Annual Green Bond Use of Proceeds Report for the period ending December 31, 2022

3.062% $500 Million, Series 4 Senior Debentures due 2027

and

2.194% $500 Million, Series 6 Senior Debentures due 2028

March 8, 2023

INTRODUCTION

On April 20, 2020, Granite Real Estate Investment Trust and Granite REIT Inc. (collectively "Granite REIT") completed its Green Bond Framework[1] (the "Framework") under which Granite REIT or any of its subsidiaries may issue green bonds to finance or re-finance Eligible Green Projects as defined by the Framework. On June 2, 2020, Granite REIT Holdings Limited Partnership, with an unconditional guarantee by Granite REIT (collectively "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").

Granite obtained an independent second party opinion[2] from Sustainalytics, a global leader in providing environmental, social and governance ("ESG") research and analysis, on its Framework, indicating alignment with the International Capital Markets Association Green Bond Principles 2018. Sustainalytics has also completed the annual review of this report.

Pursuant to the Framework, Granite commits to publishing an annual use of proceeds report until the net proceeds of each of the Green Bonds have been fully allocated.

ABOUNT GRANITE

Granite is a Canadian-based REIT engaged in the acquisition, development, ownership and management of logistics, warehouse and industrial properties in North America and Europe. As at March 8, 2023, Granite owns 140 investment properties in five countries representing approximately 59.4 million square feet of leasable area.

[1] Granite's Green Bond Framework complies with the Green Bond Principles developed by the International Capital Markets Association as of June 2018 and is available on Granite's website: https://granitereit.com/wp-content/uploads/2020/05/Granite-Green-Bond-Framework.pdf

[2] Sustainalytics second party opinion was issued April 2020 and is available on Granite's website: https://granitereit.com/wp-content/uploads/2020/05/Granite-REIT-Green-Bond-Framework-Second-Party.pdf

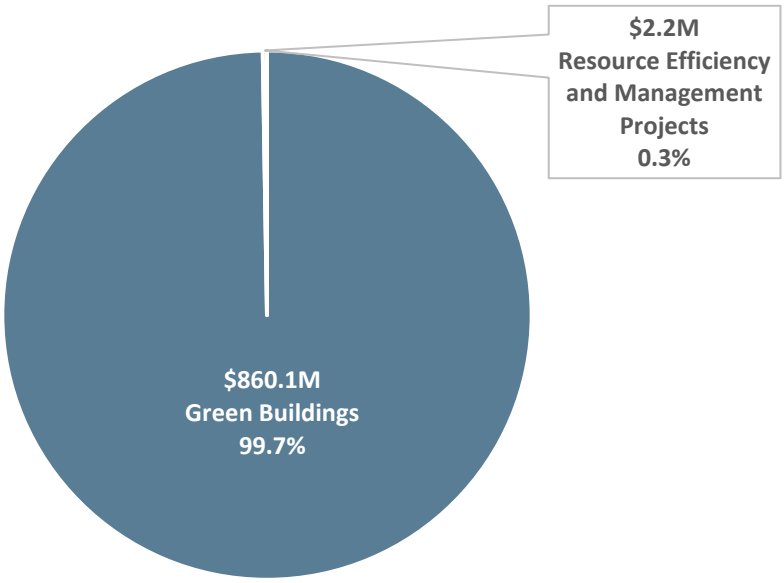
USE OF PROCEEDS SUMMARY AND MANAGEMENT'S ASSERTION

The net proceeds from the 2027 Debentures total $496.9 million representing gross proceeds of $500 million less $3.1 million of transaction costs.

The net proceeds from the 2028 Debentures total $497.3 million representing gross proceeds of $500 million less $2.7 million of transaction costs.

Granite's executive management is responsible for the completeness, accuracy and validity of this Green Bond Use of Proceeds report. Granite management asserts that as at December 31, 2022, Granite has allocated a total of $862.3 million of net Green Bond proceeds to Eligible Green Projects representing 100% and 73.5% of the net proceeds of the 2027 Debentures and 2028 Debentures, respectively. 99.7% of total net Green Bond proceeds have been allocated to Green Buildings with the remaining 0.3% of the net Green Bond proceeds having been allocated to Resource Efficiency and Management projects.

