



GLOBAL ESG+R REPORT 2021



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ABOUT THIS REPORT

At Granite Real Estate Investment Trust (“Granite” or “Granite REIT”), we are committed to intentionally and thoroughly implement sustainability measures across our organization, from the ways in which we assess investment decisions to the business practices we promote at both the corporate and property levels. This report describes our Environmental, Social, Governance, and Resilience (“ESG+R”) program, including our goals, initiatives, and progress made during the 2021 calendar year. The environmental data included in the report covers data for Granite REIT’s real estate investments.

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards Core Option. This report is also aligned with the Task Force on Climate-Related Financial Disclosures (“TCFD”) and with the Sustainability Accounting Standards Board (“SASB”) Real Estate Standards. As absolute metrics over time can be difficult to measure, a majority of the environmental performance metrics are normalized by floor area throughout this report.



For questions regarding this report,
contact: ir@granitereit.com.

A MESSAGE FROM THE PRESIDENT AND CEO

To our Stakeholders:

On behalf of Granite REIT, I am pleased to present our 2021 Global Environmental, Social, Governance, and Resilience ("ESG+R") Report.

At Granite, we recognize the important role building owners and developers can play in fostering the efficient use of resources and respecting our environment. Correspondingly, we seek to thoughtfully incorporate ESG+R considerations in our actions and decision-making at both the property and corporate levels. In doing so, we follow a business model that prioritizes tenant satisfaction and investor returns over the long-term. Over the past year, we implemented several initiatives and enhancements to our ESG+R program, and we are pleased to share the results of our performance to date with you.

As outlined in the report, we made significant progress towards all of our key short and long-term objectives, including improvements in our tenant-usage data collection, energy-reduction measures, green building certification, support for biodiversity (trees and bees) and renewable energies, employee and tenant engagement and in our ESG+R disclosure. As a result of this progress, we are pleased to mention that our GRESB® score improved by 28 points from 2020 to 2021 and we achieved a top ranking for public disclosure among the GRESB group for North American Industrial.

As of 2021, solar PV systems with a combined peak electricity generation capacity of 8.5 megawatts ("MW") were installed on Granite properties, which significantly exceeds the target of 5 MW in peak electricity generation capacity by 2025. Based on this early success, Granite is setting a more ambitious target to increase the total peak electricity generation capacity of solar PV systems on Granite properties to 24 MW by 2025.

Several of our properties received recognition for ESG+R practices through third-party green building certifications ("GBCs") in 2021, including Green Globes® and Building Research Establishment Environmental Assessment Method ("BREEAM®") New Construction Certifications. We expect the number of certified green buildings to grow rapidly within our portfolio, as we have committed to certify 100% of Granite controlled new developments to a third-party green certification standard, in accordance with our Green Bond framework.

In pursuit of accountability and transparency, we made further improvements to the quality of our ESG+R disclosure. In addition to reporting to GRESB and CDP for the second year and first year respectively, our ESG+R report will now be aligned to the Global Reporting Initiative ("GRI"), the Task Force on Climate-Related Financial Disclosures ("TCFD"), and Sustainability Accounting Standards Board ("SASB") reporting standards. We also continue to further incorporate ESG+R information in our investor presentations, financial reports and in our annual report.














Although we have made strong progress so far, we have more work to do to reach our key ESG+R objectives by the beginning of 2030. To this goal, we will continue to proactively invest significant capital and organizational resources in 2022 and beyond on various measures, including LED lighting retrofits, rooftop solar PV installations, EV charging stations, third-party GBCs, community and charitable support, tree planting and beekeeping, and to support the environment and communities in which we operate.

This report has been the culmination of many months of work by our ESG+R Committee and other members of the Granite team, and I would like to personally thank those involved for their important contributions to the report and to our program overall. Achieving our long-term objectives will not be easy, but we at Granite embrace the challenge.

– KEVAN GORRIE
President and Chief Executive Officer



PROGRESS TOWARD OBJECTIVES

OBJECTIVE	GRANITE'S TARGET	STATUS	PROGRESS TOWARD TARGETS IN 2021
ENVIRONMENTAL	Increase energy, water, and waste coverage to 50% by the beginning of 2030		As of December 31, 2021, Granite is tracking energy, water and/or waste data from 39% of the portfolio by gross SF
	Reduce landlord-controlled energy, operational emissions only (Scope 1 and 2), and water by 25% on an intensity basis, per square foot, by the beginning of 2030 at Granite REIT properties		Landlord-controlled energy (2019-2021): Absolute- 14.7% reduction Intensity (kBtu/sq. ft.) - 14.8% reduction Landlord-controlled emissions (2019-2021): Absolute- 8.0% reduction Intensity (GHG/sq. ft.) - 73.7% reduction Landlord-controlled water (2020-2021): Absolute- 2.1% reduction Intensity (gals/sq. ft.) - 29.4% reduction
	Develop a strategic EV charging plan for the portfolio, including infrastructure, for 100% of new developments and through implementation of bicycle parking		Going into 2023, Granite hopes to create a strategy to implement EV charging stations. In 2021, 38 EVs were added to Granite REIT properties.
	Upgrade lighting in 80% of modern logistics/distribution facilities to LED by the beginning of 2030		LED lighting upgrade has been completed in 55% of modern logistics/distribution facilities as of 2021
	Commit 10% of annual maintenance capital budget to sustainability enhancements at properties		Over 10% of maintenance capital expenditure was spent on sustainability enhancements at Granite's properties in 2021
	Support the production of new renewable energy through the installation of on-site solar photovoltaic ("PV") systems with the capacity to generate 5 MW of electricity by 2025		As of 2021, operational solar PV systems with the peak capacity to generate 8.5 MW were installed on Granite properties. In light of the early achievement of this target, Granite is setting a more ambitious target of increasing the total peak electricity generation capacity from solar PV systems on Granite properties to 24 MW by 2025.
	Plant 100,000 trees by the beginning of 2030		12,500 trees were planted on Granite's behalf in 2021
	Pursue 30% of gross floor area to be green building certified by the beginning of 2030		Granite has 10.8% total green building certification by floor area, over a third of its 30% goal by the beginning of 2030
SOCIAL	Track and monitor tenant and employee engagement through ESG+R surveys every 3 years		In 2021, Granite completed both tenant and employee satisfaction surveys
	Collaborate with our tenants through providing ESG+R resources to Granite's tenants		Granite has provided its tenants with ESG+R resources in 2021
	Contribute at least CAD 500 per income-producing property in our portfolio toward charitable donations		This has been exceeded as Granite contributed over \$840 CAD per income-producing property to charitable causes in 2021
GOVERNANCE	Assess 100% of potential acquisitions for ESG+R and identify areas for improvement		Granite has completed ESG+R acquisition assessments on 100% of potential acquisitions considered in 2021
	Monitor property compliance with government benchmarking requirements and ESG+R-related regulations		Granite was compliant with all known local government benchmarking disclosure requirements



On Track



In Progress



Achieved



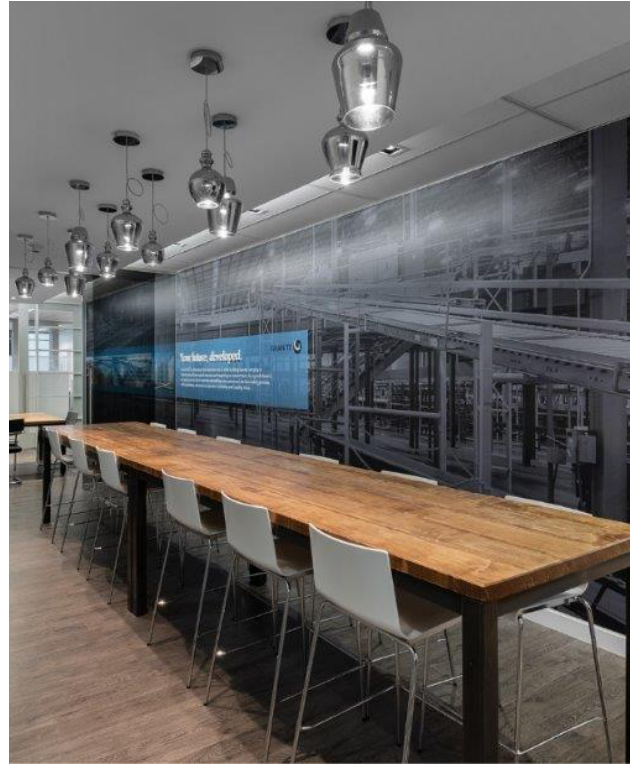
Exceeded

COMPANY OVERVIEW

Granite REIT is a Canadian-based real estate investment trust with headquarters in Ontario, Canada, that manages a portfolio of more than 131 investment properties, totaling approximately 55.1 million SF of leasable area with a market capitalization of roughly USD 6 billion as of December 31, 2021. Our principal functions include the acquisition, development, ownership, and management of logistics, warehouse, and industrial properties across North America and Europe. With industry-leading knowledge and years of experience, Granite REIT is dedicated to driving returns for our unitholders and generating stable and growing cash flow. It is through our core principles of owning and developing institutional quality real estate, maintaining a conservative capital ratio, proactive management, strategic allocation of capital, unitholder alignment, and strong corporate governance that we are able to grow with each passing year.

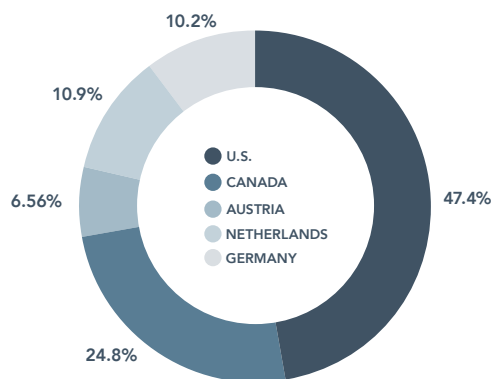
Granite REIT is a stapled unit structure, wherein one stapled unit comprises one trust unit of Granite Real Estate Investment Trust and one common share of Granite REIT Inc. Combined, it is commonly known to investors as "Granite REIT." Granite REIT was formed on January 3, 2013, and was previously operating as Granite Real Estate Inc. (formerly known as MI Developments Inc.).

Over the last few years, we have worked to diversify our real estate portfolio and tap into new markets and industries with new tenants, and these efforts have not ceased. Having added an array of major tenants to our portfolio, we continue to carry out our long-term strategy of building a leading portfolio of logistics, warehouse, and industrial assets.



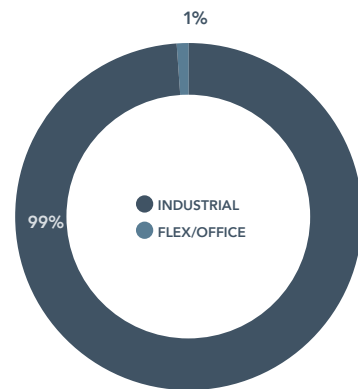
PORTFOLIO SEGMENTATION BY GEOGRAPHY

BY GLA



*As of December 31, 2021

TOTAL ASSETS UNDER MANAGEMENT



*As of December 31, 2021

131

INVESTMENT PROPERTIES

56.3M

SF OF LEASABLE AREA

6.9B CDN

IN MARKET CAPITALIZATION

ESG+R COMMITTEE MEMBERS

The development of and adherence to some of our ESG+R principles plays an integral role in Granite REIT's investment strategy. The ESG+R Committee, composed of many of Granite's most senior individuals, was formed for the purpose of considering, planning, reviewing, reporting, and curating Granite's short and long-term sustainability goals, specifically those goals which are ESG+R-driven. Committee meetings are held quarterly and focus on the evaluation of Granite REIT's sustainability efforts and progress toward its stated goals. The Committee stays abreast of ESG+R issues, constantly assessing and enhancing our sustainability program to mitigate risk and generating growth for investor returns.

