

Arena

Better Communities. Together.

ARENA REIT

2023 SUSTAINABILITY REPORT



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ARENA'S SUSTAINABILITY REPORT

Arena REIT (Arena) 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.

ARL and ARML have separate boards of directors. A coordinated approach is undertaken by ARL and ARML to the corporate governance of Arena. Arena applies the same corporate governance framework to the wholly owned subsidiaries of ARL and its employees.

The information contained in this report is current as at 30 June 2023 or as otherwise stated. This is not investment or financial product advice. Arena 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's approach to Sustainability (including environmental, social and governance or ESG matters, and a review of Arena's key initiatives and achievements during financial year 2023. It is intended that Arena will release its Sustainability Report annually. The report is only available online to reduce paper. Please consider the environmental impact before printing this report.



Arena REIT acknowledges the Traditional Custodians of the lands on which our business and assets operate, and recognises their ongoing connection to land, waters and community.



CHAIR & MANAGING DIRECTOR'S MESSAGE

Sustainability is integral to Arena's investment approach and best positions Arena to achieve positive long term commercial and community outcomes.

We are pleased to present Arena's 2023 Sustainability Report (Report), which provides detail on our commitment to strategies that address sustainability challenges faced by Arena and Arena's stakeholders and identifies opportunities to progress positive change. We have continued to make material progress on our goals during the reporting period and have detailed additional goals for ongoing action and future reporting.

Arena's portfolio facilitates access to essential community services with positive social impact:

- ▶ ELCs provide early childhood education and care which improve the lifelong learning prospects of Australian children and allows parents and carers the opportunity to remain in, join or re-join the workforce.
- ▶ Medical centres provide local, community-based primary health care services.
- ▶ Specialist disability accommodation is designed to provide a better quality of life for residents with high physical support needs.

Given the environmental and social footprint of our assets, Arena has an opportunity to leverage its own sustainability initiatives by partnering with our tenants. Accordingly, Arena's overarching approach to sustainability is to actively seek out 'Partnerships for Change.' Our partnership approach delivers mutually beneficial outcomes for our communities, team, tenant partners and ultimately, our investors.

This Report covers Arena's sustainability initiatives, strategies and performance across our Australian operations for the year ended 30 June (FY) 2023. The Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB) framework, the Task Force for Climate-related Financial Disclosures (TCFD) and the United Nations Sustainable Development Goals (UN SDGs) were used to inform the content and scope of the Report.

Key sustainability outcomes achieved during FY23 include:

- ▶ Zero organisational scope 1 and 2 emissions.
- ▶ 5.5-star rating for organisational NABERS energy co-assessment.
- ▶ Certified carbon neutral by Climate Active for business operations in 2021-2022.
- ▶ Achieved gender balance for the Arena board using the 40:40:20 model.
- ▶ Ongoing active collaboration with tenant partners on sustainability initiatives.
- ▶ Solar renewable energy systems installed on 83% of Arena's property portfolio.
- ▶ 13% reduction in emissions intensity of Arena's assets under management.¹
- ▶ Measured inventory of Arena's FY22 (year one) embodied emissions.
- ▶ Completed inaugural Physical Climate Risk Assessment.
- ▶ Completed first year of Arena's Modern Slavery roadmap.

¹ For FY22 (Scope 3, Category 15) by indoor floor area measured in kgCO₂e/m² in line with supplemental guidance for the financial sector by the TCFD as compared with equivalent restated FY21 baseline.

FY23 was characterised by a rapidly changing external economic environment arising from inflationary pressures, rapid interest rate increases, cost and wages pressures and labour shortages.

In response to this new environment, the Arena team has maintained discipline across our capital, leasing and portfolio management strategies and successfully managed operating costs while delivering on our investment objective.

Notwithstanding a challenging economic backdrop, Arena is well positioned to patiently explore and capitalise on new opportunities consistent with our investment objective.

Looking forward, your Board remains focused on being ready for new growth opportunities as they arise, continuing to progress our sustainability program, executing on our well-defined strategy in order to create long term value for our stakeholders and delivering on our purpose of **Better Communities. Together.**

We welcome feedback from all stakeholders to ensure that we direct future sustainability initiatives appropriately and continue to build upon our disclosures.

Yours sincerely,

David Ross
Chair

Rob de Vos
Managing Director

Left to Right: David Ross, Rob de Vos.





OUR PERFORMANCE HIGHLIGHTS

OUR FY23 PERFORMANCE

	KEY ISSUE	TARGET	TRACKING	RECENT ACHIEVEMENTS
Environment	Climate resilience	<ul style="list-style-type: none"> ▶ Develop a detailed transition plan including an emissions reduction roadmap for our operations and asset portfolio by FY25 ▶ Align reporting with recommendations of the TCFD by FY25 	<p>ON TRACK</p> <p>ON TRACK</p>	<ul style="list-style-type: none"> ▶ 13% reduction in emissions intensity of Arena's assets under management² ▶ Measured inventory of Arena's FY22 (year one) embodied emissions ▶ Completed inaugural Physical Climate Risk Assessment ▶ Continued implementing climate risk-related considerations and progressing our TCFD pathway
	Resource efficiency	<ul style="list-style-type: none"> ▶ Maintain organisational carbon neutrality Climate Active certification ▶ Install solar renewable energy systems on 90% of Arena's property portfolio by FY27 	<p>DELIVERED</p> <p>ON TRACK</p>	<ul style="list-style-type: none"> ▶ Zero organisational scope 1 and 2 emissions ▶ 5.5-star rating for organisational NABERS energy co-assessment ▶ Certified carbon neutral by Climate Active for business operations 2021-2022 ▶ Solar renewable energy systems installed on 83% of Arena's property portfolio
Social	Our team	▶ Create a working environment where our team members can work efficiently, feel valued and appreciated and engage and collaborate to deliver beneficial and sustainable outcomes	DELIVERED	<ul style="list-style-type: none"> ▶ Achieved gender balance for the ARL Board using the 40:40:20 model ▶ Independently benchmarked team alignment and engagement survey achieved top quartile ranking in employee engagement and top decile ranking for alignment
	Our tenant partners	▶ Continue to collaborate with tenant partners on appropriately identified ESG/Sustainability initiatives and report progress	DELIVERED	<ul style="list-style-type: none"> ▶ Shared our inaugural voluntary Modern Slavery Statement and communicated our commitment to engaging and collaborating to influence positive change and drive mutually beneficial outcomes ▶ Created bespoke solar decals for installation at ELC's to assist to visually educate the children and families attending their centres about solar energy installation and use
	Our communities	▶ Our social infrastructure properties facilitate access to services which provide material benefits, both social and financial, to local communities and society more generally	ON TRACK	▶ Renewed community partnership with RizeUp – a grass roots community organisation facilitating a pathway to safety and independence for women and children impacted by domestic and family violence
Governance	Responsible governance	▶ Continue to review and refine company policies and procedures for managing ESG risks	DELIVERED	<ul style="list-style-type: none"> ▶ ISS QualityScore Governance rating improved to 1/10, the highest possible rating ▶ FTSE Russell ESG Governance Score improved to 5/5, the highest possible rating
	Supply chain sustainability	▶ Continue to build on our Modern Slavery response in line with our roadmap	ON TRACK	<ul style="list-style-type: none"> ▶ Delivered inaugural voluntary Modern Slavery Statement ▶ Completed year one of our three year Modern Slavery roadmap

2. For FY22 (Scope 3, Category 15) by indoor floor area measured in kgCO2e/m² in line with supplemental guidance for the financial sector by the TCFD as compared with equivalent restated FY21 baseline.



ABOUT ARENA REIT





ABOUT ARENA REIT

ARENA'S SUSTAINABILITY REPORT

Arena REIT is an internally managed Australian Real Estate Investment Trust (REIT) listed on the ASX (ASX code: ARF) and included in the S&P/ASX 200, the MSCI Global Small Cap, GPR/APREA Investable REIT 100 and FTSE EPRA NAREIT indices with a total assets of over \$1.5 billion as at 30 June 2023.

Arena has nine employees, with a corporate office located in Melbourne, Victoria. Arena has outsourced registry, custodian and information technology services and there have been no significant changes to the size, structure, ownership or supply chain during FY23.

Arena strives to be a respected developer, owner and manager of a diverse portfolio of social infrastructure properties that deliver benefits to the community and predictable distributions to investors.

Social infrastructure is the real property from which governments, not-for-profit organisations and corporations deliver essential services to the community.

Arena's portfolio of 272³ social infrastructure properties is located across all Australian states and the Northern Territory and provides access to essential community services in three sectors:

- ▶ 263³ Early Learning Centres (ELCs), providing early childhood education and care;
- ▶ 6 multi-disciplinary medical centres, providing healthcare services to local communities; and
- ▶ 3 specialist disability accommodations (SDAs), providing high-needs disability enabled residential accommodation.

Arena's operating portfolio has an occupancy of 99.7%. The ELC portfolio has an occupancy of 99.6%. The healthcare portfolio has an occupancy of 100%.

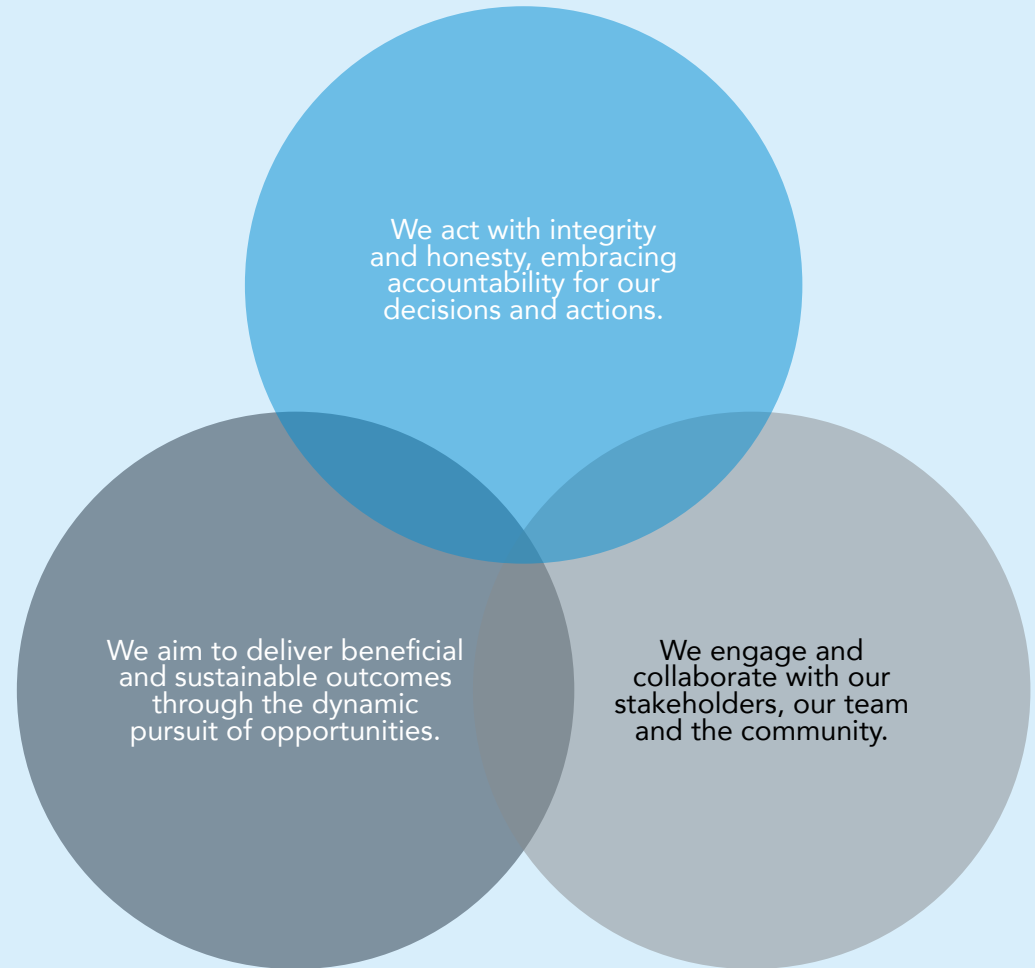
Arena's portfolio is comprised of 182,230 square metres (m²) (1,961,519 square feet (ft²)) of net lettable area as follows:

- ▶ ELCs (or specialty property) 168,024 m² (1,808,606 ft²); and
- ▶ Healthcare property 14,206 m² (152,913 ft²).

99% (by floor area) of the ELC (or specialty) portfolio and 91% (by floor area) of the Healthcare portfolio is indirectly managed.

3. Excludes two ELC development projects which were conditionally contracted at 30 June 2023.

OUR VALUES





Better Communities. Together.

Arena's social infrastructure properties facilitate access to services which provide material benefits, both social and financial, to local communities and society more generally.

ELC attendance benefits all of society - children, parents, communities and business

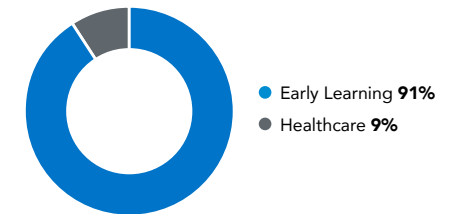
- ▶ Interactions with other children help social, emotional and behavioral development. "Early childhood presents an incomparable window of opportunity to make a difference in a child's life. Access to quality care and education programmes outside the home provides children with the basic cognitive and language skills they need to flourish in school."⁴
- ▶ There is a significant positive relationship between preschool attendance and Year 3 NAPLAN results.⁵
- ▶ Early childhood development programs can produce long-term improvements in school attainment, help reduce delinquency and crime, improve employment chances and increased earnings.⁶
- ▶ The correlation coefficient between the rates of Australian female workforce and long day care participation is 0.99.⁷
- ▶ Additional family income provides additional income tax receipts for the Commonwealth Government. Conversely, time out of the workforce caring for young children can have a longer lasting negative impact on the earnings of parents and carers.⁸
- ▶ ELCs offer a significant return on investment of 1:2. For every dollar invested now, Australia receives \$2 back over a child's life.⁹

Arena's 249 operating ELC properties offer a total of 23,476 licensed places across Australia. The average quality rating of Arena's rated ELC portfolio is "Meeting the standard"⁹ of the National Quality Framework (NQF); these services provide quality education and care in all seven quality areas of the NQF.

