

Dream Group of Companies

# Dream Industrial REIT (DIR.UN)

Dream Industrial REIT: (TSX: DIR.UN), owns and operates a global portfolio of well-located, diversified industrial properties across North America and Europe. We have access to highly experienced, local investments and asset management platforms that have a proven track record of creating long-term value. Our strategy is to invest in high-quality assets and markets that provide stable cash flow and net asset value growth over the long-term to our unitholders.

266

properties

26.6 Million

square feet of Gross Leasable Area (GLA)

95.1%

in-place and committed occupancy

\$3.1 billion

total assets



1602 Tricont Ave.  
Whitby, ON

All figures as at September 30, 2020.



# Key Accomplishments

## DIR.UN Highlights

### Environmental

- Installed solar panels covering **817,000** sq. ft. (equivalent to 19 acres, or 14 football fields) and totalling **2,507,603\*** kilowatt-hours of renewable energy
- 11.3 million** sq. ft. of interior lighting retrofits and **8.6 million** sq. ft. of exterior lighting in our buildings has been retrofitted with LED or T5 lighting, to replace inefficient fluorescent lighting
- 6.8 million** sq. ft. of our portfolio is equipped with white roofs, which absorb less heat and reduce cooling costs and energy consumption
- Integrated green cost recovery clauses in **100%** of new leases, which include energy efficiency-related capital improvements

### Social

- Collected two carloads of snacks, school supplies, household products and gift cards for Ronald McDonald House Charities
- Volunteered at Moisson Laval food bank to support the local community
- Prepared and served meals at Inn from the Cold in Calgary and Dixon House in Toronto. These charities provide support to individuals and families that are experiencing homelessness
- Participated in the Habitat for Humanity Women Build, which brings volunteers together to build stronger, safer communities
- Employees repelled down the edge of a high rise building to raise funds for the Make-A-Wish Rope for Hope charity event
- Organized a food drive for the Veterans Food Bank of Calgary and supported the Calgary Drop in Centre
- 63%** of employees and **52%** of managers are women\*\*
- ~\$30,000 paid out for employee tuition and professional fees

### Governance\*\*\*



75% of Trustees are independent



25% of Trustees are women

\* Renewable electricity generated by rooftop photovoltaic panels is provided by our solar operators at each site and is generally measured by a dedicated submeter or inverter which either feeds renewable power into the grid or, using a net metering approach, is used on-site.  
\*\* Dream Industrial Management Corp. employees.  
\*\*\* As at November 13, 2020.



7730 American Way  
Orlando, Florida



# Our ESG Approach

Our sustainability strategy enables us to establish meaningful and realistic benchmarks, measure our progress and integrate our environmental and social obligations into the ways we manage our business and create value.

6701 Financial Drive  
Mississauga, ON



45A & 45B West Wilmot St.  
Richmond Hill, Ontario

DIR.UN aspires to be a market leader in sustainability. We have a responsibility to manage and mitigate our overall impact on the environment and we believe that an increasing focus on sustainability is imperative to creating long-term value for our stakeholders.

Our approach to sustainability includes increasing energy efficiency throughout our portfolio, engaging tenants, lowering operational costs and incorporating energy management initiatives into our capital expenditures planning.

Sustainability at DIR.UN is governed by policies covering all activities across the value chain including our Guide to Sustainable Building Operations, our Environmentally Preferable Purchasing Policy for operations, and our Tenant Sustainability Handbook and Occupant Environmental Communication program for customer relations.

For a full list of policies, please contact:  
[industrialinfo@dream.ca](mailto:industrialinfo@dream.ca)

DIR.UN has installed enough solar panels to generate **2,507,603** kilowatt-hours of renewable energy capacity.



# Environmental

## Sustainable Developments

In 2019, we began integrating sustainable practices into our redevelopment and new development projects. This included reviewing our materials sourcing practices and seeking to reduce the GHG emissions throughout our value chain by buying locally.

## Supplier Engagement

Our major suppliers are landscapers, snow removal, HVAC services, roofers and small general contractors. We work with our suppliers to ensure we are using the most sustainable products and engaging in sustainable practices, for example by using low chemical ice melting products, ensuring our general contractors separate waste streams and replacing HVAC equipment with the latest eco- friendly refrigerants.



