Annual Green Bond Use of Proceeds Report for the period ending December 31, 2023

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

and

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

and

6.074% $400 Million, Series 7 Senior Debentures due 2029

February 28, 2024

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"). On August 30, 2021, Granite issued its second green bond, 2.194% $500 million Series 6 Senior Debentures due 2028 (the "2028 Debentures"). On October 12, 2023, Granite issued its third green bond, 6.074% $400 million Series 7 Senior Debentures due 2029 (the "2029 Debentures" and collectively with the 2027 Debentures and the 2028 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 February 28, 2024, Granite owns 143 investment properties in five countries representing approximately 62.9 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

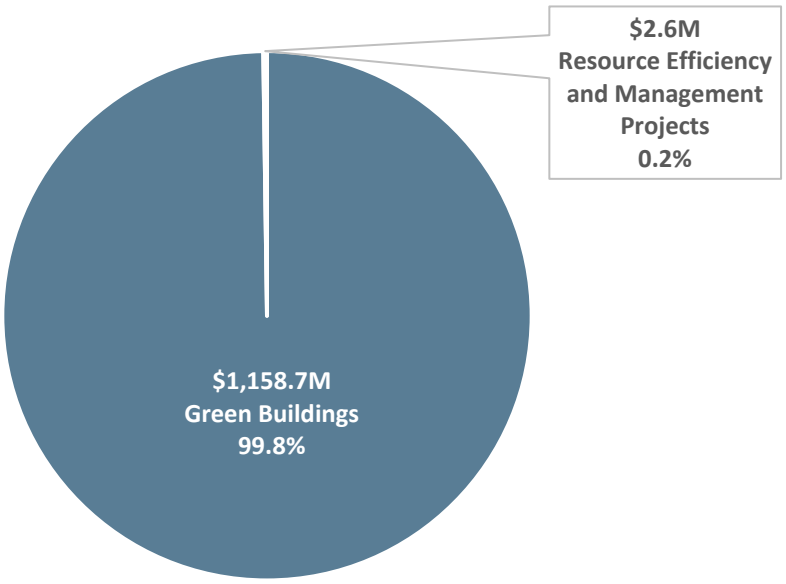
The net proceeds from the 2027 Debentures total $496.9 million representing gross proceeds of $500 million less $3.1 million of transaction costs.

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

The net proceeds from the 2029 Debentures total $397.5 million representing gross proceeds of $400 million less $2.5 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, 2023, 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. 99.8% of total net Green Bond proceeds have been allocated to Green Buildings with the remaining 0.2% of the net Green Bond proceeds having been allocated to Resource Efficiency and Management projects.

$1,161.3 MILLION ALLOCATED TO ELIGIBLE GREEN PROJECTS



The tables below summarize the allocated amounts from the net proceeds of the 2027 Debentures, 2028 Debentures and 2029 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 Poosthoornstraat 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	51.6 (Partial Allocation)

[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
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	Allocated Net Proceeds (C$ million)
Green Buildings	Two Green Globes (Achieved)	**Completed development** of a Green Building at 5000 Village Creek Road	Fort Worth, Texas, USA	June 2022	3.5 (Partial Allocation)
Green Buildings	Two Green Globes (Pursuing)	**Acquisition** of a Green Building located at Swaardvenstraat 75	Tilburg, Netherlands	July 1, 2022	101.2
Green Buildings	Two Green Globes (Achieved)	**Completed expansion** of a building at 2095 Logistics Drive	Mississauga, Ontario, Canada	August 2022	11.5
Green Buildings	Two Green Globes (Achieved)	**Completed development** of a Green Building at 2120 Logistics Way	Murfreesboro, Tennessee, USA	December 2022	89.3
Green Buildings	Two Green Globes (Achieved)	**Completed development** of three Green Buildings at 13220/13230/13250 Crosby Freeway	Houston, Texas, USA	January 31, 2023 and March 31, 2023	147.4
Green Buildings	Two Green Globes (Achieved)	**Completed development** of two Green Buildings at 10144/10207 Veterans Drive	Avon, Indiana, USA	March 31, 2023	108.7
Green Buildings	Two Green Globes (Pursuing)	**Completed development** of a Green Building at 905 Belle Lane	Bolingbrook, IL, USA	April 1, 2023	35.7 (Partial Allocation)
Total Net Proceeds Allocated					**$497.3**
Portion of Net Proceeds Allocated					**100%**

