

GRANITE

2023 GLOBAL ESG+R REPORT



AQUAMARIJNWEG 2 | BLEISWIJK, NETHERLANDS



About this Report

At Granite Real Estate Investment Trust (Granite or Granite REIT), sustainability underpins our business structure and is woven across our organizational footprint. The pages throughout this report describe our Environmental, Social, Governance, and Resilience (ESG+R) program, including our goals, initiatives, and progress made during the 2023 calendar year. The environmental data included in the report covers data for Granite REIT’s real estate investments between January 1, 2023, and December 31, 2023. This report has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards. It also aligns with the Task Force on Climate-Related Financial Disclosures (TCFD) framework and the Sustainability Accounting Standards Board (SASB) Real Estate Standards. As absolute metrics can be difficult to measure over time, a majority of our environmental performance metrics are normalized by floor area throughout this report.



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A Message from the President & CEO



To Our Stakeholders:
I am once again proud to present our company's ESG+R report for the year 2023. Throughout the following pages I am pleased to reflect on Granite's commitment to being a responsible corporate entity and outline the progress we've

made towards achieving our sustainability goals. Such commitment helps drive long-term value to our stakeholders and contributes to the well-being of society and the environment for both current and future generations.

While we are proud of our achievements, Granite remains oriented towards the future and continuously seeks new strategies and solutions to drive our business forward. We rely on our legacy of effective stakeholder communication and pledge to stay apprised of relevant performance and disclosure requirements. This future-minded approach signals our commitment to improvement, as evidenced by performance outcomes on several reporting frameworks.

Granite remains dedicated to the health and welfare of our employees, prioritizing their safety, well-being, and engagement. We continue to invest in programs aimed at fostering both their physical and mental well-being, while endorsing diversity and inclusivity within our workforce.

Our dedication to ESG+R continues as we uphold good governance, ethical business practices, and transparency in our decision-making processes. Guided by our internal Code of Conduct, we endeavour to carry out business operations with integrity and professionalism at all times. Our stringent internal controls and compliance programs

aid in identifying and effectively reducing risk, both physical and transitional, and we seek assistance from external experts where appropriate to increase the resilience of our portfolio.

In summary, we are firm in our belief that ESG+R efforts are crucial to attaining long-term objectives and generating value for our stakeholders. We are proud of the strides we've made and will continue our pursuit of ongoing improvements.

I extend my sincere gratitude to each one of our employees and stakeholders for their support and trust in making 2023 another year of progress.

Kevan Gorrie
President and Chief Executive Officer

2023 AT-A-GLANCE:

Allocated **83%** of net proceeds of all outstanding green bonds

Attained **1st place GRESB** ranking in Public Disclosure and Peer Group Comparison

Certified **43%** of the portfolio by square footage achieving our green building certifications goal

Developed an **Artificial Intelligence Policy** to guide Granite employees on emerging technologies

Contributed **\$180,000** CAD to local charities and non-profit organizations

Company Overview

Established in 2013, Granite REIT, is a Canadian-based real estate investment trust (REIT) focused on the acquisition, development, ownership, and management of logistics, warehouse, and industrial properties across North America and Europe. Granite leverages years of industry expertise to execute its strategies, drive favorable returns for unitholders, and generate stable consistent cash flow growth.

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-AT-A-GLANCE

As of December 31, 2023

69

Total
Employees

143

Investment
Properties

62.9M

Sq. ft. of
Leasable
Floor Area
(LFA)

\$4.8B

Market
Capitalization
(CAD)

98%

Industrial
Assets

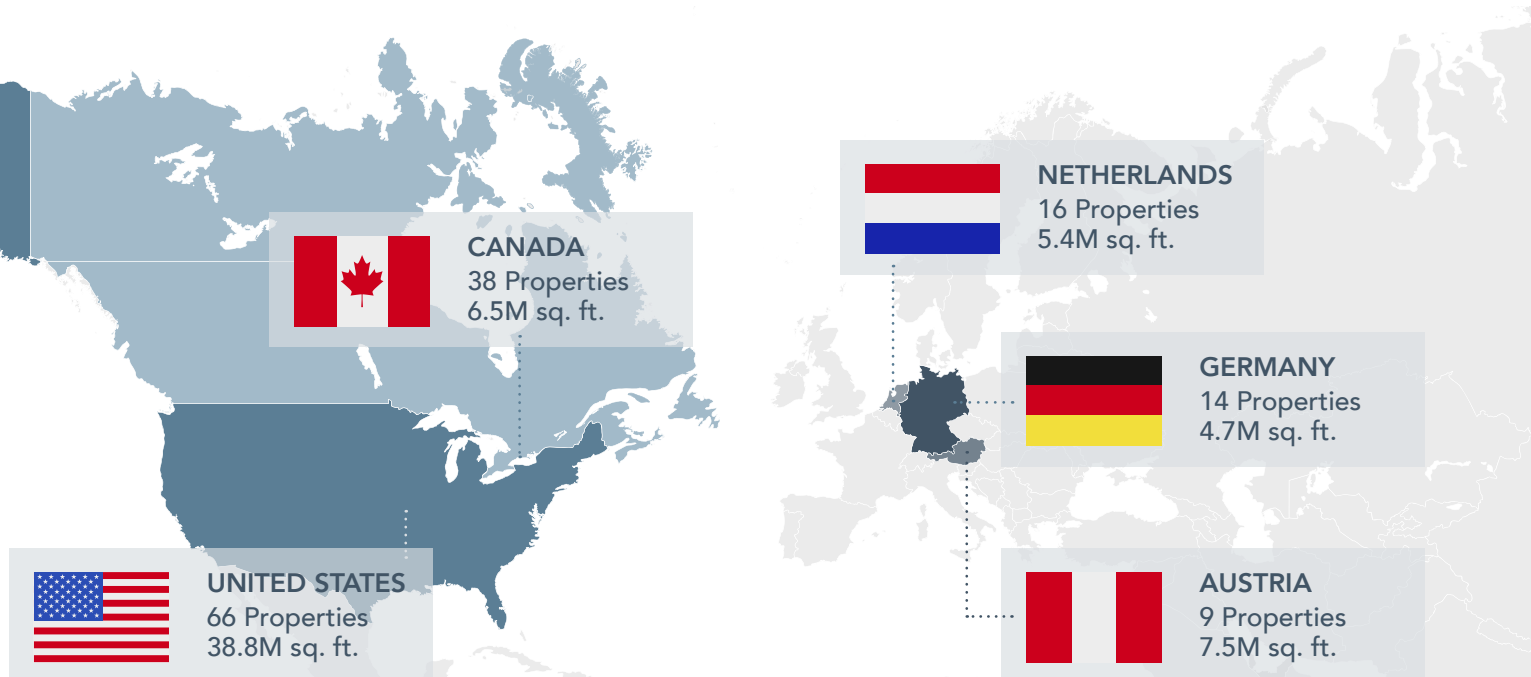
2%

Flex/
Office
Assets

95%

Occupied

*As approved by unitholders at Granite's June 6, 2024 Annual and Special Meetings of Unitholders, Granite expects to replace the current stapled unit structure with a conventional REIT structure in the fourth quarter of 2024.



ESG+R at Granite: Preparing for the Future

Mission: Practically incorporate sustainability into actions and decision-making process, while generating returns for unitholders.

Granite institutes ESG+R practices into its management approach and operations to build a blue-chip, globally diversified logistics real estate company that ensures efficient resource use, fosters a well-rounded workplace, and promotes the long-term durability of its assets. To ensure progress and set a precedent to meet future reporting expectations, Granite has identified and integrated short- and long-term sustainability objectives throughout the decision-making process.

ENVIRONMENTAL

- » Set portfolio-wide energy, emissions, and water reduction targets (2020)
- » Achieved five MW of peak solar capacity four years ahead of commitment (2021)
- » Created Sustainability Resource Guides and Checklists (2021)
- » Developed a sequential installed peak solar energy capacity goal (24MW) (2022)
- » Reached target to obtain 50% data coverage for energy, water, and/or waste (2022)
- » Installed 22.79 MW of peak solar capacity (2023)
- » Exceeded green building certification (GBC) target (30% of the portfolio by sq. ft. GBC certified by 2030) (2023)

SOCIAL

- » Formed partnership with Alvéole (2020)
- » Conducted first Employee Engagement Survey (2021)
- » Launched Granite's annual employee wellness-focused Step Challenge (2021) and completed 17,884,795 steps in total in its third annual year (2023)
- » Issued Pregnancy and Parental Leave Policy (2022)
- » Started long-term service award program (2022)
- » Entered a Hybrid Work Model (2022)
- » Instituted a robust employee orientation/onboarding program (2022)
- » Implemented a human resource information system which includes an applicant tracking system (2022)
- » Relunched the performance management program (2022)
- » Launched Granite's comprehensive cybersecurity training (2022)
- » Reviewed and updated Granite's Employee Handbook (2023)
- » Conducted second Employee Engagement Survey (2023)
- » Enhanced the professional development program (2023)
- » Assisted 66 charities (2023)
- » Volunteered over 400 employee hours (2023)
- » Hosted "Bring Your Kids to Work" day for a full, interactive, and fun day of learning and career exploration (2023)

ESG+R AT GRANITE CONTINUED

GOVERNANCE

- » Granite REIT formed (2013)
- » Joined REALpac's Sustainability Committee (2018)
- » Convened an ESG+R Committee (2019)
- » Adopted formal Sustainability Plan (2019)
- » Submitted first annual and first Canadian-based Industrial REIT GRESB submission (2020 for calendar year 2019 data)
- » Launched Green Bond Framework and issued first green bond of \$500 million (2020)
- » Published inaugural, annual ESG+R Report (2020)
- » Issued second green bond for \$500 million (2021)
- » Completed first Materiality Assessment (2021)
- » Published first TCFD, SASB, and GRI-aligned report (2021)
- » Launched annual ESG+R metrics survey (2021)
- » Issued third green bond for \$400 million (2023)
- » Instituted Artificial Intelligence (AI) Policy (2023)

RESILIENCE

- » Formed Resilience Program (2019)
- » Aligned Resilience Program with TCFD best practices (2022)
- » Instituted physical risk assessments across all properties (2022)
- » Surveyed 100% of properties against Building Performance Standards (BPS) or utility compliance (2023)

LOOKING AHEAD

- » Conducting a double Materiality Assessment by 2025
- » Reevaluating carbon reduction targets and defining decarbonization commitments
- » Reaching peak solar capacity generation goal set in 2022
- » Allocating 100% of net green bond proceeds to eligible green projects by end of 2026



MATERIALITY: SURVEYING STAKEHOLDERS

Granite's Materiality Assessment, conducted in 2021, determined the most material or important ESG+R issues that have a significant influence on Granite's business and unitholders. To establish a materiality matrix and find these connections, Granite relied on data and feedback, including:

- » Engaging with various stakeholders and investors to identify significant factors for each group;
- » Analyzing surveys taken by property management teams and tenants at Granite's assets and other mechanisms to obtain feedback;
- » Discussing relevant property and portfolio-level concerns and topics with the ESG+R Committee; and
- » Examining published documents, research, and guidelines by industry associations, such as GRI, GRESB, and the United Nations Principles for Responsible Investment (UNPRI).