## Energy Efficiency

Sustainability initiatives that reduce resource intensity or increase building efficiency reduce costs for tenants and make our buildings more leasable. We focus on improving energy efficiency through lighting retrofit projects, on-site renewable power that offsets grid consumption and replacing traditional roofing with white, reflective roofs. Over the past several years, we have undertaken lighting retrofits that include replacing old, inefficient fluorescent lights with either T5 lighting or LED lights. As lighting is typically upgraded on tenant move-out we attempt to balance this initiative with our expected lease rollover.

As part of the asset management and investment processes, we also incorporate sustainability into our investment strategy as well as into our capital plans. Our detailed 10-year capital plans incorporate new energy management initiatives as properties are acquired.

Lastly, we promote tenant energy efficiency by providing recommendations based on energy audits to help reduce consumption and costs. Typical energy audit recommendations include placing timers on chargers or forklifts, installing ‘smart’ thermostats and upgrading lighting to LED.

## Climate Change

Frequent and more extreme weather events can lead to higher insurance costs and interruptions to business continuity, potentially impacting lender appetite and asset valuation over time. DIR.UN is in the process of mapping all of our properties against a comprehensive database of climate-related and other high-impact extreme weather events.

As part of our flood risk and catastrophic loss risk assessment conducted in 2019, we identified which properties in our portfolio are at risk of losses from 50, 100, 200 and 500-year flood risks.

Number of At-Risk Assets from Flooding\*

	50-year flood	Floor area (sq. ft.)	100-year flood	Floor area (sq. ft.)	200-year flood	Floor area (sq. ft.)	500-year flood	Floor area (sq. ft.)
DIR.UN	-	-	2	38,295	4	241,399	6	432,059

\* Floor area square footage is based on Gross Leasable Area (GLA).  
\* Assets that may be classified under more than one category by default are not duplicated in the figures in the other time categories.



## Case Study Climate Controlled Water Management

We use climate-controlled irrigation at **42** of our sites in Calgary. The system uses real-time weather data from specialized water management weather stations to automatically adjust watering based on the best horticultural practice of deeper, less frequent root watering. In 2019 we saved **15,667,000 litres** of water, equivalent to the amount consumed annually by 68 households on average.

Sunridge Park  
Calgary, Alberta

## Water Management

DIR.UN is committed to reducing water consumption in our properties through environmentally responsible decisions and a preventative maintenance program. Our Water Conservation Policy sets forth objectives that support this goal, including monitoring major water consuming equipment through building management systems, leak reporting through our tenant service program, routine inspections by staff, installing low flow water fixtures during washroom renovations and monitoring landscape irrigation using rain sensors and control timers. Our Calgary operations also utilize climate-controlled irrigation technology to optimize water usage.



Environmental

Case Study

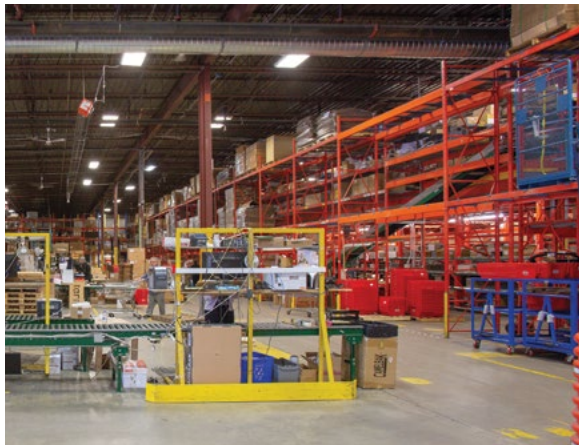
LEED Silver Asset  
in Montreal



DIR.UN continues to seek properties with sustainable attributes as a key component of our investment criteria. We own a LEED Silver Certified building located in Saint-Laurent, Quebec. The sustainable features of the building include a state-of-the-art geothermal heating and cooling system, energy efficient lighting with occupancy sensors and sealed windows in the warehouse that reduce the need for artificial light and enhance the employee experience.

Our tenant distributes premium cycling brands. The sustainable aspects of the building resonate with their key corporate objectives, to promote a green and healthy lifestyle for their employees and clients.