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

Use of Net Proceeds of the 2029 Debentures

Eligible Green Project Category per Framework	Certification Rating[5] (Achieved or Pursuing)	Eligible Investment	Location	Date Completed /Estimated Completion Date	Allocated Net Proceeds (C$ million)
Green Buildings	Two Green Globes (Pursuing)	**Completed development** of a Green Building at 905 Belle Lane	Bolingbrook, IL, USA	April 1, 2023	17.7 (Partial Allocation)
Green Buildings	Two Green Globes (Achieved)	**Completed development** of three Green Buildings at 100/120/150 Business Park Drive	Lebanon, Tennessee, USA	April 1, 2023	71.2
Resource Efficiency and Management	N/A	**LED lighting** retrofits at two properties	Plainfield, IN, USA and Saltzgitter, Germany	May 2023 and October 2023	0.4
Green Buildings	Two Green Globes (Pursuing)	**Development in progress** of a Green Building at 4 Bowery Road, Block 1	Brantford, Ontario, Canada	Certification expected Q2 2024	67.1
Green Buildings	Two Green Globes (Pursuing)	**Green expansion in progress** of a building at 555 Beck Crescent	Ajax, Ontario, Canada	Certification expected Q3 2024	10.7
Total Net Proceeds Allocated					**$167.1**
Unallocated Net Proceeds					230.4
Total Net Proceeds of Green Bond					**$397.5**
Portion of Net Proceeds Allocated					**42.0%**

[5] 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**	26.9%	**Annual water use reduction[2,3]**
34%	**Annual energy use reduction[1]**	**853** tonnes CO_2 eq or **5**4%	**Annual greenhouse gas emissions avoided[2]**
15.4 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	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**		
100%	**Annual energy use reduction[1]**	73.6%	**Proportion of on-site renewable energy[2]**
-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. 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		
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]
12.6%	Proportion of on-site renewable energy[2]	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. 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]**	24% or 209.4 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**
11.69 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	56,247 m^2	**Building area certified as Two Green Globes**

1. The site had an Energy Star Design Score of 87, which translates to 76 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 38% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
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. The site had an Energy Star Design Score of 76, which translates to 52 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 26% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
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]**	92%	**Proportion of construction waste diverted from landfill[2]**
23 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	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

100 BUSINESS PARK DRIVE, LEBANON, TENNESSEE, USA

SUSTAINABILITY INIDCATORS

13.9 kWh/m^2	**Annual energy intensity**		
50%	**Annual energy use reduction[1]**	81.6% or 283 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**
4.07 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	15,724 m^2	**Building area certified as Two Green Globes**

1. The site had an Energy Star Design Score of 96, which translates to 100 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 50% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
2. Compared to Median property

120 BUSINESS PARK DRIVE, LEBANON, TENNESSEE, USA

SUSTAINABILITY INIDCATORS

13.44 kWh/m^2	**Annual energy intensity**		
50%	**Annual energy use reduction[1]**	82% or 291 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**
3.93 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	16,258 m^2	**Building area certified as Two Green Globes**

1. The site had an Energy Star Design Score of 96, which translates to 100 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 50% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
2. Compared to Median property

150 BUSINESS PARK DRIVE, LEBANON, TENNESSEE, USA

SUSTAINABILITY INIDCATORS

4.31 kWh/m^2	**Annual energy intensity**		
50%	**Annual energy use reduction[1]**	93.7% or 314 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**
1.37 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	15,329 m^2	**Building area certified as Two Green Globes**

1. The site had an Energy Star Design Score of 96, which translates to 100 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 50% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
2. Compared to Median property

2120 LOGISTICS WAY, MURFREESBORO, TENNESSEE, USA

SUSTAINABILITY INIDCATORS

17.35 kWh/m^2	**Annual energy intensity**		
50%	**Annual energy use reduction[1]**	75.8% or 1304 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**
5.32 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	78,455 m^2	**Building area certified as Two Green Globes**

1. The site had an Energy Star Design Score of 100, which translates to 100 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 50% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
2. Compared to Median property

10144 VETERANS DRIVE, AVON, INDIANA, USA

SUSTAINABILITY INIDCATORS

38.32 kWh/m^2	**Annual energy intensity**		
50%	**Annual energy use reduction[1]**	64% or 1047 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**
8.88 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	66,221 m^2	**Building area certified as Two Green Globes**

1. The site had an Energy Star Design Score of 100, which translates to 100 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 50% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
2. Compared to Median property