4. www.unicef.org/eap/early-learning ; www.pc.gov.au/inquiries/completed/childcare#report;
www.unicef-irc.org/publications/pdf/where-do-rich-countries-stand-on-childcare.pdf
 5. www.aihw.gov.au/reports/children-youth/australias-children/contents/education/early-childhood-education-and-care
 6. www.unicef-irc.org/publications/pdf/WP%202019-06.pdf
 7. Arena analysis of ABS Labour force status by Relationship in household, Sex, State and Territory, January 1991 onwards;
 Australian Government 'Child Care Subsidy data' 2011-2022
 8. www.thefrontproject.org.au/images/downloads/ECO_ANALYSIS_Full_Report.pdf
 9. www.acecqa.gov.au

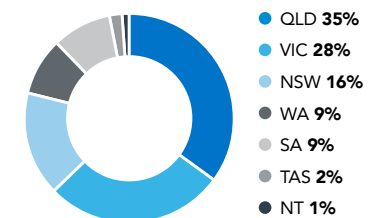
Sector Diversification

By value (%)



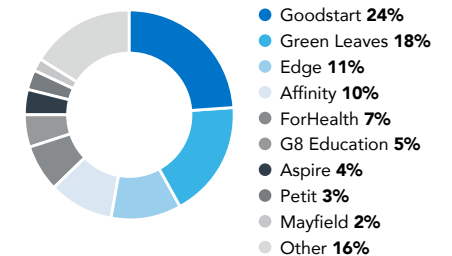
Geographic Diversification

By value (%)



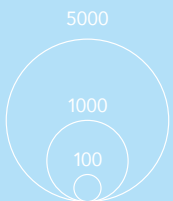
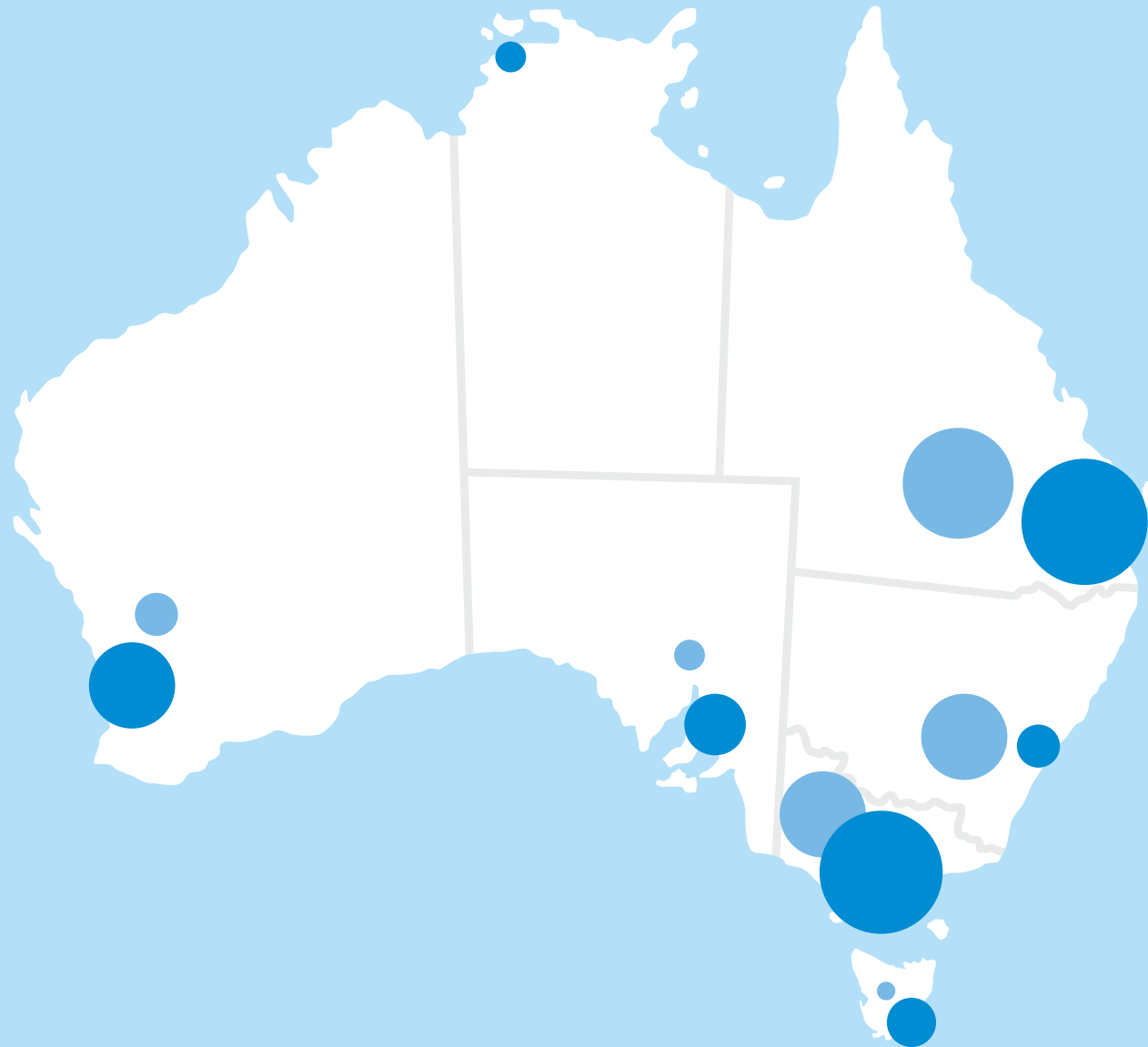
Tenant Diversification

By income (%)*





LOCATION OF ARENA'S ELC LICENSED PLACES ACROSS AUSTRALIA



Number of ELC licensed places

- Metropolitan
- Regional



General practice is the most accessed sector of the Australian healthcare system. General practice is essential to the health of Australia.¹⁰

- ▶ Each year, almost nine in 10 Australians visit a GP. In 2020-21, almost 22 million Australians visited their GP. Over 177 million health services were provided by GPs, and on average, patients received 8.1 services from their GP.¹⁰ General practice accounts for only 7.4% of total government health spending.¹⁰
- ▶ For medical conditions manageable in general practice, seeing a GP can have numerous benefits. GPs often have background medical information, can follow up and have skills and training covering a much broader range of conditions than many smaller emergency departments can treat. They are also more confident managing issues like multimorbidity, uncertainty or co-morbid mental illness.¹¹
- ▶ General practice teams provide services to match a wide range of patient needs. As such, the makeup of practice teams varies considerably from practice to practice. In addition to GPs, general practices often employ allied health professionals, nurses, pharmacists and administrative staff. A well-resourced general practice team facilitates collaborative care.¹²

The benefits of Specialist Disability Accommodation include independence and greater life satisfaction

- ▶ SDA offers a greater range and choice of housing providers, types and options; the chance to realise personal goals and aspirations; opportunities for social and economic participation; independence and autonomy; greater access to informal supports and connection to the community.¹³
- ▶ Households with members having a disability can find it difficult to secure suitably located accommodation and often must live on the urban fringe or in regional communities – some distance from public transport and other services.¹⁴ Proximity to shops, transport and other services is critical to enabling people with disability to easily get about and have meaningful lives.¹⁵
- ▶ Being located near family and friends in a familiar community is essential for maintaining relationships, fostering community inclusion and adding to community diversity; ideally SDA's should be dispersed throughout the community.¹⁵



10. www.racgp.org.au/getmedia/80c8bdc9-8886-4055-8a8d-8a793b088e5a/Health-of-the-Nation.pdf.aspx

11. www1.racgp.org.au/newsgp/professional/why-do-patients-go-to-emergency-rather-than-to-the

12. www.racgp.org.au/getmedia/c2c12dae-21ed-445f-8e50-530305b0520a/Health-of-the-Nation-2020-WEB.pdf.aspx

13. www.summerfoundation.org.au/resources/specialist-disability-accommodation-sda-explainer-for-investors/

14. www.ahuri.edu.au/sites/default/files/migration/documents/AHURI-Final-Report-310-Understanding-Specialist-Disability-Accommodation-funding.pdf

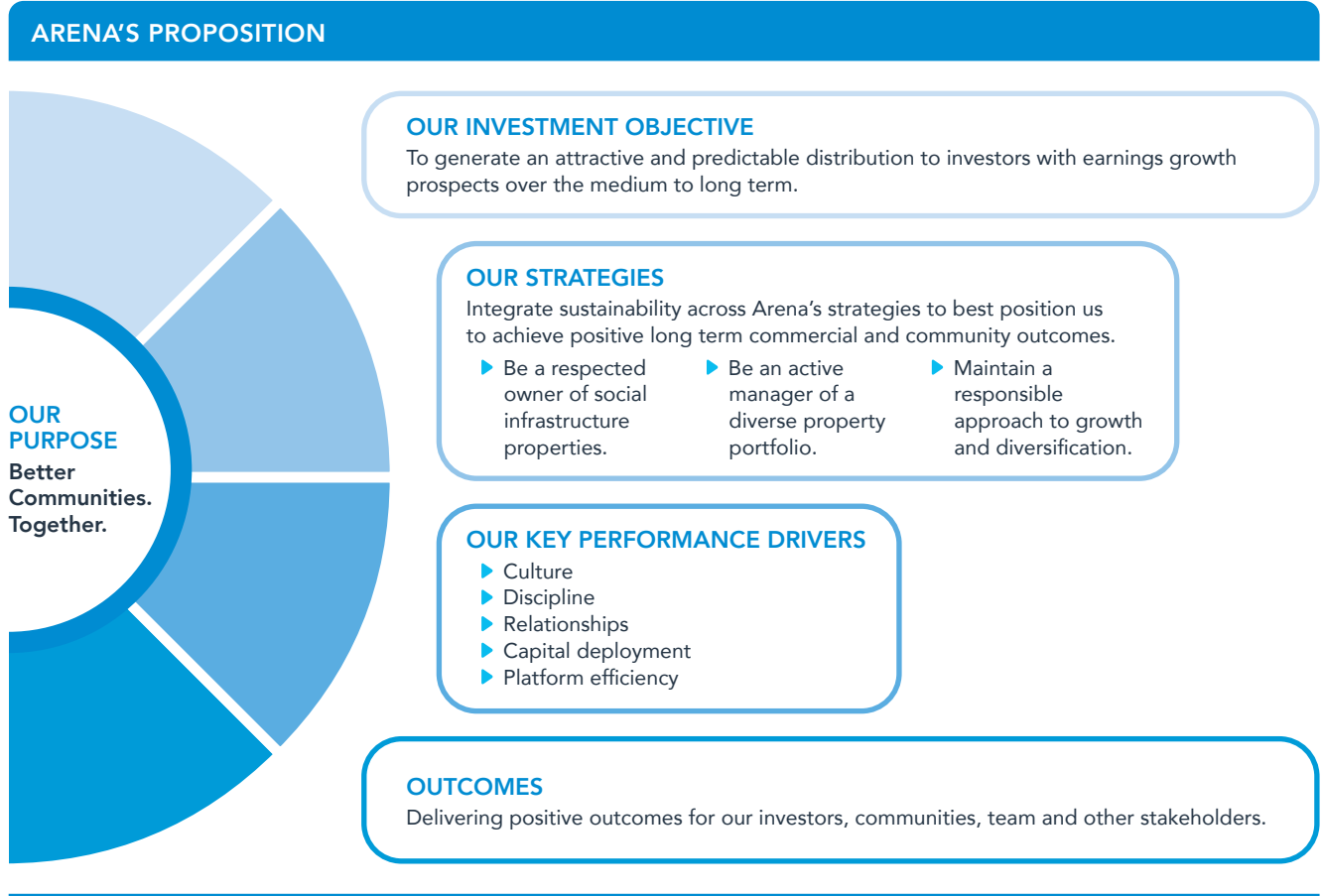
15. www.summerfoundation.org.au/wp-content/uploads/2020/12/2017_Winkler_NDIS-Specialty-Disability-Accommodation-Pathway-to-a-mature-market.pdf



Arena's proposition

To fully embed sustainability across Arena's business and further strengthen the link between stakeholder outcomes and performance-based remuneration, Arena has refined its key strategies and key performance drivers (KPD's) during FY23 as detailed in the infographic to the right.

Identifying and defining our KPD's, including sustainability, allows the Arena team to focus on the areas which contribute most to the success of our business and broader stakeholder outcomes, and provides a clear link between Arena's objective, strategies, and pay for performance based outcomes.

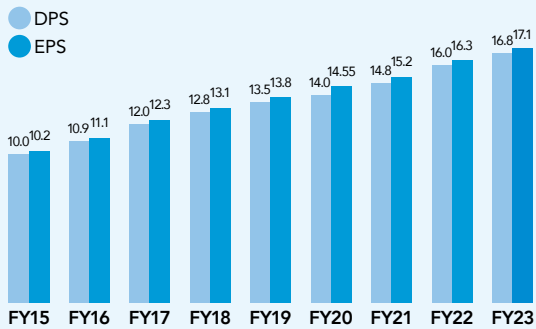




Arena's investment objective and strategy

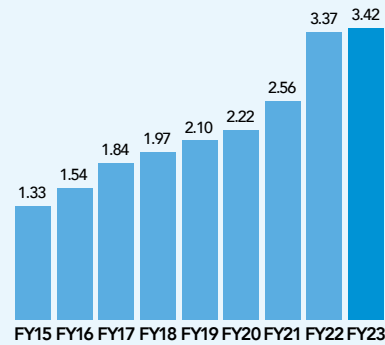
Arena's objective is to generate an attractive and predictable distribution to investors with earnings growth prospects over the medium to long term.

Our financial performance demonstrates the benefits of our proposition, strategies, KPD's and ongoing discipline and responsible approach to growth and diversification.



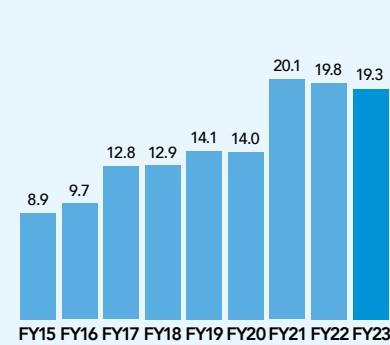
Earnings & distributions per security (cents)

3 year CAGR EPS 5.5% DPS 6.3%
 5 year CAGR EPS 5.5% DPS 5.6%



NAV per security (\$)

3 year CAGR 15.5%
 5 year CAGR 11.7%



Portfolio WALE (years)



ISSUES THAT ARE IMPORTANT TO US





ISSUES THAT ARE IMPORTANT TO US

MATERIAL ISSUES

An independent external assessment of Arena’s material issues was conducted in FY21. The assessment guided the development of Arena’s Sustainability Framework (see page 15), which outlines our approach to key sustainability issues, including:

- ▶ The sustainability risks and opportunities that are most critical to Arena;
- ▶ Topics large investors and ESG rating agencies consider material to Arena;
- ▶ The Global Reporting Initiative Standards topic standards considered most material to Arena by peers and investors;
- ▶ The issues identified by the Sustainability Accounting Standards Board (SASB) framework most relevant to the Real Estate industry sub-sector;
- ▶ How Arena contributes to the United Nations Sustainable Development Goals (UN SDGs);
- ▶ The recommendations of the Task Force for Climate-related Financial Disclosures (TCFD); and
- ▶ *The Modern Slavery Act 2018* (Cth).

Arena commits to undertaking an independent external assessment of our material issues at least every five years.

Our material topics are outlined to the right.

There have been no changes to Arena’s material issues during FY23.

Arena has reported in accordance with the GRI Standards for FY23.

We have partially reported against the SASB standards in this Report.

Please refer to the GRI/SASB content index starting on page 56 for more information.

Assurance was not sought for this Report; we will consider external assurance in future reporting. If you have any comments or queries in regard to this Report, please contact info@arena.com.au.

ARENA'S MATERIAL TOPICS

ENVIRONMENT	SOCIAL	GOVERNANCE
Energy/CO ₂ emissions Climate change (including TCFD) Green buildings Water/rainwater harvesting Biodiversity Waste and e-waste	Human capital Education and development Diversity/non-discrimination and equal pay Talent attraction and retention Succession planning Culture and engagement Health, safety and wellbeing Customers Customer satisfaction Data privacy and security Tenant due diligence Community Building better communities Community giving/sponsorships Community benefits Fostering community relations	Corporate governance Board skills/independence Corporate/ethical behaviour: <ul style="list-style-type: none"> ▶ Legal/regulatory compliance ▶ Tax transparency ▶ Suppliers/human rights/modern slavery ▶ Bribery and corruption ▶ Whistleblower protection



STAKEHOLDER ENGAGEMENT

Arena engages with our stakeholders on a wide range of sustainability issues, through various channels, including:

- ▶ **OUR TEAM MEMBERS** Annual team alignment and engagement survey to gauge views on working for Arena and what we can do to further improve our culture and working environment.
- ▶ **OUR TENANT PARTNERS** We regularly talk with our tenant partners about their own sustainability issues and initiatives and the areas where we can work together to improve our collective sustainability performance. We undertake an annual tenant partner survey to determine opportunities for collaboration in areas most important to them and the degree to which they want to further work with Arena to improve their sustainability practices.
- ▶ **OUR INVESTORS** We talk to our large investors on a regular basis and we undertake a series of investor briefings following the release of our half year and annual results. During FY21 we undertook an investor engagement campaign as part of our independent external materiality assessment. The campaign was designed to gauge the views of our largest investors on what ESG risks and opportunities are most important to them and how well they feel Arena has been managing and reporting ESG risks and opportunities.
- ▶ **ESG RATING AGENCIES** Arena's Sustainability (or ESG) credentials have been assessed by a number of external rating agencies. Rating agencies can influence the thinking of institutional investors by providing their own assessment of how well companies like Arena manage sustainability risks.





SUSTAINABILITY FRAMEWORK

The recommendations of an independent external materiality assessment have guided the development of Arena's Sustainability Framework which sets out our key sustainability issues, our approach to these issues and how they align with the UN SDG's.

