



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 in part, we proudly disclose our greenhouse gas (GHG) emissions data as part of this commitment.

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.

TABLE 1

2023 McCARTHY HOLDINGS, INC. CARBON EMISSIONS

EMISSIONS SCOPE	EMISSIONS SOURCE	2023 MtCO ₂ e	% TOTAL EMISSIONS
Scope 1	Stationary Combustion	28,047	47%
	Mobile Combustion	22,577	38%
	Site Biogenic Emissions	1,933	3%
	Fugitive Emissions	134	0%
Scope 2	Electricity	6,612	11%
	Steam	218	0%

CHART 1A, 1B

2023 MtCO₂e EMISSIONS

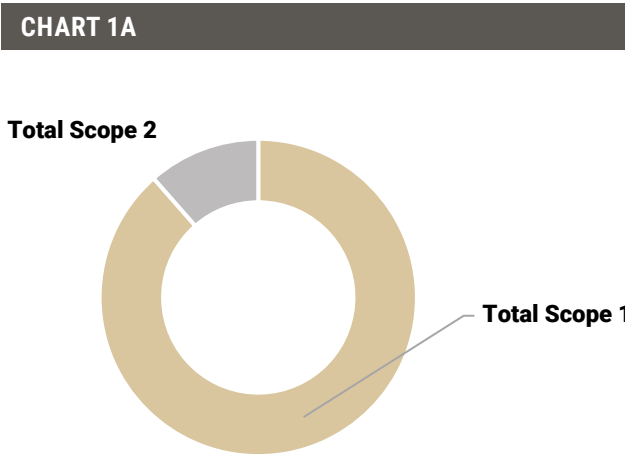


Chart 1A. Total GHG Emissions by Scope. A high-level comparison of Scope 1 and Scope 2 emissions shows that the majority (89%) comes from direct sources, while 11% is from indirect sources.

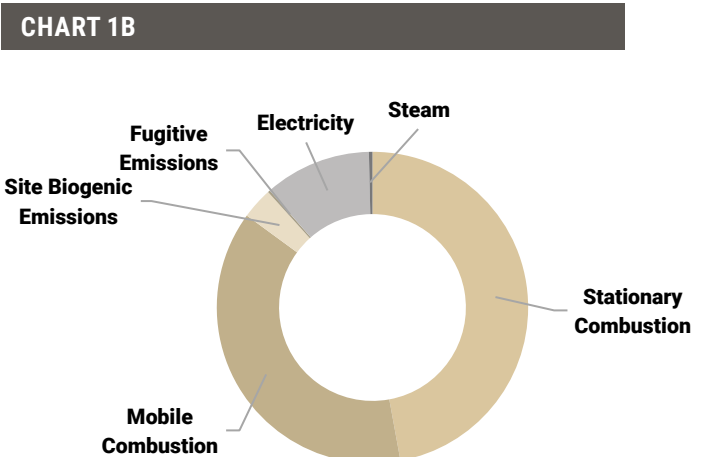


Chart 1B. Total GHG Emissions by Source. Offers a view of the organization's emissions profile detailing the specific contributors within each scope.

METHODOLOGY*

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 2023 carbon footprint, methodological notes for cases where physical activity data was unavailable, and estimates used.

**Developed by Gravity*

KEY METHODOLOGICAL POINTS:

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 EPA and IEA.

OPERATIONAL CONTROL APPROACH: The operational control approach is applied for organizational boundaries, ensuring accurate emissions reporting.

SCOPE 1

CATEGORY

Stationary Combustion

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

Approximately 251 construction projects were identified as active in 2023, in which a mix of fuels were combusted on-site (diesel, gasoline, propane, acetylene). Some combustion occurred in equipment that McCarthy rented (as inferred from the supplier of the invoices, e.g., United Rentals, Sunbelt Rentals). Even though this equipment is not owned by McCarthy, because McCarthy personnel are responsible for operating decisions about equipment usage, it is assumed that McCarthy has operational control. Emissions associated with combustion in rental equipment are therefore classified as McCarthy's Scope 1.

The Gravity platform refers to these 251 projects as Sites. They were created based on their association with the invoices uploaded to Gravity, as outlined above.