10207 VETERANS DRIVE, AVON, INDIANA, USA

SUSTAINABILITY INIDCATORS

39.14 kWh/m^2	**Annual energy intensity**		
50%	**Annual energy use reduction[1]**	65.5% or 438 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**
8.54 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	27,035 m^2	**Building area certified as Two Green Globes**

1. The site had an Energy Star Design Score of 100, which translates to 100 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 50% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
2. Compared to Median property

13220 CROSBY FREEWAY, HOUSTON, TEXAS, USA

SUSTAINABILITY INIDCATORS

15.21 kWh/m^2	**Annual energy intensity**		
50%	**Annual energy use reduction[1]**	68.7% or 342 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**
5.68 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	27,466 m^2	**Building area certified as Two Green Globes**

1. The site had an Energy Star Design Score of 100, which translates to 100 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 50% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
2. Compared to Median property

13230 CROSBY FREEWAY, HOUSTON, TEXAS, USA

SUSTAINABILITY INIDCATORS

15.17 kWh/m^2	**Annual energy intensity**		
50%	**Annual energy use reduction[1]**	69.4% or 443 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**
5.63 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	34,664 m^2	**Building area certified as Two Green Globes**

1. The site had an Energy Star Design Score of 98, which translates to 100 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 50% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
2. Compared to Median property

13250 CROSBY FREEWAY, HOUSTON, TEXAS, USA

SUSTAINABILITY INIDCATORS

27.74 kWh/m^2	**Annual energy intensity**		
38%	**Annual energy use reduction[1]**	43% or 499 tonnes CO_2 eq	**Annual greenhouse gas emissions avoided[2]**
10.34 kg CO_2 eq/m^2	**Annual greenhouse gas emission intensity**	63,908 m^2	**Building area certified as Two Green Globes**

1. The site had an Energy Star Design Score of 87, which translates to 76 points in Green Globes scoring for item 3.3.1.1.1.1, which is equivalent to a 38% energy reduction vs. baseline using ASHRAE 90.1, per Green Globes scoring
2. Compared to Median property

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
445 Airtech Parkway, Plainfield, IN	LED lighting upgrades	599.87 MWh or 43%	519.7 tonnes CO_2 eq
Peiner Strabe 151-155, Saltzgitter, Germany	LED lighting upgrade	239 MWh or 86%	78.68 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/)
    g. Indiana Electricity Profile 2022 (https://www.eia.gov/electricity/state/indiana/)
    h. Germany Climate Transparency Report 2022 (https://www.climate-transparency.org/wp-content/uploads/2022/10/CT2022-Germany-Web.pdf)
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: 12 February 2024
Engagement Team:
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Introduction

In 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 CAD 500 million senior unsecured debentures in August 2021 (the "2028 Debentures") and another CAD 400 million senior unsecured debentures in October 2023 (the "2029 Debentures", and collectively with the 2027 and 2028 Debentures, the "Green Bonds"). The Green Bonds have financed projects relating to Green Buildings, and Resource Efficiency and Management. In 2024, Granite engaged Sustainalytics to review the projects financed with proceeds from the Green Bonds (the "Nominated Projects") and provide an assessment as to whether the projects meet the use of proceeds criteria and the reporting commitments outlined in the Granite Green Bond Framework (the "Framework").[2] Sustainalytics provided a Second-Party Opinion on the Framework in April 2020.[3] This is Sustainalytics' fourth annual review of allocation and reporting of the instruments issued under the Framework, following previous reviews in 2021[4], 2022[5] and 2023.[6]

Evaluation Criteria

Sustainalytics evaluated the Nominated Projects based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

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

Use of Proceeds Category[7]	Eligibility Criteria	Key Performance Indicators
Green Buildings	Investments related to the purchase, development, redevelopment 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

[1] Granite REIT is composed of Granite Real Estate Investment Trust and Granite REIT Inc.
[2] The Granite Green Bond Framework (2020) is available at: https://granitereit.com/wp-content/uploads/2020/05/Granite-Green-Bond-Framework.pdf
[3] Sustainalytics, "Second-Party Opinion, Granite REIT", (2020), 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
[4] Sustainalytics, "Annual Review, Granite REIT", (2021), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/granite-reit-green-bond-framework-annual-review.pdf?sfvrsn=104779fa_3
[5] Sustainalytics, "Annual Review, Granite REIT", (2022), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/granite-reit-green-bond-annual-review-2022.pdf?sfvrsn=871705f4_1
[6] Granite REIT, "Annual Review", (2023), at: https://granitereit.com/wp-content/uploads/2023/03/granite-2022-greenbond-framework.pdf
[7] 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.