ARENA'S SUSTAINABILITY FRAMEWORK								
PARTNERSHIPS FOR CHANGE								
Due to the nature of Arena's triple net leases, tenant partners maintain operational control of our properties, accordingly our overarching approach to sustainability is 'Partnerships for change'. Arena is committed to collaborative business partnerships and strives to be an 'accommodation partner of choice'.								
	ENVIRONMENT		SOCIAL			GOVERNANCE		
KEY ISSUES	Climate resilience	Resource efficiency	Our team	Our tenant partners	Our communities	Responsible governance	Supply chain sustainability	
APPROACH	We are committed to identifying and managing climate change risks and opportunities and maximising our resilience in the transition to a low carbon economy.	We are committed to investing in renewable energy and improving the efficiency of our use of natural resources.	We are committed to creating a working environment where our team members can work efficiently, feel valued and appreciated and engage and collaborate to deliver beneficial and sustainable outcomes.	We work with our tenant partners to invest the capital necessary to provide efficient, flexible and well-located accommodation at sustainable rents, allowing them to focus on their core purpose to deliver essential services to communities throughout Australia.	Our social infrastructure properties facilitate access to services which provide material benefits, both social and financial, to local communities and society more generally.	We are committed to the highest level of integrity and ethical standards, complying with all applicable laws and regulations and effective, accountable and transparent risk management practices, policies and procedures.	We are committed to strengthening the management of our modern slavery risks.	



PARTNERSHIPS FOR CHANGE





PARTNERSHIPS FOR CHANGE

Due to the nature of Arena’s triple net leases, tenant partners maintain operational control of Arena’s properties. Given the environmental and social footprint of its assets, Arena has an opportunity to leverage its own sustainability initiatives by partnering with its tenants to achieve mutually beneficial goals. Accordingly, Arena’s overarching approach to sustainability is to actively seek out ‘Partnerships for Change.’ Our partnership approach delivers mutually beneficial outcomes for our communities, team, tenant partners and ultimately our investors.

PARTNERSHIPS FOR CHANGE

Arena is committed to collaborative business partnerships and strives to be an ‘accommodation partner of choice.’ This is done by working collaboratively, pursuing mutually beneficial outcomes, maintaining productive working relationships, being empathetic to the challenges faced by tenant partners, being quick to respond to requests, and acting fairly and with integrity in commercial negotiations.



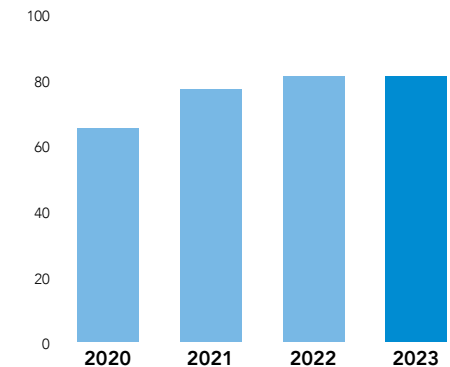
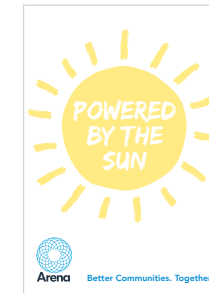
During the year, Arena shared our inaugural voluntary Modern Slavery Statement with our tenant partners and communicated our commitment to engaging and collaborating with our stakeholders to influence positive change and drive mutually beneficial outcomes.

During FY23, Arena created bespoke solar decals (refer to right for sample) for installation at ELC’s to assist to visually educate the children and families attending their centres about solar energy installation and use. The use of solar energy reduces the carbon footprint of these centres which is better for the community, the environment, and the future of everyone - especially the children attending these centres.

In FY23 we undertook our annual survey to gauge tenant partners’ views on Arena and their relationship with us. The results indicate a positive view of Arena as compared with other landlords.

In general, the survey indicates that Arena’s tenant partners value the working partnership they have with Arena and that working towards common goals is beneficial to both parties. We anticipate that our ongoing Partnerships for Change program will continue to assist our tenant partners with their sustainability aspirations over time.

Arena regularly engages with our tenant partners in regard to sustainability initiatives. As part of our FY23 annual survey Arena again asked our tenant partners if they were interested in collaborating in relation to ESG/ Sustainability initiatives. Over 60% of tenants partners who participated in the survey confirmed their ongoing interest. Topics our tenant partners identified as those of ongoing interest included water savings, renewable (solar) energy and recycling/waste.



Arena compared with other landlords
(0 Unfavourable, 100 Favourable)

Arena consults and cooperates with its tenant partners with respect to Occupational Health and Safety issues. Our tenant partners are required to abide by relevant workplace legislation in accordance with the terms of their lease with Arena including the requirement to be licensed under relevant healthcare and early learning legislation.



ENVIRONMENT





ENVIRONMENT

Arena recognises that the climate system is warming at unprecedented levels with widespread impacts on human and natural systems and that greenhouse gases (GHG) emitted by human activities are the primary driver of climate change. 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 believe it is our responsibility to work collaboratively to effect positive change and drive mutually beneficial environmental outcomes with our stakeholders.

CLIMATE RESILIENCE

Arena is committed to decarbonisation and business transition to minimise and prevent the severe, pervasive, and irreversible impacts on people and ecosystems. We support the goals of the Paris Agreement to keep a global temperature rise this century to well below 2 degrees Celsius and the ambition to limit warming to 1.5 degrees Celsius, all while aiming for net zero emissions by 2050 or earlier.

As a publicly owned holder of social infrastructure property, positive social outcomes are central to Arena's core values. We are conscious of the need to responsibly manage the environmental and social impacts of our business activities and operations, as well as ensure the impacts of climate change on our business, strategy, operations and tenant partners are managed appropriately. Our board and leadership team are committed to addressing climate risk at the highest level of the organisation and to implement effective governance, risk management, and strategic responses and targets.

In FY22, we published our inaugural disclosure on climate-related risks and opportunities. This year, we continued implementing climate risk-related considerations and progressing on our TCFD pathway as outlined in details over pages 22 to 37 in this Report.

We plan to continue reviewing and updating our disclosures annually, particularly considering anticipated mandatory climate risk reporting in Australia and upcoming developments in disclosure standards from the International Sustainability Standards Board.

Throughout FY23, we have been working with external climate change experts to undertake several high priority climate-related initiatives, which form part of our overall aim to develop a detailed transition plan for our operations and asset portfolio by FY25.

Climate Transition Plan

During FY22, Arena developed an initial Climate Action Plan exploring our emissions trajectories and possible reduction pathways in line with climate science and committed to developing a detailed transition plan including an emissions reduction roadmap for our operations and asset portfolio by FY25.

Arena has now completed GHG inventories across our organisational, financed and embodied emissions. During FY23 we undertook more detailed analysis on opportunities to quantify and evaluate various alternatives to reduce emissions across our operations and asset portfolio, based on site-specific energy assessments and our current and future solar installation targets.

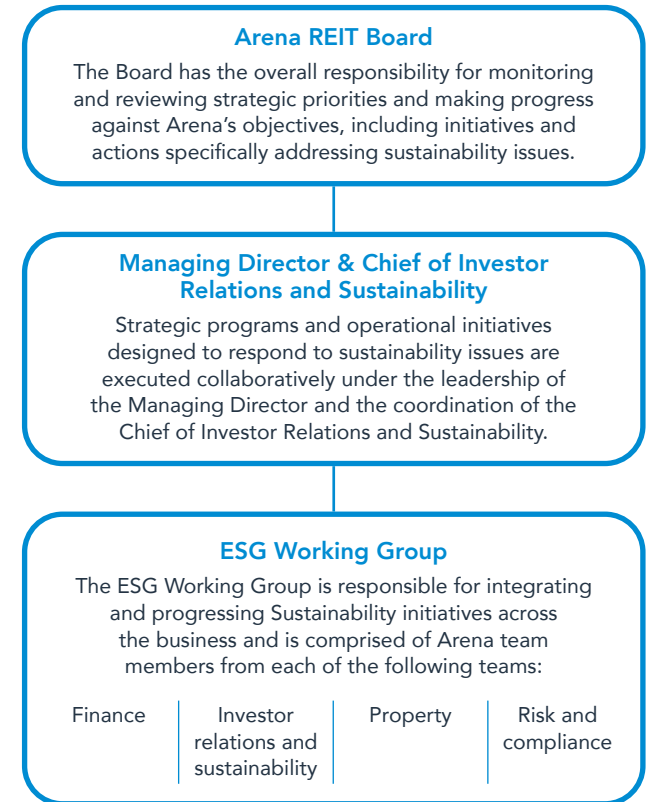
We remain committed to reducing our impact and decarbonising in line with climate science. Over the next year we intend to progress the analysis of our emission reduction opportunities and set emission reduction targets to be delivered under a credible transition plan.

Physical impacts of climate change - climate change adaptation

14,582¹⁶ square metres (m²) (156,964 square feet (ft²)) of Arena's portfolio is located in 100 year flood zones as follows:

- ▶ ELCs (or specialty property) 11,859 m² (127,654 ft²); and
- ▶ Healthcare property 2,723 m² (29,310 ft²).

16. As advised by insurer of Arena's property portfolio.





RESOURCE EFFICIENCY

Arena's business activities and operations

Arena's organisational environmental footprint results from a small number of team members operating out of one central Melbourne office, or by flexible working. Nevertheless, we recognise it is important for all businesses to play their part in minimising their impact by reducing their use of resources (energy, water, and materials) and cutting waste and emissions.

Arena's organisational emissions reduction strategy comprises four-steps as follows:

1. Defining and measuring our carbon inventory;
2. Reducing our carbon emissions by utilising more efficient technology and business processes and cutting our energy use or managing waste, plastics and recycling wherever possible;
3. Avoiding emissions through the purchase of renewable energy; and
4. Offsetting remaining emissions by purchasing accredited carbon offsets.

Arena's emissions reduction actions include engaging with service providers in regard to their progress on sustainability initiatives and reducing our energy use and managing waste, plastics, and recycling wherever possible as follows:

- ▶ Limiting hard copy printing, printers default to black double-sided printing when printing cannot be avoided.
- ▶ Recycling all paper mail and old documents which are not required to be retained, including material which is subject to secure destruction.
- ▶ Undertaking regular waste measurement for more accurate reporting.
- ▶ Recycling printer consumables.
- ▶ All Arena team members opting into Arena registry e-communications.
- ▶ Using electronic board papers and committee papers.
- ▶ Using electronic filing instead of paper filing.

- ▶ Using Arena-issued reusable coffee cups and recyclable office coffee pods.
- ▶ Not using plastic water bottles.
- ▶ Meetings held virtually where possible.
- ▶ No unnecessary printing or hard copy investor materials or marketing materials.
- ▶ Investors must opt in to receive a hard copy Annual Report.
- ▶ We undertake regular campaigns to convert hard copy securityholder communications to electronic communications.

Arena was certified carbon neutral by Climate Active for business operations in 2021-2022.

Electricity consumption within the organisation

During FY22, Arena consumed a total of 10,746 kWh of electricity. This was comprised of 5,298 kWh from a renewable source (100% green power and Large Scale Renewable Energy Target) and 5,449 kWh from a non renewable source (the grid). This was calculated through a market based approach.

During FY22 it was identified that Arena had no organisational scope 1 emissions and Arena has now replaced scope 2 purchased non-renewable electricity with renewable energy, making its organisational Scope 1 and 2 footprint zero from FY23.

We have calculated our energy intensity within the organisation as electricity consumed in kWh per Full Time Employee. See below table:

FY22 electricity intensity within the organisation	
	kWh/FTE
Total electricity intensity	1194
Renewable electricity intensity	589
Non-renewable electricity intensity	605

Waste generated within the organisation

During FY23 Arena generated the following waste:

Waste	
	kg
Recycled	188
Organic	10
Landfill	107
Total	305

Calculated using waste audit reports provided by cleaning provider.

There was no hazardous waste generated by Arena during the year.





Working collaboratively with our tenant partners

Continuing to invest in solar renewable energy for our tenant partners is a key aim of our commitment to resource efficiency. It lowers grid electricity use and power bills and offers ongoing operating cost savings for our tenant partners which they can invest back into their businesses and at the same time significantly cut carbon emissions.

We continue to work closely with our tenant partners to review efficiency measures and the implementation of solar renewable energy systems. Our tenant partners retain the financial savings achieved from using solar energy produced from the system installations. As of 30 June 2022, solar renewable energy systems had been installed on 80% of Arena’s properties, which substitutes 2,257 MWh of electricity from total grid use. As at 30 June 2023, solar renewable energy systems have been installed on 83% of Arena’s properties and we have targeted to install solar renewable energy systems on 90% of our properties by FY27.

The substantial increase in solar renewable energy installations in FY22 led to a 13% reduction in emission intensity of Arena’s assets under management.¹⁷

Following the work we have undertaken this year to explore and assess emissions reduction opportunities, additional efficiency measures have been identified, the most material opportunities include installing new, or optimising existing solar energy systems and replacing purchased non-renewable energy with renewable energy. We intend to continue collaborating with our tenant partners to implement energy efficiency and emissions reduction opportunities going forward.

Proportion of Arena’s properties utilising solar renewable energy

	% by number of properties
FY21	21%
FY22	80%
FY23	83%

Tenant partner’s FY22 electricity consumption

	ELC Portfolio + Office		Healthcare Portfolio		Total Portfolio	
	kWh	%	kWh	%	kWh	%
Energy consumed directly from solar renewable systems in kWh	1,789,219	16%	467,594	12%	2,256,814	15%
Non-renewable sources in kWh	9,071,322	84%	3,454,799	88%	12,526,121	85%
Total (includes 100% of portfolio)	10,860,541		3,922,393		14,782,934	

Calculated from Arena’s 2022 PCAF data.

17. For FY22 (Scope 3, Category 15) by indoor floor area measured in kgCO₂e/m² in line with supplemental guidance for the financial sector by the TCFD as compared with equivalent restated FY21 baseline.





CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD

FURTHERING OUR CLIMATE RISK JOURNEY

Arena continues to be committed to decarbonisation and business transition to minimise and prevent the severe, pervasive, and irreversible impacts of climate change on people and ecosystems. As a publicly owned holder of social infrastructure property, positive social outcomes are central to Arena's core values. We are conscious of the need to responsibly manage the environmental and social impacts of our business activities and operations, as well as ensure that the impacts of climate change on our business, strategy, operations and tenant partners are managed appropriately. Our Board and leadership team are committed to addressing climate risk at the highest level of the organisation and to implement effective governance, risk management, and strategic responses and targets.

As a real estate investment trust (REIT) with a triple-net lease model¹ and long-term leases, our business is inherently aligned with our tenant partners. They are an integral part of our climate risk journey, and this year we continued deepening our relationship with our valued partners to mitigate the impacts and maximise opportunities resulting from climate change and the transition to a low-carbon future.

In FY22, we published our inaugural disclosure on climate-related risks and opportunities. This year, we continued implementing climate risk-related considerations and progressing on our TCFD pathway. We plan to continue reviewing and updating our disclosures annually, particularly considering anticipated mandatory climate risk reporting in Australia and upcoming developments in disclosure standards from the International Sustainability Standards Board.

Throughout FY23, we have been working with external climate change experts to undertake several high priority climate-related initiatives, which form part of our overall aim to develop a detailed transition plan for our operations and asset portfolio by FY25. These initiatives are summarised here with further details on the following pages.

GOVERNANCE

Board Oversight

Arena's Board maintains oversight of climate-related risks and has not delegated this responsibility to any Board committees. The Board has

FY23 HIGHLIGHTS

- ▶ Maintained organisational carbon neutral certification under Climate Active
- ▶ Updated total, operational and financed emissions
- ▶ Measured embodied emissions
- ▶ Conducted energy assessments and developed an emissions reduction roadmap
- ▶ Completed physical climate risk assessment
- ▶ Completed qualitative scenario analysis of climate risks and opportunities and their impacts on our business

the overall responsibility for monitoring and reviewing strategic priorities including progressing sustainability goals appropriate to Arena's objectives, including actions specifically addressing climate change.