PROGRESS ON TOP PRIORITIES:

Ethics/Code of Conduct

Granite's Employee Handbook was updated to reflect current industry standards and market comparatives, adjusting the benefits and incentives provided to employees. Read more on page 28.

Legal Compliance and Transparency

As a dual-listed company on both the Toronto Stock Exchange and New York Stock Exchange, Granite anticipates compliance with regulations or mandates and prepares our operations for possible benchmarking requirements or energy standards. Granite annually collects and reports on salient ESG+R topics, including, but not limited to, resource management and employee engagement. Granite will continue to align, where practicable, reporting efforts with applicable regulators or jurisdictions and third-party rating and ranking associations.

Greenhouse Gas (GHG) Emissions Reductions

In 2023, Granite reduced its GHG emission intensities for landlord-controlled areas by 79% from the baseline year of 2019. This exceeds the established 25% reduction target.

Health and Well-being

In addition to comprehensive benefits, Granite employees take part in an annual step challenge to raise funds for local charities and spark friendly competition. Read more on page 28.

Cybersecurity and Data Privacy

Granite developed and adopted an official AI Policy in 2023 to prepare and provide employees with guidelines around the use of AI tools and services to ensure responsible and ethical use. Read more on page 34.

MATERIALITY MATRIX

This matrix includes a variety of ESG+R topics and their relative importance to Granite and its key investors. Granite will complete a second Materiality Assessment by 2025 to ensure ESG+R efforts continue to align with unitholder expectations and industry best practices.



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 Indoor Air Quality (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 (DEI)
- 19 Responsible Contractors

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

ESG+R COMMITTEE: OVERSEEING PROGRESS

Granite's ESG+R Committee is comprised of our most senior individuals who bring a background of cross-functional expertise and industry knowledge. The committee meets quarterly to conduct a comprehensive review of Granite's progress against goals, finding further efficiencies and strategies to drive sustainability into the core of Granite's operations. The ESG+R Committee secures growth, steers progress, and builds durability into our strategies.



KEVAN GORRIE

President & Chief Executive Officer



TERESA NETO

Chief Financial Officer



LORNE KUMER

Executive Vice President, Head of Global Real Estate



MICHAEL A. RAMPARAS

Executive Vice President, Global Real Estate & Head of Investments



LAWRENCE CLARFIELD

Executive Vice President, General Counsel & Corporate Secretary

"Granite's ESG+R commitment starts with its leadership team and is then supported throughout the organization. Each and every employee owns a stake in Granite's sustainability achievements."

KEVAN GORRIE,
PRESIDENT & CEO



JON SORG

Senior Vice President, Head of U.S.



WITSARD SCHAPER

Senior Vice President, Head of Europe



KEITH STEPHEN

Vice President, Sustainability & Environment



ANDREA SANELLI

Associate Director, Legal & Investor Services

REVIEWING THE ESG+R LANDSCAPE WITH QUARTERLY MEETINGS

In 2023, Granite's ESG+R Committee hosted quarterly meetings with external experts on the following topics:

Peer analysis and industry trends	Embodied carbon	Net zero carbon strategies	Reporting regulations and rulings
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To stay informed about upcoming regulations, the ESG+R Committee focused on reviewing parameters related to changes in the International Sustainability Standards Board (ISSB) standards as well as the Corporate Sustainability Reporting Directive (CSRD) and the Securities and Exchange Commission's (SEC) climate change reporting requirements.

INDUSTRY REPORTING AND CERTIFICATIONS

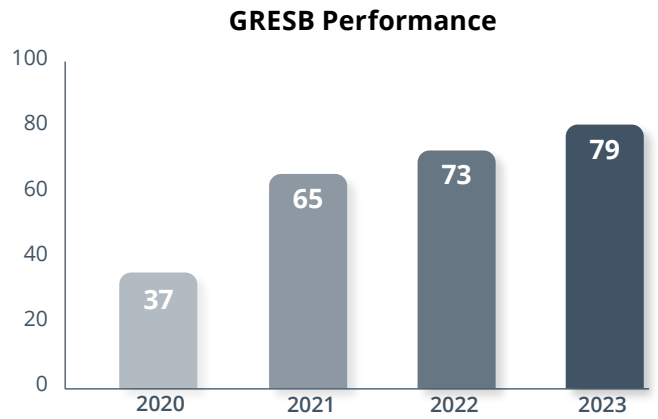
Granite has a history of robust industry reporting and will continue to abide by disclosure requirements to ensure transparency to all unitholders. Granite’s annual report, coupled with GRESB submission and MSCI ratings, helps benchmark ESG+R progress. Reporting also allows strategies to be compared against those of peers and industry leaders, some of which report beyond compliance or have different material issues.

MSCI SCORING

2023 Rating: A

Granite was ranked by MSCI for its management of financially relevant ESG risks and opportunities based on MSCI’s rules-based methodology. Granite’s year-over-year progress is indicative of our commitment to ESG performance.

In conjunction with GRESB submission and MSCI ranking, Granite will continue to rely on leadership and alignment with GRI, TCFD, and SASB to remain ahead of future standards and reporting requirements.



Granite Public Disclosure and Peer¹ Comparison

79
100

GRESB Score

GRESB Average 75

Green Star

Peer Average 64

1st

Northern America | Industrial | Listed | Tenant Controlled

Out of 9

29
30

Management Score²

GRESB Average 27

Peer Average 27

50
70

Performance Score³

GRESB Average 48

Peer Average 37

GRESB Public Disclosure Level



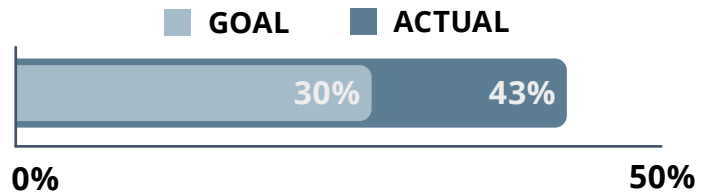
(1) Peer group is the final score determined by the entity's geographic location and property type. GRESB Average – is the average of all entity submissions.
 (2) GRESB Management Component measures the entity's policies, procedures, risk management, and stakeholder engagement toward ESG.
 (3) GRESB 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.

GREEN BUILDING CERTIFICATIONS: RESPONDING TO VALUE

Granite seeks industry-recognized green building certification for properties to validate environmental and social performance and enhance the favorability of Granite’s properties for both tenants and unitholders. Through our [Green Bond Framework](#), Granite has set aside capital for new construction certifications and has attained GBCs across nearly half of the properties in our portfolio by floor area.

Green Building Certification by Floor Area

Goal Achieved: 30% by 2023



TOTAL GREEN BUILDING CERTIFICATIONS

2021	2022	2023
8 LEED® certifications	8 LEED® certifications	8 LEED® certifications
4 BREEAM® certifications	8 BREEAM® certifications	8 BREEAM® certifications
1 Green Globes® certifications	3 Green Globes® certifications	12 Green Globes® certifications

Green building certification helps set our properties apart. Strategies at work across properties are customized to maximize a building’s environmental performance and social impact by optimizing resource consumption and promoting occupant health. The long-term financial payoff of certifications is realized through high retention and occupancy rates, as well as reduced utility bills and resource consumption. The benefits that are the most difficult to measure, but most profoundly felt are those which impact a property’s occupants.



CASE STUDY

100, 120 and 150 Business Park Drive

LEBANON, TN, 165,000 sq.ft.



A campus of three buildings constructed as part of Granite's new development project in Lebanon, TN, all of which obtained **Two Green Globes®** certification in December of 2023, focused on several sustainability features that will benefit both the environment as well as the health and well-being of its occupants. In addition, Granite also made a conscious effort to preserve a naturalized area on the west side of the campus to maintain an eco-friendly buffer between the buildings and the surrounding campus.

Green Globes® is a science-based, three-in-one whole building certification system that evaluates the environmental sustainability, health, wellness, and resilience of buildings.

