



Sustainable and Sustainability-Linked Finance Framework

May 2024

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1. Introduction to Sabana Industrial REIT¹

Sabana Industrial Real Estate Investment Trust (“Sabana Industrial REIT”) invests primarily in income producing real estate used for industrial purposes in Asia, as well as real estate-related assets. It was listed on Singapore Exchange Securities Trading Limited (“SGX ST”) on 26 November 2010. It was renamed Sabana Industrial REIT with effect from 21 October 2021 following the removal of the requirement for Shari’ah compliance and for the REIT’s business to be managed in compliance with Shari’ah investment principles and procedures (including investing in Shari’ah compliant real estate and real estate-related assets).

Sabana Industrial REIT has a diversified portfolio of 18 properties in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors. Its total assets amount to more than \$1.0 billion as at 31 December 2023².

Sabana Industrial REIT is a constituent of the SGX S-REIT Index and MSCI Singapore Micro Cap Index.

Sabana Industrial REIT is managed by Sabana Real Estate Investment Management Pte. Ltd. (in its capacity as the Manager of Sabana Industrial REIT) in accordance with the terms of the trust deed constituting the REIT dated 29 October 2010 (as amended, varied or supplemented from time to time), (the “Trust Deed”). The REIT was constituted on 29 October 2010 under the laws of Singapore and in accordance with the terms of the Trust Deed.

At an Extraordinary General Meeting held on 7 August 2023, Unitholders passed a Resolution for the Manager to be removed as soon as practicable, and the Manager is now an interim manager.

2. Sustainability at Sabana Industrial REIT³

The Board of Directors of Sabana Real Estate Investment Management Pte. Ltd., the manager of Sabana Industrial REIT (the “Manager”, and the Board of Directors of the Manager, the “Board”) has considered sustainability issues in Sabana Industrial Real Estate Investment Trust’s (“Sabana Industrial REIT”) business and strategy, determined the material environmental, social and governance (“ESG”) factors and overseen the management and monitoring of the material ESG factors. Globally and in Singapore, there has been a growing consciousness of the importance of ESG performance and its impact on business resilience and long-term success. Accordingly, sustainability continues to be at the core of the REIT’s organisational strategy. The REIT’s approach to sustainability is built upon its considerations for ethics and social responsibility in its investment and business decisions, as well as its commitment to its key stakeholders. Sustainability is a strategic priority for generating real value for its stakeholders, through solid governance and sound management of identified material ESG topics.

Management regularly updates the Directors on the ESG initiatives, plans, projects, and progress through the scheduled and/or ad-hoc Board and Audit and Risk Committee (“ARC”) meetings.

¹ Sabana Industrial REIT FY 2023 Annual Report Pg3

² Sabana Industrial REIT FY 2023 Annual Report Pg3

³ Sabana Industrial REIT FY 2023 Annual Report Pg54

Consistent with the REIT's ESG commitment to improving energy and water efficiency, the Manager continued with its efforts in implementing its green initiatives and ensuring progress of prior committed project plans. During FY 2023, the Manager completed the installation of high-efficiency air-conditioner chillers at 508 Chai Chee Lane, with the objective of improving energy consumption efficiency. The installation of solar photovoltaic panels was completed at 3A Joo Koon Circle, 34 Penjuru Lane and 10 Changi South Street 2 as at 31 December 2023.

In March 2023, the Manager announced the partnership with Keppel EaaS, a wholly owned subsidiary of Keppel Infrastructure for the installation of photovoltaic solar panels ("Solar PVs") at four properties under first phase, namely, 10 Changi South Street 2, 34 Penjuru Lane, 3A Joo Koon Circle and 1 Tuas Avenue 4⁴. In December 2023, the Manager announced the second phase involving the installation of Solar PVs across five of the REIT's properties at 2 Toh Tuck Link, 8 Commonwealth Lane, 23 Serangoon North Avenue 5, 39 Ubi Road 1 and 51 Penjuru Road⁵.

Additionally, the REIT's second major Asset Enhancement Initiative ("AEI") at 1 Tuas Avenue 4 is a testament to the REIT's commitment to reducing the REIT's carbon footprint through the planned additions and alterations of the existing structure instead of redevelopment. The building, officially named Sabana@1TA4 with effect from 14 March 2024, has been awarded the BCA Green Mark SUPER LOW ENERGY certificate based on the Green Mark Criteria for Green Mark 2021. Based on design, Sabana@1TA4 is expected to be a net positive energy building⁶.