10555 Henri-Bourassa Ouest  
St-Laurent , Québec



Case Study

Lighting Upgrades

In our North American portfolio, we have upgraded 48% of the interior lighting with T5 or LED lighting, and 37% of the exterior lighting on our buildings. Upgraded lighting is brighter, more efficient and generates energy savings for our tenants.



Case Study

BOMA Gold  
Certification



We coordinated with our tenant to achieve and maintain BOMA GOLD certification on a 350,000 sq. ft. fully integrated manufacturing facility in Western Canada. Sustainable aspects of this well-constructed building include high efficiency roof top units, a direct fired heating and ventilating system, energy efficient windows and lighting and tenant programs that incorporate waste reduction and diversion, environmental purchasing and water conservation.

Achieving BOMA GOLD Certification was an important benchmark for our tenant, a manufacturer of high-quality windows and doors. The operations of the facility align with their corporate commitment to meet and exceed energy efficiency requirements in their products, and pass along energy savings to their customers.

7140 40<sup>th</sup> Street SE  
Calgary, Alberta



Case Study

Renewable Energy  
in the Netherlands

In 2020 we secured a subsidy from the Dutch Government to incentivize the production of renewable energy. We are actively investigating the installation of 40,000 solar panels on 19 buildings (1,561,951 sq. ft.) located in the Netherlands, which are estimated to generate up to 12 million kilowatt-hours of sustainable energy per year. Through the subsidy the government will guarantee a set price per kilowatt-hour for a period of 15 years.

12-16 Het Sterrenbeeld  
Den Bosch, Netherlands



# Environmental



## Working Together on Renewable Installation

When evaluating renewable energy or other capital upgrade investment decisions, we engage with tenants to get their feedback and discuss the possibilities of capital contributions or cost-sharing agreements, such as extended leases. We are proud to work together to meet joint sustainability goals and eager to assist tenants when specific capital upgrade requests are made.

2-20 Exportweg  
Waddinxveen, Netherlands



### Case Study

## Glenmore Centre Beehive

In the fall of 2020, DIR.UN introduced a beehive installation at Glenmore Park in Calgary. We have partnered with a beekeeper who maintains the hive and harvests its honey. The beehive is a small way we contribute to supporting biodiversity at the site, while offering a unique tenant engagement opportunity, as we are able to offer “Meet the Bees” workshops and share bottles of harvested honey with our tenants.



### Case Study

## Sustainable Roofs

When our roofs approach the end of their useful life we evaluate opportunities to implement a more sustainable roofing system. In 2019 we replaced a 20 year old roof on a 472,000 sq.ft. building with a TPO (Thermoplastic Polyolefin) white membrane roof system. TPO is very energy efficient as it reduces cooling costs due to UV resistance.

860 Marine Drive  
Charlotte, NC



Social

Our People

DIR.UN’s success as an organization comes from our strong and diverse workforce. Our employees possess expertise in a wide variety of areas that benefit our business, from real estate management and development to capital markets, risk, insurance and many more.

Our people come from a wide range of backgrounds and places, bringing many valuable skills and perspectives to our team. The people we hire all have one thing in common: they share our company values and contribute to our company culture.

Consistent with our values, we are very proud to have a strong female presence in our workforce. **63%** of our employees and **52%** of our managers are women.

75 total employees



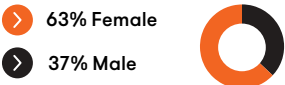
Dream Industrial employees in the community.

DIR.UN - Employee Summary					
Employees <sup>(1) (2)</sup>	Total	Male	Female	Central Canada	Western Canada
Permanent <sup>(3)</sup>	69	27	42	46	23
Contract	6	1	5	6	-
Full-time <sup>(4)</sup>	75	28	47	52	23
Part-time	-	-	-	-	-

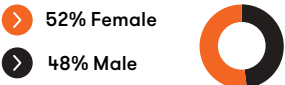
<sup>(1)</sup> Includes only employees 100% dedicated to Dream Industrial REIT activities and excludes employees on unpaid leave of absences (e.g. permanent disability, long-term disability, parental leave) and interns.  
<sup>(2)</sup> Numbers represented as total headcount, not full time equivalent.  
<sup>(3)</sup> Includes permanent part-time employees.  
<sup>(4)</sup> Includes all employees with a work schedule of 35 hours or greater per week.

