

Green Financing Framework

Dream Industrial REIT

May 2021

Table of Contents

Introduction	3
Company Overview	3
Dream Industrial REIT's Footprint and Sustainability Initiatives	3
Framework Background	3
Green Financing Framework	3
i. Use of Proceeds.....	4
ii. Process for Project Evaluation and Selection.....	5
iii. Management of Proceeds	5
iv. Reporting.....	6
External Review	6

Introduction

Company Overview

Dream Industrial REIT (DIR or Dream Industrial) is an unincorporated, open-ended real estate investment trust that was established in 2012. DIR owns and operates a global 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 has access to highly experienced local investments and asset management platforms that have a proven track record of long-term value creation. Dream Industrial's 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 its unitholders.

Dream Industrial REIT's Footprint and Sustainability Initiatives

Dream Industrial REIT aspires to be a market leader in sustainability. DIR has a responsibility to manage and mitigate its overall impact on the environment and believes that an increasing focus on sustainability and impact investing is imperative to creating long-term value for its stakeholders. DIR's approach to sustainability includes increasing energy efficiency throughout its portfolio, engaging tenants, lowering operational costs and incorporating energy management initiatives into capital expenditures planning.

Sustainability is ingrained in Dream Industrial's business and it is focused on internal and external initiatives that are aligned with United Nations Sustainable Development Goals (UNSDG) to benefit all stakeholders. At the corporate level, DIR has implemented industry-wide best practices with strong governance and high ethical standards.

At the property level, Dream Industrial promotes energy efficiency amongst its tenants through education and awareness including coordination of energy audits with recommendations to reduce consumption and costs. As part of the asset management and investment processes, DIR actively seeks to incorporate energy management initiatives into its capital plans. Sustainability initiatives that reduce resource intensity or increase building efficiency help to reduce costs for tenants and help make our buildings more leasable.

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

Framework Background

To support DIR's transition towards a sustainable future and to further integrate sustainability in its corporate strategy, DIR has established a Green Financing Framework under which Dream or any of its subsidiaries may issue Green Financial Instruments including Green Bonds, Green Loans, or other financial instruments (herein referred to as the "Green Financing Instruments").

Green Financing Framework

DIR's Green Financing Framework (the "Framework") is aligned with ICMA's 2018 Green Bond Principles ("GBP")¹ and the Loan Market Association's 2021 Green Loan Principles ("GLP")². The Framework is based on the four core components and recommended project categories of the GBP and GLP:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting












This Framework addresses each of the above components in support of DIR's green financing initiatives.

¹ <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf>

² <https://www.lsta.org/content/guidance-on-green-loan-principles-glp/>

i. Use of Proceeds

Proceeds raised under this framework will be used to finance and/or refinance new and/or existing eligible projects (the “Eligible Green Projects”) with a lookback period of 36 months. Eligible Green Projects may be financed in part or in whole, and will fall within the following eligible project categories:

Green Project Categories	Eligibility Criteria for Green Investments	UN SDG Alignment
Green Buildings	<ul style="list-style-type: none"> ▪ Acquisition, construction, development and/or refurbishment of logistics, e-commerce, warehouse, industrial properties and associated office spaces and 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 B³ ▪ Acquisition, construction, development or refurbishment of new or existing logistics, e-commerce, warehouse and industrial properties that have received or are expected to receive LEED Silver, DGNB 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 	   
Energy efficiency	<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 	 
Renewable Energy	<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. 	   
Sustainable Water and Wastewater Management	<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) 	

³ Calculated using the proportional total square meters of the property covered under the EPC certification

Clean Transportation	<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 	 
Biodiversity and Conservation	<ul style="list-style-type: none"> Investments or projects dedicated to promoting ecological restoration aimed at preserving biodiversity and native ecosystems (i.e., preservation of green areas and green space enhancement projects, such as green roofs) 	 
Pollution Prevention and Control	<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 processes and infrastructure that facilitate recycling practices 	 
Adaptability and Resilience to Climate Change	<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, including feasibility studies, for adapting to more frequent and extreme weather events caused by climate change. These can include projects to improve flood defense, storm water waste management, building structural resilience energy storage or other equivalent climate resilience projects. 	  

