

ARENA REIT

# 2020 SUSTAINABILITY REPORT



**Arena**

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## ABOUT THIS REPORT

Arena REIT is a triple stapled entity comprising Arena REIT No. 1 (ARSN 106 891 641) (ARF1), Arena REIT No. 2 (ARSN 101 067 878) (ARF2) and Arena REIT Limited ACN 602 365 186 (ARL). Arena REIT Management Limited ACN 600 069 761 (ARML) is the responsible entity of ARF1 and ARF2. ARL is the ultimate holding company of ARML and its other wholly owned subsidiaries.

The information contained in this report is current only as at the date it is issued or as otherwise stated. This is not investment or financial product advice. Arena REIT has not considered the investment objectives, financial circumstances or particular needs of any reader. Except as required by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions, or as to the reasonableness of any assumption, contained in this document.

This report provides an overview of Arena REIT's approach to Environmental, Social and Governance matters, and a review of Arena's key initiatives and achievements during financial year 2020. This is the first standalone Sustainability Report that Arena REIT has published, it is intended that it continue be released annually. The report is only available online to reduce paper, please consider the environmental impact before printing this report.

# INTRODUCTION



Arena REIT (Arena) is an ASX300 listed property group that owns, manages and develops social infrastructure properties across Australia. Our current portfolio of social infrastructure properties is leased to a diversified tenant base in the growing early learning and healthcare sectors.

We are pleased to present our inaugural sustainability report. This marks Arena's commitment to progress and disclose strategies to address sustainability challenges and opportunities faced by our business and stakeholders.

The main purpose of this report is to consolidate and communicate the plans, activities and initiatives that are already embedded in the way Arena is managed. This reporting process has provided an opportunity to reflect and identify areas where performance can be improved, and these opportunities are reflected in the commitments included in this report. In future years, where possible, we intend to include additional quantitative data to further enhance our disclosures.



*Left to Right: David Ross, Rob de Vos.*

This report covers Arena's sustainability initiatives, strategies and performance across our Australian operations for the year ended 30 June 2020. Selected Global Reporting Initiative (GRI) Standards and the United Nations Sustainable Development Goals (SDGs) were used to inform the content and scope of the report. Where possible, we intend to continuously enhance our disclosures, utilising global frameworks to improve the comparability of our reporting.

We welcome feedback from all stakeholders to ensure that we can build upon our disclosures moving forward.

Yours sincerely,

David Ross  
Chair

Rob de Vos  
Managing Director



# OUR APPROACH

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY

Our approach to sustainability is underpinned by our [ESG Policy](#), which is focused on supporting growth whilst also acknowledging our role and impact within society. Our policy sets out our commitment to establish a more formalised approach to managing ESG impacts. In line with the ESG Policy, we are committed to:

1. Optimising and maximising the positive ESG and sustainability aspects of our business activities and operations;
2. Managing, minimising and mitigating (to the extent possible) the ESG impacts and risks associated with our business activities and operations (and where possible or appropriate those of tenants, contractors and service providers);
3. Engaging and collaborating with stakeholders to influence positive change and drive mutually beneficial ESG outcomes; and
4. Being transparent about progress in this regard.

## FOCUSING ON THE TOPICS THAT MATTER

To inform our sustainability strategy and disclosures, we undertook a materiality process to understand the material ESG issues for our business. This materiality process was conducted with reference to the GRI principles for defining report content to identify, prioritise and validate the topics that matter most to our stakeholders and our business.

The process involved:

### Identification

We identified the ESG topics that could impact Arena and our stakeholders. An initial list of topics and their definitions were drafted using a range of inputs, including:

- ▶ External ESG trends that are impacting, or likely to impact Arena and the wider sector
- ▶ Peer benchmarking
- ▶ Leading frameworks including the GRI Standards and Sustainability Accounting Standards Board materiality tool
- ▶ Macroeconomic trends including regulatory and legislative changes
- ▶ Investor and ESG rating agencies' perspectives

### Prioritisation

The list of topics and definitions were discussed by the internal ESG working group. The group undertook a process of prioritising issues using several lenses such as those that are reasonably likely to impact the financial performance of Arena, significance of the impacts and the substantive influence on the decisions of stakeholders.