Sustainability Features:

- » Thermoplastic Polyolefin (TPO) an ENERGY STAR®- rated roofing membrane
- » LED high bay lighting with occupant and motion controls
- » High efficiency heating equipment
- » Electric vehicle charging stations and bicycle racks to encourage the adoption of more sustainable transportation
- » Tilt up panels with finished surfaces for good solar reflectivity
 - These panels were constructed onsite which also reduced transportation costs as well as the associated GHG emissions



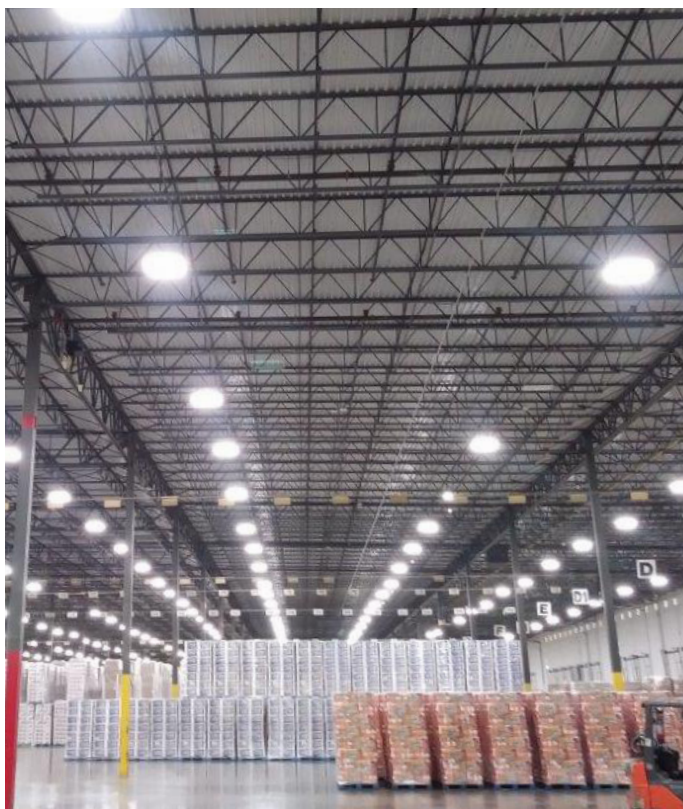
Environment: Stewarding the Planet

Buildings have a footprint. To reduce a property's impact on the planet, Granite addresses opportunities within our operational control and engages with tenants to extend environmental stewardship and building performance.

ENVIRONMENTAL TACTICS & TARGETS

DATA COLLECTION

- » Track and monitor landlord-paid utility consumption and tenant utility consumption where available.
 - 100% of landlord-paid utility consumption tracked.
 - 76.6% of tenant utility consumption tracked.
- » 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.
 - 80.2% of portfolio tracking energy, emissions, water, and/or waste data.



SUSTAINABLE DEVELOPMENT

- » Target 10% of the annual maintenance capital budget to sustainability enhancements at properties.
 - 4 HVAC replacement or technology upgrade projects completed through capital expenditure (CapEx) budgeting.
 - 7.5% of maintenance CapEx was spent on sustainability enhancements in 2023.
 - Several planned sustainability enhancement projects were delayed and are now expected to be completed in 2024, accounting for the remaining 2.5% of annual allocated maintenance funds.
- » Upgrade lighting in 80% of modern logistics/distribution facilities to LED by the beginning of 2030.
 - 67% of properties are equipped with interior LED lighting- 40.4 M sq.ft.
- » Strategically evaluate and pursue applicable GBCs at our properties and achieve 50% third-party GBCs by floor area by the beginning of 2030.
 - Goal in progress, with 42.3% of the portfolio achieving GBCs.
- » Certify 100% of Granite REIT-controlled new developments to a third-party GBC standard, such as LEED®, BREEAM®, Green Globes®, or DGNB®.
 - 100% of development projects controlled by Granite in 2023 achieved or are expected to achieve GBCs.



ENVIRONMENTAL TACTICS & TARGETS CONTINUED

SUSTAINABLE DEVELOPMENT

- » 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.
 - Energy, emissions, and water intensity reductions all exceeded the 25% target in 2023 from their baseline years.
- » Support alternative transportation, including developing a strategic electric vehicle (EV) charging plan for the portfolio and infrastructure for 100% of new developments.
 - 18 properties with EV charging stations.
- » Continue to reduce the use of resources and increase waste diversion at Granite REIT corporate offices through enhanced technology solutions.
 - 76% reduction in pages printed annually since 2019 and a 34% year-over-year reduction.
- » 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.
 - 37,500 trees planted on Granite's behalf by the Arbor Day Foundation in total since 2021.



PROGRESS TOWARD TARGETS*

ENERGY	EMISSIONS	WATER
88.301 kBtu/sq. ft.	4.544 kgCO ₂ e/sq. ft.	3.829 gals/sq. ft.
49.1% reduction vs. 2019 (Exceeded 25% reduction target)	79.2% reduction vs. 2019 (Exceeded 25% reduction target)	67.0% reduction vs. 2020 (Exceeded 25% reduction target)

*Data represents landlord-controlled energy, operational emissions, and water. Intensities are calculated based on the landlord-controlled energy, emissions, or water consumption for properties with whole-building data that were owned and operational for the entirety of 2023.

LIKE-FOR-LIKE CHANGE*

Energy
(site)

2022: 455,693 MWh

2023: 450,748 MWh

Water

2022: 552,300 M³

2023: 544,777 M³

GHG Emissions
(Scope 1, 2, & 3)

2022: 166,331 MTCO₂e

2023: 166,864 MTCO₂e

Waste

2022: 15,174 Tonnes

2023: 16,018 Tonnes

*Disclaimer: In the interest of transparency and for informational purposes only, Granite reports on all of the properties in our portfolio where we have like-for-like, whole-building data coverage for the entirety of 2022 and 2023, the vast majority of which are tenant-controlled and therefore outside of our influence and managerial scope.

DATA COVERAGE

Data collection is vital to understanding Granite’s environmental footprint. As such, Granite engages tenants and property teams to track and monitor landlord-paid utility consumption and tenant utility consumption. Where available, Granite obtains data directly from utility companies. All data is uploaded to ENERGY STAR® Portfolio Manager®, where Granite can pull reports and track efficiency. Due to the significant portion of triple-net leases in Granite’s portfolio, tracking whole-building utility data can pose a challenge. Through stakeholder engagement, accurate data collection, and comprehensive coverage, Granite can strategize efficiency measures and optimize utility usage alongside tenants and property teams, making progress toward ESG+R targets and delivering value.*

SETTING A STANDARD: GREEN LEASE LANGUAGE

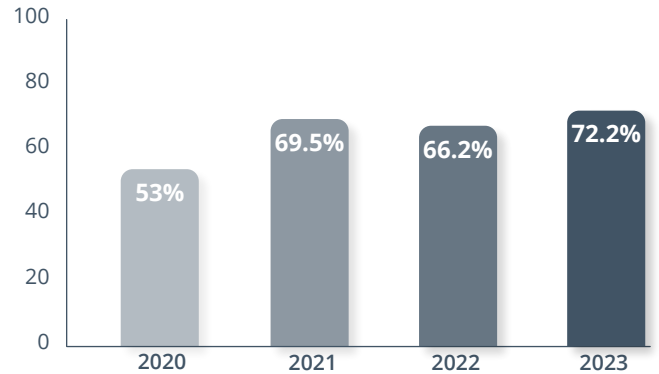
Granite endeavours to include green lease language into standard lease agreements to ensure a dynamic relationship between tenants and property management teams, where both parties collaborate to facilitate increased data coverage and building efficiency.

100%

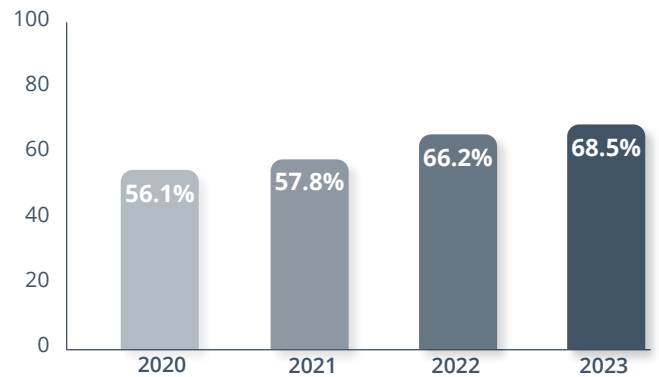
Of standard leases include green lease language that facilitates ESG+R management and reporting

PROPERTIES REPORTING WHOLE-BUILDING DATA:

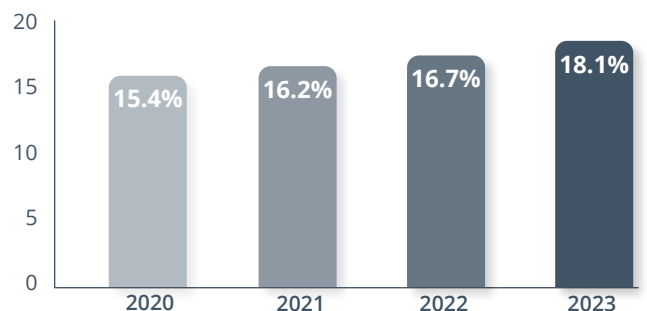
Energy



Water



Waste

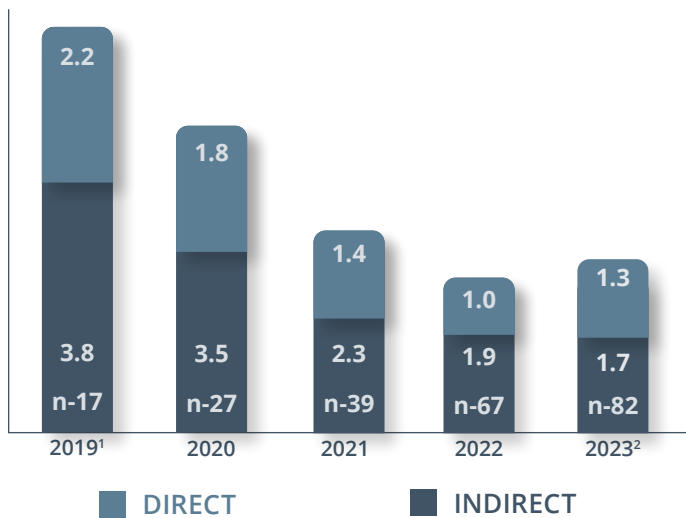


*Our environmental data is dynamic and may change yearly as we acquire additional data for the current year and historical performance. Coverage represents properties with whole-building data as a percentage of gross floor area.