OUR CURRENT GOALS INCLUDE:

- Fully integrate our ESG+R program at both the corporate and property levels that aligns with GRESB®, the Sustainability Accounting Standards Board ("SASB"), the Carbon Disclosure Project ("CDP™"), Global Reporting Initiative ("GRI"), and the Task Force on Climate-Related Financial Disclosures ("TCFD")
- Effectively communicate Granite REIT's ESG+R strategy, program, and successes
- Improve our overall ESG+R performance



KEVAN GORRIE
PRESIDENT AND CHIEF
EXECUTIVE OFFICER



TERESA NETO
CHIEF FINANCIAL
OFFICER



LORNE KUMER
EXECUTIVE VICE
PRESIDENT, HEAD OF
GLOBAL REAL ESTATE



LAWRENCE CLARFIELD
EXECUTIVE VICE PRESIDENT,
GENERAL COUNSEL AND
CORPORATE SECRETARY



WITSARD SCHAPER
SENIOR VICE PRESIDENT,
HEAD OF EUROPE



JON SORG
SENIOR VICE PRESIDENT,
HEAD OF U.S.



KEITH STEPHEN
VICE PRESIDENT,
SUSTAINABILITY AND
ENVIRONMENT



ANDREA SANELLI
ASSOCIATE DIRECTOR,
LEGAL AND INVESTOR
SERVICES

ESG+R OBJECTIVES

Granite recognizes the importance of their engagement in ESG+R as they are stewards for their investors, employees, and tenants to commit to improvements and strategies that ensure the efficient use of resources and respect of the environment. Granite has strategically established short and long-term sustainability goals that are incorporated in the decision-making process of both the property and corporate levels.

ENVIRONMENTAL

UPGRADE LIGHTING IN

80%

OF MODERN
LOGISTICS/DISTRIBUTION
FACILITIES TO LED BY THE
BEGINNING OF 2030



CERTIFY

100%

OF GRANITE REIT-CONTROLLED
NEW DEVELOPMENTS TO A THIRD-
PARTY GBC STANDARD

PROMOTE ENERGY EFFICIENCY AND SUSTAINABLE PRACTICES AT BOTH OUR PROPERTIES AND OUR CORPORATE OFFICES.

- Track and monitor landlord-paid utility consumption and tenant utility consumption where available.
- Work to reduce the amount of landlord-controlled energy, operational emissions (Scope 1 & 2), and water by 25% on an intensity basis, per square foot, by the beginning of 2030 (or 2.5% annual reduction) at Granite REIT properties.
- Increase the energy, emissions, water, and waste data coverage across Granite REIT properties to 50% by the beginning of 2030 by collaborating with tenants, implementing green lease language, and obtaining data directly from the utility companies wherever available.
- Commit 10% of the annual maintenance capital budget to sustainability enhancements at properties.
- Upgrade lighting in 80% of modern logistics/distribution facilities to LED by the beginning of 2030.
- Encourage tenants to pursue sustainability projects through promotion of available rebates and incentives and contributing toward select energy and water retrofits by our tenants.
- Strategically evaluate and pursue applicable Green Building Certifications ("GBCs") at our properties and achieve 30% third-party GBCs by floor area by the beginning of 2030.
- Certify 100% of Granite REIT-controlled new developments to a third-party GBC standard, such as LEED®, BREEAM®, Green Globes®, and the German Sustainable Building Council ("DGNB®")

TREE PLANTING

GOAL OF PLANTING AT LEAST

100,000 TREES BY 2030

Granite REIT is committed to the preservation of our native plant habitats. Working in collaboration with the Arbor Day Foundation, South Carolina's longleaf pine trees have been replanted to help restore this well-known ecosystem.

26 ACRES REPLANTED IN 2021 | 12,500 TREES PLANTED IN 2021



- Support alternative transportation, including developing a strategic EV charging plan for the portfolio and infrastructure for 100% of new developments and implementing bicycle parking.
- Exceed required building sustainability and efficiency standards where feasible in Granite REIT-controlled developments and major replacement projects.
- Commit that all development projects controlled by Granite REIT will be built to standards consistent with the scope of our Green Bond Framework.
- Ensure Granite REIT's Canadian corporate headquarters reside in a third-party-certified building.
- Transit allowance offered to employees that commute to work of local currency (CAD/USD/EUR) 100 per month
- Continue to reduce the use of resources and increase waste diversion at Granite REIT corporate offices through enhanced technology solutions.
- Support biodiversity initiatives through our beekeeping and tree planting programs with a goal of planting at least 100,000 trees by the beginning of 2030 through a combination of trees planted on Granite properties, trees planted by Granite employees, and trees planted as a result of financial contributions to tree-planting organizations.
- Ensure compliance with Granite REIT's Environmental Policy on monitoring tenant environmental compliance, environmental due diligence during acquisitions and dispositions, and following management and response procedures for spills, discharges, and external environmental complaints.

SOCIAL

ENGAGE WITH OUR UNITHOLDERS, EMPLOYEES, TENANTS, PROPERTY MANAGERS, AND COMMUNITY.

- Communicate and report on the progress of our ESG+R program with stakeholders.
- Engage with our employees through Granite REIT programs to promote health and well-being; diversity, equity, and inclusion; career development and training; and provide ongoing resources to support and foster collaboration and open feedback through employee surveys and performance assessments.
- Collaborate with our tenants through providing ESG+R resources to Granite's tenants.
- Distribute engagement surveys to 100% of our employees and tenants at least every three years.
- Incorporate updated green lease language into new leases.
- Interact with third-party property managers to influence and improve ESG+R best practices by providing regular trainings and resources.
- Promote volunteerism and community support through "Granite Gives" company-sponsored events and donations, recognition of employees for their volunteer work and charitable contributions, and encouraging regional teams to host events benefiting the local communities where our properties are located.
- Contribute at least 500 local currency (CAD/USD/EUR) per income-producing property and properties under development in our portfolio toward charitable donations or local communities in which we operate.
- Track and monitor tenant and community engagement through the distribution of an ESG+R survey to Granite REIT's tenants annually.

CONTRIBUTE AT LEAST
500
LOCAL CURRENCY
(CAD/USD/EUR) PER
INCOME-PRODUCING
PROPERTY IN OUR
PORTFOLIO TOWARD
CHARITABLE DONATIONS





ASSESS
100%
OF POTENTIAL ACQUISITIONS
FOR ESG+R AND IDENTIFY
AREAS FOR IMPROVEMENT.

DISCLOSE OUR ESG+R PERFORMANCE AS A COMMITMENT TO TRANSPARENCY AND ACCOUNTABILITY.

- Provide leadership over our ESG+R program through the Granite REIT ESG+R Committee.
- Continue to position our ESG+R program to align with leading reporting frameworks to enhance our program.
- Assess 100% of potential acquisitions for ESG+R and identify areas for improvement.
- Monitor property compliance with government benchmarking requirements and ESG+R-related regulations.
- Provide transparency to our investors by incorporating ESG+R into our quarterly and annual investor presentations and financial reports to unitholders and stakeholders and through formal reporting frameworks such as GRESB®, SASB, CDP, GRI, and TCFD.
- Maintain robust governance policies and carry out company-wide governance trainings to promote better business behavior.
- Participate in organizations to inform, learn, and share best practices within our industry.

RESILIENCE

IDENTIFY AND MITIGATE THE POTENTIAL CLIMATE-RELATED RISKS WITHIN OUR PORTFOLIO.

- Align our resilience program with the TCFD framework.
- Assess physical and transition climate-change risks during the new acquisition due diligence process and evaluate measures to increase resiliency in our underwriting process.
- Evaluate physical and transition climate-change risks regularly and evaluate strategies to mitigate risks.
- Work with our property teams to ensure mitigation measures and emergency response plans are in place to respond to potential risks.



GREEN BOND FRAMEWORK

Granite established the following Green Bond Framework (the “Framework”), which complies with the Green Bond Principles (the “GBP”) developed by the International Capital Markets Association (“ICMA”) as of June 2018. This Framework is based on the four core components of the GBP.

The Framework may be used by Granite or any of its subsidiaries for the issuance of Green Bonds and/or other Green financial instruments (hereinafter referred to as a “Green Bond”).

1

USE OF PROCEEDS

3

MANAGEMENT OF PROCEEDS

2

PROCESS FOR
EVALUATION AND SELECTION

4

ALLOCATION
AND IMPACT REPORTING

1

USE OF PROCEEDS

Granite intends to use the net proceeds from the issuances of Green Bonds to finance and/or refinance eligible green projects (the “Eligible Green Projects” or the “Projects”) as identifying with one or more of the following categories:

- Green Buildings
- Pollution Prevention and Control
- Clean Transportation
- Resource Efficiency and Management
- Renewable Energy
- Biodiversity and Conservation

2

PROCESS FOR PROJECT EVALUATION AND SELECTION

Granite appointed a Green Bond Working Committee (the “Committee”) to oversee the implementation of its Framework. The Committee consists of members across different departments such as Sustainability, Finance, Development, Asset Management, and Legal.

The Committee will identify projects that satisfy the Eligible Green Projects criteria set forth in the “Use of Proceeds” section. Projects identified will be brought to Granite’s senior management team for final approval.



3 MANAGEMENT OF PROCEEDS

The net proceeds from a Green Bond issue will be deposited to Granite's general account and be earmarked for allocation to Eligible Green Projects in accordance with the Framework. Net proceeds may be used for investments associated with Eligible Green Projects made by Granite in the 36 months preceding the issuance of a Green Bond. Granite intends to utilize net proceeds within 36 months of an offering. Prior to allocation, net proceeds of a Green Bond issuance may be utilized, in part or in full, for repayment of Granite's credit facilities, held in cash or cash equivalents, or for general corporate purposes.

All relevant information regarding the issuance of Green Bonds and the Eligible Green Projects financed will be kept in a Green Bond Register managed by the Finance department. Granite's internal records will show the allocation of the net proceeds of the relevant offering to Eligible Green Projects as long as the offering remains outstanding. Payment of principal and interest on any Green Bonds will be made from general funds and will not be directly linked to the performance on any Eligible Green Projects.

4 ALLOCATION AND IMPACT REPORTING

Granite will engage a third party to complete an annual verification of its allocation of net proceeds issued to Eligible Green Projects until full allocation. In addition, until full allocation, Granite will provide annual updates through its corporate website www.granitereit.com and/or in its annual report that include relevant information such as Eligible Green Projects, amount allocated to Eligible Green Projects, and the balance of unallocated net proceeds. Granite will provide information on the level of GBCs for applicable Eligible Green Projects, and if feasible and practicable, Granite may provide such information as the following:

- Annual energy saved or renewable energy generated
- Annual greenhouse gas ("GHG") emissions reduced/avoided
- Natural capital value (i.e., trees planted)

EXTERNAL REVIEW

Granite has obtained an independent second-party opinion from Sustainalytics on its Green Bond Framework indicating alignment with the GBP. This opinion is available on Sustainalytics website (<https://www.sustainalytics.com/sustainable-finance/our-work/>) and also available on Granite's website: <https://granitereit.com/green-bond-framework-second-party-opinion>.

GREEN BOND USE OF PROCEEDS

FOR THE PERIOD ENDING DECEMBER 31, 2021

On June 2, 2020, Granite issued its inaugural green bond, 3.062% \$500 million Series 4 Senior Debentures due 2027 (the "2027 Debentures"). Subsequently, on August 30, 2021, Granite issued its second green bond, 2.194% \$500 million Series 6 Senior Debentures due 2028 (the "2028 Debentures" and collectively with the 2027 Debentures, the "Green Bonds").

As of December 31, 2021, Granite has allocated a total of \$573.7 million of net Green Bond proceeds to Eligible Green Projects representing 100% and 15% of the net proceeds of the 2027 Debentures and 2028 Debentures, respectively.