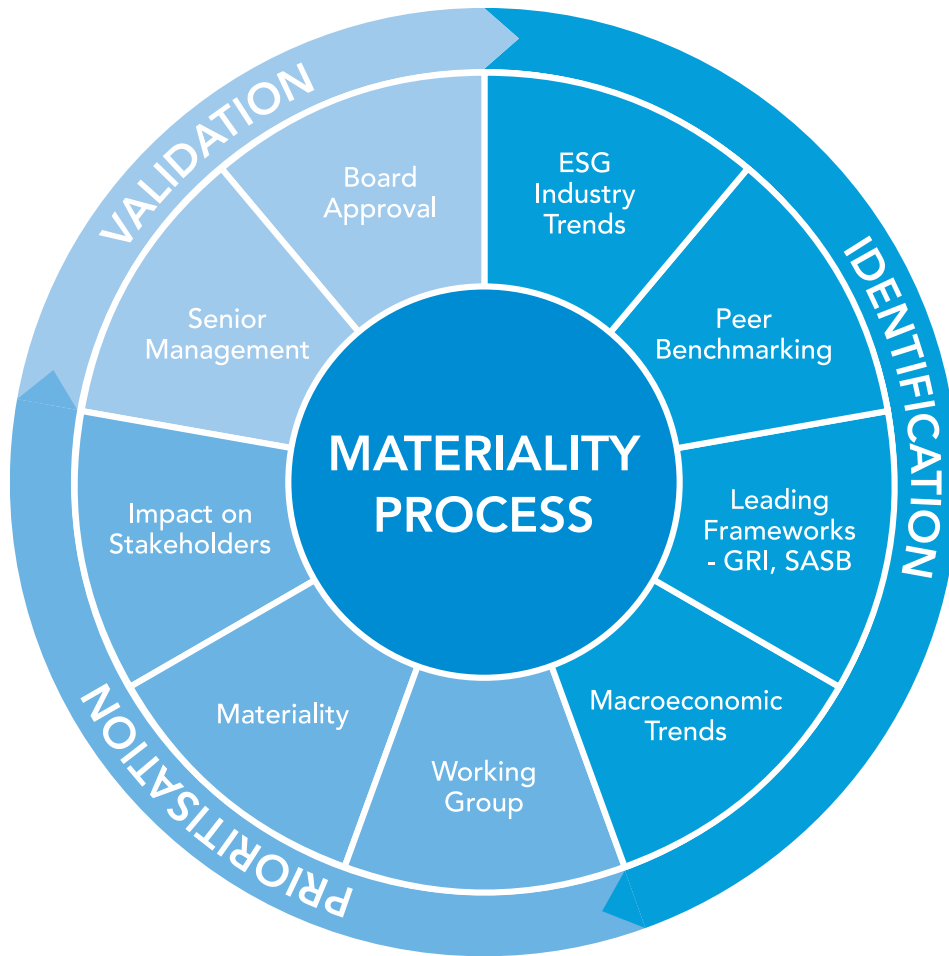
As a result of the working group discussion, material topics for inclusion in financial year 2020 (FY20) reporting were identified.

### Validation

Following the materiality workshop, the material topics were confirmed and committed to by senior management and subsequently endorsed by the Board.

The table on page 5 outlines our material topics and what this means to our business.

OUR APPROACH CONTINUED



OUR MATERIAL TOPICS

| OUR MATERIAL TOPICS                           | WHAT THIS MEANS TO US  |
|---|--|
| Governance and risk                           | Creating and maintaining high standards of corporate governance and risk management.                     |
| Human capital management, purpose and culture | Investing in our team and culture to improve employee engagement, wellbeing, productivity and retention. |
| Renewable energy                              | Working with our tenants to assess renewable energy opportunities and initiatives.                       |
| Tenant engagement and retention               | Engaging with our tenants to understand, meet and exceed their expectations.                             |

We will look to broaden our material topics in future reporting periods by considering external stakeholder feedback and emerging issues.