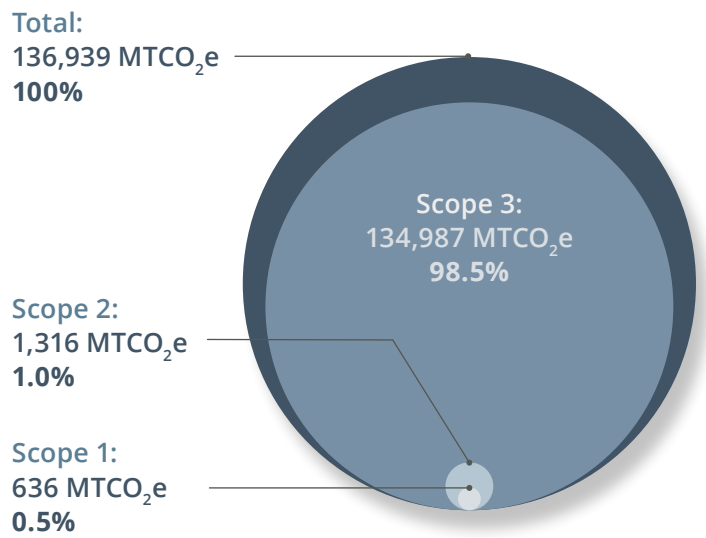
GHG EMISSIONS

Across the portfolio, Granite maps whole-building GHG emissions, calculated by ENERGY STAR® Portfolio Manager® from on-site fuel sources (direct) and emissions resulting from electricity usage (indirect). Nearly all buildings in Granite’s portfolio have 100% tenant-paid utilities (scope 3 GHG emissions), making tenant participation in data collection essential. The graphs below show Granite’s progress toward complete data coverage and reporting total emissions.

Industrial Annual Whole-Building GHG Emissions Intensity (kgCO₂e/ft²)³



Granite REIT Properties Emissions By Scope (MTCO₂e)⁴



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 by 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.

(1) Baseline year.
 (2) The property in Graz, Austria was included in 2019, 2020, 2021 and 2022 but is not yet available for 2023.
 (3) 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.
 (4) Granite follows GHG protocol for classification of emission scopes. Scope 1 (natural gas burned onsite) and Scope 2 (purchased electricity or district steam) emissions represent areas where Granite has operational control, including energy meters maintained during temporary vacancy. Areas where Granite does not have operational control are considered downstream leased assets and are classified as Scope 3 emissions and are only accounted for when tenant-controlled data is available. Any exported solar energy was not included in emissions calculations unless RECs were maintained.



201 SUNRIDGE BOULEVARD | WILMER, TEXAS

GHG EMISSIONS CONTINUED

PREPARING A RESILIENT PORTFOLIO WITH RENEWABLE ENERGY



GOAL: Achieve 24 MW of peak solar capacity by 2025

PROGRESS: 22.79 MW of peak solar capacity installed through Photovoltaic (PV) systems as of December 31, 2023, at Granite properties. By the time this report is published, Granite will have reached our 24 MW of peak solar capacity target and, as such, is already underway on an expanded target to reach 50 MW of peak solar capacity by the end of 2025.

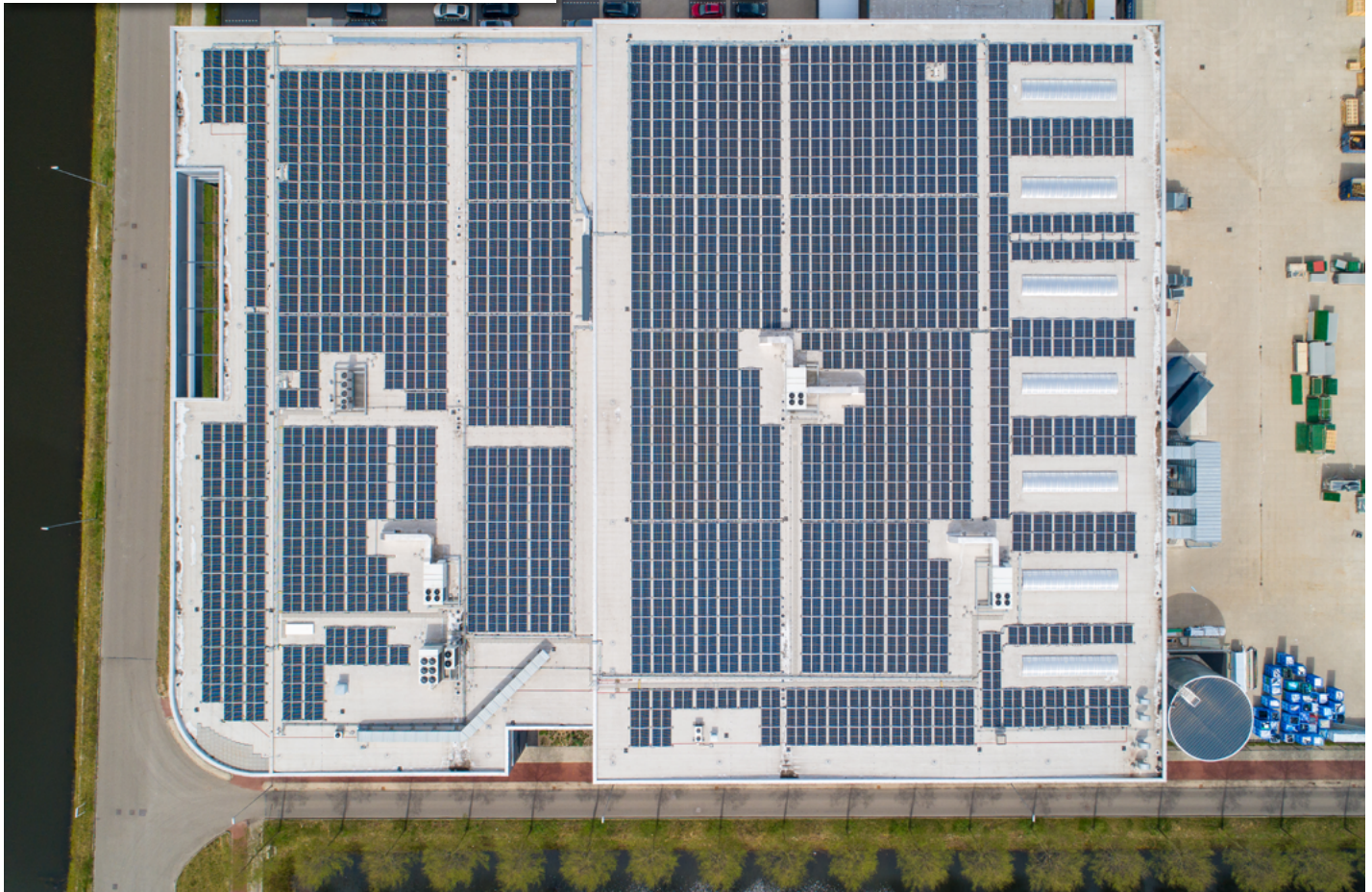
Granite is deploying renewable energy at the asset level to help decarbonize our portfolio and secure long-term stable sources of clean energy. Our strategies for renewable energy include:

On-site solar PV arrays

Off-site renewable energy

Green power agreements and renewable energy certificates (RECs)

FRANCIS BACONSTRAAT 4 | EDE, NETHERLANDS

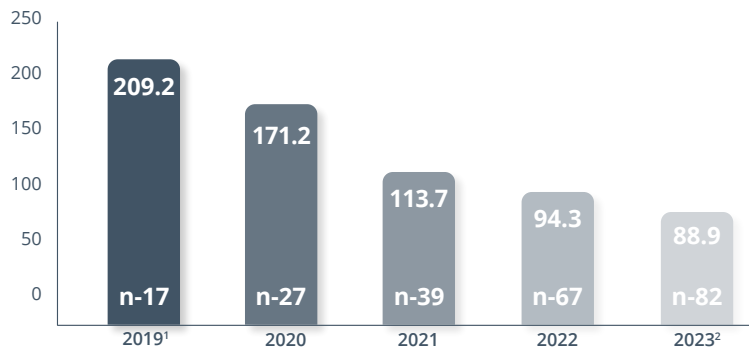


ENERGY

Energy data monitored in ENERGY STAR® Portfolio Manager® allows Granite to pinpoint inefficiencies to further investigate and, where possible, remediate. Granite’s property managers help communicate energy efficiency strategies to tenants and encourage action plans to lower consumption and utility expenses. Granite uses a range of tools and strategies to encourage energy efficiency, including:

Energy audits	Green lease language	Sustainability Resource Guides	Efficiency upgrades
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Industrial Annual Whole-Building Energy Intensity (kBtu/ft²)



The energy use intensity (EUI) is calculated by summing the total twelve-month source energy use (kBtu) across industrial properties where we can track whole-building (landlord and tenant) data and dividing by the gross sq. ft. 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.



SECURING SAVINGS AND LONG-TERM EFFICIENCY WITH SUSTAINABLE FACILITIES MANAGEMENT

Granite works with tenants to track the percentage of maintenance CapEx dedicated to sustainability enhancements across our properties. This helps set a benchmark for the investments dedicated to adding resilience at the property level and can be used to analyze the payoffs of such expenditures in the future.

7.5%

Of maintenance CapEx dedicated to sustainability enhancements for 2023³

54%

Of properties have completed LED lighting retrofits since 2019

(1) Baseline year.