The Manager has integrated environmental risk considerations into the REIT's enterprise risk management framework in line with the Guidelines on Environmental Risk Management for Asset Managers issued by the Monetary Authority of Singapore ("MAS"), and the disclosure of impacts are made in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

The Board has the collective knowledge and skills in overseeing the management and monitoring of the material ESG factors and ESG considerations in its operations. The Board is well supported by the Sustainability Working Committee ("SWC"), which assists the Board and the Manager in the implementation of the REIT's sustainability agenda. The SWC comprises key representatives from the Manager's Asset Management, Property Management, Compliance, Human Resources, and Investor Relations teams. The involvement and support of the SWC enables the Board to provide continuous strategic oversight of management and monitoring of the REIT's sustainability performance.

In FY 2023, Sabana Industrial REIT refreshed its qualitative environmental risk assessment and scenario analysis exercise to identify and assess the potential impacts of physical and transition risks as well as climate-related opportunities.

⁴ Source: <https://sabana.listedcompany.com/news.html/id/2432657>, 30 March 2023

⁵ Source: <https://sabana.listedcompany.com/news.html/id/2470479>, 8 December 2023

⁶ Source: <https://sabana.listedcompany.com/news.html/id/2487432>, 15 April 2024

Our Sustainability Approach

Our Governance

- Economic growth
- Good governance
- Business ethics & anti-corruption
- Regulatory compliance
- Cyber-security and data privacy

Our Environment

- Energy efficiency & climate change
- Water management (use and reduction)
- Waste management



Our People and Tenants

- Fair employment practices & talent retention
- Tenant satisfaction
- Health & safety

Our Society

- Community impact

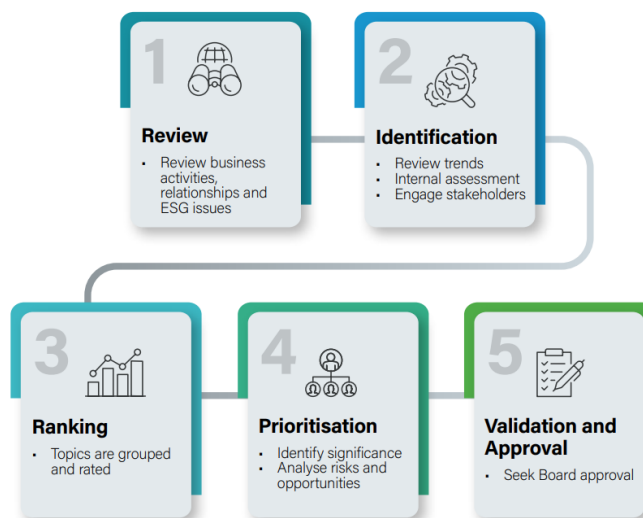
The Board determines the direction of Sabana Industrial REIT’s sustainability agenda and oversees the process to identify and manage the REIT’s impact on the economy, environment, and people. The Board monitors the REIT’s sustainability initiatives and their integration into the REIT’s business and strategy. The SWC was appointed by the Board to support its efforts in governing sustainability-related matters. The Directors will review and approve matters relating to sustainability, including the Material ESG topics during the quarterly and/or ad-hoc ARC meetings.

The SWC is led by the Manager’s CEO, who approves material ESG matters and reporting, which includes the REIT’s sustainability progress, performance, and targets. The SWC is responsible for implementing the REIT’s sustainability agenda, identifying our material ESG risks and opportunities through key stakeholders’ engagement, developing corresponding action plans, monitoring, and reporting the REIT’s ESG performance and setting ESG targets. The SWC manages the outcome of the impact and reports the REIT’s sustainability progress as well as ESG potential and actual concerns to the Directors during the quarterly and/or ad-hoc ARC meetings.

Material ESG topics at Sabana Industrial REIT and its contribution to the United Nations Sustainable Development Goals (“UN SDGs”)⁷







In FY 2023, the Manager conducted an impact assessment as part of a refresh of the material assessment, in consultation with its sustainability consultant, to identify the impact of its business activities and relationship on its environment, its people (including human rights), governance and the wider economy based on the following approach:


⁷ Sabana Industrial REIT FY 2023 Annual Report Pg58



Sabana Industrial REIT contributes through its activities to support the United Nations’ objectives as each of its material topics can be mapped to a UN SDG.