$862.3 MILLION ALLOCATED TO ELIGIBLE GREEN PROJECTS



The tables below summarize the allocated amounts from the net proceeds of the 2027 Debentures and 2028 Debentures, per Eligible Green Project.

Use of Net Proceeds of the 2027 Debentures

Eligible Green Project Category per Framework	Certification Rating[3] (Achieved or Pursuing)	Eligible Investment	Location	Date Completed	Allocated Net Proceeds (C$ million)
Green Buildings	LEED Silver (Achieved)	**Acquisition** of a Green Building located at 3501 North Lancaster Hutchins Road.	Lancaster, Texas, USA	March 1, 2019	106.1
Green Buildings	BREEAM "Excellent" (Achieved)	**Acquisition** of a Green Building located at Oude Graaf 15.	Weert, Netherlands	May 1, 2020	31.9
Green Buildings	Two Green Globes (Achieved)	**Completed development** of a Green Building at 1201 Allpoints Court.	Plainfield, Indiana, USA	June 15, 2020	36.0
Green Buildings	BREEAM "Very Good" (Achieved)	**Acquisition** of a Green Building located at Francis Baconstraat 4.	Ede, Netherlands	July 1, 2020	21.4
Green Buildings	BREEAM "Excellent" (Achieved)	**Acquisition and subsequent expansion** of a Green Building located at De Kroonstraat 1 and De Posthoornstraat 2 (expansion).	Tilburg, Netherlands	July 1, 2020 and December 18, 2020 (expansion)	83.8
Green Buildings	BREEAM "Very Good" (Achieved)	**Acquisition and subsequent development** of a Green Building located at Aquamarijnweg 2.	Bleiswijk, Netherlands	March 13, 2020 and September 1, 2020 (completion)	66.2
Green Buildings	LEED Silver (Achieved)	**Acquisition** of a Green Building located at 1243 Gregory Drive	Antioch, Illinois, USA	September 2021	56.5
Green Buildings	DGNB Gold (Achieved)	**Completed development** of a Green Building at Im Ghai 36	Altbach, Germany	June 2022	41.2
Green Buildings	Two Green Globes (Achieved)	**Completed development** of a Green Building at 5000 Village Creek Road	Fort Worth, Texas, USA	June 2022	51.4

[3] See "Certification Rating Organizations" section for additional information on green building certifications.

Use of Net Proceeds of the 2027 Debentures (continued)

Eligible Green Project Category per Framework	Certification Rating[3] (Achieved or Pursuing)	Eligible Investment	Location	Date Completed	Allocated Net Proceeds (C$ million)
Resource Efficiency and Management	N/A	**LED lighting** retrofits at six properties	Various, Canada, USA	2018- 2022	1.8
Resource Efficiency and Management	N/A	**HVAC replacements** at two properties	Joliet, IL, USA and Novi, MI, USA	October 2020 and June 2022	0.4
Green Buildings	Two Green Globes (Achieved)	**Completed expansion** of a building at 2095 Logistics Drive	Mississauga, Ontario, Canada	August 2022	0.2 (Partial Allocation)
Total Net Proceeds Allocated					**$496.9**
Portion of Net Proceeds Allocated					**100%**

