

DREAM INDUSTRIAL REIT GREEN FINANCING FRAMEWORK

DNV INDEPENDENT ASSESSMENT

Scope and Objectives

Dream Industrial REIT (henceforth referred to as "DIR") is an open-ended real estate investment trust (REIT). As of 31 March, 2021 DIR owns and operates a portfolio of 186 industrial assets (280 properties) comprising approximately 28.8 million square feet of gross leasable area in key markets across North America and Europe.

DIR is a member of the Global Impact Investing Network. The GIIN is the leading non-profit dedicated to increasing the scale and effectiveness of impact investing. They are also a signatory to the Operating Principles for Impact Management, acting in their capacity as the asset manager for Dream Impact Trust.

DIR has already taken steps to incorporate sustainability into their business. Over 1,200,000 sq.ft. of the portfolio is equipped with solar panels and their properties have been upgraded to be more energy efficient. As part of this review, DNV has also reviewed how Sustainability is managed at a corporate level and how these strategies and policies are applied at an asset level.

DIR has developed a Green Financing Framework (the "Framework") to further support the transition towards a sustainable future and to further integrate sustainability into the corporate portfolio.

The Framework will allow DIR and its subsidiaries to issue Green Bonds, Green Loans, or other financial instruments (herein referred to as the "Green Financing Instruments").

DNV Business Assurance Services UK Limited ("DNV") has been commissioned by DIR to provide a review of the Framework against the International Capital Market Association ("ICMA") Green Bond Principles 2018 ("GBP"), and the Loan Market Association ("LMA") Green Loan Principles 2021 ("GLP"). Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of Bonds/Loans issued via the Company's Green Financing Framework, the value of any investments, or the long-term environmental benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of DIR and DNV

The management of DIR has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform DIR's management and other interested stakeholders in the Framework as to whether the Framework is aligned with the International Capital Markets Association (ICMA) Green Bond Principles (GBP) 2018, and Loan Market Association (LMA) Green Loan Principles 2021.

In our work we have relied on the information and the facts presented to us by DIR. DNV is not responsible for any aspect of the projects or assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by DIR and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment methodology to create DIR-specific Green Financing Framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a Green Bond/Loan must use the funds raised to finance or refinance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a Green Bond/Loan should outline the process it follows when determining the eligibility of an investment using Green Bond/Loan proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a Green Bond/Loan should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by DIR in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a DIR-specific Protocol, adapted to the purpose of the Framework, as described above;
- Assessment of documentary evidence provided by DIR on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;

- Discussions with DIR’s management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria as detailed in Schedule 2 of this document.

Our opinion as detailed below is a summary of these findings.

Findings and DNV’s opinion

DNV’s findings are listed below:

1. Principle One: Use of Proceeds.

DIR intends to use an amount equivalent to the net proceeds of Green Finance Instruments issued under the Framework to finance and/or refinance new and/or existing eligible projects that fall within relevant green project categories and will be defined as “Eligible Green Projects”. Existing eligible projects will have a 36 month lookback period.

The Eligible Green Projects will comprise of the following green project categories:

- Green Buildings
- Energy efficiency
- Renewable Energy
- Sustainable water and wastewater management
- Clean transportation
- Biodiversity and conservation
- Pollution prevention and control
- Adaptability and Resilience to Climate Change

Regarding the Green Buildings category, the Framework sets the threshold for environmental ratings as at least LEED Silver, DGNB Silver, BREEAM: Very Good, BOMA BEST: Silver, Green Globes: Two Toronto Green Standards (“TGS”): Tier 2, EPC level B. DNV concludes that these certifications conform to best market practice and are broadly comparable. While DNV would usually consider Gold or Platinum (for LEED), or their equivalent to be the minimum requirement, Silver or equivalent is acceptable for logistics, e-commerce, warehouse (collectively light industrial) building types for which energy-efficiency improvement are significantly harder to achieve due to their size and use. The building types described by DIR in the Framework fall within this light industrial category and therefore eligible as they represent top-performing assets within local building stock.

DNV has reviewed the evidence and confirms that the provisions made by DIR on Green Buildings are in line with market practice and clearly laid out in the Framework. DNV therefore concludes that the stated performance criteria for Green Buildings will support energy transition to a low-carbon economy and improve the energy efficiency of buildings.

DIR has outlined a number of other Green Project Categories in the Framework along with example projects and appropriate Eligibility Performance Criteria. DNV concludes that these stated Green Projects will have environmental benefits or enhance DIR’s assets resilience to climate change

contributing to the transition towards a low-carbon economy and will also improve the energy efficiency of buildings.

DNV can also confirm the Framework and its associated Green Project Categories are aligned with DIR's broader sustainability strategy and the stated UN SDG goals.