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

Energy consumption at the 008104.000 PPG Martins Crossing project has been excluded. Although McCarthy received invoices for natural gas, electricity, and water during the reporting period, this represented consumption after they had turned over ownership to a new entity that had already assumed ownership and operation of the site.

2023 DATA USED

Primary data on fuel consumption from McCarthy invoices.

PROPOSED EMISSION FACTOR SOURCE

US EPA

SCOPE 1 (cont.)

CATEGORY

Stationary Combustion

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 control around HVAC equipment, utility providers, temperature conditions, etc.

McCarthy found 17 corporate offices and yards not under operational control. Emissions associated with energy consumption in these buildings have been classified as Scope 3 Category 8; see page 6.

2023 DATA USED

Energy consumption from primary data (utility bills, API utility integrations) was utilized where available.

For offices for which primary data on natural gas consumption was unavailable, consumption was estimated based on the building type and square footage utilizing 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 2023.

PROPOSED EMISSION FACTOR SOURCE

US EPA

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.

2023 DATA USED

Primary data on fuel consumption at the transaction level in McCarthy fuel records spreadsheets has been utilized. Fuels are assumed to be combusted in light-duty trucks. The emission factors for the trace gas (CH₄ and N₂O) emissions are given by the original EPA source in terms of mass/mileage. To enable calculation from the standard unit of fuel volume in the company source data, these factors were converted to mass/fuel volume using average fuel efficiency of light-duty trucks averaged over the past 20 years. The trace gas component comprises a small portion of the overall fuel calculation, and the differences among various vehicle types and year combinations do not materially impact the calculation.

PROPOSED EMISSION FACTOR SOURCE

US EPA

CATEGORY

Fugitive

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

Any fugitive emissions from McCarthy-owned or controlled equipment were not 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

SCOPE 1 *(cont.)*

CATEGORY

Biogenic

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

In 2023, McCarthy engaged in biomass burning via land clearing at two sites (Cattleman 2 and Stoneridge). This resulted in an estimated 25,737 metric tons CO₂ emissions, classified as outside the Scopes 1-3 inventory, and 1,933 metric tons non-CO₂ emissions, included in the Scope 1, Table 1.

2023 DATA USED

McCarthy provided acreage burned, which was combined with assumptions on land-use classification, biomass quantities, and an estimated portion of biomass combusted. For the complete calculations, see the workbook attached to the relevant activity data rows in the platform.

PROPOSED EMISSION FACTOR SOURCE

IPCC

SCOPE 2

CATEGORY

Acquired Energy

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

73 construction projects with electricity usage.

2023 DATA USED

Primary data on electricity consumption from McCarthy invoices.

PROPOSED EMISSION FACTOR SOURCE

US EPA eGRID 2024

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 control around HVAC equipment, utility providers, temperature conditions, etc.

17 corporate offices and yards were found to not be under operational control by McCarthy. Emissions associated with energy consumption in these buildings have been classified as Scope 3 Category 8, see page 6.

2023 DATA USED

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

For offices for which primary data on electricity consumption was not available, consumption was estimated based on the building type and square footage utilizing 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 2023.

PROPOSED EMISSION FACTOR SOURCE

US EPA eGRID 2024

SCOPE 3, C8

CATEGORY

Upstream

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

Emissions associated with 17 corporate offices and yards that were found to not be under operational control by McCarthy.

2023 DATA USED

Where available, primary data (utility bills, API utility integrations, rental equipment, fuel invoices) for energy consumption and fuel combustion was utilized.

PROPOSED EMISSION FACTOR SOURCE

US EPA

CATEGORY

Leased Assets

BUSINESS ACTIVITY DESCRIPTION & ASSUMPTIONS

Emissions associated with leased rental equipment were conservatively classified under Scope 1. Even though McCarthy does not own this equipment, because McCarthy personnel are responsible for operating decisions about equipment usage, it is assumed that McCarthy has operational control.

2023 DATA USED

For offices for which primary data on electricity and natural gas consumption was unavailable, consumption was estimated based on the building type and square footage utilizing 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 2023.

PROPOSED EMISSION FACTOR SOURCE

US EPA