(2) The property in Graz, Austria was included in 2019, 2020, 2021 and 2022 but is not yet available for 2023.

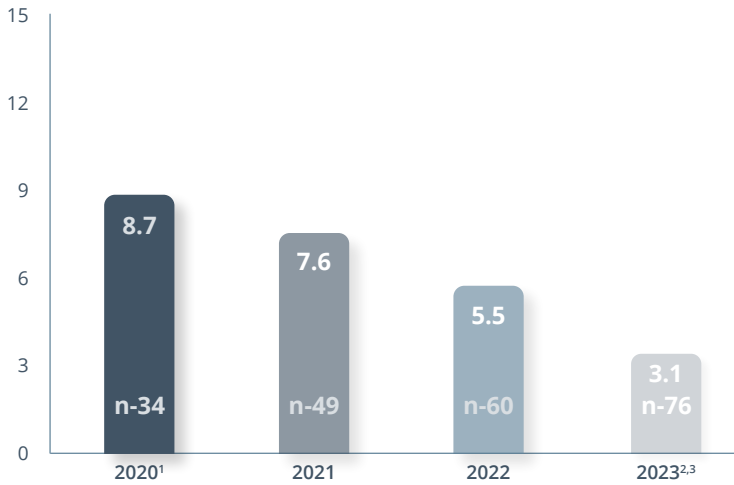
(3) Several planned sustainability enhancement projects that would have pushed this above our 10% target were delayed and are now expected to be completed in 2024.

WATER

Granite encourages efficient water use strategies and fixtures based on findings from data collected through ENERGY STAR® Portfolio Manager®. Best practices are communicated to tenants through Sustainability Resource Guides, and Granite explores efficiency solutions to fit each site’s unique operations, including:

Native or drought-resistant landscaping	Irrigation timers and off-peak watering schedules	Low-flow fixtures	Real-time data monitoring technology
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Industrial Annual Whole-Building Water Use Intensity Over Time (Gal/ft²)



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.

OUTFITTING PROPERTIES WITH REAL-TIME WATER MANAGEMENT TECHNOLOGY

Granite implemented Smartvatten devices at most of our properties in the Netherlands and Germany, allowing for real-time monitoring of water usage, which can help property managers or tenants identify and respond more promptly to potential leaks.



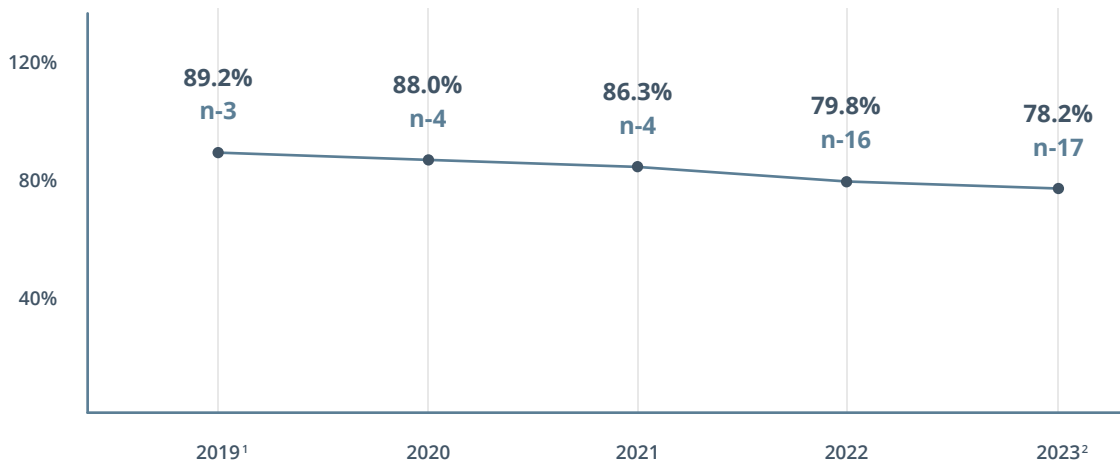
(1) Baseline year.
 (2) The properties in Graz, Austria were included in 2020, 2021 and 2022 but is not yet available for 2023.
 (3) Excluded four outlier properties with high-water-intensity due to specific manufacturing processes (1000-1100 Integram Dr, 195 Steinway Blvd, 90-98 Snidercroft Rd, and 115 Sinclair Blvd).



WASTE

Waste is monitored in ENERGY STAR® Portfolio Manager®, where Granite tracks total waste generation and diversion rate annually. Across our properties, tenants and property management teams rely on guidance in our Sustainability Resource Guides to improve recycling, diversion rates, and strategize consumption habits.

Industrial Annual Whole-Building Waste and Diversion Rate* (Tonnes)



Year	Total Waste in Tonnes	Waste Conversion
2019 ¹	13,559	14.6%
2020	10,941	15.4%
2021	12,604	16.2%
2022	25,109	16.7%
2023 ²	25,732	18.1%

OVER 72,000 TONNES HAVE BEEN DIVERTED SINCE 2019

*Diversion Rate is calculated by waste generated on-site and recycled at the property level.

(1)Baseline year.

(2)The property in Graz, Austria was included in 2019, 2020, 2021 and 2022 but is not yet available for 2023.

(3)Our environmental data is dynamic and may change yearly as we acquire additional data for the current year and historical performance. Coverage represents properties with whole-building data as a percentage of gross floor area.



OTHER INITIATIVES

Beyond influencing utility consumption, Granite explores other sustainability initiatives to deploy across our sites that encourage environmentally conscious practices, such as access to alternative transportation and education on biodiversity.

BOOSTING PROPERTY APPEAL WITH ALTERNATIVE TRANSPORTATION

Granite reviews the portfolio annually to identify opportunities to install EV charging stations and surveys walk, bike, and transit scores when conducting ESG+R assessments during pre-acquisition due diligence to encourage the use of alternative transportation. Granite employees are also encouraged to make use of public transportation with a monthly transit allowance.

110 per month

(CAD/USD/EUR)
Monthly transit allowance offered to employees that commute to work

36

Properties with EV charging stations

As of Dec 31, 2023

256

Vehicles can be charged at a time



EDUCATING TENANTS ON THE IMPORTANCE OF BIODIVERSITY

As keystone species, bees and pollinators play an essential role in fostering biodiversity. Granite encourages their preservation and protection, hosting beehives across our sites in partnership with Alvéole. In our efforts to promote a healthy environment, Granite uses the bees as education tools, purchases Alvéole honey products to share our beekeeping story, and provides real-time metrics on our beekeeping efforts. This unique model assists our efforts to make an impact on the environment and comes with added stakeholder engagement opportunities.

With help from the experts at Alvéole, Granite is providing a habitat for approximately 50,000 bees.

Find out more information about Granite's Beehives in Concord [here](#), Mississauga [here](#), and our newest hive at Brantford [here](#).

Social: Showing up for our People and Communities

Granite makes connections with our unitholders, employees, tenants, property managers, and local communities to promote safety, well-being, inclusion, and a shared positive experience at every level of engagement.



SOCIAL TACTICS & TARGETS

TENANT AND EMPLOYEE ENGAGEMENT

- » Engage with our employees to promote health and well-being, diversity, career development, and training.
 - Employees completed over 17,800,000 steps in our annual step challenge.
- » Provide ongoing resources to support and foster collaboration and open feedback through employee surveys and performance assessments.
 - In 2023, Granite conducted its second employee survey.
- » Collaborate with our tenants and third-party property managers through the distribution of ESG+R resource guides and surveys, which provide sustainability strategies and encourage engagement in Granite's ESG+R initiatives.
 - 100% of tenants have access to Granite's Sustainability Resource Guide, and property managers conduct satisfaction surveys to provide feedback and execute sustainability measures at the property level.
- » Distribute engagement surveys to 100% of our employees and tenants at least every three years.
 - In addition to an employee survey, Granite engages relevant stakeholders through a Materiality Assessment. A follow-up assessment is set to be completed in 2025. Read more about transparency on page 32.
- » Incorporate updated green lease language into new leases.