Material ESG Topics	Materiality to Sabana Industrial REIT	Relevant UN SDG
- Economic Growth	Economic growth is pivotal for the REITs in Singapore as it directly influences the demand and value of properties. Creating value for the properties will in turn generate value for our stakeholders. A thriving economy correlates with increased job opportunities, rising incomes, and a growing population, all of which contribute to a heightened demand of our industrial spaces. Additionally, economic growth often leads to urban development and infrastructure projects, further enhancing the overall appeal of our REIT. The Manager is executing an AEI and making improvements on some of our assets, coupled with capital and risk management and integrating sustainability considerations into the REIT’s strategy. Through these initiatives, the Manager aims to deliver long-term value to our stakeholders.	
- Good governance - Business ethics & anti-corruption - Regulatory compliance	Sound corporate governance is essential for sustaining the REIT’s operations and performance, safeguarding the interests of stakeholders, and ensuring the REIT’s long-term success. The lack of internal controls and non-compliance with regulations can result in financial and reputational loss, and undermine our license to operate. In eliminating fraud and corruption and the risk of noncompliance, the Manager has established a robust corporate governance framework and put in place policies and practices to maintain the highest standards of integrity and accountability.	
- Cyber-security & data privacy	Transactions in the real estate industry involves managing confidential data, including financial, property records and personal data. Having a robust cyber-security system would protect these data from unauthorised access and safeguard the interests of tenants and stakeholders. A data breach would lead	

	to severe consequences, including financial losses, reputational damage, and potential legal ramifications. The Manager recognises the importance of managing cyber-security risks well and safeguarding our data. The Manager, in consultation with its outsourced IT vendor, takes steps to protect stakeholders' personal data and critical information with industry standards and policies.	
- Tenant satisfaction	The level of tenant satisfaction will demonstrate the Manager's attitude towards quality of property management and customer service. It will directly influence occupancy rates, lease renewals and overall financial performance. The Manager recognises that a high level of tenant satisfaction translates into our success as a REIT and is key to sustaining our financial performance. Ensuring fair and equitable treatment of tenants and providing accessible facilities contribute to tenant satisfaction. The Manager is committed to maintaining close communications and delivering highquality service to tenants to support their needs.	
- Fair Employment practices & talent retention	Having a diverse and inclusive workforce of the Manager will allow for better adaptability and innovation. The ability to adapt to dynamic market trends and innovate in business strategies can provide a competitive edge for the REIT. Fair employment practices contribute to the development of a talent pipeline. Succession planning becomes more relevant in identifying and nurturing talented individuals within the organisation. Respecting human rights within the workplace contributes to a positive work environment. The Manager is committed to offering fair employment, and understands the need to attract, cultivate and retain talent with the right skill pool and experiences to drive the long-term sustainability of the REIT.	
- Health & Safety	Ensuring the health and safety of employees, tenants, vendors and contractors, and visitors of the REIT's properties contributes to a positive and healthy work environment. This will enhance overall well-being, job satisfaction and productivity among the workforces. We strive to provide a healthy and safe environment for the physical and mental well-being of these stakeholders.	
- Energy efficiency & Climate change	Climate change can pose risks to our assets, such as increased exposure to extreme weather events. Proactive measures to enhance the energy efficiency and resilience of properties can protect the long-term value of assets and reduce vulnerability to climate-related risks. As a limited natural resource in Singapore, water management is essential and the Manager has implemented water management initiatives to play a role in contributing to water conservation efforts in the country.	
- Water Management (use and reduction)	Waste generation is concerning issue in Singapore and by adhering to responsible waste disposal practices, it helps the REIT meet environmental regulations and fosters a positive public image. As a landlord, we are mindful of the long-lasting impact that our assets may have on the environment. We aim to improve the environmental sustainability of our assets to	
- Waste Management		

	strengthen our operational performance as well as reduce our environmental footprint.	
- Community Impact	We are dedicated to creating a positive community impact by giving back to societies. By driving positive changes in society through various social initiatives, we aim to contribute towards a better and more sustainable future for those that we reach out to.	

3. Rationale for establishing a Sustainable and Sustainability-Linked Finance Framework

As the Manager of Sabana Industrial REIT, the Manager’s approach to sustainability is built upon its considerations for ethics and social responsibility in its investment and business decisions, as well as its commitment to key stakeholders. Sustainability is a strategic priority for generating real value for its stakeholders, through solid governance and sound management of identified material ESG topics.

The Manager is mindful of the long-lasting impact that the REIT’s assets can have on the environment. It aims to improve the environmental sustainability of the assets to safeguard operational performance and reduce environmental footprint.

For a more sustainable future, the Manager believes it is important to integrate sustainability across the financing tools of the company. With the intention to undertake sustainability-linked transactions and sustainable finance instruments (“SFIs”), the Manager has established these Sustainable and Sustainability-Linked Finance Framework (the “Framework”). SFIs may include the following financial instruments:

- Sustainability-Linked Bonds/ Sukuk
- Sustainability-Linked Loans/ Financing

This Framework allows the REIT to issue financing instruments under two sub-frameworks:

1. **Sustainable Finance Framework** – where the use of proceeds is exclusively used to fund projects under the eligible Green Category

SFIs may include the following financial instruments:

- Green Bonds/ Sukuk
- Green Loans/ Financing

2. **Sustainability-Linked Finance Framework** – where the proceeds can be used for the REIT’s general corporate purpose while at the same time increasing the sustainability performance of the overall business.