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: - 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	Annual greenhouse gas emissions reduced or avoided

Issuer's Responsibility

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

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the 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,[8] 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 in the Framework. Granite has disclosed to Sustainalytics that 100% of the proceeds from the 2027 Debentures and the 2028 Debentures, and 42% of the proceeds from the 2029 Debentures have been allocated, as of 31 December 2023.

[8] Sustainalytics' limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the Nominated Projects to determine alignment with the use of proceeds criteria outlined in the Framework.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the Nominated Projects to determine if impact was reported in line with the KPIs outlined in the Framework.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

Appendices

Appendix 1: Allocation and Reported Impact 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 2023.

Table 3: Financed Projects Under the Green Buildings Category

Project Financed	Certification[9]	Building area certified (m^2)	Annual energy intensity[10] (kWh/m^2)	Annual energy use reduction	Annual GHG emissions avoided[11] (tCO_2e or %)	Proportion of on-site renewable energy[12]	Annual water use reduction compared to baseline[13]	Net Proceeds Allocation (CAD million)
Acquisition of a green building located at 3501 North Lancaster Hutchins Road (Lancaster, Texas, USA)	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 (Weert, Netherlands)	BREEAM Excellent (Achieved)	22,126	29.7	100%	100%	73.6%	N/A	31.9
Completed development of a green building at 1201 Allpoints Court (Plainfield, Indiana, USA)	Two Green Globes (Achieved)	47,470	69.5	34%	853	N/A	26.9%	36.0
Acquisition of a green building located at Francis Baconstraat 4 (Ede, 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) (Tilburg, Netherlands)	BREEAM Excellent (Achieved)	45,242	34.0	100%	100%	73.8%	39.9%	83.8

[9] Granite has confirmed to Sustainalytics 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.
[10] For some projects, only parts of a building are considered for measuring energy use intensity.
[11] Compared to baseline.
[12] Proportion of base building energy usage that is generated through rooftop solar PV array.
[13] Granite has communicated to Sustainalytics that estimations for some of the projects include design water consumption from flush and flow fixtures, and exclude process water and irrigation.

Acquisition and subsequent development of a green building located at Aquamarijnweg 2 (Bleiswijk, Netherlands)	BREEAM Very Good (Achieved)	22,319	81.11	20%	62.7%	5.9%	50%	66.2
Acquisition of a green building located at 1243 Gregory Drive (Antioch, Illinois, USA)	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 (Altbach, 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 (Fort Worth, Texas, USA)	Two Green Globes (Achieved)	56,247	50.07	38%	209.4	N/A	N/A	51.6 (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[14] (%)**	**Annual reduction of greenhouse gas emissions[15] (tCO_2e)**	**Net Proceeds Allocation (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	1306	
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] Based on assumed number of hours of usage and compared against energy usage from previously existing system.
[15] List of sources Granite used to estimate the carbon intensity of electricity consumption:
i) Michigan electricity profile 2019, at: https://eia.gov/electricity/state/Michigan
ii) Ohio electricity profile 2019 & 2020, at: https://eia.gov/electricity/state/Ohio
iii) Georgia electricity profile 2019, at: https://eia.gov/electricity/state/Georgia
iv) Texas electricity profile 2019, at: https://eia.gov/electricity/state/Texas
v) Ontario Power Generation Climate Change 2020 Report, at: https://www.opg.com/documents/opg-climate-change-plan-2020/
vi) Illinois Electricity Profile 2021, at: https://www.eia.gov/electricity/state/Illinois/

Appendix 2: Allocation and Reported Impact 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. 100% of net proceeds from the 2028 Debentures have been allocated as of 31 December 2023.