FUTURE PRIORITIES

|      |  |                     |
|------|--|---------------------|
| GOAL | Formalise our approach to stakeholder engagement and materiality which will include seeking external feedback on material ESG risks and opportunities, as well as our performance and disclosures. | TIMEFRAME<br>FY2021 |
|------|--|---------------------|



# GOVERNANCE AND RISK

The quality of Arena's corporate governance and risk management is integral to achieving our strategic objectives and underpins our values in relation to integrity and accountability for our decisions and actions.

Arena's Board (the Board) is responsible for the overall corporate governance of Arena, implementing the appropriate policies and procedures to ensure Arena functions effectively and responsibly. The Board recognises the role and importance of corporate governance in ensuring appropriate accountability of the Board and management. More broadly, the Board has created a framework for managing entities within the Arena group, including the implementation of relevant internal controls and a risk management process.

## RISK MANAGEMENT FRAMEWORK

Effective risk management is a core component of Arena's corporate governance. Arena has documented policies and procedures to identify, assess, manage, monitor and report key risks. The risk management framework is designed to assist Arena to achieve its objectives through competent strategic decision making and the conduct of efficient, effective and robust business processes that allows Arena to take up opportunities while meeting required standards on accountability, compliance and transparency.

The Board has ultimate responsibility for ensuring Arena has effective and adequate risk management systems in place. The Board, through the Managing Director, is responsible for overseeing the establishment and implementation of the risk management framework and for approving and monitoring compliance with the framework.

The framework was independently reviewed in FY20 and concluded that Arena has demonstrated good knowledge of its risk management obligations and has in place a well-documented risk management framework. In response to the review, enhancements are being progressively introduced to the framework in relation to the documentation of Arena's risk appetite and tolerance, risk identification techniques and response strategies for risks where control effectiveness requires improvement.

Arena is committed to responsible business practises and the support of human rights. In accordance with relevant and applicable laws and regulations, Arena will assess, address and report on the risks of modern slavery practices (where appropriate).

## CODE OF CONDUCT

The [Code of Conduct](#) outlines how Arena expects Directors and team members to behave and conduct business in the workplace on a range of issues. It is our guide on how to support our commitment to deliver value to stakeholders.

The objective of the Code of Conduct is to:

- ▶ Provide a benchmark for professional behaviour throughout Arena
- ▶ Support Arena's business reputation and corporate image within the community; and
- ▶ Make Directors and team members aware of the consequences if they breach the code.



The Code reinforces Arena’s commitment to honest, ethical and law-abiding conduct. All team members have a responsibility to conduct themselves in accordance with our Code of Conduct. Breaches or suspected breaches of the Code of Conduct, Arena’s policies or the law more generally are required to be reported to the Board. As part of our focus on an open and transparent culture, Arena has adopted a [Whistleblower Policy](#) to allow confidential and anonymous reporting in the event of misconduct. The purpose of the Whistleblower Policy is to:

- ▶ Promote an open and transparent culture at Arena;
- ▶ Assist in the prevention and detection of disclosable matters;
- ▶ Outline the process by which disclosable matters may be disclosed;
- ▶ Inform eligible whistleblowers about the protections available to them and how Arena will support and protect them from any detriment;
- ▶ Outline the process by which Arena will investigate protected disclosures; and
- ▶ Outline the process for fair treatment of any Arena team member about whom a protected disclosure relates or who is mentioned in a protected disclosure.

To ensure that the Board remains informed about any matters which may indicate concerns about culture, eligible whistleblower incidents are reported as soon as practicable and not less than quarterly to the Board (on a ‘no names’ basis to maintain the confidentiality of matters raised).

All team members completed training during FY20 regarding their rights and obligations under whistleblower legislation.