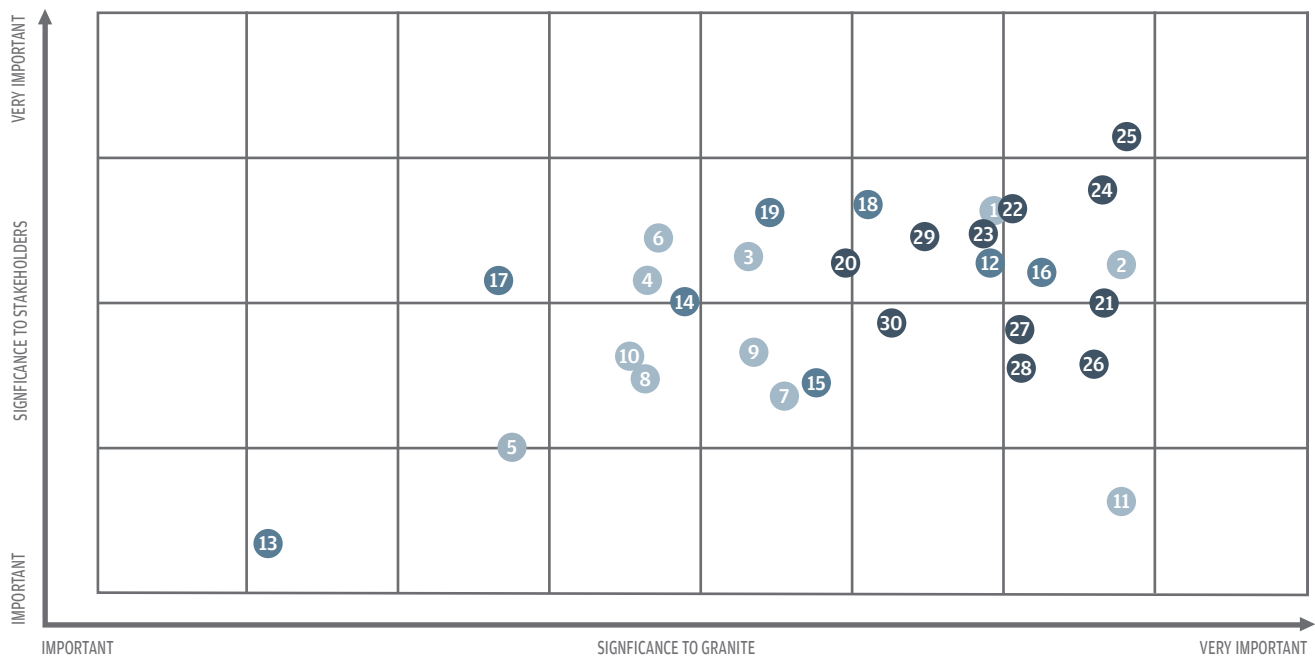
For more information, see Granite's Annual Green Bond Use of Proceeds Report as of December 31, 2021, on Granite's website: <https://granitereit.com/sustainability>.

MATERIALITY

A materiality assessment was performed to determine the importance of environmental, social, governance, and economic topics to Granite and its key stakeholders. Key stakeholders were determined based on significance of impact on and by operations. To establish which topics are material to Granite and its investors, data and feedback were collected and analyzed using various methods, including the following:

- Engaging with various stakeholders and investors to identify the most significant factors to each group to assist with steering the future direction of Granite.
- Analyzing surveys taken by property management teams and tenants at Granite’s assets and other mechanisms to obtain feedback
- Having discussions with the ESG+R Committee on relevant property and portfolio-level concerns and topics
- Examining published documents, research, and guidelines by industry associations, such as GRI, GRESB®, United Nations’ Principles for Responsible Investment (“PRI”), and European Association for Investors in Non-Listed Real Estate Vehicles (“INREV”)

The discussions, surveys, and document reviews are outlined in the Materiality Matrix shown below. This matrix includes a variety of ESG+R topics and their relative importance to Granite REIT and our key investors.



ENVIRONMENTAL

- 1 Energy Conservation
- 2 GHG Emissions Reductions
- 3 Renewable Energy
- 4 Sustainable Materials
- 5 Alternative Transportation
- 6 Waste Management and Recycling
- 7 Responsible Land Use
- 8 IAQ and Pollution Mitigation
- 9 Water Conservation
- 10 Sustainable Service Providers
- 11 GBCs

SOCIAL

- 12 Stakeholder Engagement
- 13 Fair Housing
- 14 Community Impact
- 15 Employee Policies and Practices
- 16 Health and Well-Being
- 17 Innovation and Technology
- 18 Diversity, Equity, and Inclusion
- 19 Responsible Contractors

ECONOMIC/GOVERNANCE

- 20 Industry Groups and Associations
- 21 Transparency
- 22 Cybersecurity and Data Privacy
- 23 Leadership and Corporate Governance
- 24 Legal Compliance
- 25 Ethics/Code of Conduct
- 26 Economic Performance
- 27 Financial Risk Due to Climate Change
- 28 Resilience
- 29 Economic Impacts on Communities
- 30 Systematic Risk Management



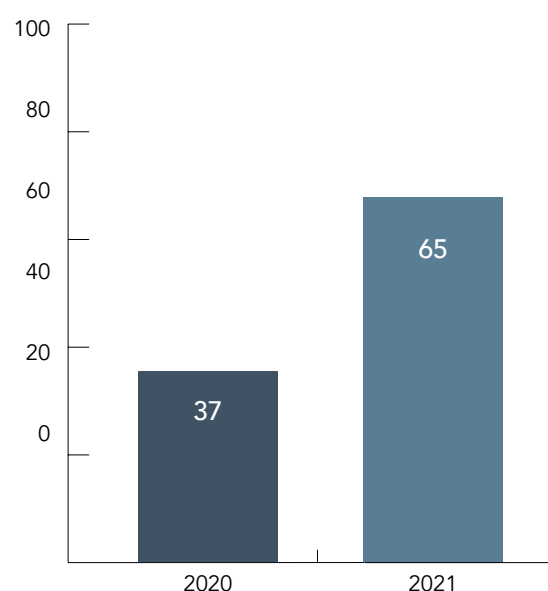
PERFORMANCE VERIFICATION

GRESB® is the leading ESG+R benchmark for real estate and infrastructure investments worldwide used to measure the ESG+R performance. Granite is the only industrial Canadian REIT that has participated in the GRESB Assessment since 2020. In 2021, Granite received high, industry-leading scores, each one exemplifying our advancement toward greater sustainability at our properties and the communities in which they reside and operate.

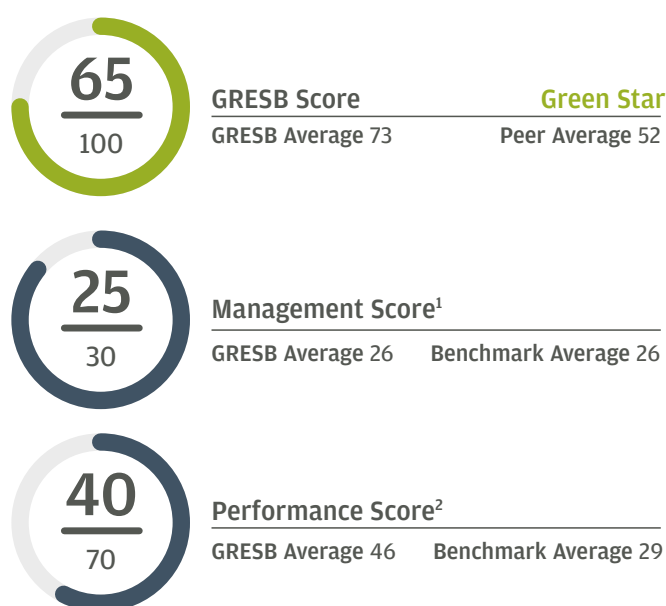


GRANITE GRESB SCORES

2020-2021



Peer group is the final score determined by the entity's geographic location and property type. GRESB Average – is the average of all entity submissions. Benchmark average is respective to the entity's geographic location and property type for the management of performance component



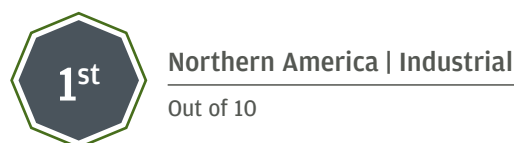
¹ GRESB Management Component measures the entity's policies, procedures risk management and stakeholder engagement toward ESG.

² GRESB measures the entity's property-level performance including energy, emissions, water, and waste data coverage and decreases, green building certifications ("GBCs"), and tenant and community engagement for operational assets against their peer groups.

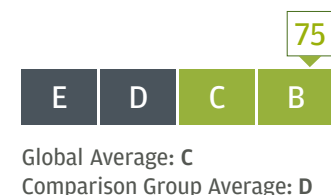
GRANITE PUBLIC DISCLOSURE AND PEER COMPARISON



Comparison Group



GRESB Public Disclosure Level



GREEN BUILDING CERTIFICATIONS

Green Building Certifications (“GBCs”) are third-party certifications used to measure sustainability progress at the property level. These third-party certifications measure our properties’ data and compare it to that of similar properties and established standards. GBCs help attract and retain tenants who value sustainability and comply with local regulations. We assess the feasibility of obtaining new GBCs during the design and planning phase of new development projects, and we review our existing properties regularly for certification or recertification opportunities. Granite has committed that for all developments in Granite’s control, it will seek to build to a green building certification standard in line with Granite’s Green Bond Framework.

GREEN BUILDING CERTIFICATIONS

AS OF DECEMBER 31, 2021

PROPERTY	CERTIFICATION	LEVEL
15 Commerce Parkway West Jefferson, Ohio	LEED® Building Design and Construction: New Construction and Major Renovation	Certified
100 Clyde Alexander Lane Pooler, Georgia	LEED Building Design and Construction: Core and Shell Development	Certified
101 Clyde Alexander Lane Pooler, Georgia	LEED Building Design and Construction: Core and Shell Development	Certified
1201 Allpoints Court Plainfield, Indiana	Green Globes® New Construction	2 Green Globes
2100 Center Square Rd. Logan Township, New Jersey	LEED Building Design and Construction: Core and Shell Development	Silver
3501 N. Lancaster Hutchins Road Lancaster, Texas	LEED Building Design and Construction: New Construction and Major Renovation	Silver
8735 South Crossroads Drive Olive Branch, Mississippi	LEED Building Design and Construction: Core and Shell Development	Certified
Aquamarijnweg 2 and 4 Bleiswijk, Netherlands	BREEAM® New Construction	Very Good
Francis Baconstraat 4 Ede, Netherlands	BREEAM New Construction	Very Good
Oude Graaf 15 Weert, Netherlands	BREEAM New Construction	Excellent
De Kroostraat 1 & De Poosthoornstraat 2 Tilburg, Netherlands	BREEAM New Construction	Excellent
8740 Crossroads Drive Olive Branch, Mississippi	LEED Building Design and Construction: Core and Shell Development	Certified
1243 Gregory Antioch, Illinois	LEED Building Design and Construction: Core and Shell Development	Silver

TILBURG (NETHERLANDS)

DE KROONSTRAAT 1 AND DE POOSTHOORNSTRAAT 2
TILBURG, NORTH BRABANT 5048

This industrial distribution warehouse is located in Tilburg, Netherlands. This development is appealing in more ways than one, chief among these being its architecture and emphasis on sustainability measures. Since opening in 2020, the property has realized consistent improvements according to the latest standards in logistics real estate and, in turn, achieved even higher levels of sustainability. In 2021, the property made these notable achievements:

- Received the BREEAM® New Construction certification at the “excellent” level
- Maintained 10 EV charging stations and on-site solar panels, generating a combined total of 3,976,719 kWh of electricity in 2021
- Solar energy generated on-site is equivalent to the energy required to charge 209,262,572 smartphones to 100%



Maintained **10 EV charging stations** and on-site solar panels, generating a combined total of 3,976,719 kWh of electricity in 2021



Solar energy generated on-site is equivalent to the energy required to charge **209,262,572 smartphones** to 100%

BREEAM®



ENVIRONMENTAL

ENERGY

Our asset managers, property managers and tenants are encouraged to develop, budget for, and implement energy-saving policies and practices on-site. Each year, internal reviews are conducted to track the energy measures that were implemented at the site over the prior year.

Granite assesses the energy performance at the building level to better understand strategies for increasing energy efficiency and lowering consumption and expenses. Granite uses ENERGY STAR® Portfolio Manager® to track both landlord-paid and tenant-paid energy usage and cost where available. Tracking energy data allows us to identify trends and buildings that may require further investigation, such as an energy audit or budget modifications, to account for energy-efficiency improvements.

