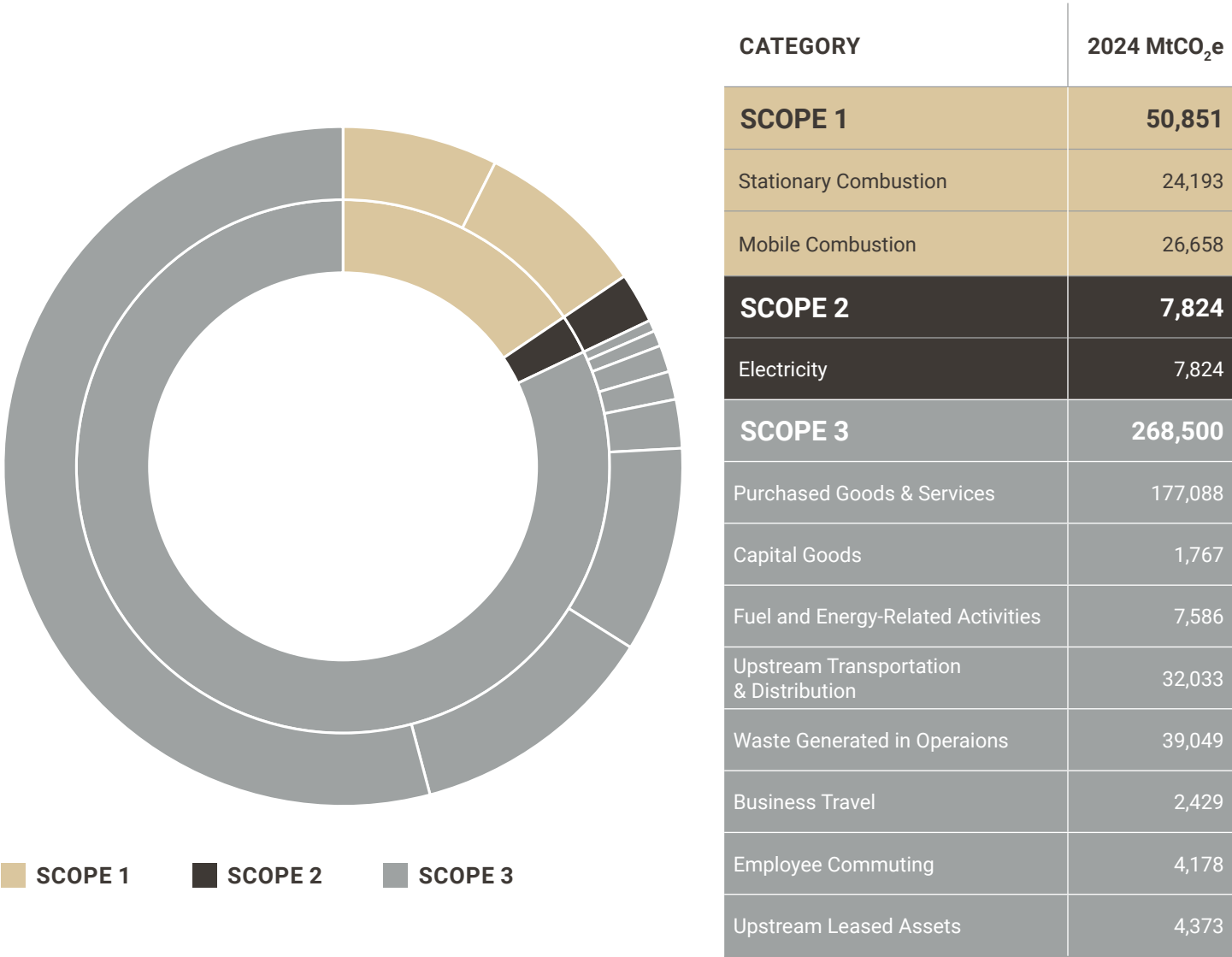
Our clients are increasingly prioritizing sustainability in their projects. By sharing our GHG emissions data, we assure our clients that we are aligned with their values and committed to achieving their environmental goals. This disclosure fosters trust and strengthens our relationships with our clients, ensuring that we remain their preferred partner in construction.

TOP TALENT:

Attracting and retaining top talent is essential to our success. Today's workforce seeks employers who are leaders in their industry and sustainability champions. By being transparent about our GHG emissions, we appeal to environmentally conscious professionals eager to contribute to a greener future. This commitment to sustainability enhances our reputation as an employer of choice and ensures we continue to attract the best and brightest in the field.

FIGURE 1

2024 McCARTHY HOLDINGS, INC. CARBON EMISSIONS



METHODOLOGY OVERVIEW*

McCarthy’s GHG emissions calculations follow the Greenhouse Gas Protocol, ensuring transparency and accuracy. The Gravity platform includes detailed methodological information, including calculation-level emission factor transparency, primary data attachments, and exports of all calculations. This document provides additional details on the emissions sources and data included in the 2024 carbon footprint, methodological notes for cases where physical activity data were unavailable, and the estimates used.