The SFIs issued under the Framework will be aligned with standards issued by the International Capital Markets Association (“ICMA”), Asia Pacific Loan Market Association (“APLMA”), Loan Market Association (“LMA”), Loan Syndications and Trading Association (“LSTA”) and ASEAN Capital Market Forum (“ACMF”)

- Green Bond Principles (“GBP”) 2021
- Sustainability-Linked Bond Principles (“SLBP”) 2023

- ASEAN Green Bond Standards 2018
- ASEAN Sustainability-Linked Bond Standards 2022
- Green Loan Principles (“GLP”) 2023
- Sustainability-Linked Loan Principles (“SLLP”) 2023

3.1 Sustainable Finance Framework

Green and Sustainability Bonds as well as Green and Sustainability Loans/Financing obtained under this Framework will align with the following four core components:

1. Use of Proceeds
2. Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

3.1.1 Use of Proceeds

The net proceeds of bonds/Sukuk and loans/financing will be earmarked to fund or refinance, in whole or in part, new or existing eligible projects that meet one or more of the following Eligible Green Categories (“**Eligible Projects**” together forming the “**Eligible Portfolio**”).

Eligible Green Categories

Eligible Category	Description of Eligible Assets / Projects
Green Buildings	<ul style="list-style-type: none"> - Construction, renovation and financing/ re-financing for the purchase of green buildings with the following (but not limited to) certification levels: <ul style="list-style-type: none"> ▪ Singapore BCA Green Mark certification (Gold or above) ▪ United States Leadership in Energy and Environmental Design, LEED, (minimum Gold or above), ▪ Or any other equivalent Green Building certifications with the same standard above.
Green Projects	<p>Works and projects that aim to improve the material factors:</p> <ul style="list-style-type: none"> - Climate Change & Energy Efficiency – Maintain or reduce the energy intensity of the common area and vacant net lettable area under the Manager's or Property Manager's operational control - Water Management (use and reduction) - Progressively install water- efficient fittings certified under PUB's Water Efficiency Labelling Scheme rating of 3 or 4 ticks and progressively attain PUB Water Efficient Building basic certification for properties under the Manager's or Property Manager's operational control - Waste Management – Encourage recycling by installing recycling bins for properties under the Property Manager's operational control

	- Community Impact: Complete at least two local community engagements
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3.1.2 Process of Evaluation and Selection of Projects

It is important to have for projects selected are evaluated to ensure the requirements under the Framework are met. The process of selecting Eligible Projects is performed by the Sustainable Working Committee (“SWC”) of the Manager where the eligibility criteria, process and/or exclusion criteria are specified clearly.

The SWC is responsible for the following:

- Establish processes to review, select and validate the Eligible Portfolio based on the Sustainable Finance Framework
- Maintain the Allocation Reporting and Impact Reporting as required by this framework, as well as seek verification on the reporting accordingly
- Ensure the Eligible Portfolio does not pose significant environmental and social harm
- Monitor the relevance and validity of this framework from time to time

Sabana Industrial REIT has established a SWC led by the Manager’s CEO. SWC comprises the following departments responsible in selecting and screening Eligible Projects

- Asset Management
- Finance
- Compliance
- Property Management
- Human Resources
- Investor Relations

Sabana Industrial REIT is prohibited from directly engaging in, or knowingly engaging with business relations who are engaged in, the following activities (Exclusion List) below:

- Production of or trade in weapons and munitions;
- Production of or trade in tobacco;
- Gambling, casinos, gaming and adult entertainment;
- Ownership of coal and fossil fuel reserves

The Board of Directors of the Manager will be regularly updated by the Management (who are also on the SWC) on the Eligible Projects and the progress through the scheduled and/or ad-hoc Board and ARC meetings.

3.1.3 Management of Proceeds

Sabana Industrial REIT intends to allocate the proceeds from finance instruments to the Eligible Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above. The proceeds from Sustainable Finance Framework under Green Projects will be credited to a dedicated account and tracked in appropriate manner.

Sabana Industrial REIT will ensure that the level of allocation for the Eligible Projects matches or exceeds the balance of net proceeds from its outstanding financing instrument(s) after adjustments for intervening circumstances including, but not limited to, repayments and disbursements. Additional Eligible Assets will be added to the Eligible Portfolio to the extent required to ensure that the net proceeds from outstanding financing will be allocated to Eligible Assets.