Use of Net Proceeds of the 2028 Debentures

Eligible Green Project Category per Framework	Certification Rating[4] (Achieved or Pursuing)	Eligible Investment	Location	Date Completed /Estimated Completion Date	Allocated Net Proceeds (C$ million)
Green Buildings	Two Green Globes (Achieved)	**Completed expansion** of a building at 2095 Logistics Drive	Mississauga, Ontario, Canada	August 2022	11.0 (Partial Allocation)
Green Buildings	Two Green Globes (Pursuing)	**Development in progress** of a Green Building at 2120 Logistics Way	Murfreesboro, Tennessee, USA	Certification expected Q2 2023	83.6
Green Buildings	Two Green Globes (Pursuing)	**Development in progress** of three Green Buildings at 6710/6702/6701 Purple Sage Road	Houston, Texas, USA	Certification expected Q2 2023	150.0
Green Buildings	Two Green Globes (Pursuing)	**Development in progress** of three Green Buildings at 150 Business Park Drive, Highway 109	Lebanon, Tennessee, USA	Certification expected Q3 2023	58.2
Green Buildings	Two Green Globes (Pursuing)	**Development in progress** of a Green Building at 905 Belle Lane	Bolingbrook, IL, USA	Certification expected Q3 2023	40.1
Green Buildings	Two Green Globes (Pursuing)	**Development in progress** of a Green Building at 4 Bowery Road, Block 1.	Brantford, Ontario, Canada	Certification expected Q1 2024	22.5
Total Net Proceeds Allocated					**$365.4**
Unallocated Net Proceeds					131.9
Total Net Proceeds of Green Bond					**$497.3**
Portion of Net Proceeds Allocated					**73.5%**

[4] See "Certification Rating Organizations" section for additional information on green building certifications.

Certification Rating Organizations

LEED – Leadership in Energy Environmental Design ("LEED") is a voluntary, third-party building certification process developed by the U.S. Green Building Council ("USGBC"), a non-profit organization. The USGBC developed the LEED certification process to (i) evaluate the environmental performance from a whole-building perspective over a building's life cycle, (ii) provide a definitive standard for what constitutes a "green building," (iii) enhance environmental awareness among architects and building contractors, and (iv) encourage the design and construction of energy-efficient, water-conserving buildings that use sustainable or green resources and materials. Please see www.usgbc.org for more information.

BREEAM – Building Research Establishment Environmental Assessment Method ("BREEAM") is a global assessment method for masterplanning projects, infrastructure and buildings. BREEAM provides third party certification of the assessment of an asset's environmental, social and economic sustainability performance, using standards developed by BRE, a division of the BRE Group, headquartered in the United Kingdom.

Green Globes – Green Globes is a U.S. based recognized green rating assessment, guidance and certification program developed by the Green Building Initiative ("GBI"), a non-profit organization and American National Standards Institute Accredited Standards Developer dedicated to improving building performance and reducing climate impacts.

DGNB – refers to the certification system developed by the German Sustainable Building Council that is based on the three central sustainability areas of ecology, economy and sociocultural issues.

Project Evaluation and Selection

Granite has appointed a Green Bond Working Committee (the "Committee") consisting of members from its real estate, sustainability, legal and finance functions. The Committee identifies projects that satisfy the Eligible Green Projects criteria set forth in the Framework. All identified Eligible Investments included in this report have been approved by Granite's executive management.

External Review

This report has been reviewed by Sustainalytics, on whether:

1. The Eligible Investments meet the criteria for Eligible Green Projects outlined in the Framework
2. The estimated environmental impact of each Eligible Investment meets the recommendations of the Harmonized Framework for Impact Reporting, as issued by the International Capital Markets Association, December 20, 2020.

Sustainalytics' limited assurance report can be found in **Appendix A**, appended to this report.

3501 NORTH LANCASTER HUTCHINS ROAD, LANCASTER, TEXAS, USA

SUSTAINABILTY INDICATORS

144.6 kWh/m^2	**Annual energy intensity**		
39.7%	**Annual energy use reduction[1]**	50.7%	**Annual water use reduction[2,3]**
56 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	82.3%	**Proportion of construction waste diverted from landfill[4]**
678 tonnes CO_2 eq or 39.9%	**Annual greenhouse gas emissions avoided[2]**	18,243 m^2	**Building area certified as LEED Silver**

SILVER

1. Calculated vs. baseline using ASHRAE 90.1 methodology
2. Compared to baseline
3. Design water consumption from flush and flow fixtures, excluding process water and irrigation
4. Based on total amount of construction waste generated that was minimized, reused, or recycled