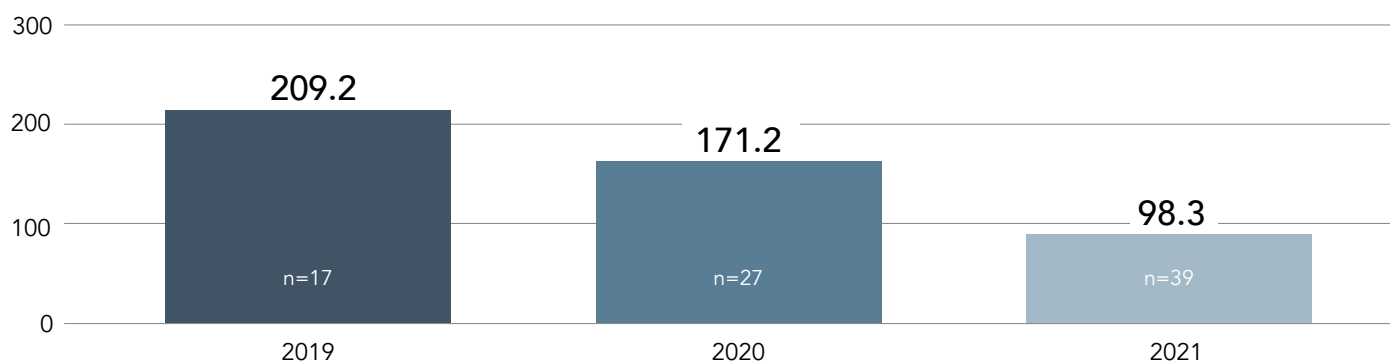
Given the significant portion of triple-net leases in Granite's portfolio, tracking the total whole-building (landlord and tenant) utility data across the portfolio continues to be a challenge, and we continue to explore innovative solutions to collaborate with tenants on tracking the data which will mutually benefit ESG+R goals of Granite and its tenants. Granite's tenants typically pay directly for their utilities. Landlord-paid utility data and tenant data are tracked wherever available. We make direct connections in ENERGY STAR when we are able to obtain the data directly from utility companies. Additionally, Granite collaborates with individuals to track utility information for benchmarking purposes and has had increased success. Additionally, tenant engagement in ESG+R is achieved through the incorporation of green lease language into standard leases.

We recognize that tenant activity accounts for most of a building's energy consumption, and we provide additional resources to help reduce energy consumption. Tenant participation is a key component in reducing our portfolio's energy use. Our property teams' proactive improvements and communication with tenants about energy efficiency are critical to our energy efficiency efforts and goals. We continue to collaborate and engage with our tenants by providing them with a Sustainability Resource Guide for Industrial Tenants, which includes several strategies and recommendations for energy efficiency measures.

The Energy Use Intensity ("EUI") of the whole-building properties in the portfolio in 2021 was 98.3 kBtu/SF, which is a 57.4% decrease from the EUI of the properties in the portfolio in 2020.

INDUSTRIAL WHOLE-BUILDING ENERGY INTENSITY OVER TIME

(kBtu/SF)



The property in Graz, Austria was included in 2019 and 2020 but not yet available for 2021.



46.9% REDUCTION IN INDUSTRIAL WHOLE-BUILDING ENERGY USAGE FROM 2019 TO 2021



10% OF PROPERTIES HAVE A BUILDING AUTOMATION SYSTEM (BY PROPERTY COUNT)



18% OF PROPERTIES HAVE COMPLETED LED LIGHTING RETROFITS

The EUI is calculated by summing the total, twelve-month source energy use (kBtu) across industrial properties where we are able to track whole-building (landlord and tenant) data and dividing by the gross SF coverage for only the properties where we are able to track data. The EUIs are calculated for properties with whole-building energy data. The EUI only includes properties with twelve months of data available in the benchmarked year.

RENEWABLE ENERGY

Granite's goal is to improve energy efficiency and building performance in order to reduce our energy consumption and greenhouse gas emissions. We strategically evaluate on-site renewable energy generation opportunities at the asset level to reduce our environmental impact even more.

Additionally, our decarbonization strategy includes the use of off-site renewable energy. We evaluate the purchase of Green Power and Renewable Energy Certificates to increase renewable energy utilization and reduce greenhouse gas emissions. These market-based instruments represent property rights to renewable electricity generated from low- or zero-emissions resources.

Granite has set a commitment to achieve five MW of peak solar capacity by 2025. In 2021, this milestone has already been exceeded and the current solar PV projects are anticipated to achieve 24 MW by 2025.

CASE STUDY - RENEWABLE ENERGY

FRANCIS BACONSTRAAT 4

EDE, NETHERLANDS 6718



This single-tenant, 125,636 SF property is situated on five acres in Ede, Netherlands, and functions as an industrial distribution center, currently home to ERIKS Plastics, a company specializing in the engineering and production of plastics. In recent years, the property has made steady progress in reducing its use of unclean energy and installing renewable energy alternatives. In 2021, the building's on-site solar panels produced 372,891 kWh of energy—equivalent to the amount of CO₂ produced by 25,959 gallons of diesel fuel. The property also received a BREEAM® New Construction certification with a "Very Good" rating.



372,891 kWh
Produced by Solar Panels

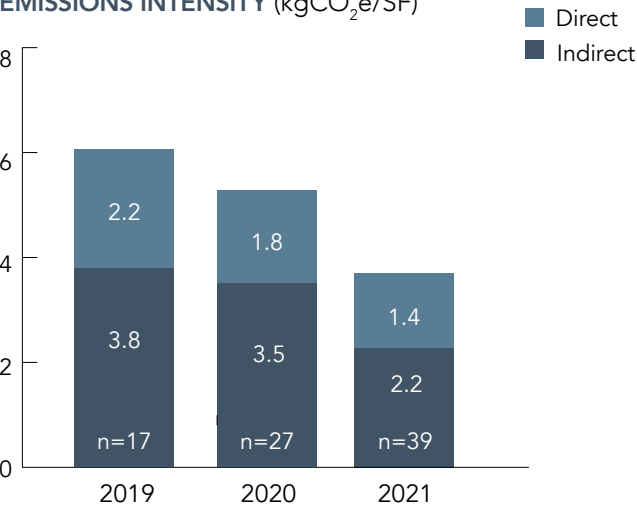
BREEAM®

GREENHOUSE GAS EMISSIONS

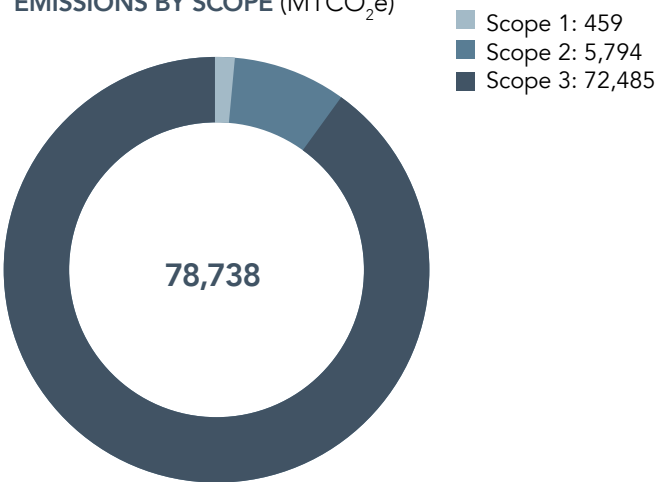
Granite prioritizes the collection of energy use data across its portfolio in order to help reduce GHG emissions in properties it controls directly or in partnership with its tenants for properties controlled by the tenant. ENERGY STAR® Portfolio Manager® is used to track the building-level energy consumption, and in turn, Portfolio Manager calculates the property's GHG emissions. Indirect emissions are those caused by the usage of electricity, while direct emissions are those caused by on-site fuel sources. The graph below demonstrates how Granite REIT properties have reduced the whole-building (landlord and tenant) GHG emissions intensities from 2019 to 2021.

We work directly with tenants to track utility data because the bulk of the buildings have 100% tenant-paid utilities (Scope 3 GHG emissions). Although tenants are not always required to provide us with this information, we have been able to expand our total coverage of energy data at our properties. As mentioned in the energy section, tracking the total whole-building (landlord and tenant) utility data across the portfolio continues to be a challenge, and we continue to explore innovative solutions to collaborate with tenants on tracking the data to mutually benefit ESG+R goals of Granite and its tenants.

INDUSTRIAL ANNUAL WHOLE-BUILDING GHG EMISSIONS INTENSITY (kgCO₂e/SF)



2021 GRANITE REIT PROPERTIES' EMISSIONS BY SCOPE (MTCO₂e)



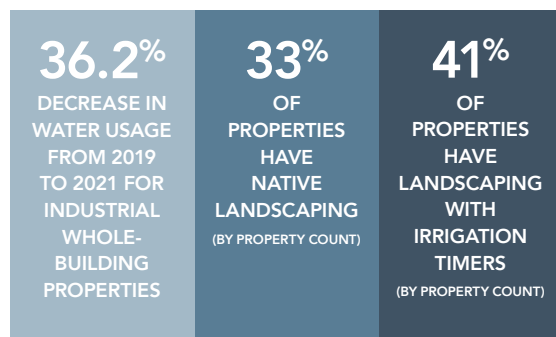
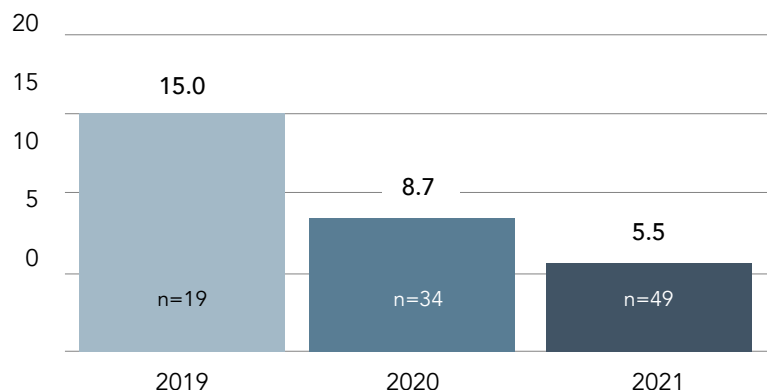
Direct emissions are derived from fuel sources burned on-site, such as natural gas. Indirect emissions are derived from energy generated off-site, such as electricity and district steam. Emissions data is calculated in ENERGY STAR Portfolio Manager. Emissions data includes changes in the composition of the portfolio and does not represent like-for-like data. Scope 1 emissions encompass direct greenhouse gas emissions with landlord-controlled energy that is directly burned on-site at the properties, such as natural gas. Scope 2 emissions are the indirect GHG emissions associated with landlord-controlled energy purchased from a utility at the properties, such as the emissions associated with the generation of electricity or district steam. Scope 3 emissions encompass all indirect emissions, such as emissions from tenants. Scope 3 emissions are only accounted for when tenant-controlled data is available. The property in Graz, Austria was included in 2019 and 2020 but not yet available for 2021.



WATER

Reducing water usage is among Granite REIT's top priorities with regards to sustainability. In pursuit of our long-term reduction goal—to decrease overall water usage by 25% by the beginning of 2030—Granite REIT has created several strategies to promote water conservation at its properties. Among the most important of these strategies is the ENERGY STAR® Portfolio Manager®, which allows properties to track and monitor landlord-paid water consumption. The resultant data enables us to identify and implement the most efficient water conservation measures according to each property's unique needs. In 2021, our tenants continued efforts to reduce water usage, as evidenced by the subsequent data.

INDUSTRIAL WHOLE-BUILDING WATER INTENSITY OVER TIME (GAL/SF)



The figures represent water use intensities for properties with whole-building water consumption data available to the landlord. The annual total water use intensity is calculated by summing the total, 12-month, whole-building water use in gallons across properties and dividing by the gross square footage coverage. Our calculations are absolute and do not represent like-for-like data. Therefore, changes in water consumption include yearly changes in the composition of the portfolio. The property in Graz, Austria was included in 2019 and 2020 but not yet available for 2021.

CASE STUDY - WATER

60 LOGISTICS

60 LOGISTICS BOULEVARD
RICHWOOD, KENTUCKY, USA 41094

Located in Richwood, Kentucky, this property currently serves as an industrial distribution warehouse for Kentucky and surrounding areas. In an effort to use water more responsibly, the outdoor irrigation system was turned off, and no municipal water was used for irrigation in 2021.