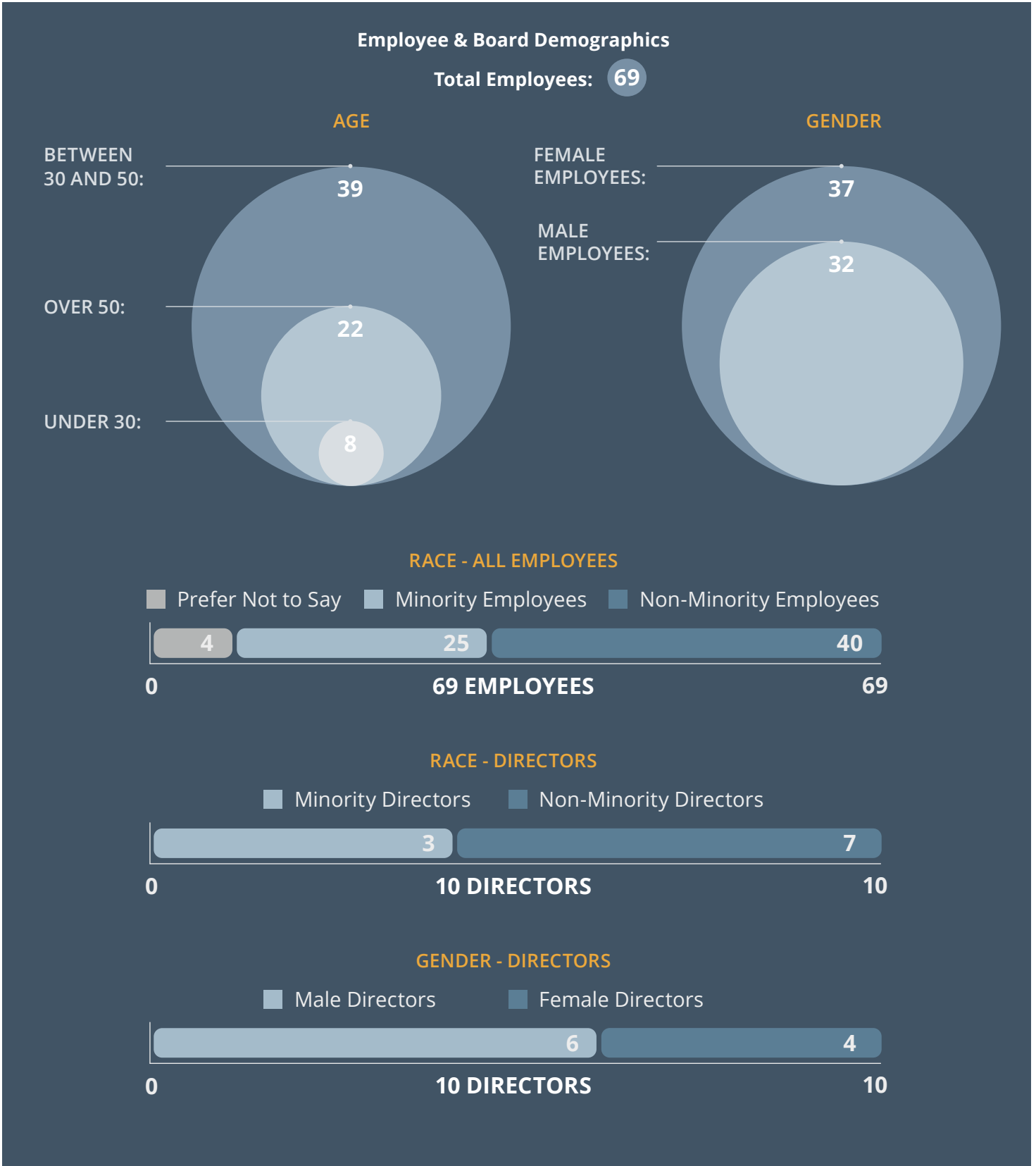
VOLUNTEERISM

- » Promote volunteerism and community support through “Granite Gives” company-sponsored events and donations, recognition of employees for their volunteer work and charitable contributions, and encourage regional teams to host events benefiting the local communities where our properties are located.
 - Granite participated in 26 charitable events in 2023.
- » 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.
 - \$180,000 CAD contributed to local organizations in 2023.
- » Track and monitor tenant and community engagement through the distribution of an ESG+R survey to Granite REIT’s tenants annually.
 - 100% of tenants receive Granite’s ESG+R survey.



EMPLOYEES

Granite’s employees are supported by dynamic workplaces that foster candid engagement, inclusivity, well-being, career development, and a positive employee culture.



EMPLOYEE ENGAGEMENT

Granite engages employees to receive candid feedback and realize its workforce’s full potential. When we connect with our people, we are able to focus our efforts on specific topics or situations that our employees find most important.

PREPARING OUR WORKFORCE WITH EMPLOYEE RETREATS

Granite hosted in-person global staff retreats each September in 2018, 2019, 2022, and 2023 to engage our people on relevant industry topics, business objectives, and team bonding. The retreat consisted of:

- » External educational presentations and panel discussions, including a virtual ESG+R-focused presentation in 2023;
- » Property tours; and
- » Volunteering and team bonding opportunities.

DIVERSITY AND INCLUSION

To help our people show up as their best selves each and every day, Granite does its part to set forth equitable and inclusive employment practices in our Employee Handbook, which is supported with policies on:

- » Diversity;
- » Anti-Discrimination;
- » Accessibility; and
- » Anti-Violence and Harassment.



SURVEYING OUR EMPLOYEES FOR CONTINUED SATISFACTION

In 2023, 99% of Granite’s workforce completed a second employee engagement survey, where we achieved favorable scores relative to a peer benchmark of firms with less than 200 employees. While employees’ overall satisfaction scored highly, other dimensions surveyed, such as culture, role, team engagement, mental health, work-life balance, and compensation, also received high ratings.

PROFESSIONAL DEVELOPMENT & TRAINING

Granite reimburses employees for education courses or professional development seminars and covers the cost of attending industry events to encourage and provide everyone with the opportunity for professional growth. On an annual basis, Granite conducts employee evaluations to help our employees develop specific personal and professional goals according to their respective roles. Beyond that, new hires and in-place employees are required to complete specific training.



SETTING UP A DYNAMIC WORKFORCE WITH ROUTINE TRAINING

Granite trains its Board and employees on a range of topics to ensure each employee acts with integrity at the workplace and has an understanding of poignant industry issues.

- » 60% of the Board completed ESG+R training (Goal: 100% by June 2025)
- » \$631 dollars spent, on average, on training per employee

Annual certification and training for in-place employees	New hires
Code of Conduct & Ethics	Employee Handbook
Anti-Bribery and IT Acceptable Use Policies	Accessibility for Ontarians with Disabilities Act and Occupational Health and Safety Act (Ontario employees only)
Routine Cybersecurity Training and Phishing Campaigns	Health and Safety Training
	Cybersecurity Training

BENEFITS

Granite provides a suite of benefits and wellness activities for employees to encourage a healthy, active workforce. These include:

- » Comprehensive Health and Dental Insurance;
- » Life and Disability Insurance;
- » Hybrid Work Policy;
- » Above Industry Average Parental Leave;
- » Bereavement Leave;
- » Retirement Provisions;
- » Stock Ownership;
- » Paid Sick Leave;
- » Personal Days; and
- » Transit Allowance.
- » Fitness Allowance;
- » Paid Vacation;
- » Corporate Retreat;
- » List of wellness centers, clinics, and hospitals available to employees (U.S.);
- » Employee and Family Assistance Program for additional family, personal counseling, and mental health support;
- » Wellness amenities such as standing desks and filtered water available; and
- » Fitness challenges.



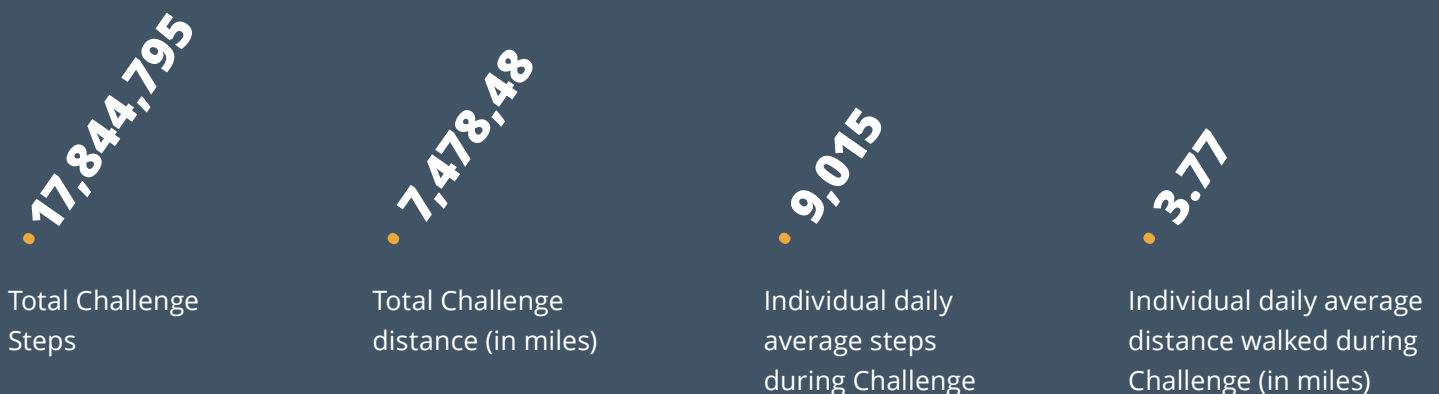
KEEPING UP WITH EMPLOYEE AND INDUSTRY EXPECTATIONS

In 2023, Granite refreshed its Employee Handbook for the first time since 2019 to reflect current industry and market benchmarks. As part of the update, Granite adjusted financial, fitness, and transit allowances and updated policies for current practices, ensuring all of our employees receive the same amount of support.

Highlight

GRANITE'S STEP CHALLENGE

In 2023, Granite hosted our annual step challenge to encourage employees to get up and get active! This month-long challenge helps raise funds for charities Granite supports and serves up some friendly inter-office competition.



TENANTS

Granite's tenants are integral in helping realize our ESG+R targets and mitigate potential risks to our properties. A key mechanism for tenant engagement is the distribution of our Tenant Sustainability Guides.

ENCOURAGING ESG+R INTEGRATION WITH TENANT SUSTAINABILITY GUIDES

Tenant Sustainability Guides help promote our own ESG+R goals as well as overall sustainability in our industry by providing tenants with action plans and comprehensive guidance. Made available through tenant portals, E-newsletters, and building posts, elements of our guides inform tenants on sustainability best practices, including:

- » Energy Efficiency;
- » Data Management and Monitoring;
- » Water Conservation;
- » Waste Management, Recycling, and Composting;
- » Sustainable Purchasing;
- » Transportation;
- » Occupant Wellness;
- » Green Cleaning; and
- » Pest Control and Wildlife Management.



COMMUNITIES

To leave a lasting, positive impact on our local communities, Granite's employees volunteer their time and resources to give back to numerous organizations and causes.

CHARITABLE PARTNERSHIPS & COMMITMENTS

Granite serves countless charities and causes around our communities. Driven by employee volunteering initiatives, Granite's employees have given back in more ways than one.

TOTAL GIVING IN 2023 ACROSS THE US, CANADA, AND EUROPE:



GRANITE'S IMPACT ON COMMUNITIES

Granite partnered with The Riverwood Conservancy to support a BioBlitz (biological inventory) where 794 species were observed across 3,075 total observations including 72 species that had not been observed at the Riverwood Conservancy before.