Gender Breakdown

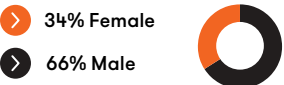
Employees\*



Managers



Executive Team\*\*



\* Includes employees at all levels.  
\*\* DIR.UN’s executive team is accounted for under Dream Asset Management Corporation, however the CFO of DIR.UN is female, while the CEO and COO are male.

New Hires and Turnover Rates\*

	Total	Male	Female	Age under 30	Age 30-50	Age 50+	Central Canada	Western Canada	United States	Europe
New hires	10	3	7	3	5	2	7	2	-	1**
Voluntary turnover rate	3.7%	1.2%	2.5%	0%	3.7%	0%	1.2%	2.5%	-	-

\* Includes only employees 100% dedicated to Dream Industrial REIT activities and excludes employees on unpaid leave of absences (e.g. permanent disability, long-term disability, parental leave) and interns. Turnover rate is calculated as a percentage of average employee headcount for 2019.  
\*\* Employee of Dream Advisors Netherlands.



# Social

Our top priority is providing a physical environment that contributes to the well-being of our tenants and the success of their businesses.

4470 Southpoint Drive  
Memphis, TN

## Tenant Service

Our management team and staff are committed to providing customer service excellence and continually improving the quality of our services through efficient property management, value-added services for our tenants and capital improvements to our assets. Our top priority is providing a physical environment that contributes to the well-being of our tenants and the success of their businesses. An important part of our success is our vertically integrated property management operations which includes tenant services and property operations, lease administration, accounting and reporting and in-house construction management.