1201 ALLPOINTS COURT, PLAINFIELD, INDIANA, USA

SUSTAINABILITY INIDCATORS

69.5 kWh/m^2	**Annual energy intensity**		
34%	**Annual energy use reduction[1]**	26.9%	**Annual water use reduction[2,3]**
15.4 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	n/a	**Proportion of construction waste diverted from landfill[4]**
376 tonnes CO_2 eq or 34%	**Annual greenhouse gas emissions avoided[2]**	47,470 m^2	**Building area certified as Two Green Globes**

1. The site had an Energy Star Design Score of 84, which translates to 68 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 34% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
2. Compared to baseline
3. Design water consumption from flush and flow fixtures, excluding process water and irrigation
4. Data was not available to report on this indicator

OUDE GRAF 15, WEERT, NETHERLANDS

SUSTAINABILTY INDICATORS

29.7 kWh/m^2	**Annual energy intensity**	73.6%	**Proportion of on-site renewable energy[2]**
100%	**Annual energy use reduction[1]**	n/a	**Annual water use reduction[3]**
-0.9 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	93%	**Proportion of construction waste diverted from landfill[4]**
100%	**Annual greenhouse gas emissions avoided[1]**	22,126 m^2	**Building area certified as BREEAM Excellent**

1. Based on building related energy, in comparison with local baseline
2. Proportion of base building energy usage that is generated through rooftop solar PV array
3. Data was not available to report on this indicator
4. Based on total amount of construction waste generated that was minimized, reused, or recycled

FRANCIS BACONSTRAAT 4, EDE, NETHERLANDS

SUSTAINABILITY INDICATORS

31.5 kWh/m^2	**Annual energy intensity**	12.6%	**Proportion of on-site renewable energy[2]**
11.5%	**Annual energy use reduction[1]**	24.8%	**Annual water use reduction[1]**
14.81 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	91%	**Proportion of construction waste diverted from landfill[4]**
n/a	**Annual greenhouse gas emissions avoided[3]**	11,479 m^2	**Building area certified as BREEAM Very Good**

1. In comparison with local baseline
2. Proportion of energy usage that is generated through rooftop solar PV array
3. Data was not available to report on this indicator
4. Based on total amount of construction waste generated that was minimized, reused, or recycled

DE KROONSTRAAT 1 AND DE POOSTHOORNSTRAAT 2, TILBURG, NETHERLANDS

SUSTAINABILITY INDICATORS

34.0 kWh/m^2	**Annual energy intensity[1]**	73.8%	**Proportion of on-site renewable energy[1,3]**
100%	**Annual energy use reduction[1,2]**	39.9%	**Annual water use reduction[1,2]**
-0.95 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity[1]**	89%	**Proportion of construction waste diverted from landfill[1,4]**
100%	**Annual greenhouse gas emissions avoided[1,2]**	45,242 m^2	**Building area certified as BREEAM Excellent[1]**

1. Based on combined data for Phase 1 and Phase 2 of constructed building
2. In comparison with local baseline
3. Proportion of energy usage that is generated through rooftop solar PV array
4. Based on total amount of construction waste generated that was minimized, reused, or recycled

AQUAMARIJNWEG 2, BLEISWIJK, NETHERLANDS

SUSTAINABILITY INDICATORS

81.11 kWh/m^2	**Annual energy intensity[1]**	5.9%	**Proportion of on-site renewable energy[3]**
20%	**Annual energy use reduction[2]**	50%	**Annual water use reduction[4,5]**
17.91 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity[1]**	91.3%	**Proportion of construction waste diverted from landfill[6]**
62.7%	**Reduction in environmental impacts from building materials[7]**	22,319 m^2	**Building area certified as BREEAM Very Good**

1. Based on office and meeting areas of building (2,324.7 m^2)
2. In comparison with local building code
3. Proportion of base building electricity usage that is generated through rooftop solar PV array
4. Design water consumption from flush and flow fixtures, excluding process water and irrigation
5. In comparison with baseline
6. Based on total amount of construction waste generated that was minimized, reused, or recycled
7. Environmental impacts over the entire lifecycle of all materials used in the construction of the building were calculated using a national environmental database and expressed as shadow costs. The materials used in the construction of this building had "shadow costs" of 0.28 €/m^2, compared to a reference value for a standard building of 0.75 €/m^2