## OUR PERFORMANCE

### NON-COMPLIANCE WITH LAWS AND REGULATIONS (GRI 419-1, GRI 307-1)

| INDICATORS  | FY20 |
|---|------|
| Number of significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: <ul style="list-style-type: none"> <li>i. total monetary value of significant fines;</li> <li>ii. total number of non-monetary sanctions;</li> <li>iii. cases brought through dispute resolution mechanisms.</li> </ul> | Nil  |
| Number of significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: <ul style="list-style-type: none"> <li>i. total monetary value of significant fines;</li> <li>ii. total number of non-monetary sanctions;</li> <li>iii. cases brought through dispute resolution mechanisms.</li> </ul>                   | Nil  |



**CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN (GRI 205-3)**

| INDICATORS   | FY20 |
|--|------|
| Number and nature of confirmed incidents of corruption   | Nil  |
| Number of confirmed incidents in which employees were dismissed or disciplined for corruption  | Nil  |
| Number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption           | Nil  |
| Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases | Nil  |

**WHISTLEBLOWING INCIDENTS**

| INDICATOR  | FY20 |
|--|------|
| Number of reported incidents related to whistleblowing | Nil  |
| Key concerns raised                                    | N/A  |

**BREACHES REPORTED TO THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (ASIC)**

| INDICATOR  | FY20 |
|--|------|
| Number of breaches reported to Australian Securities and Investments Commission (ASIC) | Nil  |
| Key concerns raised  | N/A  |

**COMPLAINTS ESCALATED TO THE AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY**

| INDICATOR   | FY20 |
|---|------|
| Number of complaints escalated to Australian Financial Complaints Authority | Nil  |
| Key concerns raised   | N/A  |





**PRIVACY AND DATA BREACHES**

| INDICATORS   | FY20 |
|--|------|
| Number of matters escalated to Office of Australian Information Commission | Nil  |
| Number of Notifiable Data Breaches   | Nil  |
| Key concerns raised  | N/A  |

**FUTURE PRIORITIES**

|      |  |                      |
|------|--|----------------------|
| GOAL | Implement progressive enhancements to Arena's Risk Management Framework.   | TIMEFRAME<br>Ongoing |
| GOAL | Align Arena's governance disclosures with the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. | TIMEFRAME<br>FY2021  |



# HUMAN CAPITAL MANAGEMENT, PURPOSE AND CULTURE

Our strong culture enables us to deliver positive outcomes to our stakeholders. A clearly defined, positive and well-communicated culture ensures that Arena is able to live by its values and retain team members who are engaged and productive, resulting in better outcomes for Arena, our tenant partners and our investors.

Our team is made up of a range of full time, part time and temporary team members.

## WORKFORCE COMPOSITION (GRI 102-8)

| INDICATOR                      | MALE | FEMALE |
|--------------------------------|------|--------|
| All employees                  | 56%  | 44%    |
| Full time employees            | 100% | 50%    |
| Part time employees            | -    | 25%    |
| Fixed term full time employees | -    | 25%    |

## OUR VALUES AND INITIATIVES

Arena's values guide the actions we take, the decisions we make and the interactions we have in performing our duties. Our values were formulated by the Board and management through a collaborative process involving reflecting upon how we behave on a day to day basis and how we continue to achieve the best outcomes for our team, tenant partners and ultimately our investors. The Board retains oversight in this regard to ensure the desired culture is maintained and values are instilled.

