

SUMMIT INDUSTRIAL INCOME REIT GREEN FINANCING FRAMEWORK

DNV INDEPENDENT ASSESSMENT

Scope and Objectives

Summit Industrial Income REIT (henceforth referred to as "Summit") is a Canadian real estate investment trust (REIT), who owns and operates commercial and industrial real estate for leasing purposes. Summit operates across Canada, with a portfolio of 156 properties, totalling nearly 19.5 million square feet of gross leasable area, with total assets of approximately \$3.2 billion.

As part of its long-term ESG goals, Summit has developed a Green Financing Framework (the "Framework") under which it can raise capital to support the financing and refinancing of activities of an environmental nature.

DNV GL Business Assurance Services UK Limited ("DNV") has been commissioned by Summit 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 Summit and DNV

The management of Summit 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 Summit'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 Summit. 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 Summit 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 Summit-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 Financing 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 Financing should outline the process it follows when determining eligibility of an investment using Green Financing 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 Financing 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 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 Summit 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 Summit-specific Protocol, adapted to the purpose of the Framework, as described above;
- Assessment of documentary evidence provided by Summit on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with Summit'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.

Summit intends to use the proceeds of future Green Financings issued under the Framework to finance and refinance green projects (the "Eligible Green Initiatives"). DNV confirms that Summit intends to use an amount equivalent to the net proceeds of financial instruments issued under the Framework to finance and/or refinance Eligible Green Initiatives.

The Eligible Green Initiatives are clearly listed in the Framework and will comprise of the following categories:

- Green Buildings.
- Energy efficiency.
- Sustainable water and wastewater management.
- Clean transportation.
- Renewable energy.
- Pollution prevention and control.
- Biodiversity and conservation.
- Adaptability and resilience to climate change.

Regarding the Green Buildings category, the Framework sets the threshold for environmental ratings as at least LEED Silver, BOMA BEST: Silver, Toronto Green Standards ("TGS"): Tier 2, BREEAM: Very Good. DNV concludes that these certifications conform to best market practice and are broadly comparable. While DNV would usually consider Gold or Platinum (or their equivalent) to be the minimum requirement, Silver or equivalent can be deemed acceptable in certain situations where the building types considered for inclusion in the use of proceeds are for light industrial purposes, for which energy-efficiency improvement are significantly harder to achieve due to their size and energy use. The building types described by Summit in the Framework fall within this light industrial category. Moreover, Summit has clearly committed to fulfilling the additional requirement that these buildings constructed with a rating of Silver or equivalent would be designed to achieve at least a 20% energy efficiency improvement. DNV has reviewed evidence and confirms that the provisions made by Summit 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 therefore provide a positive environmental impact.

The Green categories and their descriptions are further defined in Schedule 1 of this opinion. Summit has also listed example projects and expected environmental benefits for each category within the Framework, and mapped its eligible green categories against the United Nations' Sustainable Development Goals ("SDGs").

DNV concludes that the eligible 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.

DNV can confirm that future issuances will undergo evaluation and selection as new Eligible Green Initiatives by Summit's Green Finance Working Group (the "Committee"), established for this purpose. The Committee is composed of representatives from Summit's finance, investments, development, and asset management teams, and could include more functions in the future. Summit has confirmed that the ultimate approval for inclusion of projects in the use of proceeds will be the responsibility of the senior management team.

DNV concludes that Summit'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.

DNV can confirm that Summit has the capacity to track investments related to the Eligible Green Initiatives using their internal reporting systems, and that the finance department will be responsible for managing the proceeds from Green Financings.

As regards refinancing, Summit has defined a maximum look-back period of 36 months. In the event that a project would cease to be eligible, Summit has also committed to reallocating the funds to other investments compatible with the Framework. Summit also intends to invest any unallocated proceeds at their discretion following the REIT's normal liquidity management practices.

DNV has reviewed evidence and can confirm that Summit has committed to appropriately managing the proceeds arising from future issuances, in line with the requirements of the GBP and GLP.

4. Principle Four: Reporting.

DNV confirms that Summit has committed to providing information annually to investors on the allocation and impact any future Green Financing issuance.