Our Amsterdam Team provided spring and fall landscaping/gardening help at the Cordaan De Watertoren facility for people with intellectual disabilities.

Granite's European Team gathered in Vienna to wrap approximately 130 gifts for the Arbeiter-Samariter-Bund Österreichs to distribute the donated toys to children who may otherwise not receive anything for Christmas.

The Toronto Team spent a full-day at Second Harvest Heartland's warehouse sorting 8,060 lbs of yams that were then distributed to local families who are experiencing food insecurity.

Our Dallas Team partnered with the Ronald McDonald House of Dallas to provide, prepare, and serve lunch to families in residence whose children are receiving essential medical care.

DEVELOPING A LASTING, POSITIVE COMMUNITY INFLUENCE WITH GRANITE GIVES

Our community engagement program, Granite Gives, helps connect our community engagement themes of health and well-being, team building, and education with employees and the greater community. Through various programming and planning strategies, Granite aims to develop a workforce that supports one another and brings change to local communities. Granite makes this happen through:

- » Numerous volunteer initiatives in our local communities and donating funds to local charities;
- » Inter-Office Teams that promote camaraderie and community across the workplace; and
- » Educational programs such as our work with Alvéole, which provides beehive and biodiversity lessons to our tenants and community members.



Granite also offers a corporate matching donation of up to a maximum of 125 of local currency (per employee per year) to qualifying non-profit organizations. Granite helped our employees contribute to:

15

Organizations

\$4K CAD

Total funds dispersed in 2023*

*Pertains only to the Donation Matching component of the Granite Gives program

Governance: Setting a Standard of Leadership

Through strong policies, sustainable financing mechanisms, and layered assurance, Granite drives our operations to sustain long-term value, mitigate risks, and remain ahead of compliance.



GOVERNANCE TACTICS & TARGETS

TRANSPARENCY

- » Assess 100% of potential acquisitions for ESG+R attributes and identify areas for improvement.
 - 100% of Granite's portfolio has been assessed for ESG+R attributes
- » Provide transparency to our investors by incorporating ESG+R into our quarterly and annual investor presentations and financial reports to unitholders and stakeholders.
 - Granite has produced an annual report disclosing relevant ESG+R information since 2020, and has record of it on its website.

ETHICS

- » Provide leadership over our ESG+R program through the Granite REIT ESG+R Committee.
 - Granite's ESG+R Committee meets quarterly to discuss and focus on specific ESG+R topics. Learn more on page 10.
- » Monitor property compliance with government benchmarking requirements and ESG+R-related regulations.
 - Granite's ESG+R Committee engaged external experts in 2023 to understand the regulatory landscape and changing requirements.

CORPORATE GOVERNANCE & TRANSPARENCY

Granite's corporate governance values feedback and collaboration with stakeholders. Such interactions provide insight and validation of Granite's progress toward our goals.



ENSURING PROGRESS WITH EXTERNAL ASSURANCE AND PARTNERSHIPS

In 2024, Granite REIT's 2023 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 the International Organization for Standardization (ISO) 14064-3 standard.

Granite partners with third-party managers and tenants to facilitate progress toward our ESG+R goals. We have established the following procedures:

- » 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; and
- » External environmental complaints management and response procedure.

501 AIRTECH PARKWAY | PLAINFIELD, INDIANA



POLICIES

Granite's policies help safeguard our reputation and promote ethical business practices. Granite has policies on the following topics:

- » Whistleblower mechanisms;
- » Environmental stewardship;
- » Diversity;
- » Workplace violence and harassment;
- » Discrimination;
- » Anti-bribery;
- » IT acceptable use; and
- » Accessibility.

All public-facing policies and procedures can be found [here](#).



DEVELOPING A STANDARD OF ENGAGEMENT WITH ARTIFICIAL INTELLIGENCE

In 2023, Granite worked to develop an official AI Policy to provide all employees with guidelines around the use of generative artificial intelligence (GAI) tools and services and to ensure that GAI is used responsibly, ethically, and in compliance with all applicable laws and all other Granite policies and procedures. Granite developed this policy to stay ahead of possible cyber threats or risks associated with emerging AI technologies. In the policy, employees are provided specific use cases for GAI and are made aware of relevant procedures should they wish to pursue further use of GAI tools or services. The policy was officially adopted on March 1, 2024.



GREEN BOND FRAMEWORK

Granite's Green Bond Framework complies with the Green Bond Principles (GBP) developed by the International Capital Markets Association and is based on the four core components of the GBP.

- » Use of proceeds
- » Process for evaluation and selection
- » Management of proceeds
- » Allocation and impact reporting

For a full review of Granite's Green Bond Framework, and explore our Annual Green Bond Use of Proceeds Report, visit our [website](#).



SERVING FUTURE INTERESTS WITH GREEN BONDS

In October of 2023, Granite issued its third green bond, the 2029 Debentures, and collectively with the 2027 Debentures and the 2028 Debentures, the "Green Bonds", comprising \$1,391.7 million of net proceeds to be allocated to Eligible Green Projects, as defined in the Green Bond Framework. Granite has allocated a total of \$1,161.3 million of net Green Bond proceeds to Eligible Green Projects, representing 100%, 100%, and 42.0% of the net proceeds of the 2027 Debentures, 2028 Debentures, and 2029 Debentures, respectively, or 83% of total net Green Bond proceeds.

SUPPLY CHAIN

When purchasing supplies and partnering with vendors, Granite considers specific criteria to uphold sustainability standards and align with our ESG+R goals. In the sustainability resources provided to all property teams and tenants, there are suggestions for considering materials 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; and
- » Backed by trustworthy, environmentally conscientious labeling programs such as Fair Trade®, the Forest Stewardship Council (FSC®), ENERGY STAR®, and more.



When Granite engages with vendors, we set out to form partnerships over like-minded values. As such, our purchase orders come with standard terms and conditions, which include requirements to comply with all laws and ordinances, requiring contractors to not engage in modern slavery or child labor and to have appropriate labor standards and working conditions.



INDUSTRY PARTICIPATION

Granite engages with industry organizations to share best practices and glean insights from other leading organizations. Granite is a member or engages directly with:



Granite is an active member of Realpac and our employees participate in numerous subcommittees, including:

- » Financial Best Practices Committee;
- » People and Culture Committee;
- » Sustainability Committee; and
- » Cybersecurity Committee.

Resilience: Managing Risks

Granite grows resilience throughout our portfolio to mitigate risks and realize long-term sustainability.



5000 VILLAGE CREEK ROAD | FORT WORTH, TEXAS

RESILIENCE TACTICS & TARGETS

- » Align our resilience program with the TCFD framework.
 - Granite has aligned with TCFD since 2021.
- » Assess physical and transitional climate-related risks during the new acquisition due diligence process and evaluate measures to increase resiliency in our underwriting process.
 - 100% of new acquisitions are assessed for climate risks and resilience opportunities, and ESG+R parameters are included in underwriting.
- » Review our portfolio against applicable building performance standards and targets.
 - 100% of the portfolio is benchmarked against building ordinances and standards for compliance.

Our Sustainability Plan and Green Bond Framework are two tools that we make available to property and investment teams to evaluate and minimize risks during the due diligence and management phases of a project. As a whole, Granite's Resilience Program describes our governance approach to risk management and is in alignment with TCFD recommendations.

OUR RESILIENCE PROGRAM

GOVERNANCE

- » Granite REIT is engaged in the acquisition, development, and management of an investment property portfolio that respects 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 regular updates on ESG+R matters and progress against objectives or targets to the wider Board of Directors/Trustees; and 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.
- » 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.

Our Sustainability Plan and Green Bond Framework are two such tools that we make available to property and investment teams to evaluate and minimize risks during the due diligence and management phases of a project. Our recently amended Resilience Program describes our governance approach to risk management and is in alignment with TCFD recommendations.

STRATEGY

- » 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; and
- » Risks are categorized into physical risk and transitional risk. Physical risks assessed include perils such as flooding, wildfires, hurricanes/typhoons, sea level rise, heat stress, and water stress. Transitional 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-term.
- » 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;
- » Granite utilizes 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; and

STRATEGY (Continued)

- » Financial impacts related to transitional 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.
- » 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

- » 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; and
- » The ESG+R Committee monitors the transition risks and opportunities to achieve a low carbon economy. Transitional 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.
- » 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 for ensuring 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 on 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.

- » Moody's Climate on 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.

METRICS AND TARGETS

- » 2023 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.

METRICS AND TARGETS (Continued)

- 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 for Granite properties.
- » 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).

2023 Emissions by MTCO₂e



SCOPE 1: 636 MTCO₂e
SCOPE 2: 1,316 MTCO₂e
SCOPE 3: 134,987 MTCO₂e



Looking to the Future

To remain competitive, resilient to possible risks, and value-oriented, Granite sets a path for continuous improvement. Initiatives on the horizon include:

- » Reaching environmental targets and increasing data coverage across the portfolio;
- » Engaging employees with volunteering and charitable giving opportunities;
- » Collaborating with tenants and property managers to institute sustainable practices;
- » Understanding new regulations regarding sustainability reporting and ensuring we are ready to comply if regulations are determined to apply to Granite;
- » Achieving initiative that all Trustees/Directors complete Board-level ESG+R education by June 2025; and
- » Introducing additional sustainability requirements, such as tracking and minimizing waste for contractors on construction projects managed by Granite.
- » Property initiatives from ESG metrics survey



SASB Disclosures

The 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. The following SASB disclosures represent Granite's portfolio ESG+R performance for only the operational properties in 2023 as of December 31, 2023.