Internal monitoring systems are established and maintained to track and record the allocation of the net proceeds such that it is in accordance with the Use of Proceeds section.

Sabana Industrial REIT strives to fully allocate all proceeds within 36 months of the SFI's issue date. Any unallocated proceeds may be deployed temporarily at the discretion of Sabana Industrial REIT in cash or cash equivalent instruments, in accordance with its investments and treasury policy.

To prevent double counting of Eligible Projects, Sabana Industrial REIT will ensure that the same capital investment will not be listed twice in the allocation of net proceeds.

The abovementioned process will be monitored along the entire period in which the expected disbursements will be incurred.

On an annual basis, the proceeds allocation and the remaining balance of unallocated proceeds as specified below will be reported and verified by an external independent party.

3.1.4 Reporting

Post issuance of an SFI, Sabana Industrial REIT will release an Allocation Report and Impact Report for those under Green Category with a reporting format that follows standards guided by ASEAN Taxonomy. Information on the use of proceeds to be maintained and reported annually until the financing fully drawn, and as necessary thereafter in the event of any material development.

The report will include a list of Green Projects, the brief description of the projects, the amounts allocated and their expected impact. The report will use qualitative performance indicators and quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination. The report will also be verified by a third-party verifier appointed by Sabana Industrial REIT.

Allocation Reporting

The allocation reporting will provide:

- Brief description of the Eligible Project(s)
- Amount or percentage of allocation of net proceeds to the Eligible Portfolio

- Percentage of net proceeds allocated to financing new and existing projects
- Examples of projects being financed (subject to confidentiality considerations)
- Balance of unallocated proceeds

Impact Reporting

The impact reporting may provide, where feasible and applicable, metrics regarding the Eligible Project’s impact. A baseline year of 2023 will be used within the impact report. Potential impact indicators are tabulated as follows:

Category	Impact Parameter	Indicator
Green	Energy Efficiency	<ul style="list-style-type: none"> - Annual Energy Savings (MWh) - Total energy intensity by floor area (kWh/ft²) - Total GHG emissions intensity by floor area (kgCO₂e/m²) - Annual GHG emission avoided (tonnes of CO₂ emissions) - Number of buildings that achieved EPC rating of A or B - Number of buildings that achieved Green Building standard defined in 3.1.1
	Renewable Energy	<ul style="list-style-type: none"> - Installed renewable energy capacity (kW) - % of renewable energy as total of energy consumption - Annual GHG emission avoided (tonnes of CO₂ emissions)
	Water Management	<ul style="list-style-type: none"> - Annual water consumption saved (m³) - Total water intensity by floor area (m³/ft²)
	Green Certifications	<ul style="list-style-type: none"> - Number of buildings certified as EPC Rating B or higher, or green certifications obtained.

3.2 Sustainability-Linked Finance Framework

The Framework consists of the following five components:

1. Selection of Key Performance Indicators
2. Calibration of Sustainability Performance Targets
3. Financial Characteristics
4. Reporting
5. Verification

The Framework will be aligned with Sustainability-Linked Bond Principles 2023, Sustainability-Linked Loan Principles 2023 and ASEAN Sustainability-Linked Bond Standards 2022 and maintained by the Board of Directors of the Manager. This entails regular reviews and updates, alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to the best practices in the market. The Board of Directors of the Manager will also review this Framework in the event of material changes in the perimeter, methodology and KPIs and/or SPTs’ calibration.

3.2.1 Selection of Key Performance Indicators (KPIs)

Relevant UN SDGs



This Framework establishes Key Performance Indicators (KPIs) and related Sustainability Performance Targets (SPT) that is considered material and ambitious, aligned with ICMA Sustainability-Linked Bond Principles 2023, Sustainability-Linked Loan Principles 2023 by APLMA, LMA and LSTA and ASEAN Sustainability-Linked Bond Standards 2022.

KPI 1	Absolute Scope 2 GHG Emission (tCO2e)
KPI 2	Energy intensity (kWh/ft ²)
KPI 3	Water intensity (m ³ /ft ²)

The selection of the KPI has been made based on considerations for Material ESG Topics that are relevant, core and material to Sabana Industrial REIT’s business of managing real estate investments.

KPI rationale:

As part of Singapore’s revised 2030 Nationally Determined Contribution to reduce its carbon emissions target for 2030 to 60 million tonnes of carbon dioxide (CO₂), the Manager is committed to minimise its environmental impact and focus on the efficient use of natural resources.

Additionally, water demand in Singapore is expected to double by 2060, with the non-domestic sector contributing to 70% of that demand. To encourage water conservation, PUB has implemented the Water Efficient Building (“WEB”) (Basic) Certification Programme to encourage businesses, industries, schools, and buildings to adopt water-efficient measures in their premises and processes.