In addition to water conservation, the property has sought to increase biodiversity in the area, partnering with a local farm to sponsor 10 beehives each year with the intention of growing the honeybee population. Once the honey is harvested, each employee is given a jar.



10
Beehives

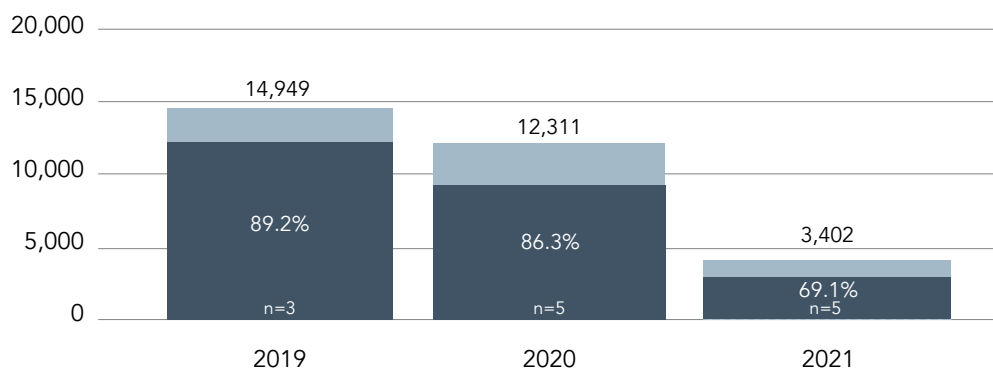


WASTE

There are many ways to reduce the waste generated at our properties—from recycling paper and plastics to composting. Granite REIT encourages waste diversion and offers support to tenants by providing tenant guides as well as third-party consultants who assist in identifying areas for improvement in waste reduction and diversion. Property managers are likewise given ESG+R Metrics Surveys, which evaluate the current waste-related programs to find opportunities for adding new waste diversion streams. Waste and recycling data is tracked in ENERGY STAR® Portfolio Manager® and Granite is seeking to improve waste diversion initiatives across all of its properties.

Presented below is waste data for the Granite REIT properties where we have access to the data.

ANNUAL INDUSTRIAL WHOLE-BUILDING WASTE (Tons) AND DIVERSION RATE



Diversion Rate is calculated by waste generated on-site and recycled at the property level. The property in Graz, Austria was included in 2019 and 2020 but not yet available for 2021.

2,350
TONS DIVERTED FROM
LANDFILLS IN 2021

69.1%
DIVERSION
RATE IN 2021

41%
OF PROPERTIES HAVE
CONSUMABLE
RECYCLING
(BY PROPERTY COUNT)

CASE STUDY - WASTE

8741 JACQUEMIN

8741 JACQUEMIN DRIVE
WEST CHESTER, OH 45069-4860

Built in 2001, 8741 Jacquemin is a single-tenant distribution warehouse. The building is 601,065 SF and has two streams of waste, including recycling for corrugated containers and disposed trash. This allows the tenant to divert most of their waste.



82.56%
Total Diversion Rate



ALTERNATIVE TRANSPORTATION

According to the Environmental Protection Agency (“EPA”), almost a third of GHG emissions in the U.S. comes from transportation. Granite is committed to helping mitigate this impact by promoting alternative modes of transportation among our employees and the tenants at our properties, such as walking, biking, carpooling, and public transportation. Once a year, we assess our portfolio for opportunities to install EV charging stations and encourage property teams to install them where feasible, especially in those communities where incentives exist. In today’s increasingly environmentally conscious society, EV charging stations boost property appeal and increase tenant and visitor satisfaction.



44 EV charging stations
across all Granite REIT
properties

CASE STUDY - ALTERNATIVE TRANSPORTATION

AQUAMARIJNWEG 2

AQUAMARIJNWEG 2
BLEISWIJK, NETHERLANDS 2665



Sitting on 13 acres of land in Bleiswijk’s Prisma Business Park, this E-commerce distribution center resides next to the A12 motorway in the Randstad conurbation—a prime location providing access to approximately 8 million consumers within an hour radius. The single-tenant building comprises 238,598 SF and has taken several measures to augment its sustainability endeavors, many of which are centered on developing and advocating for alternative transportation. Here are some of the measures taken in 2021:



Installed **8 EV**
charging stations.



Encouraged
employees to use bus
transportation, with the
closest bus stop being
just 500 meters away



Promoted employee
commuting via active
transportation, as there
are paved bike lanes and
sidewalks in the area and
nearby neighborhoods

BREEAM®

Received the BREEAM® New Construction certification
with a “Very Good” rating—a GBC sought after by many
competitors in the industry

SUSTAINABLE MATERIALS AND ASSURANCE STATEMENT

In the interest of our planet, tenants, employees, and the communities in which we live and operate, we attempt to source sustainable materials when possible. When purchasing supplies, we consider not just cost and quantity but also how and where they were manufactured and the methods of disposal available for them. In partnership with the tenants and property managers, who make purchases independently, we encourage our property teams and tenants to purchase materials used at our properties that meet the following criteria:

- Made from recycled material or renewable materials
- Biodegradable or recyclable
- Have recyclable or reusable packaging that is composed of few materials
- Energy efficient
- Backed by trustworthy, environmentally conscientious labeling programs such as Fair Trade®, the Forest Stewardship Council ("FSC®"), ENERGY STAR®, and more

Granite REIT sees the utilization of sustainable materials as a fundamental aspect of upholding the highest sustainability standards and ultimately of reaching our ESG+R goals. More than identifying the best materials, we also seek to work with like-minded vendors, who make sustainability an integral part of their business model and goods, whenever possible, and we encourage our tenants to do the same.



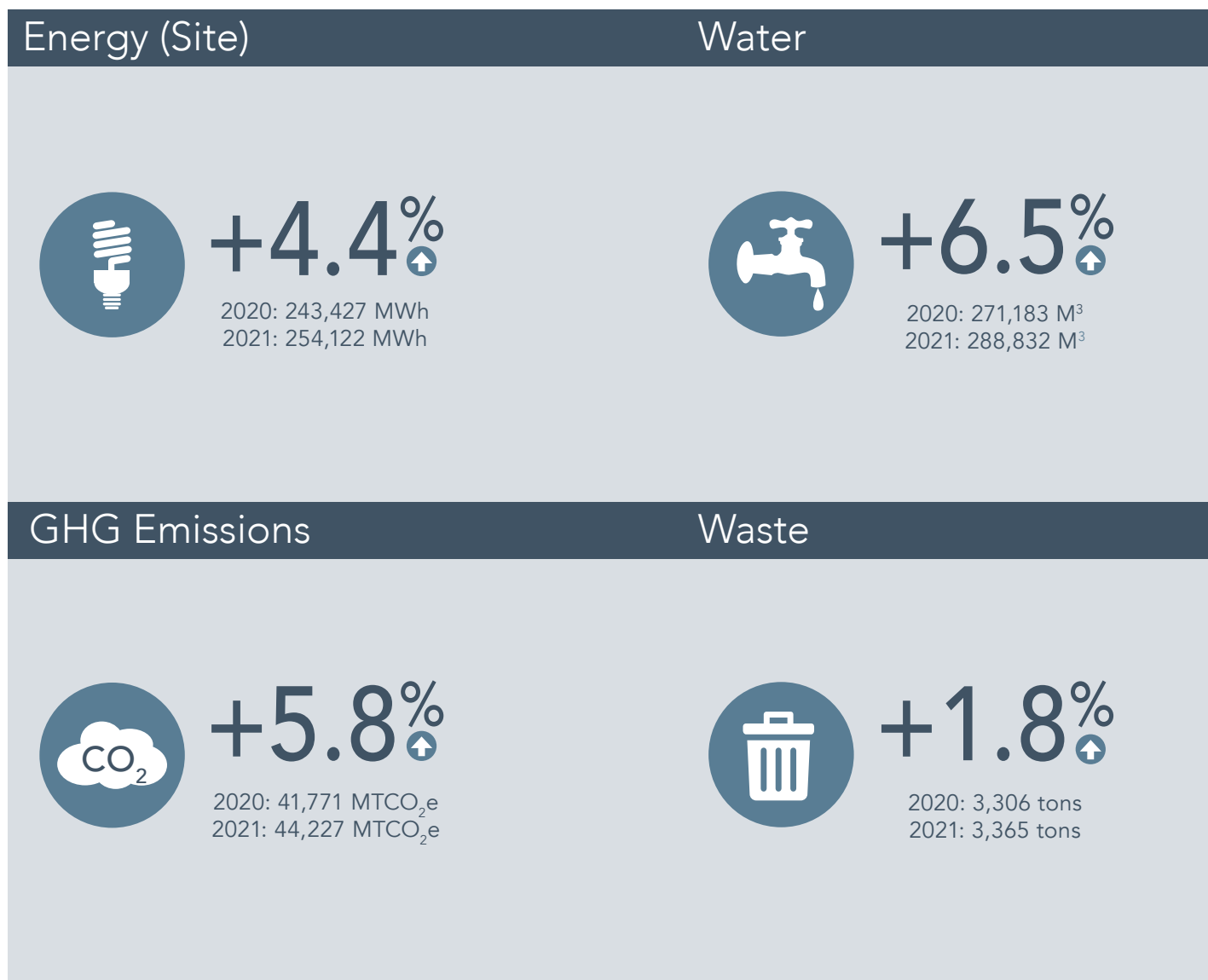
ASSURANCE STATEMENT

In 2022, Granite REIT's 2021 annual energy, GHG emissions, water, and waste data was independently verified by Lucideon CICS, a private limited company and world leader in verification and certification services. The full accreditation report and assurance statement are aligned with International Organization for Standardization ("ISO") 14064-3 standard.



LIKE-FOR-LIKE CHANGE

Below is a representative snapshot of Granite's real estate investment's performance. We have compiled data across all property types, where the landlord has access to such data, and prepared a same-store comparison between 2020 and 2021. Granite tracked whole building data for 57 properties for either energy, water, emissions or waste. As noted below, 2020 was an anomalous year for comparison due to COVID-19 restrictions contributing to lower than normal operations at Granite's properties.



Due to the property types being primarily industrial distribution, warehousing and manufacturing, there was a large increase in output/production from 2020 to 2021 because of supply chain demand, causing all utility consumption to increase in 2021.

Relative to 2020, there was an increase in activity and occupancy in buildings as COVID-19 restrictions lifted in 2021.



SOCIAL

EMPLOYEES AND DIVERSITY

We strive to cultivate healthy environments for our tenants, employees, and the communities in which they reside, believing that social cohesion and the inter-relational culture of our organization is part of our corporate responsibilities.

EMPLOYEE ENGAGEMENT

We believe that our work is only as valuable as the value we place on each and every Granite REIT employee, which is why we have carefully crafted employee engagement opportunities to both retain and recruit tenacious and skilled staff.

One such effort is our compensation plan. At Granite REIT, we provide every employee with annual compensation that includes yearly bonuses and an opportunity to participate in Granite's equity through an optional restricted stapled unit plan as well as a long-term incentive plan for specific senior employees. As part of our employee evaluation process we schedule time each year to meet with employees and help develop specific personal and professional goals according to their respective roles. Performance reviews are conducted annually, measuring the employee's progress against such goals.

In the spring of 2021, we launched the Granite REIT employee engagement survey, which will now be conducted regularly by our management team. Additionally, Granite REIT sponsors numerous social and philanthropic events throughout the year, to which our employees are invited, and we offer ongoing professional development opportunities for skill-training and enhancement, leadership education, and more. To give all our employees a voice, we also regularly host organization-wide "town halls" led by the senior management team.

OUR CULTURE

Our culture embodies an entrepreneurial spirit, promotes collaboration, and leans strongly on our code of conduct and ethics. We are an inclusive employer with a diverse workforce and, therefore, have a variety of unique perspectives that enhance our efficacy and culture. We regard teamwork as one of the most significant factors in our success and encourage clear, open communication regardless of employee role or rank.



OUR WORK ENVIRONMENT

Granite REIT's corporate office is located in Toronto, Canada, along with satellite offices in Europe and the U.S. Our staff consists of approximately 58 office workers, most of whom returned to the office on a partial week basis in October 2021. Granite introduced a hybrid work model allowing staff to work from home two days per week, as we consider flexibility to be a benefit to our employees and, in turn, an advantage to Granite.