1243 GREGORY DRIVE, ANTIOCH, ILLINOIS, USA

SUSTAINABILITY INIDCATORS

57.2 kWh/m^2	**Annual energy intensity**		
28.2%	**Annual energy use reduction[1]**	30.4%	**Annual water use reduction[2,3]**
11.61 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	84.1%	**Proportion of construction waste diverted from landfill[4]**
192.05 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**	42,204 m^2	**Building area certified as LEED Silver**

SILVER

1. Calculated vs. baseline using ASHRAE 90.1 methodology
2. Compared to baseline
3. Design water consumption from flush and flow fixtures, excluding process water and irrigation
4. Based on total amount of construction waste generated that was minimized, reused, or recycled

5000 VILLAGE CREEK ROAD, FORT WORTH, TEXAS, USA

SUSTAINABILITY INIDCATORS

50.07 kWh/m^2	**Annual energy intensity**		
38%	**Annual energy use reduction[1]**	n/a	**Annual water use reduction**
11.69 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	n/a	**Proportion of construction waste diverted from landfill**
24% or 209.4 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**	56,247 m^2	**Building area certified as Two Green Globes**

1. Calculated vs. baseline using ASHRAE 90.1 methodology
2. Compared to Median property

2095 LOGISTICS DRIVE (EXPANSION), MISSISSAUGA, ONTARIO, CANADA

SUSTAINABILITY INIDCATORS

231.55 kWh/m^2	**Annual energy intensity**		
26%	**Annual energy use reduction[1]**	100%	**Annual water use reduction[3]**
6.95 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	90%	**Proportion of construction waste diverted from landfill[4]**
21.8% or 11.3 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**	5,810 m^2	**Building area certified as Two Green Globes**

1. Calculated vs. baseline using ASHRAE 90.1 methodology
2. Compared to Median property
3. Compared to baseline (no water fixtures installed in expansion)
4. Estimated value

IM GHAI 36, 73776, POSTFACH 10 04 27, ESSLINGEN/ALTBACH, BADEN-WÜRTTEMBERG, GERMANY

SUSTAINABILITY INIDCATORS

80 kWh/m^2	**Annual energy intensity**		
23.8%	**Annual energy use reduction[1]**	n/a	**Annual water use reduction**
23 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	92%	**Proportion of construction waste diverted from landfill[2]**
n/a	**Annual greenhouse gas emissions avoided**	27,188 m^2	**Building area certified as DGNB Gold**

1. Calculated according to DGNB Annex 2 Number 2 EnEV
2. Refers to proportion of building materials that were recycled from demolition phase

RESOURCE EFFICIENCY AND MANAGEMENT PROJECTS

SUSTAINABILITY INDICATORS

Property Address	Project Description	Annual Energy Savings[1]	Annual reduction of greenhouse gas emissions[2]
39600 Lewis Drive, Novi, MI	LED lighting upgrade of exterior lights	66.54 MWh or 65%	41.6 tonnes CO_2 eq
535 Gateway Blvd., Monroe, OH	LED lighting upgrades[3]	1,345.59 MWh or 55%	926 tonnes CO_2 eq
101 Clyde Alexander Lane, Pooler, GA	LED lighting upgrade	427.98 MWh or 53%	210 tonnes CO_2 eq
201 Sunridge Blvd, Wilmer, TX	LED lighting upgrade	2,401.15 MWh or 73%	1,306 tonnes CO_2 eq
600 Tesma Way, Concord, ON	LED lighting upgrades[3]	312.04 MWh or 57%	9.4 tonnes CO_2 eq
6201 Green Pointe Drive South, Groveport, OH	LED lighting upgrades	287.53 MWh or 37%	194.4 tonnes CO_2 eq
1695 Crossroads Drive, Joliet, IL	HVAC replacement[4]	8.31 MWh or 33.2%	2.61 tonnes CO_2 eq
39600 Lewis Drive, Novi, MI	Boiler replacement	3,868 GJ or 33.4%	194.6 tonnes CO_2 eq