### Our Values:

- ▶ We act with integrity and honesty, embracing accountability for our decisions and actions.
- ▶ We engage and collaborate with our stakeholders, our team and the community.
- ▶ We aim to deliver beneficial and sustainable outcomes through the dynamic pursuit of opportunities

We foster a working environment where team and performance matter. We have implemented a number of initiatives to promote team engagement and retention including:

- ▶ We aim to support and empower our team members to reach their career and personal aspirations. At Arena, our team members have individual development plans which provide an opportunity to reflect on career aspirations and detail key steps required to meet set goals. Our development review process assists with career planning to ensure key activities are in line with organisational objectives, and team members are able to build on strengths and overcome weaknesses.
- ▶ As part of our relatively flat organisational structure, we actively focus on succession planning to better support career development. In this process, we identify those with the potential to assume greater responsibility and endorse new development experiences to those that can move into leadership roles. This minimises the potential disruption to business operations and reputation; and improves employee commitment and retention.
- ▶ We provide all permanent team members with income protection insurance. This is designed to ensure the protection of each team member's income in the unfortunate incident of inability to work for an extended period.



- ▶ Our Deferred Short Term and Long Term Incentive Plan allows the Board to make grants of awards to team members which provide the opportunity to acquire securities to assist with:
  - a) Attracting, motivating and retaining key team members;
  - b) Delivering rewards to team members for individual and team performance;
  - c) Allowing team members the opportunity to become Arena securityholders; and
  - d) Aligning the interests of team members with those of our securityholders.

### CASE STUDY WELLNESS PROGRAM

At Arena, we believe that the total health, including physical and mental wellbeing are crucial to our team. We promote and encourage our team members to lead healthy lives and to support this, have invested in the team's awareness and knowledge of wellbeing. A wellness program was designed and implemented to assist in nurturing a healthy work life balance and encourage team members to prioritise personal health goals. The program provides financial reimbursement to incentivise participation in activities which support personal health and wellbeing. All team members participate in the wellness program and can utilise the reimbursement for the wellness activities of their choice, some examples of activities reimbursed through the wellness program during FY20 include martial arts, massage, Pilates and surfing programs.

### HEALTH AND SAFETY

Arena is committed to complying with the requirements of all relevant workplace health and safety legislation and will seek to minimise the risks to the health, safety and welfare of persons occupying Arena's corporate workplace. Arena will ensure, as far as reasonably practicable, that:

- ▶ All workplace hazards and risks are identified and assessed, and appropriate measures introduced to control these risks.
- ▶ Appropriate resources are allocated to eliminate or minimise risks to health and safety.
- ▶ Consultation with team members is undertaken in relation to relevant workplace health and safety matters.
- ▶ All necessary inspections, assessments, maintenance, repairs, cleaning, modification and housekeeping are undertaken in a timely manner.

All team members are trained, supervised and provided with adequate information to undertake their duties safely and without risk to their health or safety.

In response to COVID-19, Arena implemented working from home arrangements, which were documented in a formal policy. All team members completed a working from home checklist to confirm that a safe working environment was maintained. In support of effective business operations and the continued engagement and well-being of our team, technological resources have been used to conduct Board, management and regular team meetings.



## OUR PERFORMANCE

We are pleased to report that zero team members left the business and zero work related injuries were recorded during FY20.

We have a continuous improvement mindset in relation to promoting employee engagement and motivation. In FY20, we conducted an annual employee engagement survey. This survey measures the level of employee satisfaction and provides us with valuable information about our team’s perceptions and experiences. We use the data and feedback collated from this survey to identify future priorities for the business.

Arena achieved strong performance across the following areas:

- ▶ Workplace culture – this reflects our focus on including our team members when defining and modelling our organisational values.
- ▶ Professional development – this continues to be a key driver of engagement for our team members.
- ▶ Teamwork – this reflects the importance of team development and shared success.

The survey also identified the following areas of improvement:

- ▶ Work-life balance – reinforcing the importance of improving workload, increasing efficiencies and broadening our flexibility policies, particularly in light of COVID-19.

## FUTURE PRIORITIES

|             |  |                          |
|-------------|--|--------------------------|
| <b>GOAL</b> | Repeat and broaden employee engagement survey, with goal to maintain or improve results. | <b>TIMEFRAME</b><br>FY21 |
|-------------|--|--------------------------|

# TENANT ENGAGEMENT AND RETENTION



Arena's investment mandate is to invest in social infrastructure property in sectors such as childcare, healthcare, education or government (and other high credit quality tenants) with the objective to generate an attractive and predictable distribution to investors with earnings growth prospects over the medium to long term.