SAMARITERBUND

#TeamChristkind



Granite REIT welcomes and promotes diversity in all its forms. We consider diversity an advantage as we aim to meet objectives and stakeholder expectations. In 2021, as part of our employee engagement survey, each employee was given the opportunity to self-identify their gender and race in a corporate effort to acknowledge, respect, and better understand their unique perspective and preferences. Granite recently surveyed its employees in early 2022 to once again self-identify their gender and race for reporting purposes.

To ensure diversity, fairness, and cooperation in the workplace, Granite REIT has instituted an array of policies, including a Diversity Policy, Policy Against Discrimination, Accessibility Policy, and Policy Against Workplace Violence and Harassment. We require all employees to familiarize themselves with these policies by reading the Granite REIT Employee Handbook, which describes them in detail.

Cultural Diversity - Black, Indigenous, and People of Colour ("BIPOC") Representation	Board: 30%
	Employees: 29%
Female Representation	Board: 40%
	Senior Management: 22%
	Total Employees: 50%
	Executive Management: 20%

PROFESSIONAL DEVELOPMENT

We want the growth and long-term success of Granite to be directly related to the professional growth of our employees. For this reason, we financially support professional development seminars and educational courses elected by our employees, where relevant to their roles or professional goals and objectives. Attendance at industry workshops, events, and conferences is also promoted, with all costs covered. Moreover, Granite REIT provides any required training for personnel to visit property sites as well as reimbursement for annual professional dues (e.g., Certified Public Accountant, Certified Financial Analyst, Professional Engineer fees, etc.).

EMPLOYEE PERFORMANCE REVIEW

Each employee receives a written and verbal performance review annually. In addition, each year, an employee establishes personal objectives for the calendar year, which are approved by their manager. At the end of the year, the employee's performance is measured against those stated objectives. The employee's performance is assessed and documented in a performance review template, which is agreed upon by both the employee and manager.

The employee's overall performance rating impacts the employee's short-term incentive (bonus) for the portion of the bonus weighted on personal performance. Each bonus has a weighting based on personal performance as well as a weighting for corporate performance.



HEALTH AND WELLNESS

None of what we do would be possible without the commitment and hard work of our employees. This is why we take special care to emphasize employee health and well-being in all respects, incorporating standard benefits, fitness allowance, employee and family support, as well as opportunities for work-life balance. Included in our health and well-being program are the following incentives and policies.

HEALTHCARE FEATURES AND BENEFITS

- Yearly sick days allowance that is equal to or better than local legislative requirements
- Employee and Family Assistance Program for additional family, personal counseling, and mental health support
- Employee health and dental insurance
- Life and disability insurance
- List of wellness centers, clinics, and hospitals available to employees (U.S.)
- Parental leave
- Pregnancy and Paternity leave
- Bereavement leave

WELLNESS FEATURES AND BENEFITS

- Fitness allowance of local currency 500 per employee, per year
- Hybrid Work Policy that provides employees the option to work from home two days a week on a regular basis
- Work From Home/flexible working hours policy
- Standing desks provided if preferred
- Inter-office fitness challenges
- Smoke-free policy
- Filtered water available
- Global social committee organizing local/global charity and social events



THIRD-PARTY PARTNERS

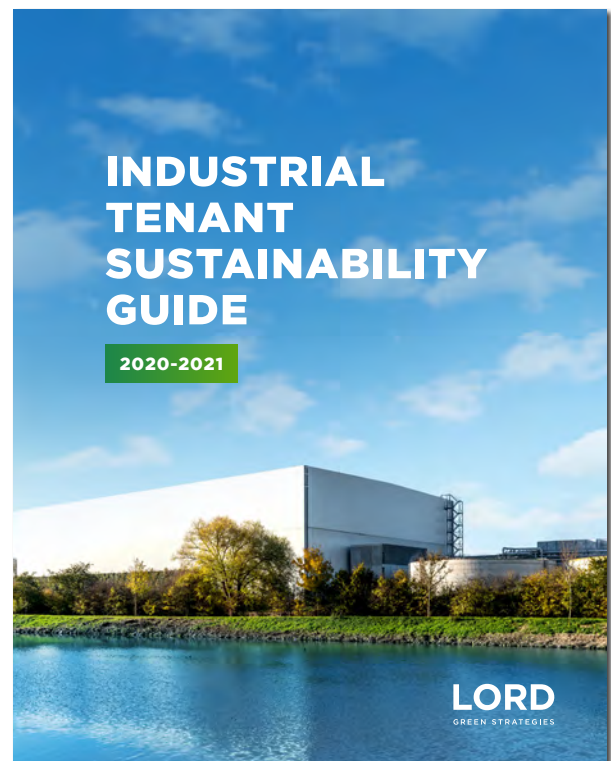
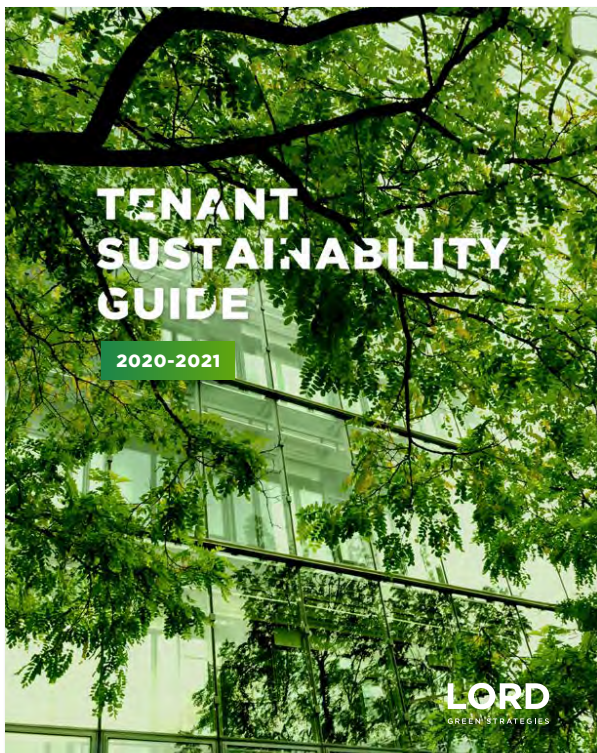
Collaboration with our third-party property managers and tenants expedites progress toward meeting our ESG+R goals. To encourage participation on both sides, we have established the following procedures:

- Procedures for Monitoring Tenants' Environmental Performance During Lease Tenure and on Lease Termination
- Environmental Due Diligence Procedures for Property Acquisitions
- Environmental Due Diligence Procedures for Property Dispositions
- Spills/Discharges Management and Response Procedure
- External Environmental Complaints Management and Response Procedure

These procedures contemplate the due diligence of Granite REIT employees in supervising the implementation of environmental policies and the communication of environmental risk assessments to an environmental committee, a transaction team, executive management, and/or the board members of Granite REIT as suitable under the circumstances.

TENANTS

Tenants at our properties receive diverse resources, such as the "Industrial Tenant Sustainability Guide" and the "Tenant Sustainability Guide," to educate them about sustainability initiatives. These guides serve as sustainability handbooks for tenants, providing tips on how to potentially reduce expenses while supporting property-level sustainability efforts. Depending on the property, guides and other communications are conveniently shared through tenant portals, e-newsletters, and building posts.



COMMUNITIES

"Granite Gives" is Granite REIT's community engagement program, meant to ensure that Granite serves as a valuable entity not only for our investors but also in the broader community—one that contributes to the greater good. In 2021, our employees donated their time and financial resources to support over 50 charities, working over 300 collective volunteer hours, and donated nearly 400 items needed for local schools and children in need. Fostering a culture of volunteerism is important to Granite, and we have implemented programs for employees to participate in numerous events in each of the countries Granite operates.



WELLNESS CHALLENGE

Every year, employees and their respective teams are invited to participate in a wellness challenge. Granite REIT awards the highest-performing teams with the most charitable income, all of which is then donated to the non-profit organization of the team's choosing.

CORPORATE MATCHING DONATIONS

To encourage our employees to give back, we offer a corporate matching donation of up to a maximum of local currency 125.00 (per employee per year) to qualifying non-profit organizations.

SUPPORTING LOCAL ORGANIZATIONS

For many years, we have been intentional about giving back to non-profit organizations in places where we have existing buildings or properties under development. This ensures that the communities in which we operate are being deeply benefitted by not only our business but also our presence in general. In 2021 we budgeted 500 CDN for each qualifying property within our portfolio, giving the Granite office in charge of said property the autonomy to select the local charitable organization who receives Granite's support.

OFFICE-LEVEL CHARITABLE GIVING

Once the charitable initiatives mentioned previously are funded, the remainder of Granite REIT's charitable budget is allocated equally amongst its offices and each office chooses their own charitable beneficiaries. Group volunteer opportunities that require charitable giving are funded by the participating office's individual budget.

COMMUNITY ENGAGEMENT THEMES:

Our community engagement program focuses on three themes that we believe are key to building a corporate culture of altruism and generosity.



- **HEALTH AND WELL-BEING:** Granite's employee wellness challenge is intended to provide extra motivation for Granite employees to stay active through friendly competition. The inaugural iteration of this challenge featured Granite's employees competing as teams to walk or run the greatest distance in May of 2021. Collectively, we walked over 10 million steps during the challenge period for a total distance of approximately 7,900 km.



- **INTER-OFFICE TEAMS:** Granite's employee wellness challenge is also intended to encourage team-building within the company, as participants are assigned to randomly-created teams that are intentionally blended with representation from multiple offices. All ten of the teams in the inaugural wellness challenge featured employees from at least two different offices, and six of the ten teams included employees from three different Granite offices.



- **BIODIVERSITY:** One of the sustainability initiatives of Granite's ESG+R program is the installation of beehives at properties where there is a suitable place for them. The primary intent of this initiative is to promote biodiversity in the vicinity of our properties. However, we also provide workshops for our tenants to learn about bees in general and the important role they play in our ecosystem and/or to participate in the collection of honey from the hive. This initiative began in 2020 with the installation of a single hive on a property in Concord, Ontario. We added another hive in 2021. We will consider adding hive locations as suitable properties are identified and as tenants consent to the initiative.

\$100,000

Total charitable contributions
in CAD in 2021

390

Total number of items (food, school
supplies, toys, etc.) donated in 2021

20

Total number of
events in 2021

300+

Total number of hours
volunteered in 2021

Our employees participated in an array of group volunteer activities throughout 2021, including volunteering at food banks and a homeless shelter, tree planting, group blood donations, assembling hygiene kits and snack bags for community partners, buying and delivering gifts for underprivileged families, and running in the Royal Bank of Canada ("RBC") Race for the Kids.



CHARITABLE PARTNERSHIPS AND COMMITMENTS

Granite REIT invested in the good work of the following charities through donations in 2021:

Afghan Women's Organization Refugee & Immigrant Services	Hanover Fire Dept	Red Nose Clown Doctors
Aktiver Tierschutz Austria – Arche Noah	Haus für das Leben – Straubing	Rotes Kreuz GrazStadt
Angel Tree	Helping Harvest Food Bank, Berks & Schuylkill County	SalzgitterTafel e.V.
Atlanta Community Food Bank	Hold'em for Life – Charity Challenge for Cancer Research	Second Harvest
Atlanta Day Shelter	Hope Supply Co	Food Rescue
Back @ you	Indy Humane Society	Solve
Canadian Blood Services	Jean Augustine Centre for Young	South Jersey Rescue
Canadian Mental Health Association, Toronto Branch	KWF Kankerbestrijding	Sponsorship of families in need at Christmas through the St. Vincent De Paul organization
Centre for Addiction and Mental Health	KY Humane Society	St Jude Children's Research HospitalSt. Michael's Hospital Foundation
Children's Health	Kinderhospiz	Tierheim Heilbad Heiligenstadt
Community Partners	Nationwide Foundation	Verein für Krebskranke Onkologie Graz Med UniKlinik Graz
DFW Rescue Me	Nature Conservancy of Canada	VinziDorf Vinzenzgemeinschaft Eggenberg
Doctors Without Borders Canada	Naturschutzbund Steiermark	Voedselbanken Nederland
Dream Center Thanksgiving Meals Foundation (CAMH Foundation)	Novi Educational Fund	Welcome House Northern KY
Freiwillige Feuerwehr – Altbach Förderverein Wohnverbund	Obertshausen – ein Wohnverbund für Menschen mit Behinderungen e.V.	Women's Empowerment
Generation Chosen	Over the Rainbow	World Vision
Gift of Love Food Bank	RBC Race for the Kids	Wreaths Across America
Gleaners Food Bank	Reach Out Lakota	

800 AND 1000 TESMA WAY

CONCORD, ONTARIO, CANADA

The properties at 800 and 1000 Tesma Way consist of a 190,000 SF industrial building and a 48,951 SF office building that are located adjacent to the forested Sherwood Park. Granite installed one on-site beehive in a secluded green space adjacent to the park in 2020, and added a second hive to the same location in 2021. The natural setting not only provides the bees with everything they need to have a successful colony, but it has also become a source of promoting sustainability through education. Throughout the year, the tenants and employees:

- Are informed whenever the beekeeper has a planned visit to the site and are invited to observe the inspections if interested.
- Are urged to participate in beekeeper-led interactive workshops at the hive or in their office. These workshops are designed to promote a better understanding of the critical role played by bees in the environment. A third-party beekeeper called Alvéole maintains the hives, and their services are entirely paid for by Granite REIT.
- Receive a share of the honey produced by the hives in custom-labeled honey jars.