**Developed by Gravity*

METHODOLOGY:

- **GHG PROTOCOL COMPLIANCE:** All calculations comply with the GHG Protocol methodology.
- **EMISSIONS FACTOR SELECTION:** Emission factors are sourced from trusted governmental and academic sources, such as the US Environmental Protection Agency (EPA) and the International Energy Agency (IEA).
- **OPERATIONAL CONTROL APPROACH:** The operational control approach is applied for organizational boundaries, ensuring accurate emissions reporting.

SCOPE 1

CATEGORY	Stationary Combustion
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BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

Approximately 303 construction projects were identified as active in 2024, at which a mix of fuels were combusted on-site (diesel, gasoline, propane, acetylene). Some combustion has occurred in equipment rented by McCarthy (as inferred from invoices from suppliers, e.g., United Rentals and Sunbelt Rentals). Even though McCarthy does not own this equipment, because McCarthy personnel are responsible for operational decisions regarding its use, it is assumed that McCarthy has operational control. Emissions associated with combustion in rental equipment are therefore classified as McCarthy's Scope 1.

These 303 projects are referred to in the Gravity platform as Sites. They were created based on their association with the invoices uploaded to Gravity as outlined above.

74 of those projects display as having "No Data"; however, the Site was created in connection with an invoice associated with that project. The data from said invoices is marked as "Unsupported" for Scope 1 emissions calculations (e.g., internet bills).

2024 DATA USED

Primary data on consumption from McCarthy invoices.

For monthly fuel purchase summary receipts, the Gravity platform used the invoice date for consistency. When no fuel type was specified, Gravity referenced the vehicle type to identify the appropriate emission factor.

PROPOSED EMISSION FACTOR SOURCE	US EPA
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CATEGORY	Stationary Combustion (cont.)
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BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

16 corporate offices and yards were found to be under control. To determine operational control, McCarthy personnel contacted office-level personnel to discuss decision-making authority for HVAC equipment, utility providers, temperature conditions, etc.

17 corporate offices and yards were found not to be under McCarthy's operational control. Emissions associated with energy consumption in these buildings have been classified as Scope 3 Category 8, page 8.

2024 DATA USED

Where available, energy consumption from primary data (e.g., utility bills, API utility integrations) was used.

For offices for which primary data on natural gas consumption were not available, consumption was estimated based on building type and square footage using energy-intensity data from the Energy Information Administration's 2018 Commercial Buildings Energy Consumption Survey ([electricity](#) and [natural gas](#)) estimates were prorated for lease starts and move-outs during 2024.

PROPOSED EMISSION FACTOR SOURCE	US EPA
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SCOPE 1 *(cont.)*

CATEGORY

Mobile Combustion

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

McCarthy's fleet of mobile combustion equipment, classified by business region. Fuels combusted include diesel, gasoline, and small quantities of ethanol.

2024 DATA USED

Primary data on fuel consumption at the transaction level from the McCarthy fuel records spreadsheets have been used. Fuels are assumed to be combusted in light-duty trucks. The emission factors for the trace gas emissions (CH₄ and N₂O) are provided by the original EPA source in terms of mass/mileage. To enable calculations based on the common unit of fuel volume in the company's source data, these factors were converted to mass/fuel volume using the average fuel efficiency of light-duty trucks over the past 20 years ([DOE AFDC](#)). Refer to Gravity's Methodology Supplement for more details. The trace gas component comprises a small portion of the overall fuel calculation, and the differences among various vehicle-type and year combinations do not materially impact the calculation.

A pre-audit review identified a small number of fleet trips that were erroneously reported as methanol use. McCarthy fleets do not use methanol, and the full documentation of the trips confirms ethanol was the intended source. They are accounted for as such in the portfolio.

PROPOSED EMISSION FACTOR SOURCE

US EPA

CATEGORY

Fugitive

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

No fugitive emissions from McCarthy-owned or controlled equipment were found to be material during the reporting cycle.

PROPOSED EMISSION FACTOR SOURCE

N/A

CATEGORY

Process

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

No process emissions were identified as relevant by McCarthy during the reporting cycle.

PROPOSED EMISSION FACTOR SOURCE

N/A

CATEGORY

Biogenic

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

In 2024, McCarthy engaged in biomass burning via land clearing at three sites (Lafitte Solar, Cattlemen Solar II and Stoneridge Solar). This resulted in an estimated 21,311 metric tons of CO₂ emissions, classified as outside the Scopes 1-3 inventory, and 1,605 metric tons of non-CO₂ emissions, included in the Scope 1, Figure 1.

2024 DATA USED

McCarthy provided acreage burned, combined with assumptions on land-use classification, biomass quantities, and an estimated portion of biomass combusted.

PROPOSED EMISSION FACTOR SOURCE

INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC)

SCOPE 2

CATEGORY

Acquired Energy

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

88 construction projects with electricity usage.

2024 DATA USED

Primary data on electricity consumption from McCarthy invoices.

PROPOSED EMISSION FACTOR SOURCE

US EPA EMISSIONS & GENERATION RESOURCE INTEGRATED DATABASE (EGRID) 2023

CATEGORY

Location-Based

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

16 corporate offices and yards under control. To determine operational control, McCarthy personnel contacted office-level personnel to discuss decision-making authority for HVAC equipment, utility providers, temperature conditions, etc.