Arena's current tenant partners provide essential services to communities throughout Australia, including early childhood education and care, healthcare and specialist disability accommodation, which each deliver strong community benefits. Arena works with our tenant partners to invest the capital necessary to provide efficient, flexible and well located accommodation at sustainable initial and ongoing rents. This provides the opportunity for our tenant partners to focus on their core purpose to deliver essential services to Australian communities.

We recognise that our tenant partners are constantly evolving in terms of how they use space and their

expectations of their tenancy. In many instances, our tenant partners are exploring new business opportunities and see property as an important lever to gain competitive advantage. In this context, we work collaboratively with our tenant partners to ensure that we are flexible and nimble. Rather than a traditional landlord and tenant relationship, we pride ourselves on building a collaborative business partnership. We strive to be a 'landlord of choice.' This is done by working collaboratively, pursuing mutually beneficial outcomes, maintaining working relationships, being empathetic to the challenges faced by tenant partners, by being quick to respond to requests, and by acting fairly and with integrity in commercial negotiations.

Arena manages its relationships with tenant partners through frequent engagement both formally and informally. We conduct an annual tenant survey to collect feedback from our tenant partners, as well as acting in an open manner with tenant partners so that feedback can be provided at any time.



## CASE STUDY

### OUR PARTNERSHIP APPROACH TO EARLY LEARNING CENTRE (ELC) REJUVENATION

This tenant partner aims to empower educators to create leading early childcare education experiences for children. As one of our existing tenant partners, we collaborated to acquire and develop an existing ELC in metropolitan Brisbane. The renovation works were completed by Arena and transformed the property into a leading ELC for this community. As part of the ELC rejuvenation process, Arena and our tenant partner negotiated a long-term lease that was based on sustainable rents for our tenant partner and an appropriate return on Arena's capital investment.





### OUR PERFORMANCE

We seek to align our tenant partner engagement strategies with stakeholder expectations. During FY20, we conducted a tenant survey to track satisfaction and identify various business support and sustainability initiatives to help meet our tenant partners' needs. The questions focused on understanding how tenant partners view our relationship and how we could make improvements moving forward.

Generally, our tenant partners noted that we have a professional and structured approach to engagement and view us as a valuable business partner. In many ways, each of our tenant partners attach different levels of importance in terms of our involvement in key areas, including environmental sustainability, capital availability, insurance adequacy, safety and new business opportunities. This reinforces the need to provide a tailored experience for our tenant partners to ensure we continue to meet and exceed expectations.

### FUTURE PRIORITIES

|             |  |                          |
|-------------|--|--------------------------|
| <b>GOAL</b> | Repeat tenant survey with goal to inform strategic decision making and improve overall response. | <b>TIMEFRAME</b><br>FY21 |
|-------------|--|--------------------------|

*"At Arena, we are proactive in our approach to pursuing renewable energy opportunities with our tenant partners."*



# RENEWABLE ENERGY



We recognise that climate change is occurring, and a contributing factor is greenhouse gas emitted as a result of human activities. As a publicly owned holder of social infrastructure property, our stakeholders include not just our investors and tenant partners, but also the wider community. We are conscious of the need to responsibly manage the environmental impacts of our business activities and operations. We therefore believe it is our responsibility to work collaboratively to effect positive change and drive mutually beneficial environmental outcomes with our tenant partners; renewable energy is an important part of this positive change. Through our strategic renewable energy initiatives, we are delivering operating cost savings to our tenant partners and at the same time mitigating environmental impact.