GOVERNANCE

CORPORATE GOVERNANCE

As Granite is a global REIT, we are subject to many legislative and regulatory corporate governance requirements and guidelines with for example, 20 properties across Canada and the United States that were required to comply with local benchmarking ordinances in 2021.

Regional governments are continuing to implement mandatory energy, water, and waste benchmarking ordinances and/or emission reduction targets. Granite is committed to compliance and continues to monitor any pending and newly established legislation. Generally, ordinances require buildings that meet certain qualifications to report whole-building (landlord and tenant) energy and water use through the EPA's ENERGY STAR® Portfolio Manager® tool. Some ordinances require under-performing assets to be commissioned to meet minimum standards, or they will face regular audits. Many jurisdictions require buildings to post their performance "score" in the building in a public place. For buildings located in benchmarking and audit ordinance jurisdictions, Granite requires property management to gather data and make it available to the city or state annually, as required. If property managers are unable to gather whole-building data independently, they may request this data from utility providers. All data, exemptions, and requirements are tracked for compliance.

<https://granitereit.com/about-granite/governance/>

TRANSPARENCY

We believe that transparency and accountability foster trust and allow for the highest standard of corporate governance, which is why Granite REIT is committed to maintaining relationships with investors that are bound by these principles. To this end, we provide investors with comprehensive, accurate information about our properties and services at all times, always acting in accordance with company policies, the advisement and rulings of our board, and the governments under which our offices and properties reside. Company policies and ethical practices are outlined in the subsequent documents: Code of Conduct and Ethics, Anti-Bribery Policy, Disclosure Policy, Diversity Policy, Environmental Policy, Hiring Policy to Protect Auditor Independence, Insider Trading and Blackout Policy, Internal Reporting Procedures and Majority Voting Policy.

Granite REIT's understanding and adherence to responsible investment practices is exemplified by our formal disclosure of business and financial operations, such as this ESG+R Report. In 2021, Granite participated in the GRESB® Assessment for the second year in a row. Through this assessment, our properties were collectively evaluated for their ESG+R performance and were given an impressive performance score of 65 out of 100 against a benchmark average of 52.

For additional policy details, please visit:

<https://granitereit.com/about-granite/governance/policies-and-procedures/>

CODE OF CONDUCT AND ETHICS

All Granite REIT employees are given a copy of our Code of Conduct and Ethics Policy upon hiring. This policy can be accessed at granitereit.com/about-granite/governance/ and discusses, in detail, the themes listed below.

- Employment Practices
- Protection of Personal Information
- Respect for Human Rights
- Compliance with Law
- Conducting Business with Integrity, Fairness, and Respect
- Compliance with Anti-Bribery Laws
- Fair Dealing
- Financial Reporting
- Securities Trading
- Public Disclosure of Material Information
- Compliance with Antitrust and Competition Laws
- Environment and Occupational Health and Safety
- Avoidance of Conflicts of Interest
- Use of Confidential Information
- Political Activity
- Information Technology Systems and Security
- Corporate Policies

ANTI-BRIBERY AND ANTI-CORRUPTION

Behaving in a manner which coincides with our corporate values and principles is an expectation we uphold for all Granite REIT employees and its trustees and directors. At its core, the expectation is to be ethical, and it is core to both our Code of Conduct and Ethics as well as our Anti-Bribery policy.

Granite REIT's real estate and construction-related services are delivered based on quality, price, service, and nothing more. We do not offer bribes or any other improper incentive to those with whom we negotiate or interact in any form. Specifically, our Anti-Bribery policy prohibits bribery and improper incentives in our dealings with customers, suppliers, lenders, investors, regulators, or government officials, and all other individuals, businesses, and organizations. This includes funds, travel, gifts, kickbacks, split or shared commissions, any form of hidden compensation, or any items of value. All employees, trustees and directors adhere to these laws and policies by familiarizing themselves on an annual basis and as a condition of their employment.

DATA PRIVACY AND CYBERSECURITY

Cybersecurity threats are some of the most serious risks currently being faced by all entities, including Granite. For this reason, Granite REIT utilizes electronic, physical, and procedural protections to secure the data of our assets, tenants and employees, at all times. In addition, Granite enforces strict compliance to confidentiality by requiring all employees to agree to our data and privacy terms and conditions which comply with federal securities laws. Granite engages third parties to provide managed detection and response services against cybersecurity activity and information technology infrastructure support where necessary.





RESILIENCE

RESILIENCE AND CLIMATE CHANGE

RISK

Carbon dioxide and GHG emissions continue to rise, imposing significant risks to the future risk of the global economy. The vast evolving climate changes realign the stakeholder's investments to portfolios that are managing associated risks while keeping the interests of the clients. Granite REIT is committed to protecting the company's risks to ensure confidence with its stakeholders for performance and ESG+R matters. Failure to manage ESG+R would have a negative impact to Granite's reputation and long-term economic viability and to the communities and the environment that we operate.

Granite's Sustainability Plan and Green Bond Framework provide the company's commitments to sustainability issues of social, governance and environmental aspects. The investment teams evaluate each aspect to minimize the risks during the due diligence period to ensure protection of the operations and strategies of the company and interests of its stakeholders. Granite utilizes the insights from its investment decisions to ensure a positive return and while contributing to minimize the impact of climate-related risks.



TCFD DISCLOSURES

Granite REIT's Resilience Program forms part of the ESG+R Committee that was formed in 2019 to provide a coordinated approach on ESG+R matters such as the management of climate-related risks and opportunities. The program was developed in response to climate change risk, and is reviewed and updated no less than annually as global markets continue to evolve and respond to climate-related risks and opportunities



Our Resilience Program is aligned with the Task Force on Climate-Related Financial Disclosures ("TCFD") framework and provides a process to identify physical and transition risks at the asset level and portfolio level for real assets.

GOVERNANCE

Describe the board's oversight of climate-related risks and opportunities.

Granite REIT is engaged in the acquisition, development and management of an investment property portfolio that has respect for the environment and the efficient use of resources.

The Compensation, Governance and Nominating Committee ("CGNC") of the Board provides oversight over Granite's ESG+R program. In addition, the Audit Committee is engaged in ESG+R matters as it pertains to overall risk management oversight. Management provides updates on ESG+R matters and progress against objectives or targets of the wider Board of Directors/Trustees.

Granite's global ESG+R Committee was formed in 2019 to provide a coordinated approach on ESG+R matters such as the management of climate-related risks and opportunities. The global ESG+R Committee meets on a quarterly basis to discuss climate-related issues related to Granite's portfolio. Regular updates during the quarterly meetings on progress and metrics are provided against goals and targets for climate-related issues.

Describe management's role in assessing and managing climate-related risks and opportunities.

Granite's ESG+R Committee meets quarterly to plan, create, discuss, and monitor the implementation, measurement, and reporting of ESG+R objectives and matters. Committee members help tackle climate change-related risks through bi-annual evaluations and discussions. The Committee oversees the processes established to identify, assess, measure, and monitor climate-related risks that could have material impacts at both the property and portfolio levels.

STRATEGY

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-terms.

Granite REIT defines the short-term time horizon to encompass the next one to three years, the medium-term to cover the next three to seven years, and the long-term horizon to span the next eight years and beyond.

Priorities include increasing efficiency through LED lighting upgrades and engaging tenants in the implementation of energy conservation measures. By monitoring property-level performance and re-evaluating our operational responses as the landscape continues to evolve, the ESG+R Committee makes educated decisions to protect the climate-related financial risks.

Risks are categorized into physical risk and transition risk. Physical risks assessed include perils such as flooding, wildfire, hurricane/typhoons, sea level rise, heat stress and water stress. Transition risks include building efficiency standards and requirements, carbon fines, and higher energy costs. These climate-related risks and opportunities are anticipated to be relevant across the short, medium, and long terms.

Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.

Extreme weather events and chronic hazards such as natural disasters, drought, and heat stress pose financial risks of increased insurance and utility costs, reduced occupancy, equipment repair and replacement, and supply chain and labor constraints.

We utilize a climate risk software tool to project climate-related physical risks on existing assets, as well as during our due diligence process for new acquisitions. The tool informs our investment teams of the impacts of climate-related risks on our properties.

Financial impacts related to transition risks, such as carbon fees, the cost of renewable energy certificates, energy supply, and the increasing benchmark, audit, and performance target ordinances have the potential to increase costs on our investment property portfolio. Monitoring market shifts, changes in regulations, and future-proofing our assets as the world transitions to a low-carbon economy through renewable energy and emerging climate technology will be pertinent to our business strategy and financial planning.

TCFD DISCLOSURES (CONTINUED)



STRATEGY CONTINUED

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2-degree Celsius or lower scenario.

Granite uses Moody's ESG Solutions' Climate on Demand tool, which assesses the exposure of assets to chronic and acute hazards based on the Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway ("RCP") 8.5.

RISK MANAGEMENT

Describe the organization's processes for identifying and assessing climate-related risks.

Granite utilizes Moody's ESG Solutions' Climate on Demand to assess the potential risk associated with each asset. Granite assesses the risk factors from earthquakes, floods, heat stress, hurricanes and typhoons, sea-level rise, water stress, and wildfires on its properties through a location-based score, rather than physical aspects of the property.

The ESG+R Committee monitors the transition risks and opportunities to achieve a low-carbon economy. Transition risks are carbon fees, the costs of renewable energy certificates, and the increasing benchmarks, audit, and performance target ordinances, as they have the potential to place increased costs on real asset portfolios. Monitoring market shifts and changes in regulations as well as future-proofing our assets as the world transitions to a low-carbon economy through renewable energy and emerging climate technology will be pertinent to our business strategy and financial planning.

Describe the organization's processes for managing climate-related risks.

At least annually, Granite evaluates the properties through Moody's ESG Solutions' Climate on Demand tool to identify assets subject to high and/ or extremely high-risk physical perils. The ESG+R Committee is responsible to ensure mitigation strategies stay aligned with threshold commitments. Risk thresholds are in the process of being established at the portfolio level to establish a calculated physical risk peril. The ESG+R Committee is in the process of establishing a risk threshold based off the gross asset value of the portfolio. The determined thresholds for each physical risk peril are not to be exceeded at the high and/or extremely high perils. It is the investment team's responsibility to take appropriate measures through portfolio diversification to reduce climate risks.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Moody's Demand tool, used to identify physical risks and opportunities, allows Granite to identify possible physical risks in the due diligence process when acquiring new investments. The ESG+R acquisition assessments consider climate-related risks based on location, including evaluating areas with established resilience strategies for the surrounding community. Assessing climate-related risks during the acquisition process enables the investment teams to make informed decisions to manage climate risks. Updates to our Resilience Program processes are discussed and evaluated no less than annually to consistently improve the management of climate-related risks.