The Board sets strategic objectives for Arena regarding non-financial impacts including climate change through the endorsement of Arena's Sustainability Framework and Arena's annual business planning process.

Arena's management team prepares quarterly sustainability reports for the Board which detail Arena's position and progress on material issues across the sustainability landscape, including updates on progress toward sustainability goals, climate-related risks and opportunities, GHG inventory of Arena's organisation and assets under management, renewable energy and resource efficiency. The Board considers climate-related issues at least quarterly within its fixed meeting schedule.

The Board also oversees the development and adoption of related policies and procedures. These include Arena's Code of Conduct and its Environmental, Social, and Governance Policy, which outline its commitment to doing business in a socially and environmentally responsible manner and identifying climate-related risks that may affect its business.

To ensure the Board maintains skills and experience appropriate to Arena's strategy and operations, the relative skills and experience of each director

1. Arena seeks to enter lease agreements where the tenant is responsible for substantially all of the statutory and operating outgoings and costs including land tax, insurance, and repairs and maintenance.

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD

CONTINUED

are considered annually with reference to agreed criteria. A review of the skills matrix during FY23 confirmed that there are no material gaps in current skills. The Board further engages external subject matter experts and advisers to inform decision making. Training sessions are held to support skills development in current and emerging areas relevant to Arena's business, including sustainability and climate risk-related matters.

In FY23, Arena partnered with external climate change specialists to conduct a briefing for our Board on climate-related issues and industry developments. This presentation allowed the Board to gain insights into emerging climate-related risks, and relevant existing and upcoming climate-related regulatory requirements.

Executive Team Management

Strategic and operational initiatives designed to respond to climate risk, resource efficiency, and GHG emissions are executed collaboratively under the leadership of the Managing Director and the coordination of the Chief of Investor Relations and Sustainability.

Arena has an ESG working group chaired by the Chief of Investor Relations and Sustainability and comprised of team members from the finance, property and risk and compliance teams. The ESG working group meets at least quarterly and continues to integrate and progress sustainability initiatives across the business. The group's commitments include:

- ▶ Managing, minimising and mitigating sustainability impacts and risks, including climate change
- ▶ Ongoing analysis to ensure emerging sustainability risks and opportunities are identified
- ▶ Continuously improving sustainability performance and reporting, including on climate change, with transparency about progress

STRATEGY

Arena's proactive approach to sustainability, the actions we have undertaken to date and the future sustainability goals we have identified and set will be crucial in assisting to mitigate the risks from the transition to a low-carbon economy, and the physical and financial impacts from increased severity and frequency of extreme weather events.

Over FY23, we continued to gain a deeper understanding of the impacts of climate change on our business, strategy and financial planning and management, supported by external climate change subject matter experts. This builds upon the work we conducted in FY22 to identify our climate-related risks and opportunities across each TCFD area - transition (policy and legal, technology, market, reputation) and physical (acute, chronic) under a base case (or business-as-usual/BAU) scenario.

To gain a more complete understanding of the various risks and opportunities that may arise in the future, this year we commenced our first scenario analysis exercise. This involved qualitatively assessing how our climate risks and opportunities might vary under future climate scenarios and the resulting impacts on our business through costs, property values, investor returns and growth plans.

Our ongoing assessment of climate risks and opportunities has assisted us to assess the materiality of identified issues, factor them into financial planning and management, and ultimately inform our thinking about Arena's corporate strategic resilience to the impacts of climate change.

1.1 Climate scenario analysis

1.1.1 Qualitative scenario analysis

The three scenarios identified as most suitable and pertinent for Arena to underpin our climate scenario analysis were: (1) base case (BAU); (2) high transition risk (1.5°C); (3) high physical risk (above 3°C). The scenarios, assumptions behind these scenarios, and key inputs for this assessment are summarised in Tables 1 and 2 below. Arena plans to undertake quantitative analysis of our climate risks and their impacts to enhance our climate risk management and resilience planning going forward.

1.1.2 Physical climate risk assessment

To further understand our exposure to physical climate risks under different future climate scenarios, during FY23 we conducted a detailed physical climate risk assessment in partnership with Risk Frontiers. The assessment examined the exposure of our assets to physical climate risks (riverine flood, tropical cyclone winds, bushfire, grassfire, and hailstorm events),² and the estimated resulting financial costs. Changes in asset exposure and damage were assessed by comparing risks under the current climate with three

2. The selected extreme weather events were modelled as previous work by Risk Frontiers has shown that these constitute four of the top five insured loss-producing natural hazard events in Australia.

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD CONTINUED

future climate scenarios (RCP2.6, RCP4.5, RCP8.5) for two different time horizons (2050, 2070) in line with the Intergovernmental Panel on Climate Change (IPCC)'s Representative Concentration Pathways (RCPs).³ The RCPs broadly align with the base case (RCP4.5, BAU), low emissions (RCP2.6, high transition risk), and high emissions (RCP8.5, high physical risk) scenarios used in our internal qualitative scenario analysis.

Findings of this assessment contribute to the overall climate risk and opportunities assessment in Table 2. For Arena's current east coast-heavy portfolio (Figure 1), financial risk associated with flood and fire risk is projected to increase due to climate change. Average annual damages due to cyclonic wind may conversely decrease in response to the projected geographic shift in cyclone incidence away from the east coast and towards the west coast.

These physical climate risks need to be managed, mitigated, and reassessed as Australia's climate projections are updated over time. Results of the detailed physical climate risk assessment implied that the projected exposure of Arena's assets, projected damages, and the average annual loss would be manageable, particularly given the various initiatives we are implementing as a business and in collaboration with our tenant partners.⁴

1.2 Climate risks and opportunities

Table 2 summarises Arena's key climate-related risks and opportunities under the three scenarios noted above. Consistent with TCFD requirements, short, medium, and long-term timeframes were used to structure the risk assessment in the context of Arena's market and business plans:

- ▶ (S) Short term: 0 - 3 years, linked to timeframes used for our rolling property valuation process.
- ▶ (M) Medium term: 3 - 10 years, linked to timeframes that generally underpin periodic market rent reviews.
- ▶ (L) Long term: 10 - 20 years, linked to the average length of our lease agreements.

3. [Intergovernmental Panel on Climate Change Fifth Assessment Report](#) (2014). The RCPs describe four different 21st century pathways of GHG emissions and atmospheric concentrations, air pollutant emissions and land use. The RCPs include a stringent mitigation scenario (RCP2.6), two intermediate scenarios (RCP4.5 and RCP6.0) and one scenario with very high GHG emissions (RCP8.5).

4. Note: While this assessment provides estimates of associated financial loss and is informed by up-to-date modelling, assumptions were made and limitations are inherent in assessing damages associated with physical risks, particularly for extreme events and future climates. Arena will continue to explore the implications of these physical risk uncertainties according to their materiality within a broader financial climate risk assessment.

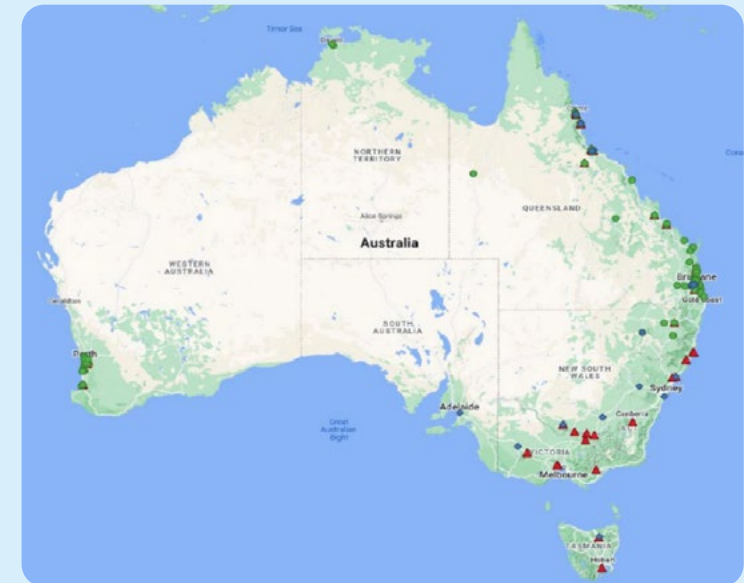


Figure 1: Assets with Fire (Red), Flood (Blue) and Cyclone (Green) exposure

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD
CONTINUED

TABLE 1 SUMMARY OF SCENARIOS, ASSUMPTIONS AND INPUTS USED			
Scenario	Base case (BAU)	High transition risk (1.5°C)	High physical risk (> 3°C)
Description	Despite some government and industry efforts to mitigate emissions, emissions will continue to grow, leading to global warming of above 2°C. Accordingly, although the rate of emissions growth will be at a slower rate than historical trends, global climate goals will not be met and extensive climate change impacts, including increased frequency and intensity of extreme weather events, will be felt. A BAU scenario envisages both transition risks from policy and regulatory developments in progressive markets and physical risks associated with climate impacts in vulnerable regions.	In line with the goals of the Paris Agreement, coordinated action between governments and industry can limit global warming to 1.5°C above pre-industrial levels. Decarbonisation will be driven by market factors, including increased demand for sustainable products and services, as well as regulatory reforms such as carbon pricing, leading to a significant reallocation of capital towards the low carbon economy. Companies will need to adapt to the changing market and regulatory settings to reduce their exposure to transition risks.	A lack of government and industry action results in limited efforts to reduce emissions. Global warming will be above 3°C, compared with pre-industrial levels. While transition risks are lower, physical climate impacts are severe. These include increased frequency and intensity of extreme weather events, food and water insecurity, loss of biodiversity and widespread human displacement. Flow on effects of this are unclear but could include political instability and humanitarian crises. Businesses may need to adapt by shifting to more resilient business models and developing new products and services that adapt to the new reality.
Assumptions and inputs	<ul style="list-style-type: none"> ▶ IEA STEPS scenario⁵ ▶ Indirect impacts from expansion of Safeguard Mechanism ▶ Volatile electricity prices, increased gas prices ▶ Limited deployment of renewables ▶ Increased frequency of extreme flood events ▶ Reduced frequency of cyclones on the east coast but increased on the west coast ▶ Increased number of high temperature and high wildfire risk days ▶ Increase in insurance premiums ▶ Indirect damages from supply chain disruptions around APAC and material shortages 	<ul style="list-style-type: none"> ▶ IEA NZE scenario⁶ ▶ Mandatory carbon pricing ▶ Direct and indirect impacts from expansion of Safeguard Mechanism ▶ Australian Labor Party's Rewiring the Nation Policy leading to lower electricity prices ▶ Increased and more volatile gas prices ▶ Extreme weather events (floods, cyclones, high temperature and high wildfire risk days) are felt but are less severe than BAU 	<ul style="list-style-type: none"> ▶ Little climate regulation and limited enforcement ▶ Increasing volatility of electricity and gas prices ▶ Limited deployment of renewables ▶ Extreme weather events (floods, cyclones, high temperature and high wildfire risk days) are felt more severely than BAU ▶ Substantial increase in insurance premiums relative to BAU ▶ Indirect damages from supply chain disruptions around APAC and material shortages

5. The International Energy Agency (IEA)'s Stated Policies Scenario reflects current policy settings based on specific policies that are in place as well as those that have been announced by governments around the world.
 6. The IEA's Net Zero Emissions scenario sets out a pathway for the global energy sector to achieve net zero emissions by 2050 and does not rely on emissions reductions from outside the energy sector to achieve its goals.

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD
CONTINUED

TABLE 2 | ARENA'S CLIMATE-RELATED RISKS AND OPPORTUNITIES

TCFD Area	Risk/Opportunity & Description of Impact	Timeframe	Risk Controls
Transition - Policy & Legal	<p>Emerging regulation: Arena is not currently covered by mandatory emissions and climate reporting, reduction or carbon pricing schemes, however this may change in the future. Additional costs may result from costs of compliance, penalties for non-compliance, and secondary impacts through increased costs of buildings and refurbishment materials as Arena's supply chain is impacted.</p> <p>This risk is likely to be greater under BAU or 1.5C scenarios, with the following key regulations potentially being implemented or strengthened:</p> <ul style="list-style-type: none"> ▶ Emissions reporting requirements and mandatory climate-related disclosures. ▶ Carbon pricing is likely to continue to rise under BAU, potentially impacting Arena indirectly. Mandatory carbon pricing is likely to be implemented in a 1.5C scenario. ▶ An expansion of the Safeguard Mechanism under BAU and 1.5C scenarios is unlikely to directly impact Arena, although secondary impacts may be felt through costs passed on by producers and construction companies. ▶ Arena may be required to comply with more stringent property design, construction and performance requirements and energy efficiency standards under a BAU and 1.5C scenario. 	S/M	<p>Arena is not currently liable under mandatory reporting or disclosure schemes, carbon pricing mechanisms or the Safeguard Mechanism. Nonetheless, since 2020, Arena has included high-level information on climate change-related strategic initiatives in our annual Sustainability Reports such as our solar renewable energy investments, tenant engagement activities, and future goals. We are progressing our climate risk assessment and disclosure pathway in line with the TCFD,⁷ ensuring Arena is well placed to report under potential mandatory climate-related disclosure requirements.</p> <p>Although future emissions reporting requirements are unlikely to directly impact Arena, as the energy use and associated emissions of buildings are under our tenants' operational control, we do measure our financed emissions inventory, or the scope 1 and 2 emissions of our tenant partners. Arena annually measures inventories across our organisational, financed, and embodied emissions.</p> <p>Arena is committed to identifying and managing climate change risks and opportunities and maximising our resilience in the transition to a low carbon economy. We are further committed to investing in renewable energy and improving the efficiency of our use of natural resources. Accordingly, Arena has set several future sustainability goals, including:</p> <ul style="list-style-type: none"> ▶ Maintain organisational carbon neutral certification under Climate Active. ▶ Install solar renewable energy on 90% of our portfolio by FY27. ▶ Develop a detailed transition plan including an emissions reduction roadmap for our operations and asset portfolio by FY25. <p>Arena monitors emerging regulations which may impact our business to ensure that we have adequate time to prepare for any new requirements. Transition climate risks are considered as part of Arena's broader ESG strategy. These initiatives will lower Arena's exposure to emerging regulations around climate change.</p>

7. The recommendations of the TCFD are referenced in the guidance released by regulatory bodies and are expected to form the basis of future mandatory reporting requirements.