ii. Process for Project Evaluation and Selection

Dream Industrial REIT has established a Green Financing Committee which will be responsible for evaluating and approving eligibility of projects for green financing, in accordance with the evaluation criteria set out in this Green Financing Framework. The Green Financing Committee is a cross-departmental committee co-chaired by the COO and CFO and made up of senior executives representing the following relevant departments at DIR: Finance, Sustainability and Portfolio Management. The Committee will meet at least once annually to review and approve eligible projects and existing allocation of proceeds. Eligible projects are approved by consensus.

The Green Financing Committee reviews the identified eligible projects against the Green Financing Framework to confirm eligibility and approves the projects for inclusion in the Green Financing Project Register. Eligible projects will be added to the Green Bond Project Register, which will be made publicly available on DIR's website.

iii. Management of Proceeds

Dream Industrial REIT will track net proceeds generated and allocated under this framework. Net proceeds will be deposited to DIR's general operating account and, in accordance with the Green Bond Principles (GBP 2018), DIR will allocate an amount equal to these net proceeds to approved eligible projects listed in a newly established Green Financing Project Register. DIR will aim to disburse all proceeds within 36 months. Pending allocation to Eligible Green Initiatives, net proceeds of a Green Financing will be managed in accordance with DIR's normal liquidity management practices including repayment of existing indebtedness, held in cash or cash equivalents, short-term deposits or other instruments.

All relevant information regarding generation and allocation of proceeds under this framework will be kept in the Green Financing Project Register.

iv. Reporting

Dream Industrial REIT will report on impact and allocation of proceeds in an annual allocation and impact report, made publicly available on DIR's website, until full allocation of net proceeds. The 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
- Outstanding amount of net proceeds at the end of the reporting period

Below are examples of impact metrics that may be reported on for certain projects where this is feasible.

Eligible Project Category	Example Impact Metric(s)
Green Buildings	<ul style="list-style-type: none"> ▪ Type of certification including level by property (i.e. LEED, BREEAM, DGNB, etc.) ▪ Energy performance certificate class (A or B) ▪ Energy usage for buildings (kWh/m²) ▪ Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e) ▪ Annual energy savings (MWh/m²)
Energy Efficiency	<ul style="list-style-type: none"> ▪ Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e) ▪ Annual energy savings (MWh/m²) ▪ Annual energy gains relative to an established baseline (%)
Renewable Energy	<ul style="list-style-type: none"> ▪ Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e) ▪ Renewable energy capacity added/rehabilitated (MWh) ▪ Annual power output (MWh)
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> ▪ Annual water savings (m³) or percentage reduction in water use ▪ Amount of water recycled and/or reduced (m³) ▪ Amount of wastewater for reuse (%)
Clean Transportation	<ul style="list-style-type: none"> ▪ Electric vehicle charging stations installed (#) ▪ New clean transportation infrastructure (km) ▪ Expected energy savings (MWh/year)
Biodiversity and Conservation	<ul style="list-style-type: none"> ▪ Trees planted (#) ▪ Green roof gardens installed (#)
Pollution Prevention and Control	<ul style="list-style-type: none"> ▪ Waste reduction (tons) ▪ Amount of recycled waste (tons) ▪ Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e)
Adaptability and Resilience to Climate Change	<ul style="list-style-type: none"> ▪ Feasibility studies conducted (#) ▪ Environmental projects implemented (#)

External Review

This Green Financing Framework is reviewed by DNV to verify alignment with ICMA's 2018 Green Bond Principles ("GBP") and the Loan Market Association's 2021 Green Loan Principles ("GLP"); the second opinion is made publicly available on DIR's website. If the Framework is subject to change, an updated second party opinion will be procured.

The allocation of proceeds and impact metrics contained in the annual Green Financing Impact Report will be verified by a third party; the results of the third-party verification will be made publicly available on Dream Industrial REIT's website.