TCFD DISCLOSURES (CONTINUED)



METRICS AND TARGETS

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

GREEN BUILDING CERTIFICATIONS:

10.8% of Total Portfolio New Construction Green Building Certifications as of December 31, 2021

ANNUAL RENEWABLE ENERGY:

4,349.6 MWh of On-site Renewable Energy provided in 2021

BENCHMARK, AUDIT AND PERFORMANCE/ ORDINANCE:

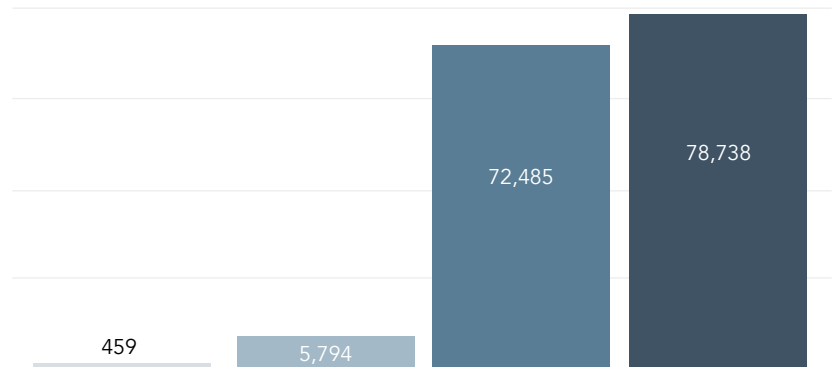
20 assets in Canada

3 assets in the United States

Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.

2021 EMISSIONS

by MTCO₂e



Granite REIT's absolute scope 1, 2, and 3 greenhouse gas emissions are based on properties managed under equity real estate investments and do not include assets that were acquired or disposed of in each of the years. Based on property type, emissions are classified into Scope 1, 2, and 3. For properties managed directly by the landlord operationally, such as offices, indirect emissions are considered Scope 2 and direct emissions are considered scope 1. For properties where the landlord does not have operational control, such as manufacturing and industrial, direct and indirect emissions are considered Scope 3.

Scope 1 emissions encompass direct greenhouse gas emissions with landlord-controlled energy that is directly burned on-site at the properties, such as natural gas. Scope 2 emissions are the indirect greenhouse gas emissions associated with landlord-controlled energy purchased from a utility at the properties, such as the emissions associated with the generation of electricity or district steam. Scope 3 emissions encompass operational emissions from tenant-controlled energy consumption. Scope 3 emissions are only accounted for when tenant-controlled data is available. The emissions currently only include operational emissions from the Granite properties.

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

The energy and emission targets intend to achieve a 25% on an intensity basis, per square foot, reduction by the beginning of 2030 (2.5% annual reduction).

SASB DISCLOSURES

The Sustainability Accounting Standards Board ("SASB") Foundation was formed to establish industry-specific standards for disclosing material information to investors. The SASB Standard Codes identify topics that are most relevant to an organization's financial impact on ESG+R performance to give insight to the stakeholders and investors.

This is the first year that Granite REIT will disclose ESG+R data using the SASB Real Estate Standard. The following SASB disclosures represent Granite's portfolio ESG+R performance for only the operational properties in 2021 as of December 31, 2021.

GRANITE METRICS

SASB CODE	ACCOUNTING METRIC	UNIT OF MEASURE	GRANITE REIT RESPONSE
IF-RE-000.A	Number of Assets, by property subsector	Number	Industrial: 119 Technology/Science Other: 2 Office: 1 Total Assets: 122
IF-RE-000.B	Leasable floor area, by property subsector	Square feet ("SF")	Industrial: 55,936,414 Technology/Science Other: 378,304 Office: 48,951 Gross Floor Total: 56,363,669
IF-RE-000.C	Percentage of indirectly managed Assets, by property subsector	Percentage (%) by floor area ("LFA")	Industrial: 100% Indirectly Managed Technology/Science Other: 18% Indirectly Managed Office: 100% Indirectly Managed
IF-RE-000.D	Average occupancy rate, by property sector	Percentage (%)	Industrial: 99% Technology/Science Other: 85% Office: 100%

ENERGY MANAGEMENT

SASB CODE	ACCOUNTING METRIC	UNIT OF MEASURE	GRANITE REIT RESPONSE
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area ("LFA")	Industrial: 35.71% Technology/Science Other: 100% Office: 0%
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage, by property data type	Gigajoules	Industrial: 1,182,425 Technology/Science Other: 51,407 Office: 4.6
	Percentage grid electricity, by property type	Percentage (%)	Industrial: 49% Technology/Science Other: 76% Office: 0%
	Percentage renewable, by property type	Percentage (%)	Industrial: 1.7% Technology/Science Other: 0% Office: 0%

SASB DISCLOSURES (CONTINUED)

ENERGY MANAGEMENT (CONTINUED)

SASB CODE	ACCOUNTING METRIC	UNIT OF MEASURE	GRANITE REIT RESPONSE
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage by property sector	Percentage (%)	<p>Industrial: 4.9% Technology/Science Other: -3.1% Office: 5.8%</p> <p>Due to the property types being a majority industrial, distribution, warehousing and manufacturing, there was a large increase in output/production over the past two years because of supply chain demand, causing all utility consumption to increase. Relative to 2020, there was an increase in activity and occupancy in buildings as COVID-19 restrictions lifted in 2021.</p>
IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating, by property subsector	Percentage (%) by floor area ("LFA")	<p>Industrial: 47.7% Technology/Science Other: 100% Office: 0%</p>
	Percentage of eligible portfolio that is certified to ENERGY STAR®, by property subsector	Percentage (%) by floor area ("LFA")	<p>Industrial: 0% Technology/Science Other: 0% Office: 0%</p> <p>Granite is actively trying to acquire 100% data consumption and obtain ENERGY STAR certification when possible. However, this is difficult given Granite's property type. For properties in Europe, Energy Performance Certificates ("EPCs") are maintained as required by various countries.</p>
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Discussion and Analysis	<p>Granite REIT strategically implements energy management strategies to reduce its environmental impact, through monitoring data, and establishing energy-efficient constructed buildings.</p> <p>Granite continually identifies opportunities for LED lighting retrofits to increase energy efficiency, reduce operating costs, and improve tenant experience. In Europe, Granite actively pursues solar projects to reduce energy consumption.</p> <p>Granite utilizes ENERGY STAR to capture energy data to measure the change in energy consumption and carbon emissions to meet their objectives of 2.5% reduction of landlord-controlled operations on an intensity basis, per square foot.</p> <p>During acquisition and new construction, Granite evaluate's a building's characteristics and plausibility to obtain GBCs. Granite's commitment is to obtain, when possible, new buildings with GBCs. Granite spent over 10% of maintenance capital expenditures on sustainability enhancements at their properties in 2021.</p>

SASB DISCLOSURES (CONTINUED)

WATER MANAGEMENT

SASB CODE	ACCOUNTING METRIC	UNIT OF MEASURE	GRANITE REIT RESPONSE
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area ("LFA")	Industrial: 41% Technology/Science Other: 100% Office: 0%
	Relevant factors that influence whole-building energy and water coverage include the following: <ul style="list-style-type: none"> • Tenant privacy and triple net property types—Due to its industrial nature, the portfolio is primarily tenant controlled, meaning the owner does not have access to utility bills to track and needs tenant authorization to receive data. • Geographical markets and administrative barriers—Most properties are located in areas without aggregate water benchmarking and audit ordinances; therefore, the majority of utility providers do not have connection capabilities to ENERGY STAR® Portfolio Manager® and don't provide aggregate water data to owners upon request. 		
	Water withdrawal data coverage as a percentage of total floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%) by floor area ("LFA")	Industrial: 28% Technology/Science Other: 0% Office: 0%
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage by property sector	Volume (Gal)	Industrial: 125,264,568 Technology/Science Other: 4,373,600 Office: 0
	Percentage of regions with High or Extremely High Baseline Water Stress by property subsector	Percentage (%)	Industrial: 1.3% Technology/Science Other: 0% Office: 0%
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio are with data coverage, by property subsector	Percentage (%) by floor area ("LFA")	Industrial: 3.5% Technology/Science Other: -2.9% Office: 0%

SASB DISCLOSURES (CONTINUED)

WATER MANAGEMENT (CONTINUED)

SASB CODE	ACCOUNTING METRIC	UNIT OF MEASURE	GRANITE REIT RESPONSE
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	<p>Granite utilizes ENERGY STAR® Portfolio Manager® to track water consumption at the property, which allows Granite to encourage tenants to evaluate projects to reduce water usage. Government and local rebates, incentives, and mandates create initiatives to implement low-flow fixtures, leak detection systems, and conduct water audits. Sustainable landscaping options involve drip irrigation, irrigation timers, xeriscaping, and greywater systems to utilize storm water.</p> <p>Granite's objective is to reduce water consumption by 2.5% annually, with a 25% target reduction in 10 years on an intensity basis, per square foot.</p> <p>Water management risks occur across the portfolio in environmental, financial, and regulatory constraints. Granite uses Moody's ESG Solutions' Climate on Demand tool to analyze the portfolio for properties that are located in areas of high water stress. The identification of high-risk properties allows Granite to implement water conservation and protection measures as needed. Additionally, city and state regulations, such as benchmarking ordinances and performance requirements, are expanding quickly across the US to require the monitoring and reduction of water consumption.</p>

SASB DISCLOSURES (CONTINUED)

MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS

SASB CODE	ACCOUNTING METRIC	UNIT OF MEASURE	GRANITE REIT RESPONSE
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related to capital improvement (2) Associate leased floor area, by property subsector	Percentage (%) by floor area ("LFA")	Integrating green lease language has been a priority of Granite to ensure all data is tracked where possible. This is part of Granite's initiative to achieve their ESG+R objective of 80% data tracked.
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for grid electricity consumption, by property subsector	Percentage (%) by floor area ("LFA")	<p>Industrial: 100% Technology/Science Other: 100% Office: 0%</p> <p>While all tenants are separately metered, data can only be collected if the tenants share through ENERGY STAR® Portfolio Manager® or aggregate data from utility companies.</p>
	Percentage of tenants separately metered or submetered for water withdrawals, by property subsector	Percentage (%) by floor area ("LFA")	<p>Industrial: 41% Technology/Science Other: 100% Office: 0%</p> <p>Due to the triple net, industrial nature of the portfolio, most tenants pay the utility companies directly for their utility consumption. Granite relies on the tenants to share utility through invoices or aggregate data through the utility company to track data in ENERGY STAR Portfolio Manager. In regional areas, utility or municipal agencies supply Granite with annual data.</p>
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Discussion and Analysis	<p>Granite engages its tenants, providing valuable insight to promote sustainable tenant operations at the property level. Granite distributes resources to property teams to distribute to tenants annually that give recommendations for sustainability projects and fit-out guides.</p> <p>Satisfaction surveys allow tenants to provide feedback and track sustainability features at the property. The surveys ask tenants the importance of ESG+R measures. Granite works with tenants and property teams to benchmark and monitor energy, water, and waste consumption where possible. Granite utilizes green lease language and management directives to stress the importance of sustainability to the properties.</p>

SASB DISCLOSURES (CONTINUED)

MANAGEMENT OF CLIMATE CHANGE ADAPTION

SASB CODE	ACCOUNTING METRIC	UNIT OF MEASURE	GRANITE REIT RESPONSE
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property sector	Square Feet ("SF")	6,032,020
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks	Discussion and Analysis	<p>Granite utilizes Moody's ESG Solutions' Climate on Demand tool to identify potential physical risk exposure from climate change across the portfolio. The software helps identify high-risk properties, which Granite can utilize to implement mitigation measures such as evaluating additional flood or storm insurance or installing low-flow fixtures or LED lighting to reduce utility usage.</p> <p>Additionally, Granite monitors transition risks, as there is an increase in benchmarking disclosure, audit, performance mandates, and emissions limits worldwide. Granite's third-party ESG+R consultant evaluates transition risk during due diligence in our ESG+R acquisition assessments, including a review of required actions associated with the regulatory risks. Annual compliance is tracked and monitored across Granite's properties. Property managers establish budgets for retrofits and coordinate with tenants and during vacancy to complete upgrades such as LED retrofits.</p>

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