DNV concludes that the Eligible Green Projects categories outlined in the Framework are consistent with those listed in the GBP and GLP and will provide clear environmental benefits.

2. Principle Two: Process for Project Evaluation and Selection.

DIR will review at least annually the full list of Eligible Green Projects.

The responsibility for managing sustainability at DIR is the Chief Operating Officer. DIR has committed to create and maintain a Green Financing Committee, chaired by the Chief Financial Officer and the Chief Operating Officer and will include members representing the following relevant departments at DIR: Finance, Sustainability and Portfolio Management. This committee will be responsible for the final approval of the selection of Eligible Green Projects and ensure projects continue to meet the criteria. Eligible projects will be added to the Green Financing Project Register which DIR committed to making publicly available on their website.

DNV concludes that DIR's Framework appropriately describes the process of project evaluation and selection and is in line with the requirements of the GBP and GLP.

3. Principle Three: Management of Proceeds.

DIR has committed to allocate an amount equivalent to the net proceeds from the Green Financing Instruments to the Eligible Green Projects, selected in accordance with the Framework. DIR aims to disburse proceeds within 36 months.

Pending allocation, net proceeds will be managed in accordance with DIR's normal liquidity management practices which DIR's Treasury Team are responsible for.

All information regarding the generation and allocation of proceeds under the Framework will be kept in the Green Financing Project Register to avoid double-counting, which is subject to review by the Green Financing Committee.

DNV has reviewed the evidence and can confirm DIR has committed to appropriately managing the proceeds arising from future Green Financing Instruments issuances in line with the requirements of the GBP and GLP.

4. Principle Four: Reporting.

DIR has committed to disclose an allocation and impact report on its website each year until the full allocation of net proceeds.

The allocation and impact report will include the following:

- Net proceeds generated under the Green Financing Framework;
- Allocation of proceeds by project category;
- A list of eligible projects financed with amount allocated and a brief summary;
- Expected impact metrics by project, where feasible; and
- Outstanding amount of net proceeds at the end of the reporting period.

For each eligible project category, DIR will report a range of quantitative metrics, examples of which are included in the Framework.

DNV concludes that DIR has made appropriate plans to produce reporting on the allocation and environmental impact of future Green Financing Instruments issuances, in line with the requirements of the GBP and GLP.

On the basis of the information provided by DIR and the work undertaken, it is DNV 's opinion that the Framework meets the criteria established in the Protocol, and that it is aligned with the stated definition of Green Bonds within the Green Bond Principles 2018 and Green Loans within the Green Loan Principles 2021.

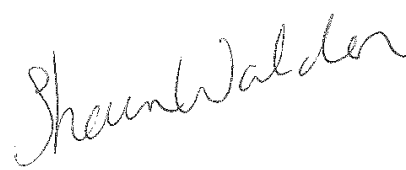
for DNV Business Assurance Services UK Limited

London, 24 May, 2021



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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK

ICMA / LCA Green Project category	Description of activities	USN SDG alignment
<p>Green Buildings</p>	<ul style="list-style-type: none"> • Acquisition, construction, development and/or refurbishment of buildings and associated infrastructure that have received or are expected to receive at least one of the following classifications (or other equivalent certifications): <ul style="list-style-type: none"> • LEED: (Silver, Gold or Platinum) • DGNB: (Silver, Gold or Platinum) • BREEAM: (Very Good, Excellent or Outstanding) • BOMA BEST: (Silver, Gold or Platinum) • Green Globes: Two, Three, Four • Toronto Green Standards (“TGS”): Tier 2,3,4 • EPC level A or B • Acquisition, construction, development or refurbishment of new or existing buildings that have received or are expected to receive LEED Silver, BREEAM Very Good, BOMA BEST Silver, Green Globes 2, or TGS Tier 2 (or equivalent certifications) will also be confirmed to have been designed to achieve a minimum 20% energy efficiency improvement or have the objective to receive an Energy Performance Certificate (EPC) of class A or B 	<p>#7</p> <p>#11</p> <p>#12</p> <p>#13</p>
<p>Energy efficiency</p>	<ul style="list-style-type: none"> • Investments or expenditure in systems or equipment that reduce energy consumption or improve energy efficiency by at least 20% in properties, including, but not limited to: <ul style="list-style-type: none"> • LED and other energy efficiency lighting • Smart meters, load control systems, sensors or building information systems • Energy storage systems and smart grids • Energy efficient roof improvements and Sustainability oriented construction materials • Energy efficiency heating, ventilation, air conditioning (HVAC), refrigeration, and electrical equipment and software systems 	<p>#7</p> <p>#13</p>