At Arena, we are proactive in our approach to pursuing renewable energy opportunities with our tenant partners. We have established a renewable energy working group, who engage with our tenant partners to outline the beneficial outcomes (both financial and environmental) arising from the installation of renewable energy infrastructure. Our initial focus on renewable energy opportunities has been in regard to the implementation of solar energy. Arena provides a cost-benefit analysis on the installation of solar energy systems at each of our tenant partners' locations. The cost benefit analysis allows us to demonstrate the financial returns of such an investment, and importantly the estimated reduction in carbon emissions. We offer our tenant partners the ability to rentalise the costs (at Arena's cost of capital), while retaining 100% of the financial savings. We also remain flexible and willing to amend lease terms in order to ensure that the return on investment is maximised for the tenant partner.

Arena has a dedicated renewable energy dashboard, which records energy consumption and emissions data; we provide our tenant partners with access to their respective dashboards at no cost. The dashboard provides our tenant partners with the ability to monitor energy production at an individual location or portfolio level, whilst simultaneously providing access to the financial savings which have been achieved as a result of renewable energy installation.

Over the course of FY20, Arena proactively engaged with several of our largest tenant partners in regard to the installation of solar energy systems at one, or several of their locations. This process involved requesting energy consumption data and the cost of the energy, in order for us to provide a detailed cost benefit analysis. Upon the tenant partner deciding to proceed, Arena then project managed the installation at no cost to the tenant partner.

In total, Arena provided formal proposals to tenant partners for the installation of approximately 885 KWP of solar energy, approximately 58% of which has since progressed into signed contractual agreements (either installed or pending installation). The carbon dioxide emissions reduction for the tenant partners who have entered into agreements is estimated to be 6,710 tonnes over the respective remaining lease terms.



## CASE STUDY

### WORKING WITH OUR TENANT PARTNERS TO INSTALL SOLAR ENERGY SYSTEMS

#### ELC TENANT PARTNER #1 (ELC TP#1)

Arena approached ELC TP#1 with the proposition of installing solar energy systems across a portfolio of four properties. ELC TP#1 agreed to provide energy consumption data and historical costs to Arena in order for us to complete a cost benefit analysis at the four identified locations across Australia.

Arena scoped the ideal system sizes based on historical energy consumption data, estimated utilisation rates at each of the various locations and provided a cost estimate that included a summary of potential financial and environmental impact. Arena agreed to rentalise the costs of the solar energy investment at our cost of capital, with the full financial savings to be passed through to ELC TP#1.

Through the installation of solar energy systems, ELC TP#1 is expected to reduce the carbon dioxide which is produced across the four properties by an estimated 72 tonnes in the first year, this is equivalent to approximately 18 tonnes on average per location per year. Solar generated energy is expected to reduce ELC TP#1's grid consumption by approximately 45% at each of the individual locations. It is estimated this will result in a first year energy cost saving of approximately \$25,000.

Installation was completed at three of the four locations as at 30 June 2020, with the last remaining location pending development completion.

#### ELC TENANT PARTNER #2 (ELC TP#2)

As part of broad lease negotiations underway with ELC TP#2, Arena proposed the installation of solar energy systems at 16 properties which are operated by ELC TP#2 across Australia. After TP#2 agreed to advance the discussion, they provided Arena with energy consumption data and historical costs based on the last 12 months of usage. Arena then provided ELC TP#2 with a detailed cost benefit analysis of installing solar at each of the 16 locations across Australia.

Arena scoped the ideal system sizes based on historical energy consumption data, estimated utilisation rates at each of the various locations and provided a cost estimate that included a summary of potential financial and environmental impact. Arena incorporated the installation of the proposed solar energy systems into the broader lease negotiation which was underway at the time, and agreed to rentalise the costs of the solar energy investment at our cost of capital, with the full financial savings to be passed through to ELC TP#2.

Through the installation of solar energy systems, ELC TP#2 is expected to reduce the carbon dioxide which is produced across the 16 properties by an estimated 432 tonnes in the first year, this is equivalent to approximately 27 tonnes on average per location per year. Solar generated energy is expected to reduce ELC TP#2 grid consumption by approximately 40% at each of the individual locations. It is estimated this will result in a first year energy cost saving of approximately \$150,000.