For allocation reporting, Summit has committed to issuing a report within one year of issuance and annually thereafter until full allocation of proceeds. Reporting will detail how much of the financing raised has been allocated to each Eligible Category, for each category at least one example of Eligible Green Initiatives financed, and the proportion of financing and refinancing.

Summit also intends to produce impact reporting, where feasible. Examples of metrics are outlined in Appendix A of the Summit Framework:

- Number of Green Buildings financed.
- Total area of green building(s).
- Level of green building certification(s).
- Amount of energy saved.
- Estimated annual greenhouse gas emissions reduced or avoided.
- Annual water savings or reduced water loss.
- Volume of water saved or reduced.
- Estimated greenhouse gas emissions reduced or avoided.
- Number of electric vehicle charging stations installed.
- Number of projects relating to renewable energy.
- Amount of energy provided back to grid.
- Renewable energy capacity installed.
- Annual waste prevented or diverted.

- Number of recycling projects.
- Natural capital value (i.e., trees planted).

DNV concludes that Summit has made appropriate plans to report on the allocation and environmental impact of future issuances, in line with the requirements of the GBP and GLP.

On the basis of the information provided by Summit 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.

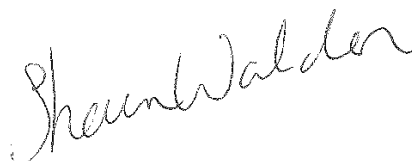
for DNV GL Business Assurance Services UK Limited

London, 2nd April 2021

A handwritten signature in black ink, appearing to read "Richard Strutt".

Richard Strutt

Senior Consultant and Project Manager
DNV GL – Business Assurance

A handwritten signature in black ink, appearing to read "Shaun Walden".

Shaun Walden

Principal Consultant and Reviewer
DNV GL – Business Assurance

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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

Eligible Green Initiatives Category	Description of activities
Green Buildings	<p>Investments related to the acquisition, construction, development, and/or re-development, operations 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 certifications):</p> <ul style="list-style-type: none"> • LEED: Silver, Gold, Platinum. • BOMA BEST: Silver, Gold, Platinum. • Toronto Green Standards ("TGS"): Tier 2, 3, 4. • BREEAM: Very Good, Excellent, Outstanding. <p>Buildings designed for construction to receive LEED Silver, BOMA BEST Silver, TGS Tier 2 and BREEAM Very Good certifications will also be confirmed to have been designed to achieve a 20% or more energy efficiency improvement.</p>
Energy efficiency	<p>Investments that support measures to improve resource consumption/energy efficiency, or make other environmentally beneficial improvements to projects, systems, equipment, technologies, properties or land including, but not limited to, investments in:</p> <ul style="list-style-type: none"> • LED and other energy efficient lighting. • Energy efficient roof improvements and other sustainability-oriented construction materials. • Use of energy-saving materials. • Improve the efficiency of HVAC systems and may include the implementation of smart meters or other equipment for monitoring energy performance such digital controls, sensors and/or building information systems, and/or energy management software systems.

Sustainable water and wastewater management	Investments that reduce water consumption or collect, treat, recycle or reuse water, including but not limited to investments in: <ul style="list-style-type: none"> • Xeriscaping/drought-tolerant landscaping. • Sustainable drainage systems. • Water reclamation systems. • Water saving technologies and materials.
Clean transportation	Investments in clean transportation projects and/or infrastructure that would improve connectivity or promote multi-modal transportation and non-motorized methods like cycling and walking, or result in a reduction in greenhouse gas emissions through infrastructure or charging stations for electric vehicles or other clean energy vehicles and demonstrated increased usage of mass public transit.
Renewable energy	Investments related to the production, connectivity, energy capture and storage and equipment that provide renewable energy to the buildings or back to the grid and including, but not limited to, wind or solar.
Pollution prevention and control	Remediation of contaminated soil and other construction waste diversion. Reduce and/or prevent waste and/or improve recycling and/or waste diversion rates.
Biodiversity and conservation	Tree planting and other ecological restoration to preserve biodiversity and native ecosystems. Includes implementation of green roofs.
Adaptation and resilience to climate change	Projects including feasibility studies to support a property's defence and adaptation to extreme weather or effects of climate change. These may include projects related to flood defence, storm water management, building structural resilience or other equivalent climate resilience projects.