<p>Renewable energy</p>	<ul style="list-style-type: none"> Investments in or expenditures on the acquisition, development, construction, and/or installation of renewable energy or equipment aimed at providing renewable energy. This may include, but is not limited to, solar, wind, and geothermal technologies. Geothermal projects are expected to result in direct emissions of <100 grams of CO2 /kwh. 	<p>#7 #9 #12 #13</p>
<p>Sustainable Water and Wastewater Management</p>	<ul style="list-style-type: none"> Investments in systems or equipment that minimize water consumption or improve water-use efficiency, including: <ul style="list-style-type: none"> Projects for collection, treatment, recycling or reuse of water, rainwater or wastewater Installation of water efficient products or technologies or xeriscaping/drought-tolerant landscaping (i.e. water metering/monitoring systems) 	<p>#6</p>
<p>Clean Transportation</p>	<ul style="list-style-type: none"> Expenditure and investments in clean transportation solutions that positively impact employees and communities who use or are located near our facilities or would improve connectivity or promote multi-modal transportation and non-motorized methods resulting in a reduction in greenhouse gas emissions, including: <ul style="list-style-type: none"> Infrastructure or charging station to accommodate electric vehicles or non-motorized transport such as cycling, walking, vehicle sharing Infrastructure in, or improvements to infrastructure, in real estate properties dedicated to creating or improving connectivity to mass public transportation 	<p>#9 #11</p>
<p>Biodiversity and Conservation</p>	<ul style="list-style-type: none"> Investments or projects dedicated to promoting ecological restoration aimed at preserving biodiversity and native ecosystems 	<p>#13 #15</p>

<p>Pollution Prevention and Control</p>	<ul style="list-style-type: none"> Expenditure and/or investments in projects that would prevent and reduce waste and greenhouse gas emissions, including soil remediation, waste diversion, onsite composting and recycling 	<p>#12 #13</p>
<p>Adaptability and Resilience to Climate Change</p>	<ul style="list-style-type: none"> Measures that build adaptability and resilience to climate change, such as expenditures related to design, construction, maintenance and upgrades of buildings/assets for adapting to more frequent and extreme weather events caused by climate change, including feasibility studies, building structural resilience and flood defence 	<p>#11 #13 #15</p>

SCHEDULE 2: DIR-SPECIFIC GREEN FINANCING FRAMEWORK ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	<p>The Bond/Loan must fall in one of the following categories, as defined by the Green Bond/Loan Principles:</p> <ul style="list-style-type: none"> • Use of Proceeds Bond/Loan • Use of Proceeds Revenue Bond • Project Bond • Securitized Bond <p>Green loans are defined as any type of loan instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing Eligible Green Projects.</p>	<p>In addition to reviewing the evidence below, we had several detailed discussions with DIR.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • DIR Green Financing Framework • DIR Green Financing Policy and Procedures – VF • DIR_2019-Sustainability-Report • Dream Guide to Sustainable Building Operations 2020 (Internal) • Dream - Purchasing Policy • Dream ESG Working Group • Annual report 2020 	<p>The Framework outlines that Bonds, Loans or other financial instruments will be issued by DIR or its subsidiaries to finance and/or refinance new and/or existing Eligible Green Projects, with a lookback period of 36 months.</p> <p>The Eligible Green Project’s identified by DIR are under the following categories:</p> <ul style="list-style-type: none"> • Green Buildings • Energy efficiency • Renewable Energy • Sustainable water and wastewater management • Clean transportation • Biodiversity and conservation • Pollution prevention and control • Adaptability and Resilience to Climate Change <p>The specific type of bond/loan would need to be further assessed on an individual basis.</p>
1b	Green Project Categories	<p>The cornerstone of a Green Bond/Loan is the utilisation of the proceeds which should be appropriately described in the legal documentation for the security.</p>	<p>In addition to reviewing the evidence below, we had several detailed discussions with DIR.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • “DIR Green Financing Framework” 	<p>We conclude that the Framework appropriately describes the proposed utilisation of proceeds.</p> <p>The specific utilisation of proceeds of each issuance will need to be further assessed on an individual basis. Legal documentation will need to be reviewed further.</p>
1c	Environmental benefits	<p>All designated Green Project categories should provide clear environmentally sustainable or</p>	<p>In addition to reviewing the evidence below, we had several detailed discussions with DIR.</p>	<p>The Framework outlines the expected environmental benefits that will be realised by any Bonds/Loans issued under the Framework.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		social benefits, which, where feasible, will be quantified or assessed by the issuer.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • DIR Green Financing Framework • DIR Green Financing Policy and Procedures – VF • DIR_2019-Sustainability-Report • Dream Guide to Sustainable Building Operations 2020 (Internal) • Dream - Purchasing Policy (Internal) • Dream ESG Working Group • Annual report 2020 	<p>DNV concludes that the stated Green Projects will have environmental benefits or enhance DIR’s assets resilience to climate change contributing to the transition towards a low-carbon economy and will also improve the energy efficiency of buildings.</p> <p>Specific quantifiable and qualitative benefits of each issuance will be agreed on a case by case basis and subject to further assessment.</p>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The issuer of a Bond/Loan should outline the decision-making process it follows to determine the eligibility of projects using Bond/Loan proceeds	<p>In addition to reviewing the evidence below, we had several detailed discussions with DIR.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • DIR Green Financing Framework • DIR Green Financing Policy and Procedures • DIR Green Financing Policy and Procedures – VF • DIR_2019-Sustainability-Report • Dream Guide to Sustainable Building Operations 2020 (Internal) • Dream - Purchasing Policy (Internal) 	<p>We conclude that the Framework appropriately describes the process of project selection. The specific issuances will need to be further assessed on a case by case basis.</p> <p>DIR has committed to create and maintain a ‘Green Financing Committee’ to serve as an overview function of compliance with the Framework. The committee will meet at least once annually and have overall responsibility for:</p> <ul style="list-style-type: none"> • Review and selection of Eligible Green Projects and allocation of proceeds • Updating, reviewing and approving the Framework and related documents