17 corporate offices and yards were found not to be under McCarthy's operational control. Emissions associated with energy consumption in these buildings have been classified as Scope 3 Category 8; page 8.

2024 DATA USED

Where available, energy consumption from primary data (utility bills, API utility integrations) was used.

For offices for which primary data on electricity consumption were not available, consumption was estimated based on building type and square footage, using energy-intensity data from the Energy Information Administration's 2018 Commercial Buildings Energy Consumption Survey. Estimates were prorated for lease starts and move-outs during 2024.

PROPOSED EMISSION FACTOR SOURCE

US EPA eGRID 2023

SCOPE 3

CATEGORY 1

Purchased Goods and Services

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

All upstream (cradle-to-gate) emissions from purchased goods and services.

2024 DATA USED

Annual total company spend provided, categorized by expenditure type, and matched to spend-based factors from the Cornerstone Sustainability Data Initiative using US EPA Environmentally Extended Input-Output (EEIO) models.

ADDITIONAL METHODOLOGICAL NOTES

Transactions that are not considered goods or services purchased by the reporting company have been excluded, such as salary payments and tax payments. Additionally, any transactions already covered in other Scopes and categories have been excluded to avoid double-counting, including waste services, lease or utility spend, and business travel. For all spend-based factors, inflation adjustments are applied and documented on the platform as needed to align the spend year with the base year.

SCOPE 3 *(cont.)*

CATEGORY 1

Food, Land and Agriculture Related Emissions

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

Direct land use change (dLUC) and land management emissions associated with employee and client meals.

2024 DATA USED

For Forest, Land and Agriculture (FLAG) emissions, total spending on employee and client meals was used combined with land management and land use data for typical food ingredients.

ADDITIONAL METHODOLOGICAL NOTES

The company's FLAG emissions are exclusively associated with employee and client meals (Category 1), as it does not operate within a FLAG-intensive sector. Due to the absence of detailed ingredient data for purchased meals, emissions were estimated based on total meal expenditures, assuming all meals and their ingredients were sourced domestically in the United States. Where specific data or precise emission factors were unavailable, conservative assumptions were applied to uphold methodological rigor.

Beyond meal-related emissions, the company does not procure other FLAG-related products, and therefore, the overall contribution of FLAG emissions to its carbon footprint is minimal.

CATEGORY 2

Capital Goods

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

All upstream (cradle-to-gate) emissions of purchased capital goods.

2024 DATA USED

The company supplied data on dollars spent by asset type, apportioned to the year 2024 and matched to spend-based factors from the Cornerstone Sustainability Data Initiative using the US EPA EEIO models.

CATEGORY 3

Fuel and Energy Related Activities

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

Emissions associated with upstream electricity production, transmission and distribution losses, and upstream emissions related to fuel consumption.

2024 DATA USED

Primary data from Scope 1 & 2 were assigned complementary upstream factors from the United Kingdom Department for Environment, Food & Rural Affairs (DEFRA), the International Energy Agency (IEA), and the EPA.

Transmission and distribution loss emissions for purchased electricity were calculated using eGRID data to account for both electricity generation lost in transit and the upstream supply chain associated with that generation.

SCOPE 3 *(cont.)*

CATEGORY 4

Upstream Transportation and Distribution

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

Emissions (cradle-to-gate) are associated with postal and delivery services.

2024 DATA USED

The company apportioned the dollars spent on third-party logistics services to 2024.

CATEGORY 5

Waste Generated in Operations

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

The Scope 1 and Scope 2 emissions of waste management suppliers that occur during disposal or treatment of relevant company waste, sewage and water usage.

2024 DATA USED

Data incorporated included physical activity data, spend-based data, and estimates based on intensity factors calculated from actual waste and recycling consumption data for each business unit.

ADDITIONAL METHODOLOGICAL NOTES

Approximately 59 sites operating under Job Order Contracting agreements had tracked waste data with no other consumption data, reflecting McCarthy's limited operational control at these locations where work is subcontracted under master agreements.

CATEGORY 6

Business Travel

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

Airfare and rail travel are booked for company employees for business-related activities.

2024 DATA USED

Data obtained from travel agent reports. Emissions from hotel stays were calculated based on the number of hotel days. Emissions from air travel were calculated using distance-based factors applied to multi-destination itinerary data, with emission factors varying by flight distance category.

All other travel emissions were measured based on spend data.

SCOPE 3 *(cont.)*

CATEGORY 7

Employee Commute and Remote Work

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

Emissions include those from employees commuting between their residences and the company sites.

2024 DATA USED

The inventory measurement for this category used national commuting averages based on a company count of employees who operate personal vehicles to travel to McCarthy sites.

CATEGORY 8

Upstream Leased Assets

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

Scope 1 and 2 emissions occurring at leased facilities not already included in the company's operational boundary.

2024 DATA USED

For leased office locations, emissions were estimated based on building square footage and energy intensities from the Commercial Buildings Energy Consumption Survey (CBECS).

For shorter-term leases, emissions were calculated using spend-based factors and matched to appropriate asset categories.