Taking these into consideration, Sabana Industrial REIT is committed to managing its energy usage responsibly and efficiently. As the landlord, it encourages its tenants to minimise water and energy wastage. The energy-conserving technologies and water-efficiency initiatives implemented by the Manager across the REIT’s properties are aligned with the Singapore Government’s Green Plan 2030.

KPI scope of coverage: All three KPIs are applicable to all properties under the Property Manager’s operation control⁸

KPI	Calculation Methodology
Absolute Scope 2 GHG Emission ⁹	Annual energy consumption from non-renewable power source x electricity grid emission factors ¹⁰ (tCO ₂ e)
Energy Intensity	Total annual energy consumption / floor area including common area and vacant net lettable area of properties under the Property Manager’s operation control (kWh/ft ²)
Water Intensity	Annual water consumption / floor area including common area and vacant net lettable area of properties under the Property Manager’s operation control (m ³ /ft ²)

3.2.2 Calibration of Sustainability Performance Targets (SPTs)

Sustainability Performance Target (SPT)	Baseline																														
<p>SPT 1: 30% absolute reduction of scope 2 GHG emission by 2028 from 2023 baseline</p> <table border="1"> <caption>Scope 2 GHG Emissions (tCO₂e)</caption> <thead> <tr> <th>Year</th> <th>Emission (tCO₂e)</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>9,131</td> <td>Actual</td> </tr> <tr> <td>2021</td> <td>12,326</td> <td>Actual</td> </tr> <tr> <td>2022</td> <td>10,887</td> <td>Actual</td> </tr> <tr> <td>2023</td> <td>10,578</td> <td>Actual</td> </tr> <tr> <td>2024</td> <td>~9,800</td> <td>Projected</td> </tr> <tr> <td>2025</td> <td>~9,200</td> <td>Projected</td> </tr> <tr> <td>2026</td> <td>~8,600</td> <td>Projected</td> </tr> <tr> <td>2027</td> <td>~8,000</td> <td>Projected</td> </tr> <tr> <td>2028</td> <td>~7,400</td> <td>Projected</td> </tr> </tbody> </table> <p>To achieve KPI 1, Sabana Industrial REIT has announced a partnership with Keppel Energy-as-a-Service (“Keppel EaaS”) to jointly execute decarbonisation solutions, including:</p>	Year	Emission (tCO ₂ e)	Type	2020	9,131	Actual	2021	12,326	Actual	2022	10,887	Actual	2023	10,578	Actual	2024	~9,800	Projected	2025	~9,200	Projected	2026	~8,600	Projected	2027	~8,000	Projected	2028	~7,400	Projected	<p>FY23: 10,578</p>
Year	Emission (tCO ₂ e)	Type																													
2020	9,131	Actual																													
2021	12,326	Actual																													
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2026	~8,600	Projected																													
2027	~8,000	Projected																													
2028	~7,400	Projected																													

⁸ The 12 properties Sabana Industrial REIT had operational control over in FY 2023 are: 151 Lorong Chuan, 8 Commonwealth Lane, 15 Jalan Kilang Barat, 23 Serangoon North Avenue 5, 508 Chai Chee Lane, 34 Penjuru Lane, 3A Joo Koon Circle, 2 Toh Tuck Link, 10 Changi South Street 2, 123 Genting Lane, 39 Ubi Road 1, and 51 Penjuru Road. While the Manager also has operational control over 1 Tuas Avenue 4, the building is currently under AEI and non-tenanted. Other than the 12 multi-tenanted properties which the Property Manager has operational control, the remaining five properties are master-tenanted, of which the Manager is working alongside these tenants to achieve mutual environmental and carbon footprint goals. Detailed information regarding the property portfolio is set out on pages 43 to 49 of this Annual Report.

⁹ Sabana Industrial REIT is disclosing environmental performance of scope 2 carbon emissions, as scope 1 emissions are not material in our operations, hence not being disclosed at the moment. For scope 3, Sabana Industrial REIT is in the midst of conducting annual tenant survey and collecting tenants’ ongoing feedback on an on-going basis, to understand tenants’ environmental commitment and expectations, and to identify collaboration opportunities. For further details, please refer to Sabana Industrial REIT FY2023 annual report pg.72-78

¹⁰ The latest available electricity grid emission factors at the time of report publication are used for computing GHG emissions generated by electricity consumption. The latest emission factor - 2022 average operating margin- from Singapore Energy Statistics 2022 was used to calculate GHG emissions for FY 2023