SCHEDULE 2: SUMMIT-SPECIFIC GREEN FINANCE FRAMEWORK ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	<p>The bond must fall in one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> • Use of Proceeds Bond. • Use of Proceeds Revenue Bond. • Project Bond. • Securitised 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 Summit.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • SMU Draft Green Financing Framework Apr 2021 • Annual Information Form for the year ended 31st Dec.2020 	<p>The Framework outlines the type of Bonds and Loans expected to be issued under the Framework such as, but not limited to:</p> <ul style="list-style-type: none"> • Green Bonds. • Green Loans. • Other unspecified Green Financings. <p>The specific type of financing will need 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>Evidence reviewed:</p> <ul style="list-style-type: none"> • SMU Draft Green Financing Framework Apr 2021 • Summit II REIT Q4 2020 Resilience and Growth Investor Presentation • SMU Green Financing Framework PR 	<p>The Framework describes the categories that the Eligible Green Initiatives will fall under:</p> <ul style="list-style-type: none"> • Green Buildings. • Energy efficiency. • Sustainable water and wastewater management. • Clean transportation. • Renewable energy. • Pollution prevention and control. • Terrestrial and aquatic biodiversity conservation. • Climate change adaptation. <p>We conclude that the Framework appropriately describes the proposed utilisation of proceeds. The specific utilisation of proceeds of each issuance will need to be further assessed on an individual basis</p>

1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable or social benefits, which, where feasible, will be quantified or assessed by the issuer.	Evidence reviewed: <ul style="list-style-type: none"> SMU Draft Green Financing Framework Apr 2021 – Appendix A 	The Appendix A in the Framework outlines the expected environmental benefits that will be realised by any Bonds/Loans issued under the Framework. Specific quantifiable benefits of each issuance will be agreed on a case by case basis and subject to further assessment.
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2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The issuer of a Green Bond/Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond proceeds	Evidence reviewed: <ul style="list-style-type: none"> SMU Draft Green Financing Framework Apr 2021 	We conclude that the Framework appropriately describes the process of project selection and evaluation. The specific issuances will need to be further assessed on a case by case basis.
2b	Issuer's environmental and governance framework	In addition to information disclosed by an issuer on its Green Bond process, criteria and assurances, Green Bond investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.	In addition to reviewing the evidence below, we had several detailed discussions with Summit. Evidence reviewed: <ul style="list-style-type: none"> SMU Draft Green Financing Framework Apr 2021 We also reviewed the following environmental governance documentation: <ul style="list-style-type: none"> Example project of commercial property within Summit's portfolio receiving LEED Gold Certified rating Summit II REIT Q4 2020 Resilience and Growth Investor Presentation SMU Green Financing Framework PR 	We conclude that from the information provided, the Framework is in line with Summit's wider approach to managing environmental sustainability.

			<ul style="list-style-type: none"> • Management's Discussion and Analysis Q4 2020 • Press release "Summit II Recognized by The Globe and Mail's 2021 Annual Women Lead Here Benchmark", March 2021 	
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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.	In addition to reviewing the evidence below, we had several detailed discussions with Summit. Evidence reviewed: <ul style="list-style-type: none"> • SMU Draft Green Financing Framework Apr 2021 	We conclude that the Framework commits Summit to tracking use of proceeds in an appropriate manner and attested to by a formal internal process.
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.	Evidence reviewed: <ul style="list-style-type: none"> • SMU Draft Green Financing Framework Apr 2021 	We conclude that there is a clear process in place for the tracking of the balance taking into account disbursements.
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.	Evidence reviewed: <ul style="list-style-type: none"> • SMU Draft Green Financing Framework Apr 2021 	We conclude that Summit has appropriately disclosed how it will manage any unallocated proceeds in accordance with its normal liquidity management practices.

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 environmental impact.	In addition to reviewing the evidence below, we had several detailed discussions with Summit. Evidence reviewed: <ul style="list-style-type: none"> SMU Draft Green Financing Framework Apr 2021 	We confirm Summit has committed to annual green reporting which will provide investors with information on the selected projects and include quantification of their environmental benefits. It is also noted that loans will not have public reporting due to the nature of these financial instruments.