

Environmental and Social Due Diligence (ESDD) Summary

Issuer	Sabana Industrial Real Estate Investment Trust (“Sabana Industrial REIT”)
Use of CGIF’s guarantee	The use of proceeds (“UOP”) will be to finance or refinance Sabana Industrial REIT portfolio properties located across Singapore.
Countries of operations	Singapore
Categorisation	General-purpose corporate bond (GCB) ESMS – High

Environmental and social management system (ESMS)	<p>Sabana Industrial REIT has developed and adopted an Environmental Policy that, at a minimum, applies to all assets in Singapore and describes its commitments to managing its current and proposed properties in accordance with the CGIF’s Environmental and Social Safeguards (ESS) Policy.</p> <p>Sabana Industrial REIT, as a Singapore-based real estate investment trust, has appointed the Sabana Real Estate Investment Management Pte. Ltd. (the “REIT Manager”) under the terms of the Trust structure to manage the business operations of the REIT and the implementation of the ESMS. Sabana Property Management Pte. Ltd. (“SPM”, the “Property Manager”), a wholly owned subsidiary of Sabana Real Estate Investment Management Pte. Ltd. provides property management services to Sabana Industrial REIT’s entire property portfolio.</p> <p>Sabana Industrial REIT, through the REIT Manager, has enhanced its current Environmental and Social Management System (ESMS) which will be applied, at a minimum, to its REIT portfolio properties across Singapore on which the REIT has operational control, aligned with the overarching Environmental Policy. The ESMS includes enhancements to the current property and facilities management procedures by the Property Manager covering existing property assets and prior to (and after) the acquisition of any additional property assets. Additionally, it provides enhancements to the monitoring and reporting of environmental and social management performance in the underlying REIT property assets through the REIT Manager.</p> <p>Under the ESMS, the Sabana Industrial REIT Manager’s oversight role will follow the CGIF’s standard E&S requirements, across its properties, which are classified into four (4) categories: high-tech industrial buildings, chemical warehouse and logistics buildings, warehouses and logistics and general industrial portfolio. The application of the enhanced ESMS is expected to lead to the application of international industry good practices and will ensure compliance with CGIF Environmental and Social Standards requirements to mitigate potential impacts.</p>
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Screening and identification of risks

Aside from the waste, wastewater and occupational health and safety (OHS) impacts, which are generic across all four (4) property categories, there are specific E&S risks/impacts from the operations depending on the nature of the buildings or the tenants under each property category:

- (i) High-tech Industrial – Given the nature of the buildings, which are classified as high-tech industrial buildings, they are typically leased out to businesses in the high-tech sector. These buildings comprise centralized air conditioning systems and high power consumption demands. There are potential environmental impacts of the use and control of refrigerants in their warehouse cooling system and in the high energy use intensity. Sabana Industrial REIT takes a phased approach to reduce its usage of refrigerant gases (including HFCs – Hydrofluorocarbons) by progressively upgrading the older air-conditioning systems to new, energy-efficient air-conditioning systems, aligned to the Singapore government commitment under the Montreal protocol. Sabana is also committed to energy conservation and improvements in energy efficiency. Initiatives include the deployment of renewable energy across the portfolio properties and the upgrading of existing building equipment, which are aligned with the Singapore Government Green Plan 2030.
- (ii) Chemical warehouse & logistics buildings - Given the nature of the tenants of this type of warehouse, there are potential environmental impacts to the building perimeter or adjacent properties due to the tenants’ activities related to hazardous wastes, locally known as toxic industrial wastes (TIWs), including fire and/or chemical spills (on-site and off-site leakage). Sabana Industrial REIT has appropriate management practices in place to mitigate these impacts. Sabana Industrial REIT will develop a leakage management plan detailing an emergency response plan for leakage from tenant activities that affect the common areas of the property and the activities of other tenants in the property.
- (iii) Warehouses and logistics buildings - The nature of the general logistics warehouse operations has minimal impacts or cumulative environmental impacts. However, specific residual impacts are mainly associated with GHG emissions and management, increased road and infrastructure demand and Occupational Health and Safety(OHS). It is recommended that community health and safety management be enhanced to cover these issues as part of the ongoing corrective action plan.
- (iv) General industrial - Given the nature of the general industrial warehousing and operations, the main E&S risks are OHS, contractor health and safety, life and fire safety and hazardous conditions. It is also recommended that the OHS risk

	<p>management framework along with the contractor management and monitoring will be enhanced under the ESMS as part of the ongoing corrective action plan.</p>
<p>Institutional capacity, commitment and development</p>	<p>The REIT Manager has appointed an ESMS Manager to ensure that the environmental and social management system (ESMS) is effectively implemented, maintained and cascaded through the business. The ESMS Manager will be supported by a team of ESMS Coordinators under the Property Manager, to provide property and facilities management services (including managing day-to-day activities such as building operations and maintenance).</p> <p>The ESMS Manager and ESMS Coordinators will monitor the day-to-day implementation of the ESMS to ensure that both the REIT (and its tenants) meet regulatory obligations and environmental & social performance commitments to the national government and reporting requirements to CGIF.</p> <p>CGIF provided high-level ESMS awareness training to the REIT’s Manager and Property Manager senior personnel, including those with designated roles and responsibilities under the ESMS. The corrective action plan for the ESMS also incorporates the requirement for internal cascade and training within Sabana Industrial REIT’s Manager and the Property Manager to develop and enhance the necessary knowledge and skills to effectively implement and manage the ESMS across all levels.</p>
<p>Stakeholder communication, participation and consultation</p>	<p>The ESMS includes an overarching stakeholder engagement plan (SEP) and grievance redress mechanism (GRM) that will be disclosed to different stakeholder groups that have vested interests in the Sabana Industrial REIT business. The ESMS Manager will ensure that the contents of the ESMS are communicated and applied to all stakeholder levels, where applicable.</p>
<p>Monitoring and reporting</p>	<p>The ESMS requires i) the monitoring of the E&S performance of Sabana Industrial REIT’s operations using CGIF’s proceeds by the ESMS Manager and ii) reporting E&S performance to CGIF on an annual basis for the tenor of the bond, iii) early advice of any non-compliances to CGIF E&S or national regulatory requirements (including any remedial actions plans where required).</p>