SASB Code	Accounting Metric	Unit of Measure	Granite REIT Response
IF-RE-000.A	Number of Assets, by property subsector	Number	Industrial: 132 Technology/Science Other: 1 Office: 2 Total Assets: 135
IF-RE-000.B	Leasable floor area, by property subsector	Square feet (sq. ft.)	Industrial: 61,974,851 Technology/Science Other: 41,163 Office: 356,076 Gross Floor Total: 62,372,090
IF-RE-000.C	Percentage of indirectly managed Assets, by property subsector	Percentage (%) by floor area (LFA)	Industrial: 100% Indirectly Managed Technology/Science Other: 100% Indirectly Managed Office: 14% Indirectly Managed
IF-RE-000.D	Average occupancy rate, by property sector	Percentage (%)	Industrial: 95% Technology/Science Other: 100% 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: 63.72 Technology/Science Other: 0% Office: 78.4%
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage, by property data type	Gigajoules	Industrial: 1,832,252 Technology/Science Other: N/A Office: 8,182
	Percentage grid electricity, by property type	Percentage (%)	Industrial: 98.2% Technology/Science Other: N/A Office: 100%
	Percentage renewable, by property type	Percentage (%)	Industrial: 1.8% Technology/Science Other: N/A Office: 0%
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage by property sector	Percentage (%)	Industrial: -23.98% Technology/Science Other: N/A Office: 27.2%

SASB Disclosures

ENERGY MANAGEMENT CONTINUED

SASB Code	Accounting Metric	Unit of Measure	Granite REIT Response
IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating, by property subsector	Percentage (%) by floor area (LFA)	Industrial: 57.5% Technology/Science Other: 0% Office: 100%
	Percentage of eligible portfolio that is certified to ENERGY STAR®, by property subsector	Percentage (%) by floor area (LFA)	Industrial: 0% Technology/Science Other: 0% Office: 0% 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.
F-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 evaluates a building's characteristics and plausibility to obtain GBCs. Granite's commitment is to obtain, when possible, new buildings with GBCs. Granite spent over 48% of maintenance capital expenditures on sustainability enhancements at their properties in 2023.</p>

SASB Disclosures

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: 62.8% Technology/Science Other: 0% Office: 100%
	<p>Relevant factors that influence whole-building energy and water coverage include the following:</p> <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: 44.9% Technology/Science Other: 0% Office: 100%
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage by property sector	Volume (Gal)	Industrial: 194,869,322 Technology/Science Other: N/A Office: 3,943,969
	Percentage of regions with High or Extremely High Baseline Water Stress by property subsector	Percentage (%)	Industrial: 2.41% Technology/Science Other: N/A Office: 10.67%
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Percentage (%) by floor area (LFA)	Industrial: 0.1% Technology/Science Other: N/A Office: 12.4%

SASB Disclosures

WATER MANAGEMENT

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>

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.

SASB Disclosures

MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS CONTINUED

SASB Code	Accounting Metric	Unit of Measure	Granite REIT Response
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)	Industrial: 100% Technology/Science Other: 0% Office: 100% 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.
	Percentage of tenants separately metered or submetered for water withdrawals, by property subsector	Percentage (%) by floor area (LFA)	Industrial: 100% Technology/Science Other: 0% Office: 100% 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 usage 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.
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Discussion and Analysis	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. 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.

SASB Disclosures

MANAGEMENT OF CLIMATE CHANGE ADAPTATION

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 (sq. ft.)	7,576,545
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>

GRI Content Index

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Overview (p 5)
	2-2 Entities included in the organization's sustainability reporting	Company Overview (p 5)
	2-3 Reporting period, frequency and contact point	About this Report (p 3) and Back Cover
	2-4 Restatements of information	Not Applicable, no restatements.
	2-5 External assurance	Not Applicable, no assurance provided
	2-6 Activities, value chain and other business relationships	Company Overview (p 5)
	2-7 Employees	Employees (p 26)
	2-8 Workers who are not employees	Employees (p 26)
	2-9 Governance structure and composition	ESG+R Committee Overseeing Progress and Governance (p 10 & 32)
	2-10 Nomination and selection of the highest governance body	ESG+R Committee and Governance: Setting a Standard of Leadership (p 10 & 32)
	2-11 Chair of the highest governance body	ESG+R Committee Overseeing Progress and Governance: Setting a Standard of Leadership (p 10 & 32)
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG+R Committee Overseeing Progress, Governance: Setting a Standard of Leadership, and Resilience: Managing Risks (p 10, 32 & 38)
	2-13 Delegation of responsibility for managing impacts	ESG+R Committee Overseeing Progress and Governance: Setting a Standard of Leadership (p 10 & 32)
	2-14 Role of the highest governance body in sustainability reporting	ESG+R Committee Overseeing Progress and Governance: Setting a Standard of Leadership (p 10 & 32)
	2-15 Conflicts of interest	Policies (p 34)
	2-16 Communication of critical concerns	Governance Setting a Standard of Leadership and Resilience: Managing Risks (p 32 & 38)

GRI Content Index

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	ESG+R Committee Overseeing Progress and Professional Development & Training (p 10 & 27)
	2-18 Evaluation of the performance of the highest governance body	Policies (p 34)
	2-19 Remuneration policies	Policies (p 34)
	2-20 Process to determine remuneration	Policies (p 34)
	2-21 Annual total compensation ratio	Not reported
	2-22 Statement on sustainable development strategy	A Message from the President & CEO (p. 4)
	2-23 Policy commitments	Policies (p 34)
	2-24 Embedding policy commitments	Policies (p 34)
	2-25 Processes to remediate negative impacts	Policies (p 34)
	2-26 Mechanisms for seeking advice and raising concerns	Policies (p 34)
	2-27 Compliance with laws and regulations	Governance: Setting a Standard of Leadership and Policies (p 32 & 34)
	2-28 Membership associations	Communities (p 30)
	2-29 Approach to stakeholder engagement	Social: Showing up for our People and Communities (p 24 & 30)
	2-30 Collective bargaining agreements	Not applicable

GRI Content Index

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality: Surveying Stakeholders (p 8)
	3-2 List of material topics	Materiality: Surveying Stakeholders (p 8)
	3-3 Management of material topics	Materiality: Surveying Stakeholders (p 8)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Granite REIT Form 40-F
	201-2 Financial implications and other risks and opportunities due to climate change	Resilience: Managing Risks (p 38)
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Granite REIT Form 40-F
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Granite REIT Form 40-F
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Policies (p 34)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy (p 34)
	302-3 Energy intensity	Energy (p 34)
	302-4 Reduction of energy consumption	Energy (p 34)
	303-3 Water withdrawal	Water (p 34)
	303-5 Water consumption	Water (p 34)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions (p 18)
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions (p 18)
	305-3 Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions (p 18)
	305-4 GHG emissions intensity	Greenhouse Gas Emissions (p 18)
	305-5 Reduction of GHG emissions	Greenhouse Gas Emissions (p 18)
GRI 306: Waste 2020	306-3 Waste generated	Waste (p 22)
	306-4 Waste diverted from disposal	Waste (p 22)

GRI Content Index

GRI Standard	Disclosure	Location
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employees (p 26)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits (p 28)
	401-3 Parental leave	Benefits (p 28)
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Social: Showing up for our People and Communities and Policies (p 24 & 34)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Benefits (p 28)
	403-5 Worker training on occupational health and safety	Professional Development & Training (p 27)
	403-6 Promotion of worker health	Benefits (p 28)
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Professional Development & Training (p 27)
	404-3 Percentage of employees receiving regular performance and career development reviews	Professional Development & Training (p 27)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employees (p 26)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Communities (p 30)
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Tenants (p 29)
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Green Building Certifications: Responding to Value (p 12)
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Policies (p 34)

Forward-Looking Statements

This ESG+R report may contain statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation, including the United States Securities Act of 1933, as amended, the United States Securities Exchange Act of 1934, as amended, and applicable Canadian securities legislation. Forward-looking statements and forward-looking information may include, among others, statements regarding Granite’s future plans, goals, strategies, intentions, beliefs, estimates, costs, objectives, tenants, economic performance, targets or expectations, or the assumptions underlying any of the foregoing. Words such as “outlook”, “may”, “would”, “could”, “should”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “seek” and similar expressions are used to identify forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information should not be read as guarantees of future events, performance or results and will not necessarily be accurate indications of whether or the times at or by which such future performance will be achieved. Undue reliance should not be placed on such statements. There can also be no assurance that Granite’s expectations regarding various matters, including Granite’s ability to execute on the stated targets within its ESG+R program, will be realized in a timely manner, with the expected impact or at all. Forward-looking statements and forward-looking information are based on information available at the time and/or management’s good faith assumptions and analyses made in light of Granite’s perception of historical trends, current conditions and expected future developments, as well as other factors Granite believes are appropriate in the circumstances. Forward-looking statements and forward-looking information are subject to known and unknown risks, uncertainties, and other unpredictable factors, many of which are beyond Granite’s control, that could cause actual events or results to differ materially from such forward-looking statements and forward-looking information. Important factors that could cause such differences include, but are not limited to, the availability, accessibility and suitability of comprehensive and high-quality data, the development of comparable ESG metrics and methodologies, the development of provincial, national and international laws, policies and regulations in respect of ESG and the risks set forth in the “Risk Factors” section in Granite’s Annual Information Form for 2023 dated February 28, 2024, filed on SEDAR+ at www.sedarplus.ca and attached as Exhibit 1 to the Trust’s Annual Report on Form 40-F for the year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission and available online on EDGAR at www.sec.gov, all of which investors are strongly advised to review. The “Risk Factors” section also contains information about the material factors or assumptions underlying such forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information speak only as of the date the statements and information were made and unless otherwise required by applicable securities laws, Granite expressly disclaims any intention and undertakes no obligation to update or revise any forward-looking statements or forward-looking information contained in this ESG+R Report to reflect subsequent information, events or circumstances or otherwise. All forward-looking statements contained in this ESG+R Report are made as of the date hereof and are qualified by these cautionary statements.

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For questions regarding this report,
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