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD
CONTINUED

TABLE 2 ARENA'S CLIMATE-RELATED RISKS AND OPPORTUNITIES *CONTINUED*

TCFD Area	Risk/Opportunity & Description of Impact	Timeframe	Risk Controls
Transition - Policy & Legal	<p>Directors' fiduciary duties: As a publicly listed company, Arena's Directors have fiduciary duties to manage material foreseeable risks, including risks linked to climate change. Directors could be held personally liable if these risks are not managed appropriately. Arena could face costs and reputational damage resulting from non-compliance.</p>	S/M	<p>Arena's Board is briefed on key activities and commitments relating to climate change across the business including:</p> <ul style="list-style-type: none"> ▶ Focus areas for the ESG working group, including climate-related initiatives. ▶ Review and approval of annual sustainability disclosures including content on climate change. ▶ Endorsement of future sustainability goals including: <ul style="list-style-type: none"> – Continue active collaboration with tenant partners on appropriate sustainability initiatives. – Install solar renewable energy systems on 90% of Arena's property portfolio by FY27. – Maintain organisational Climate Active carbon neutral certification. – Develop a detailed transition plan including an emissions reduction roadmap for our operations and asset portfolio by FY25. – Align reporting with recommendations of TCFD by FY25. <p>Arena's Board remains committed to regular briefings and capacity building where required to ensure adequate oversight of climate-related matters.</p>
Transition - Reputation	<p>Negative perceptions of climate change response: As an ASX-listed company, Arena will be expected to have an appropriate response to climate change related risks, including transparent disclosures. Arena's reputation could be negatively impacted if these expectations are not met. This risk is likely to be greater under a 1.5C scenario, where companies are likely to face greater scrutiny over climate action claims and greater expectations of climate action.</p>	M	<p>Arena continues to implement activities to measure, manage, and mitigate its climate change impact and ensure its reputation in this area is not compromised. Through various benchmarking exercises and progress on its climate journey, Arena has demonstrated its commitment to meaningful climate action and reports regularly on its activities. Key initiatives include:</p> <ul style="list-style-type: none"> ▶ Collaborating with tenant partners on solar installation. ▶ Reporting on renewable energy production for properties where it has been installed. ▶ Developing an organisational and portfolio emission reduction plan. ▶ Measuring embodied emissions in Arena's value chain. ▶ Outlining a plan to align with TCFD and implementing initiatives, including a physical climate risk assessment and qualitative scenario analysis. <p>Arena continues to be a certified carbon neutral organisation under Climate Active from FY22 onwards. To offset hard-to-abate emissions Arena has purchased offsets which contribute to meaningful emissions mitigation projects.</p>

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD
CONTINUED

TABLE 2 ARENA'S CLIMATE-RELATED RISKS AND OPPORTUNITIES CONTINUED			
TCFD Area	Risk/Opportunity & Description of Impact	Timeframe	Risk Controls
Transition - Market	<p>Shifting tenant preferences:</p> <p>Arena's portfolio of social infrastructure properties is aligned to tenants with sustainability aspirations. Tenant satisfaction may deteriorate if expectations are not met.</p> <p>Tenant partners are likely to continue to prefer properties with robust sustainability credentials, particularly under a 1.5C scenario, and will likely have greater expectations of Arena as a sustainable organisation. Conversely, under a high physical risk scenario, tenants may face increasing physical impacts from extreme weather events and may expect Arena to further increase investment in climate resilient infrastructure.</p>	M	<p>Arena collaborates with our tenant partners to prioritise solar renewable energy investments as part of its 'Partnerships for Change' program. Furthermore, Arena maintains strong relationships with our tenant partners with regular engagement on important topics throughout the year. We undertake an annual tenant partner survey which includes a section asking our tenant partners to provide feedback on their sustainability priorities. These relationships place Arena in a strong position to proactively understand and meet tenant expectations on climate change, as well as supporting them in meeting their own stakeholder expectations in this area.</p> <p>Arena's business model is based on long-term lease arrangements with our tenant partners (weighted average lease expiry 19.3 years as at FY23) with embedded annual rent reviews. This leasing model reduces exposure to rapid changes in market sentiment.</p>
Transition - Market	<p>Volatility in continuity and prices of electricity and gas:</p> <p>As economies transition from fossil fuels to renewables with infrastructural challenges associated with grid transitions, physical climate impacts are likely to impact energy supply chains. Electricity and gas prices are expected to increase, as well as face increased volatility in both pricing and supply.</p> <p>While prices may be volatile under BAU and 1.5C scenarios, Arena is not likely to be impacted significantly as we continue rolling out solar installation across our assets and implement measures to switch from gas and electricity. Under a 1.5C scenario, Arena is likely to have implemented additional onsite solar and measures to reduce reliance on the grid. There is also likely to be greater government investment in ensuring grid stability and supply continuity.</p> <p>However, supply interruptions may impact our tenants' operations, particularly in an above-3C scenario, in which there may be disruption to energy supply chains and also limited investment in grid resilience.</p>	S/M	<p>Arena's organisational energy consumption is minimal, and we continue to roll out the installation of onsite solar for our assets with tenant partners, reducing exposure to energy price volatility and supply disruptions. Some of our tenant partners have backup diesel generators for use in the event of supply disruption.</p>

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD
CONTINUED

TABLE 2 ARENA'S CLIMATE-RELATED RISKS AND OPPORTUNITIES *CONTINUED*

TCFD Area	Risk/Opportunity & Description of Impact	Timeframe	Risk Controls
Physical - Acute	<p>Increased cost of insurance due to extreme weather events:</p> <p>Tenants may face increased costs of insurance premiums or may be unable to insure due to an increase in extreme weather events. Arena's ability to retain its tenant partners may be affected and/or there may be a potential increase in liability should an uninsured tenant be unable to cover the costs of damage from extreme weather events.</p> <p>Under BAU and high physical risk scenarios, properties face greater risk of damage as extreme weather events become more frequent. Additionally, a greater proportion of Arena's properties face an increased risk of exposure to flood, bushfire and extreme weather events. Insurance premiums increase substantially in a high physical risk scenario, and Arena may not be able to pass on the full increase in insurance premiums. Assets in high-risk zones could also become uninsurable and stranded assets.</p>	S/M	<p>Arena has a geographically diversified portfolio of assets and thorough due diligence regarding bushfire zones and flood overlays is undertaken at acquisition.</p> <p>Adequate insurances are maintained across our property portfolio. Property assets are insured for repairs and reinstatement due to extreme weather events, subject to limits specified in the insurance policy. Arena engages valuers to provide replacement insurance values for our existing portfolio.</p> <p>Arena's insurance program is subject to annual review, with oversight by the Board, to consider the adequacy of cover and monitor signs of increasing premiums for particular locations.</p>

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD
CONTINUED

TABLE 2 ARENA'S CLIMATE-RELATED RISKS AND OPPORTUNITIES *CONTINUED*

TCFD Area	Risk/Opportunity & Description of Impact	Timeframe	Risk Controls
Physical - Acute & Chronic	<p>Direct property damage from extreme weather events and chronic impacts of climate change:</p> <p>Extreme weather events are expected to increase in frequency and severity under future climates. For Arena's portfolio under the current climate or BAU, hail poses the greatest risk across the short term. Flood and cyclone wind damage pose the greatest risk in the long-term risk profile. The portfolio is less exposed to bushfire and grassfire. Their impact would be high - peril to tenant life, asset damage and operational interruption – but their probability is low.</p> <p>Under a high-emissions future climate, flood losses are projected to increase but are counterbalanced by a projected geographic shift in cyclone incidence towards west coast. This drives a reduced cyclone risk for our current east coast-heavy portfolio. Bushfire and grassfire remain a small contributor to aggregate annual average damages but show the greatest proportional increase in risk under future climates. Assets that are not currently considered at-risk may become exposed to wildfire. Nevertheless, for Arena's current asset portfolio, on balance the total storm-related financial direct damages from these climate hazards are projected to remain stable compared to current climate.</p>	M/L	<p>Arena has a geographically diversified portfolio of assets and thorough due diligence regarding bushfire zones and flood overlays is undertaken at acquisition. Adequate insurances are maintained across our property portfolio. Air quality impacts from bushfires have been managed by short term closures without significant disruptions beyond those experienced by the community.</p> <p>Arena aims to improve integration of sustainability factors into portfolio management to strengthen our portfolio resilience to climate change.</p> <p>Additionally, there is potential for government intervention to support essential services such as education and healthcare in the event of significant climate change-related disruptions, although this remains uncertain.</p>
Physical - Acute & Chronic	<p>Disruption to tenant operations due to extreme weather events:</p> <p>Tenants may experience disruptions in their ability to safely access properties and conduct their regular operations. The average number of high temperature/ high wildfire risk days is likely to increase across Australia with a greater frequency of mandated temporary closure days for ELC tenants in SA and VIC putting pressure on tenant businesses and potentially putting downwards pressure on rental returns in exposed locations. Wildfire peril to tenants and operational interruption may be experienced more frequently. These impacts will be higher under BAU and above-3C scenarios as compared to a 1.5C scenario. Furthermore, disruptions to supply chains due to climate change and resultant material shortages may affect Arena's healthcare tenants in particular.</p>	M	<p>Adequate insurances are maintained across our property portfolio. Air quality impacts from bushfires have been managed by short term closures without significant disruptions beyond those experienced by the community. We continue to explore options to work with our tenant partners to strengthen portfolio resilience over time.</p>

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD
CONTINUED

TABLE 2 ARENA'S CLIMATE-RELATED RISKS AND OPPORTUNITIES *CONTINUED*

TCFD Area	Risk/Opportunity & Description of Impact	Timeframe	Risk Controls
Opportunity - Resilience	<p>Partnerships: Partnering with our tenants on voluntarily measuring and reducing emissions provides an opportunity to strengthen relationships, reduce our value chain emissions and contribute to our broader sustainability goals. Strengthened tenant partner relationships have the potential to further reduce Arena's emissions liability or exposure to climate-related legislation and associated compliance costs, and improve Arena's reputation and ability to attract financing.</p> <p>Under BAU and 1.5C scenarios, Arena's engagement with tenant partners is likely to contribute to achieving our sustainability goals - this is expected to be even more pronounced under 1.5C, with greater collaboration from tenant partners to reduce Arena's portfolio emissions.</p>	S/M	<p>Arena collaborates with our tenant partners to prioritise ongoing engagement, building relationships to achieve sustainability goals, and supporting tenant partners in meeting their own stakeholder expectations.</p> <p>Although the energy use and associated emissions of our tenant partners are outside Arena's control, we do measure our financed emissions, or scope 1 and 2 emissions inventory, of our tenant partners and have committed to develop a detailed transition plan including an emissions reduction roadmap for our operations and asset portfolio by FY25.</p>
Opportunity - Resilience	<p>Reputation: Arena could be considered a preferred investment if credentials exceed sectoral performance on average, improving our reputation and ability to attract capital and financing.</p> <p>Under BAU and 1.5C scenarios, Arena's sustainability performance and credentials are likely to contribute to our resilience as a business and being considered a favourable investment.</p>	S/M	<p>Based on external advisors' peer benchmarking, Arena's sustainability performance is well progressed for an organisation of our size. We are more advanced than other triple net lease REITs and reasonably well progressed in comparison to larger ASX-listed REITs.</p>
Opportunity - Resilience	<p>Resilience: Implementing measures to mitigate the risk of physical climate impacts will improve the resilience of our assets. Under BAU and 1.5C scenarios, Arena's response to the physical climate risk assessment completed is likely to result in implementation of measures to improve asset resilience to physical risk. There may be further assistance or requirements from regulators to implement changes under a 1.5C scenario.</p>	S/M	<p>Arena is committed to exploring options and opportunities to partner with our tenant partners to strengthen portfolio resilience over time.</p>

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD
CONTINUED

TABLE 2 ARENA'S CLIMATE-RELATED RISKS AND OPPORTUNITIES *CONTINUED*

TCFD Area	Risk/Opportunity & Description of Impact	Timeframe	Risk Controls
Opportunity - Energy Source	<p>Energy source and costs: Implementation of measures to reduce emissions and implement solar energy will reduce energy costs, exposure to market volatility, emissions exposure, and long-term electricity grid requirements. Under BAU and 1.5C scenarios, Arena is likely to continue increasing the installation of onsite solar and implementing measures to reduce emissions and energy consumption. There may be further assistance or requirements from regulators to implement changes under a 1.5C scenario.</p>	S/M	Arena will continue to work with our tenant partners to progress the installation of onsite solar and has committed to a goal of installing solar renewable energy systems on 90% of Arena's property portfolio by FY27. Increased generation of renewable energy, implementation of emission reduction measures and reducing energy consumption will reduce energy costs and exposure to energy price volatility through decreased reliance on electricity from the grid.

Partnerships for Change

Our 'Partnerships for Change' program supports our collaborative approach to addressing sustainability challenges and implementing risk mitigation actions with our tenant partners, whilst delivering mutually beneficial outcomes for all our stakeholders. We continue to work closely with our tenant partners to review efficiency measures and the implementation of solar renewable energy systems. Our tenant partners retain the financial savings achieved from using solar energy produced from the system installations. As of 30 June 2022, solar renewable energy systems had been installed on 80% of Arena's properties, which substitutes 2,257 MWh of electricity from total grid use. As at 30 June 2023, solar renewable energy systems have been installed on 83% of Arena's properties and we have targeted to install solar renewable energy systems on 90% of our properties by FY27.

Following the work we have undertaken this year to explore and assess emissions reduction opportunities, additional efficiency measures have been identified, the most material opportunities include installing new, or optimising existing solar energy systems and replacing purchased non-renewable energy with renewable energy. We intend to continue collaborating with our tenant partners to implement energy efficiency and emissions reduction opportunities going forward.

RISK MANAGEMENT

Arena's Risk Management Framework (RMF) is based on AS ISO 31000:2018, comprises our policies and procedures regarding risk management and is reviewed at least annually. It sets out how we identify, assess, manage, monitor and report key risks, incorporating guidelines described in relevant standards and regulatory guides. Climate-related risks are included in this process. The Board is responsible for overseeing the establishment and implementation of Arena's RMF through the Managing Director and Head of Risk and Compliance, and for approving and monitoring compliance with Arena's agreed risk appetite.

Arena's group risk register includes risks related to the adequacy of its overall ESG framework. Following our inaugural climate-related disclosure in FY22 which identified our key climate-related risks and opportunities, physical and transition risks related to climate change were integrated into Arena's group risk register. This included an assessment of the inherent likelihood and consequence of Arena's physical and transition climate risks, consideration of the effectiveness of our risk control strategies, and determination of residual risk ratings.

Physical and transition climate change risk factors are considered in our investment and management decisions. Arena's triple-net lease model provides our tenant partners with full operational control of our assets. As a result, our risk management framework strongly prioritises collaboration and deepening relationships with our tenant partners.

Arena will monitor emerging risks and continue to integrate climate-related risks into its enterprise risk management as we deepen our assessment of climate risks under various scenarios and will update our group risk register accordingly.

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD
CONTINUED

METRICS AND TARGETS

We recognise that we have an important role to play to minimise the construction and building sector’s contribution to climate change by reducing emissions within our operations, value chain and real estate investments. Decisions we make on building performance standards and materials and the associated embodied emissions in the development stage determine our assets’ operational energy demand and GHG footprint for decades. Downstream, we have the ability to support our tenant partners in their pursuit of efficient, low-carbon operations.

To better understand our impact on and from climate change, we continued deepening our visibility over our GHG footprint. We sought external specialist support to develop comprehensive GHG accounts,^{8,9} in line with global best practice standards:

- ▶ The World Resources Institute [Greenhouse Gas Protocol Corporate Standard](#) and the Australian Government’s [Climate Active Carbon Neutral Standard for Organisations](#) for operational emissions. These include emissions associated with our own operations.¹⁰
- ▶ [The Partnership for Carbon Accounting Financials](#) (PCAF) Standard for financed emissions. These include emissions associated with our investment portfolio, i.e., emissions arising from our tenant partners’ operations.
- ▶ [The Green Building Council of Australia](#) (GBCA)’s methodology for embodied emissions of our building assets. These include emissions associated with the raw materials, construction, use, and end-of-life phases of our assets. Detailed inclusions and exclusions are provided in the following sections.

Direct impacts on climate change

Measuring our organisational and financed emissions inventory over time and commencing the measurement of our embodied emissions has helped us gain visibility over our direct and indirect impact. Arena is measuring and managing our own organisational impact including our operational GHG emissions and other environmental performance indicators (electricity, water, waste).

Table 3 summarises Arena’s organisational carbon inventory over FY21 and FY22. During the COVID-19 pandemic significant reductions in waste and water activities occurred due to decreased office activities. Although Arena’s absolute emissions reduced from FY21 to FY22, there is a slight increase in emissions intensity per FTE due to a slight decrease in FTEs between FY21 and FY22.

[Arena is certified as carbon neutral](#) under the Australian Government’s Climate Active Carbon Neutral Standard for Organisations in FY22 (full details can be found on the program’s [website](#)). To achieve carbon neutral status, our FY22 emissions have been fully offset through Verified Carbon Units from a carbon sequestration and biodiversity conservation project in Cambodia, and Australian Carbon Credit Units from a savanna burning project implementing indigenous land practices in Queensland.

Indirect impacts on climate change

Measuring our portfolio impact

Arena recognises the indirect impacts on climate change that arise from our investments, and that action to reduce this impact is crucial to decarbonise the economy. We also acknowledge the importance of measuring and reporting accurate data and are taking steps to improve data accuracy year on year. This will help us to better understand our impact and enable us to communicate this transparently to our stakeholders.