1. Based on assumed number of hours of usage and compared against energy usage from previously existing system.
2. Carbon intensity for electricity supply obtained from following sources:
    a. Michigan electricity profile 2019 (https://eia.gov/electricity/state/Michigan)
    b. Ohio electricity profile 2019 & 2020 (https://eia.gov/electricity/state/Ohio)
    c. Georgia electricity profile 2019 (https://eia.gov/electricity/state/Georgia)
    d. Texas electricity profile 2019 (https://eia.gov/electricity/state/Texas)
    e. Ontario Power Generation Climate Change 2020 Report (https://www.opg.com/documents/opg-climate-change-plan-2020/)
    f. Illinois Electricity Profile 2021 (https://www.eia.gov/electricity/state/Illinois/)
3. Combined data for the two LED lighting retrofits completed at this property
4. Combined data for the replacement of three rooftop units

APPENDIX A

Granite REIT

Type of Engagement: Annual Review
Date: February 24, 2023
Engagement Team:
Daniel Sanchez, daniel.sanchez@sustainalytics.com, (+1) 647 264 6644
Han Xing, han.xing@morningstar.com

Introduction

In June 2020, Granite REIT Holdings Limited Partnership, with an unconditional guarantee by Granite REIT[1] (collectively, "Granite") issued its inaugural green bond, CAD 500 million senior unsecured debentures due 2027 (the "2027 Debentures"). Subsequently, Granite issued another CAD 500 million senior unsecured debentures in August 2021 (the "2028 Debentures", and collectively with the 2027 Debentures, the "Green Bonds"). The Green Bonds have financed projects[2] from two of the six categories listed in the Granite Green Bon Framework (the "Framework")[3] – Green Buildings and Resource Efficiency and Management.

In February 2023, Granite engaged Sustainalytics to review the projects funded through the Green Bonds and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Framework. In April 2020, Sustainalytics provided a Second-Party Opinion[4] on the Framework.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the Green Bonds based on whether the projects and assets:

1. Met the use of proceeds and eligibility criteria outlined in the Framework; and
2. Reported on at least one of the key performance indicators (KPIs) for each use of proceeds category outlined in the Framework.

Table 1: Use of Proceeds Category, Eligibility Criteria and Associated KPIs

Use of Proceeds Category[5]	Eligibility Criteria	Key Performance Indicators
Green Buildings	Investments related to the purchase, development, re-development or improvement of logistics, e-commerce, warehouse and industrial properties that have received or are expected to receive at least one of the following green building certifications (or other equivalent green certification): - LEED: Silver, Gold, Platinum - DGNB: Silver, Gold, Platinum - BREEAM: Very Good, Excellent, Outstanding - Green Globes: Two, Three, Four Buildings with LEED Silver, DGNB Silver or Two Green Globes certifications will also be confirmed to have been designed to achieve a 20 to 30% energy efficiency improvement.	Level of green building certifications
Resource Efficiency and Management	Investments that improve energy or water efficiency greater than 15%, or make other environmentally beneficial improvements to properties or land including, but not limited to, investments in:	Annual greenhouse gas emissions reduced /avoided

[1] Granite REIT is composed of Granite Real Estate Investment Trust and Granite REIT Inc.
[2] As of December 31, 2022.
[3] The Granite Green Bond Framework is available at: https://granitereit.com/wp-content/uploads/2020/05/Granite-Green-Bond-Framework.pdf
[4] Sustainalytics' Second-Party Opinion on the Framework is available at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/granite-reit-green-bond-framework-second-party-opinion.pdf?sfvrsn=8c767ae_3
[5] The Framework defines a total of six green categories: Green Buildings, Resource Efficiency and Management, Clean Transportation, Renewable Energy, Pollution Prevention and Control and Biodiversity and Conservation.