- Installation of solar panels at selected portfolio properties is key to reducing scope 2 GHG emissions – Phase 1 includes the installation at four properties which will have an installed capacity of 4.7 Megawatt peak and are able to collectively produce over 5,700 Megawatt hours per year; Phase 2 includes five properties with total installed capacity of 2.4 Megawatt peak which will generate more than 2,700 Megawatt hours per year.
- EV charging stations – installation of four EV charging stations at New Tech Park completed in May 2023

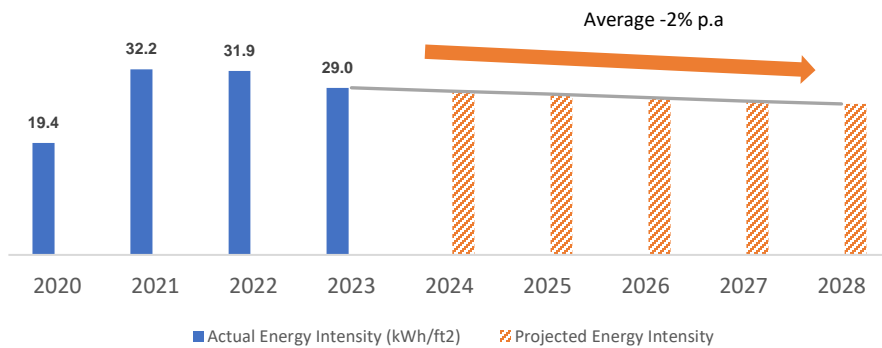
Other initiatives that the REIT has taken include:

- Upgrading of building equipment at 508 Chai Chee Lane, comprising upgrading of air-conditioning chillers and installing of new chilled and condenser water pumps completed at end-2023
- LED lamps – replacement of all common area lighting to LED across selected multi-tenanted properties over which the Manager has operational control

SPT 2:

6% energy intensity reduction by 2026 from 2023 baseline
 8% energy intensity reduction by 2027 from 2023 baseline
 10% energy intensity reduction by 2028 from 2023 baseline

FY23: 29.0



Sabana Industrial REIT have put in place cost-saving initiatives aimed at reducing electricity consumption, such as a low-emissivity glazed façade, intelligent lighting control system, LED motion sensor lights, and sleep mode for escalators and gearless lifts for some of our properties.

It re-lamped existing light fixtures in common areas of selected portfolio properties with LEDs. It completed the LED re-lamping at a total of 11 properties as at 31 December 2023.

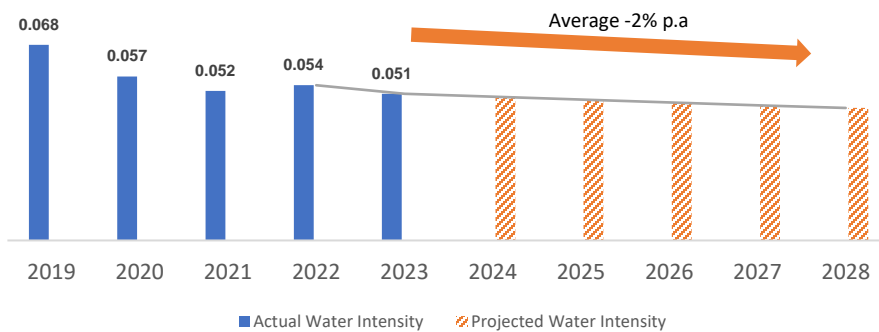
In FY 2023, despite the increase in occupancy, energy consumption which relates to electricity usage by the landlord decreased by about 5% to 25,527 MWh from 26,836 MWh in FY 2022 mainly due to the adjustment in common area air-conditioning setpoint to 25 degrees Celsius.

The operating hours for air-conditioning were also adjusted to cater to building office hours. Common area lighting was also re-lamped in phases to LED fittings. The energy

intensity of common area and vacant net lettable area of the properties decreased to 29.0 kWh/ft² in FY 2023 reflecting the sustained efforts of the Manager in introducing building energy consumption efficiency initiatives across selected properties. The Manager will continue to implement energy conservation measures to reduce energy consumption, including installing solar panels on selected building rooftops, as well as upgrade existing M&E equipment at selected aged portfolio properties to more efficient equipment.

SPT 3:

- 6% water intensity reduction by 2025 from 2022 baseline
- 8% water intensity reduction by 2026 from 2022 baseline
- 10% water intensity reduction by 2027 from 2022 baseline
- 12% water intensity reduction by 2028 from 2022 baseline



FY22: 0.054

Water withdrawal relates to total water withdrawal from municipal water supplies at the 12 multi-tenanted properties over which Sabana Industrial REIT has operational control.