Last year, we reported our investment associated emissions in line with the PCAF Standard for Scope 3, Category 15, with FY21 as our base year. To compile this GHG account, several metrics including gas consumption, the amount of solar capacity installed and the resulting projected reductions in electricity consumption were estimated due to data availability. Arena conducted detailed energy assessments on some of its sites in FY23, which provided more accurate solar and gas data for our medical and early learning assets. The difference between energy consumption initially estimated and energy consumption measured on site was significant enough to warrant a recalculation of the FY21 base year as restated below. We also continued measuring our financed emissions for FY22, which were calculated with the updated and more accurate data.

8. GHG emissions data is managed in line with financial data for Australian Financial Year reporting periods (1 July to 30 June).

9. Figures stated in this report are calculations based on carbon accounting methodology rather than precise measurements.

10. The organisational emissions boundary covers Arena REIT Limited, and its subsidiaries and operational boundaries were determined through the operational control approach, and the account therefore includes activities within the portfolios of assets where these are under Arena’s operational control and not tenanted out.

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD
CONTINUED

TABLE 3 | ARENA'S ORGANISATIONAL CARBON INVENTORY

Type of Metric	Unit	FY22	FY21 ¹¹
GHG Emissions - Absolute			
Scope 1 emissions	tCO ₂ -e	0	0
Scope 2 emissions ¹²	tCO ₂ -e	5.4	6.2
Scope 3 emissions ¹³	tCO ₂ -e	171.2	179.6
Total emissions	tCO ₂ -e	176.6	185.8
Offsets purchased and retired	Units	177	N/A ¹⁴
Net GHG emissions	tCO ₂ -e	177	186
GHG Emissions - Intensity			
Scope 1 emissions intensity	tCO ₂ -e/FTE	0	0
Scope 2 emissions intensity	tCO ₂ -e/FTE	0.58	0.62
Scope 3 emissions intensity	tCO ₂ -e/FTE	18.25	17.96
Emissions intensity (Scope 1, 2, 3)	tCO ₂ -e/FTE	18.82	18.58
Other key organisational metrics			
Water	kL	27.5	225
Electricity	kgCO ₂ -e	5,421.2	6,215
General Waste	Tonnes	0.3	2.47

Unit Definitions

- kgCO₂-e Kilograms of carbon dioxide equivalent
- kL Kilotitre
- tCO₂-e Tonnes of carbon dioxide equivalent
- tCO₂-e/FTE Tonnes of carbon dioxide equivalent per full-time equivalent

11. Note: Figures provided in our 2022 Sustainability Report were for FY21 emissions, which were used to project FY22 emissions for Climate Active certification. Final figures were revised upon incorporating feedback from Climate Active on emission factors.

12. Scope 2 emissions from purchased electricity were calculated using the market-based method.

13. Scope 3 emissions include professional services (audit, consulting, and compliance fees), marketing, information technology and communications, printing and stationery, entertainment, waste, water, business travel (flights, accommodation, land transport), employee commuting as well as provisions for our team members working flexibly.

14. Offsets retired last year were for Arena's projected FY22 emissions (based on FY21 data). This was trued-up based on actual FY22 data. This was trued-up based on actual FY22 data.

15. As per the PCAF standard, Arena's portfolio comprises of one asset class – Commercial Real Estate. Within this category, our assets include two types: Healthcare (includes medical centres and SDA) and Early Learning Centres (ELC).

Table 4 summarises the following key metrics:

- ▶ Emissions for assets under management (Scope 3, Category 15) in absolute and intensity terms with year-on-year tracking, in line with supplemental guidance for the financial sector by the TCFD.
- ▶ Weighted Average Carbon Intensity (WACI) for assets under management,¹⁵ calculated in line with the PCAF Standard.

continued



**CLIMATE-RISK AND FINANCIAL
IMPACTS IN LINE WITH TCFD**
CONTINUED

TABLE 4 | ARENA'S SCOPE 3, CATEGORY 15, ABSOLUTE EMISSIONS, EMISSIONS INTENSITY AND WACI FOR ASSETS UNDER MANAGEMENT

Type of Metric	Unit	FY22	FY21 (restated)
Absolute metrics for assets under management			
Scope 1 + 2 emissions	tCO ₂ -e	9,768	10,596
Scope 3 emissions ¹⁶	tCO ₂ -e	1,126	1,312
Total emissions	tCO ₂ -e	10,894	11,908
Land use (total indoor floor area of assets under management) ¹⁷	metres ²	174,232	165,279
Intensity metrics for assets under management			
Emissions intensity [^] by indoor floor area	kgCO ₂ -e/m ²	56.07	64.11
Emissions intensity [^] by indoor floor area (Medical assets)	kgCO ₂ -e/m ²	154.43	169.45
Emissions intensity [^] by indoor floor area (ELC assets)	kgCO ₂ -e/m ²	45.33	52.00
WACI* by asset type			
WACI [*] for assets as valued at origination	tCO ₂ -e/million AUD	14.68	21.85
WACI [*] for assets as valued at 30 June	tCO ₂ -e/million AUD	7.72	11.11
WACI for Healthcare assets as valued at origination	tCO ₂ -e/million AUD	34.49	35.47
WACI for Healthcare assets as valued at 30 June	tCO ₂ -e/million AUD	15.78	20.18
WACI for ELC assets as valued at origination	tCO ₂ -e/million AUD	12.16	19.04
WACI for ELC assets as valued at 30 June	tCO ₂ -e/million AUD	6.47	9.48

[^] Emissions intensity by floor area includes Scope 1 and 2 emissions only.
^{*} Weighted average carbon intensity per million AUD includes Scope 1, 2 and 3 emissions.

16. Scope 3 emissions only include emissions related to Scope 1 and 2 emissions from fuel and energy-related activities, which includes upstream emissions of purchased fuel and electricity, emissions from transportation and distribution losses and the generation of purchased electricity that is sold to end users.
 17. Land use in m² is reported using the total indoor area of all assets under management, in line with current PCAF guidelines.

continued



CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD
CONTINUED

Key changes in FY21 data reported following the recalculation of FY21 emissions include:

- ▶ Scope 1 and 2 emissions have increased from 6,293 tCO₂-e to 10,596 tCO₂-e and total emissions have increased from 7,073 tCO₂-e to 11,908 tCO₂-e.
- ▶ This resulted in a change of emissions intensity by indoor floor area from 38.08 kgCO₂e/m² to 64.11 kgCO₂e/m².
- ▶ The total weighted average carbon intensity per million AUD for assets as valued at 30 June 2021 has changed from 6.60 tCO₂-e/million AUD to 11.11 tCO₂-e/million AUD.

The reduction in FY22 emissions compared to FY21 has primarily been achieved from the increased use of renewable energy following the installation of rooftop solar through our 'Partnerships for Change' program. Overall, electricity consumption and intensity has not changed between the two reporting years, but in FY22 our tenant partners sourced 15% of electricity, or 2,257 MWh, from rooftop solar, which represents an increase of 1,189 MWh in consumption of electricity produced by rooftop solar. This has helped reduce our reported overall Scope 3, Category 15, emissions from 11,908 tCO₂-e to 10,894 tCO₂-e, a reduction of 9%, while the adopted value of our investment portfolio increased by 32%.

This correlates with the reported emissions intensity by indoor floor area where although our total indoor floor area has increased by 5%, we have managed to reduce the emissions intensity for all assets from 64.11 kgCO₂-e/m² to 56.07 kgCO₂-e/m², or 13%. For comparison, a Commercial Building Disclosure review conducted by the Australian Government (2019) found that the average electricity consumption in commercial buildings was 113 kgCO₂-e/m².^{18,19}

Measuring our upstream impact

Recognising the impact of upstream phases on a building's life cycle emissions, this year we commenced measuring the embodied emissions in our building assets for the FY22 year in line with the GBCA's methodology. This includes emissions associated with the following life cycle phases:

- ▶ Product: raw materials, transport, manufacturing
- ▶ Construction: transport, construction installation
- ▶ Use: use, maintenance, repair, refurbishment, replacement
- ▶ End-of-life: deconstruction/demolition, transport, waste processing, disposal

Table 5 summarises key metrics in absolute and intensity terms, which we intend to update year-on-year going forward.

TABLE 5 | ARENA'S EMBODIED EMISSIONS FOR OUR BUILDING PORTFOLIO

Type of Metric	Unit	FY22
Total emissions (Scope 3)	tCO ₂ -e	2,928
Emissions intensity [^] by indoor floor area	kgCO ₂ -e/m ²	17

[^] All assets are classified as Non-Residential assets for the purpose of calculating embodied emissions

18. Australian Government, 2019. [CBD 2019 Program Review](#).

19. Calculated from the CBD review's published electricity consumption intensity in MJ/m² based on the nation-wide average emissions factor of the electricity grid of 0.79 kgCO₂-e/kWh ([National Greenhouse Accounts Factors, August 2019](#))

continued



**CLIMATE-RISK AND FINANCIAL
IMPACTS IN LINE WITH TCFD**

CONTINUED

Reducing our impact

During FY22, Arena developed an initial Climate Action Plan exploring our emissions trajectories and possible reduction pathways in line with climate science and committed to developing a detailed transition plan including an emissions reduction roadmap for our operations and asset portfolio by FY25.

Arena has now completed GHG inventories across our organisational, financed and embodied emissions. During FY23 we undertook more detailed analysis on opportunities to quantify and evaluate various alternatives to reduce emissions across our operations and asset portfolio, based on site-specific energy assessments and our current and future solar installation targets.

We remain committed to reducing our impact and decarbonising in line with climate science. Over the next year we intend to progress the analysis of our emission reduction opportunities and set emission reduction targets to be delivered under a credible transition plan.

Separately, Arena is taking steps to prepare for mandatory reporting in Australia. We are closely monitoring the requirements of the International Sustainability Standards Board (ISSB) and proposed Australian mandatory reporting requirements and will look to assess how we can incorporate them into our reporting framework going forward.



SOCIAL





SOCIAL

“Arena has strong connections with internal and external stakeholders.”

Arena’s human capital

Arena has a small, professional, disciplined and dynamic team with a positive culture. We are committed to creating a working environment where our team members can work efficiently, feel valued and appreciated and engage and collaborate to deliver beneficial and sustainable outcomes.

Team Handbook

As part of Arena’s commitment to ensuring that we are an employer of choice, Arena’s Team Handbook sets out the policies we have in place to ensure that we deal with each other, and our stakeholders responsibly, ethically and honestly. The Team Handbook must be adhered to by all those who work for, act on behalf of, or represent Arena.

The Team Handbook references Arena’s key policies and includes guidelines in relation to:

- ▶ Business ethics
- ▶ Workplace health and safety
- ▶ Employment conditions
- ▶ Performance management
- ▶ Training
- ▶ Workplace behaviours
- ▶ Privacy
- ▶ Use of company equipment
- ▶ Expenses
- ▶ Travel

The Handbook also outlines how a team member can raise any concerns, either as an informal or formal complaint.

Team members are required to abide by the Team Handbook. Details of newly introduced and/or amended policies are communicated to team members and team members must certify that they have read and understood the obligations of the Team Handbook annually, or more frequently if significant changes are made to the guidelines.

Talent attraction and retention

We seek to attract high-performing people to Arena who are expert at what they do, and ensure we retain them. We do this by providing our team members with competitive remuneration, a friendly and professional culture and additional benefits.

All of Arena’s team members participate in Arena’s short and long term incentive plans.

100% of Arena’s team members are located in Australia.

100% of Arena’s senior management are hired from the local community.

None of Arena’s employees are employed under collective bargaining agreements.

Arena had no workers who were not employees whose workplace was controlled by the organisation during FY23.

Employees (as at 30 June)	Male			Female		
	2023	2022	2021	2023	2022	2021
Permanent full time	3	4	5	6	5	4
Permanent part time	0	0	0	0	0	0
Temporary full time	0	0	0	0	0	1
Temporary part time	0	0	0	0	0	0
Total	3	4	5	6	5	5

During FY23 there was one new female appointed to a full time permanent position and one male team member resigned from a full time permanent position.

None of Arena’s team members retired or were terminated during FY23.

Team survey

As for the prior year, in FY23 Arena undertook an independent external Team Alignment and Engagement Survey. The survey measured the level of alignment and engagement within the team against an Australian Financial Services and Property Services benchmark comprised of 22,988 responses from 98 studies. The survey provided valuable information about our team members’ perception and experiences. We use the data and feedback collated from this survey to identify future priorities for the business.

Arena maintained strong performance, scoring the in the top decile for Alignment and in the top quartile for Engagement and improving its performance in relation to people development systems, which was highlighted as an area for focus in the prior survey.





Remuneration

Arena's key remuneration objectives are to attract, retain and incentivise talent by providing market competitive rewards with incentive opportunity designed to align remuneration with performance and strategy and to guide the behaviour and actions of executive key management personnel (KMP), details are outlined in the FY23 Remuneration Report.

All of Arena's team members participate in Arena's short and long term incentive plans.

Minimum notice periods for operational change are set in line with replacement risk of roles and range between 1 month and 9 months.

No employees are compensated based on wages subject to minimum wage rules.

Male: Female Pay Ratio FY23

All employees	Male	Female
KMP	1	N/A
Senior management ¹⁸	1	0.84
Professional	1	0.89

The above ratios are calculated as a comparison of the total fixed remuneration of all employees.

Arena REIT does not operate a defined benefit superannuation scheme. Consistent with Australian legislation, superannuation contributions are made to superannuation funds selected by employees.

Arena REIT contributes retirement provisions in line with Australia's employer superannuation guarantee requirements (in FY23, the legislated contribution rate was 10.5%), unless elected at a higher rate by an employee as part of a voluntary contribution.

18. A senior manager is a senior team member who makes, or participates in the making of, decisions that affect the whole or a substantial part of the business (but does not include executive KMP).

Annual total compensation ratio FY23

Ratio of annual total compensation for Arena's highest paid individual (CEO/Managing Director) to median annual total employee remuneration for all employees (excluding the CEO/Managing Director) 3.3x

Ratio of the percentage increase in annual total remuneration of Arena's CEO/Managing Director to the median percentage increase in total annual remuneration for all employees 0.26x

The above ratios are calculated as a comparison of the annualised total target remuneration of all employees.

Health, safety and wellbeing

Arena is committed to complying with the requirements of all relevant Workplace Health and Safety (WHS) legislation and we seek to minimise the risks to the health, safety and welfare of anyone working in or visiting our workplaces. In response to legislative requirements we have a documented WHS Policy Statement which applies to all property owned or controlled by Arena used as workplaces (Arena workplaces).

Arena has responsibility for three types of workplaces:

1. Its corporate workplace, where it acts as the primary duty holder;
2. For properties it leases to tenants who use and control those properties as workplaces, it acts as a secondary duty holder; and
3. For properties it owns that are under development, in which contractors enter and use the site as a workplace and are required to abide by relevant health and safety laws under contractual arrangements.

Employee recordable injury by type

	FY23 No.	FY22 No.	FY21 No.
Fatalities	0	0	0
High consequence injuries (excluding fatalities)	0	0	0
Recordable work-related injury	0	0	0

Contractor recordable injury by type

	FY23 No.	FY22 No.
Fatalities	0	0
High consequence injuries (excluding fatalities)	0	0

Employee recordable work related ill health

	FY23 No.
Fatalities as a result of work related ill health	0
Recordable work related ill health	0



Health, safety and wellbeing *continued*

Arena's policies and procedures for its corporate workplace aim to:

- ▶ Identify, assess and manage all workplace hazards and risks;
- ▶ Allocate appropriate resources to monitor and eliminate or minimise any risks to health and safety;
- ▶ Encourage team members to engage with workplace health and safety matters through regular consultation. We promote communication on workplace health and safety matters as part of normal work practice and communicate relevant matters to employees. Team members can raise issues at weekly team meetings, or directly with the workplace health and safety committee members or their line manager as required;
- ▶ Ensure we complete all necessary inspections, assessments, maintenance, repairs, cleaning, modification and housekeeping at least as often as scheduled;
- ▶ Provide all our team members with training, supervision and adequate information so they can work safely and with minimal risk to their health or safety. This includes mandatory induction training at appointment and periodic refresher training as required.

A WHS committee of team members meets quarterly to review Arena's compliance obligations and conduct a physical inspection of the workplace. Details of the periodic review are documented in a workplace inspection checklist and relevant matters are added to an action list for remediation. On a quarterly basis, relevant matters are reported to the Board.