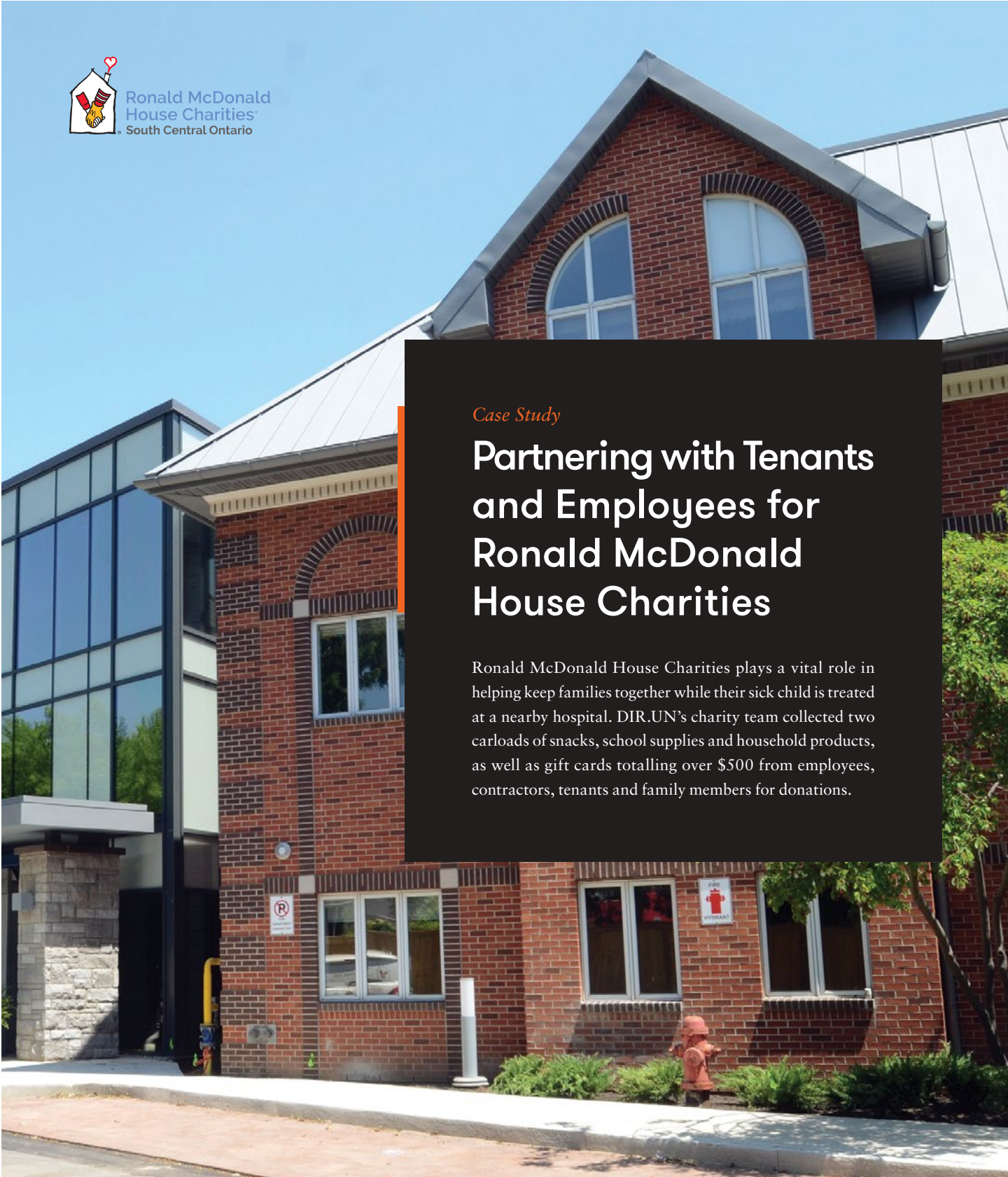


We also provide tenants with a web-enabled response system, dreamplus, that puts them in control of their needs with the ability to submit and monitor service requests on-line.



650 Rue Bergeron  
Drummondville, QC






75% of DIR.UN Trustees are independent and 25% are women.


Sustainability at DIR.UN is managed by the following:

Governance, Compensation & Environmental Committee	Oversight of sustainability at DIR.UN
Chief Operating Officer	Oversight of DIR.UN sustainability working groups
Sustainability working groups	Advance sustainability initiatives and gather sustainability performance data


Governance, Compensation & Environmental Committee



Ben Mulroney  
Chair



J. Michael Knowlton  
Member



Vicky Schiff  
Member

Environmental, Social Governance (ESG) Working Group

We have established an ESG working group that is comprised of regional portfolio managers, operations leads, asset management and our sustainability team. The working group is tasked with advancing sustainability initiatives and gathering sustainability performance data. The working group is a collaborative initiative that enables regional teams to share and exchange cross-continental insights, best practices and innovations. Specialized breakout teams can be assembled to explore specific projects and capitalize on the deep level of expertise available from the group members. The working group reports to the Chief Operating Officer on a monthly basis.



# Forward-looking Plans

In 2020, we have developed a new sustainability framework for DIR.UN which includes a formalized strategy and set of objectives. The framework provides overarching guidance as we define our processes for improved data collection, establish measurable and achievable targets and articulate our environmental policy and strategy.

- Our priorities for data collection include:
  - Energy and water usage
  - Waste diversion
  - Climate risk management
  - Materials sourcing performance
  - Quantifying our investments in energy saving measures, such as LED retrofits and solar panel installations
- We will also be developing policies on:
  - Capital investments
  - Biodiversity
  - Green building certifications
  - Investment criteria
  - Waste management
  - Sustainable sourcing
  - New development and refurbishment
- We also plan to explore sustainable financing options
- We are pursuing investments in clean power

Looking forward, DIR.UN is dedicated to following through on our commitment to sustainable responsibility. Our focus on data collection will empower us to evaluate our performance and establish impactful targets. We will explore and pursue sustainable, cost-effective opportunities including clean power and green sources of financing. The drafting of our policies will be built on recognition that sustainability is fundamental to how we do business and is a key driver of value for our stakeholders.



Case Study

## European Energy Performance Certificates

The Dutch government rates building energy performance with a labelling system that is governed by the European Union, to promote energy efficiency and encourage the use of renewable resources. In the Netherlands, office buildings will be required to achieve a rating of “C” or higher by 2023. Currently 86% of the office premises within our industrial portfolio in the Netherlands has a rating of “C” or higher. Although there is currently no rating requirement for industrial premises, we will work to improve the energy performance of our buildings to align with tenant needs as they renew, or to improve the efficiency of space that is available for lease.

2-20 Exportweg  
Waddinxveen, Netherlands