Its tenants are the main consumers of water at our industrial properties. To reduce its water-related impacts, the Property Manager actively monitors water consumption and implements water-saving measures such as usage of sensors, retrofitting of fixtures, installing of cooling tower, water meter readings and collaborating with our tenants on techniques to reduce water consumption. It will identify and address abnormal spikes in water consumption with its tenants.

In FY 2023, Sabana Industrial REIT worked towards its target to achieve PUB Water Efficient Building basic certification for selected properties. These properties include 10 Changi South Street 2, 23 Serangoon North Avenue 5, 8 Commonwealth Lane, 15 Jalan Kilang Barat, 2 Toh Tuck Lane, 34 Penjuru Lane, 51 Penjuru Road and 39 Ubi Road 1. As at 31 December 2023, two of these buildings attained the certification.

In FY 2023, it withdrew 161,955 m³ of freshwater from the PUB water supply. Its total water withdrawal decreased by about 6% compared to FY 2022 despite a higher occupancy rate and an increase in tenants' operations. Consequently, its water intensity remained approximately unchanged at 0.05 m³/ft² in FY 2023. The Manager will continue to implement initiatives to minimise water wastage and improve water efficiency. It will also continue with its efforts to raise awareness of good water management practices amongst its tenants and employees.

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SPT Observation Date: By financial year end of each specific year

3.2.3 Sustainability-Linked Financial Instrument Characteristic

The proceeds from SFI issued under this Sustainability-Linked Finance Framework, will be used for general corporate purpose.

Failure to meet the SPTs will result in financial instrument characteristics adjustments in one or more of the following forms:

- a) Coupon/ margin adjustment
- b) Premium payment at maturity
- c) rebate, and/or adjustment in pricing of SFI will be specified in the relevant documentation of the specific instrument

Depending on Sabana Industrial REIT's performance against the applicable SPTs during the performance period for certain SFIs, the SPTs included may be broken down to annual SPTs, while maintaining that the impact will be meaningful and commensurate.

For any bonds/sukuk issued under this Framework, the characteristics of the SLI will be impacted depending on the achievement or failure of the SPTs indicated in the previous section of this framework. The observation dates will be detailed for each financing in the relevant documentation of the specific transaction under this framework.

Sabana Industrial REIT will appoint an external verifier to verify the SPT, and will notify relevant stakeholders of the satisfactory performance of the SPT.

3.2.4 Reporting

The progress of each KPIs and the achievement against its SPTs will continue to be included in Sabana Industrial REIT's publicly available Sustainability Report on an annual basis. The achievements of the SPT will be verified by a qualified external party and included in annual Sustainability Report published in Sabana Industrial REIT's website. The Sustainability Report will form the basis for evaluating the impact on respective Sustainability-Linked Finance Instrument issued/ obtained under this Framework.

3.2.5 Verification

Annually, or at any time necessary for assessing the performance against the SPTs, Sabana Industrial REIT will seek independent external verification on the performance level against the SPT for the selected KPI

by a qualified external provider of such independent verification services. The output of the verification process will be made publicly available on our website.

4. External Review

Pre-issuance: Second Party Opinion

This Sustainable and Sustainability Linked Finance Framework has been reviewed by DNV, who has issued a Second Party Opinion. The Framework and Second Party Opinion will be published on Sabana Industrial REIT's website.

Post-issuance: Verification

Sabana Industrial REIT intends to obtain, on an annual basis, starting one year after issuance and up to full allocation, a limited assurance report of the allocation of the Sustainable and Sustainability-Linked Finance Instruments, provided by an external auditor.

5. Amendment to the Framework

Sabana Industrial REIT will review this Framework including its alignment to the updated GBP, GLP, SLBP, SLLP by ICMA, APLMA, LMA and LSTA and ASEAN Sustainability-Linked Bond Standards, ASEAN Green Bond Standards by ACMF, from time to time with the aim of adhering to best practice in the market.

Sabana Industrial REIT will also review the Framework if there is a material change in¹¹:

- Sabana Industrial REIT's business
- The methodology for calculating any KPI(s) or SPT(s) or the calibration of any KPI(s) or SPT(s), and

Any such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to prior approval of the Sustainability Committee of the Company. Any future updated version of this Framework will either maintain or improve the current levels of transparency and reporting disclosures as set out in this Framework. Any updated Framework will be published on Sabana Industrial REIT's official website and will replace this Framework.

¹¹ Sabana Industrial REIT will adopt to the latest ISSB reporting standard applicable to Singapore issuers, any further enhancement of policy/ guidance and sustainability related reporting should be referred to the latest sustainability report published on the company's website without triggering an amendment to the Framework