All team members complete annual training on workplace health and safety obligations via the learning management system.

Arena continued flexible working arrangements during FY23. All team members are required to affirm that they maintain a safe working environment while engaged in flexible working arrangements. In support of effective business operations, team engagement and organisation wide wellbeing, Board, management and regular team meetings are conducted remotely, as required.

Wellness program

At Arena, the physical and mental wellbeing of our team is crucially important. We encourage our team members to lead healthy lives and, to help them do this, have invested in programs to enhance their awareness and understanding of what makes up 'wellbeing'. A wellness program was designed and implemented to help achieve a healthy work life balance and encourage team members to devise and focus on personal health goals. The program offers financial reimbursement to incentivise participation in activities which support personal health and wellbeing. All team members participate in the wellness program and can select the wellness activities for which they want to be reimbursed. Activities we paid for or reimbursed in FY23 included:

- ▶ Annual flu vaccination program
- ▶ Bike and bike servicing
- ▶ Entry fees for charity running events
- ▶ Exercise gear
- ▶ Gym membership
- ▶ Health and wellbeing specialist appointments
- ▶ Massage
- ▶ Pilates
- ▶ Support for COVID-19 testing and vaccination

Training and development

All new team members receive Arena's Code of Conduct, which sets out the standards of behaviour that are expected, and they complete comprehensive induction training to understand their obligations with regard to issues like discrimination, data privacy, fraud, corruption, bribery, conflicts of interest and whistleblower protections. Ongoing compliance training is provided to all team members and team members complete annual attestations that they have read and understood the obligations of the Code of Conduct and other key policies.

Arena has a learning management system to deliver a structured annual program of compliance training for all team members, with modules including Anti-bribery and corruption, Business ethics, Continuous disclosure, Cybersecurity, Insider trading, Privacy, Whistleblowing, Work Health and Safety and Workplace behaviours (which includes discrimination, harassment, sexual harassment, racial or religious vilification, victimization and bullying).

The learning management system is used to distribute key policies for annual review and attestation by team members.

Each team member develops a Team and Individual Development Plan in consultation with their line manager, to identify strengths to capitalise on and those skills and competencies which should be developed. The plan is reviewed and revised annually as part of each team member's performance review process, and support is provided for completion of agreed training. This may include further higher education qualifications, as appropriate, for which Arena may contribute financial assistance, the provision of targeted skills training to address specific needs, and specialised management skills training and coaching for selected team members to prepare them for the opportunity of promotion to senior management.



Performance review

As outlined in the Team Handbook, a performance review will take place at least annually for all team members. The annual performance review is a formal record and discussion of a team member's performance during the year. The purpose of this review is to:

- ▶ review position description to ensure it adequately reflects the responsibilities of the role;
- ▶ discuss and document progress on agreed Key Performance Indicators (KPIs) including in relation to Arena's culture, values and purpose;
- ▶ provide feedback; and
- ▶ if necessary, agree and amend the performance objectives in line with business changes.

As part of the annual performance review process, consideration is given to the satisfactory completion of mandatory annual compliance training and the team member's Team and Individual Development Plan is reviewed and updated.

Average hours of training						
Hours	Male			Female		
	2023	2022	2021	2023	2022	2021
<10	1 ¹⁹	1 ²⁰	3	0	0	2
10-20	1	1	0	4	3	2
>20	2	3	2	2	2	1

19. Employee left midway through period.

20. Employee left midway through period.

Leave

Arena's Team Handbook includes contemporary standards for parental leave and accrual of annual leave, and provisions for family and domestic violence leave. Arena offers all eligible employees (those subject to 12 months' continuous employment) paid parental leave of up to 16 weeks for the primary carer (or 32 weeks on half pay) and up to 3 weeks for co-parents. No team members undertook parental leave during FY23.

Parental leave	Male			Female		
	2023	2022	2021	2023	2022	2021
Entitled to parental leave	3	5	5	5	4	4
Parental leave taken	0	2	0	0	0	1
Returned to work following parental leave	N/A	2	N/A	N/A	N/A	1
Employed 12 months after return from parental leave	N/A	N/A	N/A	N/A	1	N/A

Turnover

With a small group of team members and a strong workplace culture we have extremely low employee turnover.

During FY23 there was one new female appointed to a full time, permanent position and one full time male team member resigned. There were no retirements or terminations during the year.

Company policies

Arena has policies setting out the standards of behaviour we expect of our team. Policies include:

- ▶ Anti-Bribery and Corruption Policy
- ▶ Code of Conduct
- ▶ Communications Policy
- ▶ Conflicts of Interest Policy
- ▶ Diversity Policy
- ▶ Privacy Policy
- ▶ WHS Policy Statement
- ▶ Whistleblower Policy

Policy commitments

Arena's key policy documents, including the Code of Conduct, are reviewed and approved by the Board and published to the website. Our ongoing commitments to responsible business conduct are disclosed through these policies and in the Annual Report, Corporate Governance Statement and Sustainability Report.

Embedding policy commitments

Arena prepares an annual business plan which documents business priorities in support of strategic objectives and policy commitments. The business plan assigns responsibility for achievement of business priorities to relevant team members, which are reflected in their annual key performance indicators.



Other benefits

- ▶ We support flexible working arrangements by providing equipment and resources to maintain a safe and efficient personal workplace.
- ▶ We make income protection insurance available to all permanent employees.
- ▶ Our workplace culture is consistent with our values and the Code of Conduct, we provide parental leave provisions, support for employees experiencing family and domestic violence and support for appropriate disclosure of complaints related to workplace culture.
- ▶ The Arena Wellness program.

Benefits apply to all permanent employees (full time and part time).

Diversity, discrimination and equal pay

Arena is strongly committed to diversity among both team members and the Board. We believe that a diverse set of team members reflects the communities in which we all live, makes us a better company and ensures that a range of different perspectives can be brought to the table when considering issues. It assists with team retention and engagement and helps us meet our stakeholders' expectations regarding key attributes of a sustainable company.

We therefore embrace and value the contribution of all team members regardless of age, gender, marital or family status, sexual orientation, nationality, race, disabilities, ethnicity, religious or cultural beliefs or socio-economic background, and we do not tolerate any discrimination, harassment, vilification or victimisation in the workplace.

We are committed to ensuring that recruitment and selection processes at all levels are structured and managed to ensure a diverse range of candidates is considered and to protect against any conscious or unconscious biases that might discriminate against a particular candidate.

There were zero incidents of discrimination and corrective actions taken during FY23.

Diversity objectives

The Board has adopted objectives for the composition of the board, senior executive roles and Arena's team generally.

Diversity of governance bodies and employees						
ARL Board	Male			Female		
Age in years	2023	2022	2021	2023	2022	2021
<30	0	0	0	0	0	0
30-50	1	1	1	0	0	0
>50	2	3	3	2	1	1
ARML Board	Male			Female		
Age in years	2023	2022	2021	2023	2022	2021
<30	0	0	0	0	0	0
30-50	1	2	2	0	0	0
>50	3	3	3	2	1	1
All employees	Male			Female		
Age in years	2023	2022	2021	2023	2022	2021
<30	1	1	1	1	1	0
30-50	1	4	4	4	3	4
>50	1	0	0	1	1	1
Senior executives ²¹	Male			Female		
Age in years	2023	2022	2021	2023	2022	2021
<30	0	0	0	0	0	0
30-50	1	3	3	1	1	1
>50	1	0	0	1	1	1

21. Senior executives include Arena's KMP as referenced in Arena's 2023 Corporate Governance Statement disclosure.

Arena discloses its measurable diversity objectives and the progress towards achieving those objectives in the annual Corporate Governance Statement. In FY23 Arena met its aspirations to achieve gender balance for the Arena REIT Limited (ARL) Board and to maintain gender balance for senior executives by using the 40:40:20 model (40% female, 40% male and 20% unallocated, to allow flexibility for succession planning and Board renewal).





TENANT PARTNERS

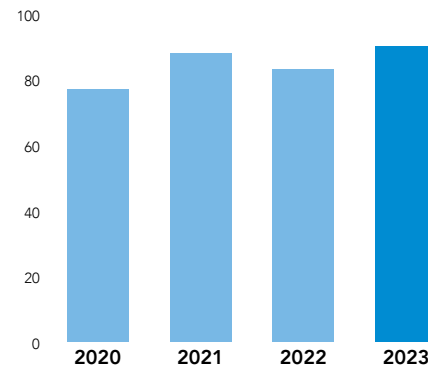
Engagement and retention

Arena's current tenant partners provide early childhood education and care, healthcare and specialist disability accommodation, all of which deliver strong community benefits. We work with them to invest the capital necessary to provide efficient, flexible and well-located accommodation at sustainable rents, allowing them to focus on their core purpose to deliver essential services to communities throughout Australia.

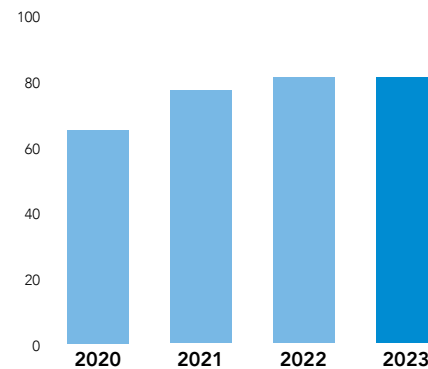
We recognise that tenants' use of space and expectations of their tenancy are constantly evolving. In many cases, they are exploring new business opportunities and see property as an important lever to gain competitive advantage. In this context, rather than maintaining a traditional landlord and tenant relationship, we strive to be an 'accommodation partner of choice'. We work collaboratively with tenant partners, pursue mutually beneficial outcomes, maintain strong working relationships, seek to understand the challenges faced by tenant partners, are quick to respond to requests and act fairly and with integrity in commercial negotiations.

Tenant partner survey

In FY23 we undertook our annual tenant survey to gauge tenants' views on Arena and their relationship with us. In addition to the positive feedback on collaboration on ESG initiatives as outlined on page 17 the results indicate an ongoing positive view of their relationship with Arena and of Arena as compared with other landlords.



Overall view of relationship
(0 Unfavourable, 100 Favourable)

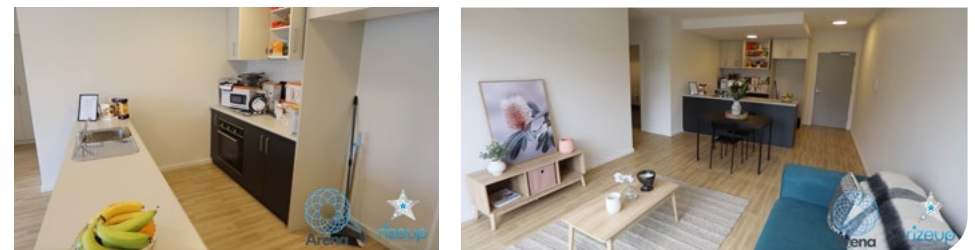
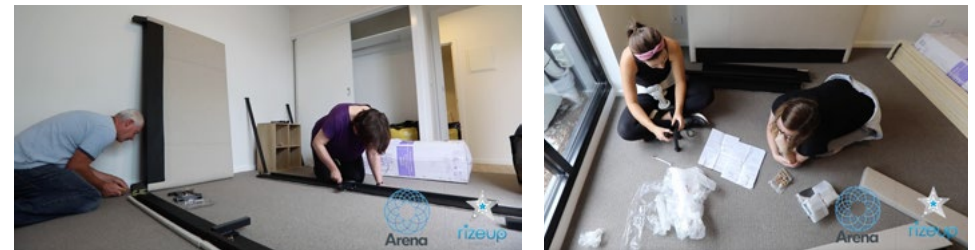


Arena compared with other landlords
(0 Unfavourable, 100 Favourable)

COMMUNITY PARTNERSHIPS AND GIVING

RizeUp

Arena was pleased to extend our community partnership with RizeUp during FY23 by providing ongoing financial support. RizeUp is a grass roots community organisation facilitating a pathway to safety and independence by fully equipping a safe and sustainable home for women and children seeking an escape from domestic and family violence (DFV). This support contributes directly to better overall community outcomes, now and for future generations. Since 2015, RizeUp has helped 13,630 families impacted by DFV, including 26,746 children.





GOVERNANCE





GOVERNANCE

The Board

Arena's Board is responsible for the overall corporate governance of Arena, implementing appropriate policies, procedures and monitoring 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.

More detailed information about the Board – its structure, mix of skills, diversity and the independence of directors is available in Arena's 2023 Corporate Governance Statement and Annual Report.

The Board Charter provides the framework for the operation of the Board and sets out the functions and responsibilities of the Board, which include:

- ▶ defining Arena's purpose, setting strategic objectives with a view to maximising investor value and overseeing management of its implementation of the strategic objectives;
- ▶ approving Arena's statement of values and code of conduct to underpin the desired culture and overseeing management of its instilling of the values;
- ▶ approving an appropriate risk management framework (for both financial and non-financial risks) and setting Arena's risk appetite;
- ▶ monitoring management's performance against the risk management framework to ensure that it is operating within the approved risk appetite; and
- ▶ approving Arena's sustainability strategy and overseeing management of its implementation of initiatives to support the sustainability framework.

The Chair of the Board is an independent non-executive director. The Board has delegated certain responsibilities to committees comprised of the independent, non-executive directors.

The Board has established a Nomination Committee which reports to the Board and its Charter extends to the nomination activities, controls and procedures of Arena. The Committee assists and advises the Boards on director selection and appointment practices, board composition and succession planning for the Board and senior executives to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of Arena as a whole.

In line with Board succession planning and the aspiration to achieve gender balance using the 40:40:20 model, in FY23 the Committee undertook a thorough, independent search process, using the services of an external adviser to recruit a female non-executive director.

The relative skills and experience of each director are considered annually with reference to agreed criteria, to confirm that the directors collectively maintain skills and experience appropriate to Arena's strategy and operations. As required the Board uses external consultants and advisers to inform decision making and director training sessions are held to support the development of existing and emerging skills which are considered relevant to Arena's business, including sustainability matters.

The performance of the Board and its Committees is subject to annual review. During FY23, members of the Board and each Committee conducted self-assessment by completing annual performance evaluation questionnaires which included consideration of:

- ▶ terms of reference and board/committee composition;
- ▶ Board/Committee management and effectiveness;
- ▶ governance, risk and control;
- ▶ Chair and director effectiveness; and
- ▶ requirement for training and professional development.

As considered appropriate, the Board may seek independent review of its performance.

Oversight of Sustainability

An independent external assessment of Arena's material issues has guided the development of Arena's Sustainability Framework, the commitments outlined in this framework are being implemented with appropriate goals and targets.

Arena commits to undertaking an independent external assessment of our material issues at least every 5 years.

Arena's Board maintains oversight of Arena's sustainability strategy and has not delegated this responsibility to any board committees. The Board has the overall responsibility for monitoring and reviewing strategic priorities and making progress against Arena's objectives, including initiatives and actions specifically addressing sustainability issues. The Board receives quarterly reporting on sustainability issues from the Chief of Investor Relations and Sustainability and considers other sustainability related issues as they arise within its fixed meeting schedule.

The Board sets Arena's strategic sustainability objectives through the endorsement of our Sustainability Framework and oversees the development and adoption of related policies and procedures.

Strategic programs and operational initiatives designed to respond to sustainability issues are executed collaboratively under the leadership of the Managing Director and the coordination of the Chief of Investor Relations and Sustainability. To integrate and progress Sustainability initiatives across the business and update the Board quarterly on the implementation of the Sustainability Framework, Arena has established an ESG working group comprised of Arena team members from each of the finance, property and risk and compliance teams and chaired by the Chief of Investors Relations and Sustainability. The ESG working group's responsibilities include:

- ▶ Managing, minimising, and mitigating sustainability impacts and risks;
- ▶ Ongoing analysis to ensure emerging sustainability risks are identified; and
- ▶ Continuously improving sustainability performance and reporting, year on year, with transparency about progress.



We continued to strengthen the integration of sustainability considerations into our corporate governance and risk management frameworks and will continue to do so going forward.