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			<ul style="list-style-type: none"> • Dream ESG Working Group • Annual report 2020 	<ul style="list-style-type: none"> • Reviewing external verification/assurance reporting and resolving any identified issues • Deciding usage of green financing proceeds until project specific deployment <p>We can conclude that this process enables DIR to assess all potential Eligible Green Projects.</p>
2b	Issuer’s environmental and governance framework	In addition to information disclosed by an issuer on its Green Bond process, criteria and assurances, investors may also take into consideration the quality of the issuer’s overall framework and performance regarding environmental sustainability.	<p>In addition to reviewing the evidence below, we had several detailed discussions with DIR.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • DIR Green Financing Framework • DIR Green Financing Policy and Procedures – VF • DIR_2019-Sustainability-Report • Dream Guide to Sustainable Building Operations 2020 (Internal) • Dream - Purchasing Policy • Dream ESG Working Group • Annual report 2020 	<p>We conclude that from the information provided the Framework is in line with DIR’s wider approach to managing sustainability.</p>

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of a Bond/Loan should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.	<p>In addition to reviewing the evidence below, we had several detailed discussions with DIR.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • DIR Green Financing Framework • DIR Green Financing Policy and Procedures 	<p>We conclude that the Framework commits DIR to tracking the Use of Proceeds in an appropriate manner.</p> <p>DIR will maintain information on the generation and allocation of proceeds within the Green Financing Project Register, which is subject to review by the Green Financing Committee.</p>
3b	Tracking procedure	So long as the Bond/Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	<p>In addition to reviewing the evidence below, we had several detailed discussions with DIR.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • DIR Green Financing Framework • DIR Green Financing Policy and Procedures 	<p>We conclude that there is a clear process in place for the tracking of the balance taking into account disbursements.</p> <p>DIR will track all information regarding the generation and allocation of proceeds in the Green Financing Project Register, which is subject to review by the Green Financing Committee.</p>
3c	Temporary holdings	Pending such investments or disbursements to eligible Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>In addition to reviewing the evidence below, we had several detailed discussions with DIR.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • DIR Green Financing Framework • DIR Green Financing Policy and Procedures 	<p>We conclude that DIR has appropriately disclosed how it will manage any unallocated proceeds within its portfolio. DIR will manage unallocated net proceeds from its Green Financing Instruments in accordance with its normal liquidity management practices including:</p> <ul style="list-style-type: none"> • Repayment of existing indebtedness • Held in cash or cash equivalents • Short-term deposits or other instruments. <p>DIR will keep all information regarding the generation and allocation of proceeds in the Green Financing</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				Project Register, which is subject to review by the Green Financing Committee.

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Bond and where appropriate Loan proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	<p>In addition to reviewing the evidence below, we had several detailed discussions with DIR.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • DIR Green Financing Framework • DIR Green Financing Policy and Procedures – VF • DIR_2019-Sustainability-Report • Dream Guide to Sustainable • Dream ESG Working Group • Annual report 2020 	<p>We confirm that DIR has committed to disclosing an annual allocation and impact report, which will be made available through its company website. This will provide investors with information on the Eligible Green Projects, and DIR is committed to including details of the quantifiable environmental benefits of its Eligible Green Projects where feasible.</p> <p>DIR is committed to having the annual allocation and impact report verified by a third party.</p>