	- LED and other energy efficient lighting - Cool roof and other sustainability-oriented construction materials - Smart meters - Energy storage - Xeriscaping/drought-tolerant landscaping - Sustainable drainage systems - Water and energy-saving technologies and materials	

Issuer's Responsibility

Granite is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of use of proceeds from Granite's Green Bonds. The work undertaken as part of this engagement included collection of documentation from Granite and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by Granite. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Granite.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,[6] nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments outlined in the Framework. Granite has disclosed to Sustainalytics that 100% of the proceeds from the 2027 Debentures and 73.5% of the proceeds from the 2028 Debentures have been allocated, as of 31 December 2022.

[6] Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, estimated and realized costs of projects, and project impact, as provided by the Issuer, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the Green Bonds to determine if projects aligned with the use of proceeds criteria outlined in Framework and above in Table 1.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded with proceeds from the Green Bonds to determine if impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of KPIs reported, please refer to Appendices 1 and 2.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

Appendices

Appendix 1: Impact and Allocation Reporting for the 2027 Debentures

The net proceeds from the 2027 Debentures total CAD 496.9 million representing gross proceeds of CAD 500 million less CAD 3.1 million of transaction costs. 100% of net proceeds from the 2027 Debentures have been allocated as of 31 December 2022.

Table 3: Financed Projects Under the Green Buildings Category

Project Financed	Certification[7]	Building area certified (m^2)	Annual energy intensity[8] (kWh/m^2)	Annual energy use reduction[9]	Annual GHG emissions avoided[10] (tCO_2e or %)	Proportion of on-site renewable energy[11]	Annual water use reduction compared to baseline[12]	Amount allocated (CAD million)
Acquisition of a green building located at 3501 North Lancaster Hutchins Road, US	LEED Silver (Achieved)	18,243	144.6	39.7%	678	N/A	50.7%	106.1
Acquisition of a green building located at Oude Graaf 15, Netherlands	BREEAM Excellent (Achieved)	22,126	29.7	100%	100%	73.6%	N/A	31.9
Completed development of a new green building at 1201 Allpoints Court, US	Two Green Globes (Achieved)	47,470	69.5	34%	376	N/A	26.9%	36.0
Acquisition of a green building located at Francis Baconstraat 4, Netherlands	BREEAM Very Good (Achieved)	11,479	31.5	11.5%	N/A	12.6%	24.8%	21.4
Acquisition and subsequent expansion of a green building located at De Kroonstraat 1 and De Poosthoornstraat 2 (expansion), Netherlands	BREEAM Excellent (Achieved)	45,242	34.0	100%	100%	73.8%	39.9%	83.8
Acquisition and subsequent development of a green building located at	BREEAM Very Good (Achieved)	22,319	81.11	20%	62.7[13]	5.9%	50%	66.2

[7] Granite has confirmed that all existing and new LEED Silver and Two Green Globes buildings are being designed to achieve at least 20% energy efficiency improvement (or performance) over respective baselines.
[8] For some projects, only parts of a building are considered for measuring energy use intensity.
[9] For Green Building projects, the baselines for respective projects are mentioned in Granite's Annual Green Bond Use of Proceeds Report (for the period ending December 31, 2022..
[10] Compared to baseline.
[11] Proportion of base building energy usage that is generated through rooftop solar PV array.
[12] Granite has communicated that estimations for some of the projects include design water consumption from flush and flow fixtures and exclude process water and irrigation.
[13] Reduction in environmental impacts from building materials. The estimation methodology is disclosed in Granite's Annual Green Bond Use of Proceeds Report (ending December 31, 2022).