Table 5: Financed Projects Under the Green Buildings Category

Project Financed	Certification[16]	Net Proceeds Allocation (CAD million)
Completed development of a green building at 5000 Village Creek Road (Fort Worth, Texas, USA)	Two Green Globes (Achieved)	3.5 (Partial Allocation)
Acquisition of a green building located at Swaardvenstraat 75 (Tilburg, Netherlands)	Two Green Globes (Pursuing)	101.2
Completed expansion of a building at 2095 Logistics Drive (Mississauga, Ontario, Canada)	Two Green Globes (Achieved)	11.5
Completed development of a green building at 2120 Logistics Way (Murfreesboro, Tennessee, USA)	Two Green Globes (Achieved)	89.3
Completed development of three green buildings at 13220/13230/13250 Crosby Freeway (Houston, Texas, USA)	Two Green Globes (Achieved)	147.4
Completed development of two green buildings at 10144/10207 Veterans Drive (Avon, Indiana, USA)	Two Green Globes (Achieved)	108.7
Completed development of a green building at 905 Belle Lane (Bolingbrook, IL, USA)	Two Green Globes (Pursuing)	35.7 (Partial Allocation)
Net proceeds allocated (CAD million)		**497.3**

[16] Granite has confirmed to Sustainalytics that all Two Green Globes buildings are being designed to achieve at least 20% energy efficiency improvement (or performance) over respective baselines.

Appendix 3: Allocation and Reported Impact for the 2029 Debentures

The net proceeds from the 2029 Debentures total CAD 397.5 million representing gross proceeds of CAD 400 million less CAD 2.7 million of transaction costs. 42% of net proceeds (CAD 167.1 million) from the 2028 Debentures have been allocated as of 31 December 2023. Additionally, Granit REIT intends to allocate the remaining amount before 12 October 2026.

Table 6: Financed Projects Under the Green Buildings Category

Project Financed	**Certification[17]**	**Net Proceeds Allocation (CAD million)**
Completed development of a green building at 905 Belle Lane (Bolingbrook, IL, USA)	Two Green Globes (Pursuing)	17.7 (Partial Allocation)
Completed development of three green buildings at 100/120/150 Business Park Drive (Lebanon, Tennessee, USA)[18,19,20]	Two Green Globes (Achieved)	71.2
Development in progress of a green building at 4 Bowery Road, Block 1 (Brantford, Ontario, Canada)	Two Green Globes (Pursuing)	67.1
Green expansion in progress of a building at 555 Beck Crescent (Ajax, Ontario, Canada)	Two Green Globes (Pursuing)	10.7
Net proceeds allocated (CAD million)		**166.7**
Unallocated net proceeds (CAD million)		**230.4**

Table 7: Financed Projects Under the Resource Efficiency and Management Category

Project Financed	**Annual Energy Savings (%)[21]**	**Annual reduction of greenhouse gas emissions (tCO_2e)[22]**	**Net Proceeds Allocation (CAD million)**
LED lighting upgrade at 445 Airtech Parkway, Plainfield, IN, USA	43	519.7	**0.4**
LED lighting upgrade at Peiner Strabe 151-155, Saltzgitter, Germany	86	78.68	

[17] Granite has confirmed that all Two Green Globes buildings are being designed to achieve at least 20% energy efficiency improvement (or performance) over respective baselines.
[18] 100 Business Park Drive (Lebanon, Tennessee, USA): Annual energy intensity (13.9 kWh/m^2), Annual energy use reduction (50%), Annual greenhouse gas emissions avoided (81.6% or 283 tonnes CO_2e), Annual greenhouse gas emission intensity (4.07 kgCO_2e/m^2) and Building area certified as Two Green Globes (15,724 m^2)
[19] 120 Business Park Drive (Lebanon, Tennessee, USA): Annual energy intensity (13.44 kWh/m^2), Annual energy use reduction (50%), Annual greenhouse gas emissions avoided (82% or 291 tonnes CO_2e), Annual greenhouse gas emission intensity (3.93 kgCO_2e/m^2) and Building area certified as Two Green Globes (16,258 m^2)
[20] 150 Business Park Drive (Lebanon, Tennessee, USA): Annual energy intensity (4.31 kWh/m^2), Annual energy use reduction (50%), Annual greenhouse gas emissions avoided (93.7% or 314 tonnes CO_2e), Annual greenhouse gas emission intensity (1.37 kgCO2e/m^2) and Building area certified as Two Green Globes (15,329 m^2)
[21] Based on assumed number of hours of usage and compared against energy usage from previously existing system.
[22] List of sources Granite used to estimate the carbon intensity of electricity consumption:
i) Indiana Electricity Profile 2022, at:https://www.eia.gov/electricity/state/indiana/
ii) Germany Climate Transparency Report 2022, at:https://www.climate-transparency.org/wp-content/uploads/2022/10/CT2022-Germany-Web.pdf

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