**OUR PERFORMANCE**

Arena commenced the measurement of Scope 1 emissions during FY20; however we are not yet in a position to report. We also commenced the measurement of Scope 2 emissions for tenant partners who have agreed to provide the necessary energy consumption data or where solar energy has been installed by Arena. Given the triple net nature of Arena’s lease agreements, in most cases we do not have direct access to such data, and rely upon our tenant partners to provide us with the data, or by accessing our renewable energy dashboards where an installation has been completed by Arena.



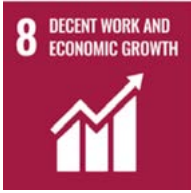


**FUTURE PRIORITIES**

|             |  |  |
|-------------|--|--|
| <b>GOAL</b> | Continue to collect and track tenant partner energy consumption and production data, from tenant partners where solar energy has been installed by Arena.                                      | <b>TIMEFRAME</b><br>FY21<br>and beyond |
| <b>GOAL</b> | Continue to engage with tenant partners initially providing them with a cost benefit analysis on the installation of solar energy, with the ultimate goal of proceeding with the installation. | <b>TIMEFRAME</b><br>FY21<br>and beyond |



# ADVANCING PROGRESS ON THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We support the delivery of the SDGs which seek to address the world's most pressing economic, environmental, and social challenges. As part of our sustainability journey, we reviewed the 17 SDGs to identify those that were most aligned to our purpose, strategy and business priorities. Based on our review, our business model is best positioned to contribute to five goals where we feel our business has the greatest impact. We will continue to shape and align our sustainability agenda to support these five goals.

| GOAL  | WHAT THIS MEANS TO US   | RELEVANT MATERIAL TOPICS                             |
|---|---|--|
|  <p><b>4</b> QUALITY EDUCATION</p>                        | <p>We recognise that improved education outcomes enhance socioeconomic mobility and build stronger communities. At Arena, we invest in social infrastructure property in sectors such as childcare and education. Our ELCs play an important role in the lives of the children in the care of our tenant partners, the families that our tenant partners, and ultimately Arena support, and the communities in which we invest.</p> | <p>Tenants and customers</p>                         |
|  <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>             | <p>Increased energy efficiency and the generation of renewable energy is crucial to creating more sustainable and inclusive communities and resilience to environmental issues like climate change. At Arena, we work with our tenant partners to assess renewable energy options to reduce emissions.</p>  | <p>Renewable energy</p>                              |
|  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>         | <p>We believe that sustainable economic growth and effective human capital management is fundamental to our business. Our strategic focus on a collaborative culture enables us to promote sustained economic growth that is impactful. We are committed to being a responsible employer and business partner.</p>  | <p>Human capital management, purpose and culture</p> |
|  <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>     | <p>We understand that cities and communities are rapidly changing and under pressure due to increasing urbanisation, changing transport and energy systems, and building codes. We are committed to collaborating with our tenant partners, industry, government and other stakeholders, to identify sustainable solutions to enhance safety and resilience.</p>  | <p>Tenants and customers</p>                         |
|  <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p> | <p>Strong corporate governance and risk management is central to the way we operate.</p>  | <p>Governance and risk</p>                           |

We will continue to test these priorities for relevance and impact as our SDG journey progresses.

# CORPORATE DIRECTORY

**Arena REIT Limited**  
ACN 602 365 186

**Arena REIT Management Limited (ARML)**  
ACN 600 069 761 AFSL 465754

## PRINCIPAL PLACE OF BUSINESS

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**Website:** [www.arena.com.au](http://www.arena.com.au)

## DIRECTORS

David Ross (Independent, Non-Executive Chair)

Rosemary Hartnett (Independent, Non-Executive Director)

Simon Parsons (Independent, Non-Executive Director)

Dennis Wildenburg (Independent, Non-Executive Director)

Rob de Vos (Managing Director)

Gareth Winter (Executive Director of ARML)

## COMPANY SECRETARY

Gareth Winter

## AUDITOR

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## REGISTRY

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**Arena**