Aquamarijnweg 2, Netherlands								
Acquisition of an existing green building located at 1243 Gregory Drive, US	LEED Silver (Achieved)	42,204	57.2	28.2%	192.05	N/A	30.4%	56.5
Completed development of a green building at Im Ghai 36, Germany	DGNB Gold (Achieved)	27,188	80.0	23.8%	N/A	N/A	N/A	41.2
Completed development of a Green Building at 5000 Village Creek Road, US	Two Green Globes (Achieved)	56,247	50.07%	38%	209.4	N/A	N/A	51.4
Completed expansion of a building at 2095 Logistics Drive, Canada[14]	Two Green Globes (Achieved)	5,810	231.55	26%	11.3	N/A	100%	0.2 (Partial Allocation)
Net proceeds allocated (CAD million)								**494.7**

Table 4: Financed Projects Under the Resource Efficiency and Management Category

Project Financed	Annual Energy Savings[15]	Annual reduction of greenhouse gas emissions[16] (tCO_2 eq)	Amount allocated (CAD million)
LED lighting upgrade of exterior lights at 39600 Lewis Drive, Novi, MI	65%	41.6	1.8
LED lighting upgrades at 535 Gateway Blvd., Monroe, OH	55%	926	
LED lighting upgrade at 101 Clyde Alexander Lane, Pooler, GA	53%	210	
LED lighting upgrade at 201 Sunridge Blvd, Wilmer, TX	73%	1,306	
LED lighting upgrades at 600 Tesma Way, Concord, ON	57%	9.4	
LED lighting upgrades at 6201 Green Pointe Drive South, Groveport, OH	37%	194.4	
HVAC replacement at 1695 Crossroads Drive, Joliet, IL	33.2%	2.61	0.4
HVAC replacement at 39600 Lewis Drive, Novi, MI	33.4%	194.6	
Net proceeds allocated (CAD million)			**2.2**

[14] This project received funds from both the 2027 Debentures and the 2028 Debentures.
[15] Based on assumed number of hours of usage and compared against energy usage from previously existing system.
[16] Granite provided a list of sources where they obtained the carbon intensity of electricity supply, as below:
i. Michigan electricity profile 2019 (https://eia.gov/electricity/state/Michigan)
ii. Ohio electricity profile 2019 & 2020 (https://eia.gov/electricity/state/Ohio)
iii. Georgia electricity profile 2019 (https://eia.gov/electricity/state/Georgia)
iv. Texas electricity profile 2019 (https://eia.gov/electricity/state/Texas)
v. Ontario Power Generation Climate Change 2020 Report (https://www.opg.com/documents/opg-climate-change-plan-2020/)
vi. Illinois Electricity Profile 2021 (https://www.eia.gov/electricity/state/Illinois)

Appendix 2: Impact and Allocation Reporting for the 2028 Debentures

The net proceeds from the 2028 Debentures total CAD 497.3 million representing gross proceeds of CAD 500 million less CAD 2.7 million of transaction costs. 73.5% of net proceeds from the 2028 Debentures have been allocated as of 31 December 2022.

Table 5: Financed Projects Under the Green Buildings Category

Financed Projects	Certification[17]	Allocated Amount (CAD million)
Completed expansion of a building at 2095 Logistics Drive, Canada[18]	Two Green Globes (Achieved)	11.0 (Partial Allocation)
Development in progress of a new green building at 2120 Logistics Way, US	Two Green Globes (Pursuing)	83.6
Development in progress of three Green Buildings at 6710/6702/6701 Purple Sage Road, US	Two Green Globes (Pursuing)	150.0
Development in progress of three new green buildings at 150 Business Park Drive, Highway 109, US	Two Green Globes (Pursuing)	58.2
Development in progress of a Green Building at 905 Belle Lane, US	Two Green Globes (Pursuing)	40.1
Development in progress of a Green Building at 4 Bowery Road, Block 1, Canada	Two Green Globes (Pursuing)	22.5
Net proceeds allocated (CAD million)		**365.4**

[17] Granite has communicated to Sustainalytics that all Two Green Globes buildings or building expansions are being designed to achieve at least 20% energy efficiency performance over respective baselines.
[18] This project received funds from both the 2027 Debentures and the 2028 Debentures. The environmental impacts of this project are reported in Appendix 1.

Disclaimer

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

Or contact us contact@sustainalytics.com