Risk management

Effective, accountable and transparent risk management is a core component of Arena's corporate governance and the Board has overall responsibility for all risks, including sustainability risk. We have documented policies and procedures to identify, assess, manage, monitor and report key risks. The risk management framework is designed to help Arena achieve its objectives through competent strategic decision making and the conduct of efficient, effective and robust business processes that allow us to take up opportunities while meeting required standards on accountability, compliance and transparency. A summary of the Risk Management Framework is available at www.arena.com.au/about-us/governance.

Our commitment to responsible governance and effective, accountable and transparent risk management is integral to achieving our strategic objectives and underpins our approach to all aspects of our operations.

Management prioritises material business risks and develops mitigations strategies. While Arena does not currently have material exposure to social and environmental risks, we aspire to maintain ethical business practices and achieve climate resilience and resource efficiency in our operations, and will continue to monitor the impact of social and environmental risks to operations and financial performance.

Communication of critical concerns

The Board receives regular reporting on a quarterly basis from the Managing Director and the heads of other business units. Critical concerns are escalated more frequently in accordance with documented procedures for risk management, compliance incident and breach reporting, data breach notification and complaints management. There were no critical concerns reported during FY23.

Conflicts of interest

Arena has a policy in relation to conflicts of interest and the terms of appointment for directors include an obligation to disclose current or potential conflicts of interest, including those which may arise from shareholdings or acting as a director for another entity. Directors are required to declare any conflicts of interest prior to consideration of matters at the meetings of the Board and are excluded from discussion and resolution of relevant matters, as required. Conflicts or potential conflicts are recorded in the minutes of meetings and in Arena's conflicts of interest register.

Compliance

Arena is committed to complying with all applicable laws and regulations in the jurisdiction in which it operates and has documented a range of policies and procedures to support this commitment, including the Code of Conduct and formal processes for the reporting and escalation where a breach or likely breach has been identified. All new and existing team members must understand and comply with Arena's policies and procedures and undertake periodic training appropriate to their role.

All new team members complete a compliance induction and are required to complete ongoing compliance training regarding Anti-bribery and corruption, Business ethics, Continuous disclosure, Cybersecurity, Insider trading, Privacy, Whistleblowing, Work Health and Safety and Workplace behaviours (which includes discrimination, harassment, sexual harassment, racial or religious vilification, victimization and bullying) using Arena's learning management system. Team members with specific obligations in relation to provisions of financial services under Arena's Australian financial services licence also have mandated annual training plans.



COMPLIANCE WITH LAWS AND REGULATIONS			
	FY23	FY22	FY22
Significant instances of non-compliance with laws and regulations			
▶ Reportable situation to ASIC (with no further action)	0	1	0
▶ Fines incurred	0	0	0
▶ Non-monetary sanctions incurred	0	0	0
Incidents of discrimination	0	0	0
Incidents of non-compliance concerning product and service information and labeling	0	0	0
Incidents of non-compliance concerning marketing communications	0	0	0
Substantiated complaints concerning breaches of customer privacy	0	0	0

Privacy

Maintaining the privacy of all stakeholders is a key requirement for all Arena employees. We have a detailed Privacy Policy that explains the type of information we can hold, how we can collect and store it, how we can access, use and disclose it and what a person can do if they feel their privacy has been breached. We have allocated a Privacy Officer who is the first point of contact for any queries about privacy issues.

Ethical behaviour

Arena is committed to the highest level of integrity and ethical standards in all business practices. Our team members must conduct themselves in a responsible manner, consistent with our values, current community standards and in compliance with all relevant legislation. In FY23 all team members completed training in Business Ethics and ongoing training will be incorporated into Arena’s compliance training program.

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 includes legal compliance and guidelines on appropriate ethical standards.

The objective of the Code of Conduct is to:

- ▶ Provide a benchmark for professional behaviour throughout Arena;
- ▶ Support an open and transparent culture;
- ▶ 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 of Conduct 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. Arena reserves the right to inform the appropriate authorities where it is considered that there has been criminal activity or an apparent breach of the law.

Bribery and corruption

Arena’s Anti-Bribery and Corruption Policy documents prohibitions and restrictions in relation to:

- ▶ bribery
- ▶ facilitation payments and secret commissions
- ▶ gifts and hospitality
- ▶ charitable donations
- ▶ political donations
- ▶ lobbying and industry associations

The requirements of the Anti-bribery and Corruption Policy are communicated to all team members and ongoing training is incorporated into Arena’s compliance training program.

ETHICAL PERFORMANCE			
	FY23	FY22	FY22
Political contributions made	0	0	0
Confirmed incidents of corruption	0	0	0
Legal actions (pending or completed during reporting period) regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation	0	0	0
Substantiated complaints concerning breaches of customer privacy	0	0	0



Membership associations

Arena is not currently a member of any industry association. In accordance with the Anti-Bribery and Corruption Policy, membership would only be permitted, with the approval of the Managing Director and where the association:

- ▶ gives Arena access to industry insights, expertise or information that may improve operational performance; or
- ▶ enhances Arena’s ability to advocate for sound and/or commercially beneficial policy outcomes.

Lobbying

In accordance with the Anti-Bribery and Corruption Policy, subject to the prior approval of the Managing Director, Arena may engage in lawful lobbying activity (which may occur in conjunction with industry participants or industry associations) where it is considered in the best of Arena’s stakeholders (including capital providers or tenant partners).

Arena did not engage in any lobbying activity during FY23.

Supply chain and Modern Slavery

We recognise that businesses have an important role to play in addressing modern slavery. During the reporting period, we issued our inaugural voluntary Modern Slavery Statement (Statement).

The Statement outlines the actions we have taken to strengthen our modern slavery risk management approach and highlights our aim to continue to refine our response over the coming years.

During FY23 we completed the following actions in accordance with year one of our three year roadmap:

- ▶ Completed a supplier spend analysis to review and rank our suppliers by our spend and our level of influence, and overlaid outcomes by risk, as identified in Arena’s hotspot analysis, to consider where there may be opportunities to use leverage to address potential risk areas.
- ▶ Developed a preferred modern slavery clause to be included in new or reviewed service agreements for key corporate operations service providers.

- ▶ Agreed an implementation timeframe for review and update of the service agreements for service providers to which Arena in its capacity as a Responsible Entity delegates significant duties.
- ▶ Wrote to key service providers, tenants and other stakeholders to share our inaugural voluntary Modern Slavery Statement and to communicate our commitment to engaging and collaborating to influence positive change and drive mutually beneficial outcomes.
- ▶ Explored options for ongoing engagement with our tenant partners and continued to include a question in our annual tenant survey to assess the appetite of our tenants for collaboration on sustainability issues, including modern slavery.
- ▶ Developed key metrics to help assess the effectiveness of our actions to manage modern slavery risks.

We will continue to build on our modern slavery response in line with our roadmap, working in partnership with our tenant partners and other key stakeholders where appropriate.

Whistleblowing policy

As part of our focus on an open and transparent culture, Arena has adopted a Whistleblower Policy to allow our team members to confidentially and anonymously report in the event of misconduct. The purpose of the Whistleblower Policy is to:

- ▶ 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 to whom a protected disclosure relates or who is mentioned in a protected disclosure.

Arena proactively communicates whistleblower policies to all team members.

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

All team members complete annual training regarding their rights and obligations under whistleblower legislation.

Cyber Security and Data Protection

Cyber security and safeguarding our data and network from cyber threats is important to Arena’s business. In response to the increased cyber-risk and threats faced by all businesses, Arena has implemented an Information Technology (IT) Security Policy and framework together with associated Business Continuity and Disaster Recovery plans to protect and respond to cyber threats and incidents. We continue to evolve and enhance our approach to cyber security as threats change and information technology is formally considered in our business planning process.

Our practices and policies are benchmarked to the National Institute of Standards and Technology cyber security framework and Arena’s Executive and Board of Directors receive quarterly reporting on cyber risk, planned and completed IT security enhancement projects. The Board receives periodic briefings from industry experts on cyber-risk and related matters.

All of Arena’s staff are subject to, and confirm annually, their compliance with IT use protocols and receive regular training on cyber-risks and threats.

Sustainable finance

An inaugural Sustainability-Linked Loan (SLL) was issued over Arena’s existing debt facility of \$500 million during FY23.

Arena’s Sustainable Finance Framework and SLL are aligned to the Sustainability-Linked Loan Principles.

Arena is incentivised to accelerate our existing sustainability program under the SLL, with the establishment of Sustainability Performance Targets and annual reporting on progress towards these targets subject to the review of an independent second party opinion provider.



Tax

Arena operates entirely in one tax jurisdiction, Australia. Arena's Annual Report discloses information on the group's assets, revenues, entities and approach to taxation. See the 2023 Annual Report, Note 4: Income Taxes.

Arena is committed to transparently complying with and disclosing its tax obligations and is focused on integrity and transparency in compliance, reporting and engaging with tax regulators. While Arena does not have a publicly available tax strategy document, Arena's approach to tax includes:

- ▶ Full compliance with tax regulations;
- ▶ Effective tax risk management, including appropriate allocation of responsibilities within the organisation;
- ▶ Thorough review process and consultation with external tax practitioners and/or tax authorities where appropriate; and
- ▶ Accurate and timely disclosure of tax information to stakeholders in a meaningful and transparent way.

Arena has a low risk appetite for tax risk and does not sanction or support any activities which involve aggressive tax planning. Specifically, Arena:

- ▶ Does not artificially shift or accumulate profits in low taxed areas;
- ▶ Does not use jurisdictional secrecy rules to hide assets or income;
- ▶ Pays tax or distributes taxable income to security holders where underlying economic activity occurs;
- ▶ Applies carried forward tax losses where tax legislation enables Arena to do so.

Arena has not been involved in public policy advocacy regarding tax matters.

Tax Risk Management Policy

Arena maintains a Tax Risk Management Policy with the purpose of:

- ▶ formally documenting Arena's approach to manage risk associated with regulatory compliance.
- ▶ outlining Arena's program to maintain appropriate tax risk management within its systems, people and culture.

Tax governance

The Board has ultimate responsibility for Arena's taxation risks and authorisation of the steps that may be taken to manage those risks. Authorisation may be given to the Chief Financial Officer or the Managing Director to carry out actions in accordance with the Board's delegated authority from time to time.

The Audit Committee of the Board is responsible for the regular monitoring of tax risk management and receiving periodic reports of tax matters from the Chief Financial Officer.

The management of taxation risk is the responsibility of the Chief Financial Officer. The Chief Financial Officer is appointed as Public Officer for the purposes of tax filings and is responsible for implementing the Tax Risk Management Policy and preparing periodic reports to the Audit Committee on tax risks, tax planning and compliance matters, and maintaining tax risks on Arena's Risk Register.

Internal controls

Management has implemented a system of internal controls designed to manage tax risk, compliance and administration, including general IT controls, document retention and data protection.

Assurance process

Tax information is prepared and reviewed internally by appropriately qualified and skilled team members. Where necessary, matters indicating moderate risk will be supported by external advice from a qualified tax practitioner. Matters of high or extreme risk are to be supported by a tax ruling where possible to facilitate the correct application of tax law. Income tax returns

and tax disclosures in the financial report are externally reviewed by a qualified tax practitioner.

Arena is committed to integrity and transparency in tax compliance, reporting and engaging with tax regulators and other stakeholders. Any views or concerns raised by stakeholders are dealt with in a timely manner by appropriately qualified and skilled team members.

If Arena seeks decisions from tax authorities to confirm applicable tax treatments, it does so on the basis of full disclosure of all relevant facts and circumstances.

Proportion of spending on local suppliers

100% of the procurement budget for significant locations of operation for FY23 has been spent on local suppliers. For Arena, its 'significant location of operation' is defined as Australia, and a 'Local Supplier' is defined as any supplier that is based in Australia.

Restatement of information

Last year, we reported our investment associated emissions in line with the PCAF Standard for Scope 3, Category 15, with FY21 as our base year. To compile this GHG account, several metrics including gas consumption, the amount of solar capacity installed and the resulting projected reductions in electricity consumption were estimated due to data availability. Arena conducted detailed energy assessments on some of its sites in FY23, which provided more accurate solar and gas data for our medical and early learning assets. The difference between energy consumption initially estimated and energy consumption measured on site was significant enough to warrant a recalculation and restatement of the FY21 base year as outlined on pages 33 to 36.

Financial assistance received from government

Arena REIT did not receive any financial assistance from government in FY23.




UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS






UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We have outlined below how we contribute to achieving the UN SDGs that are most relevant to Arena (some targets reproduced below have been edited for conciseness.)

SDG	2030 TARGETS WE CONTRIBUTE TO ACHIEVING	HOW WE CONTRIBUTE
	<ul style="list-style-type: none"> ▶ 3.1. Reduce global maternal mortality to less than 70 per 100,000 live births. ▶ 3.2. Reduce neonatal mortality to below 12 per 1,000 live births and under-5 mortality to below 25 per 1,000 live births. ▶ 3.4. Reduce by one third premature mortality from non-communicable diseases and promote mental health and well-being. ▶ 3.5. Strengthen the prevention and treatment of substance abuse, including narcotics and alcohol. ▶ 3.7. Ensure universal access to sexual and reproductive health-care services. ▶ 3.8. Achieve universal health coverage, including financial risk protection, access to essential health-care services and safe, effective, quality and affordable essential medicines and vaccines. 	<p>Arena owns 6 multi-disciplinary medical centres. These centres provide the community access to GP's and other healthcare professionals including allied health, nurses, and pharmacists, providing many benefits to the community, directly and indirectly contributing to specific SDG targets.</p> <ul style="list-style-type: none"> ▶ 'General practice plays a central role in the provision of maternity care... GPs provide a number of important functions in relation to pregnancy care... The opportunities for optimising pregnancy outcomes through the provision of preconception counselling, as well as antenatal, intrapartum and postnatal care, cannot be underestimated.'²² ▶ GPs are the most trusted healthcare provider in Australia. GP's empower communities, and families to manage and look after their health.²³ ▶ General Practice is central to delivering preventative healthcare and mental healthcare in Australia. This is because GPs are the first point of contact for many patients using the health care system.²⁴ 'GPs are essential in mental healthcare and are managing a significant proportion of the mental health workload.'²⁵ ▶ General practice is the most accessed part of Australia's health system. 'Each year, almost nine in 10 Australians visit a GP. In 2020-21, almost 22 million Australians visited their GP. Over 177 million health services were provided by GPs, and on average, patients received 8.1 services from their GP.' General practice contributes only 7.4% of total government health spending.²⁵ ▶ 'In 2020-21, GPs prescribed the majority of PBS and RPBS medicines - around 87% of all prescriptions dispensed.'²⁶ ▶ GP's are critical to Australia's vaccination program. On top of delivering routine childhood vaccinations and the annual influenza vaccine, GP's played a crucial role in the COVID-19 Vaccination program. The majority of COVID-19 vaccines administered in Australia have been through primary care settings.²⁷ ▶ Majority of sexual and reproductive healthcare in Australia is accessed through General Practice.²⁸ ▶ GP's 'play a variety of roles in addiction management, from screening and diagnosis to primary prevention, treatment and referral, as required'.²⁹ ▶ Medical centres take the burden off hospitals whilst improving patient outcomes.³⁰

22. www.racgp.org.au/advocacy/position-statements/view-all-position-statements/clinical-and-practice-management/maternity-care-in-general-practice
 23. www.racgp.org.au/getmedia/b123611e-e423-4bc8-8665-949e4bed9792/Health-of-the-Nation-2018-report.pdf.aspx; www1.racgp.org.au/newsgp/professional/doctors-lead-international-most-trusted-profession
 24. www.racgp.org.au/getattachment/1ad1a26f-9c8b-4e3c-b45b-3237272b3a04/Guidelines-for-preventive-activities-in-general-practice.aspx; www.racgp.org.au/getmedia/80c8bdc9-8886-4055-8a8d-ea793b088e5a/Health-of-the-Nation.pdf.aspx
 25. www.racgp.org.au/getmedia/80c8bdc9-8886-4055-8a8d-ea793b088e5a/Health-of-the-Nation.pdf.aspx
 26. www.aihw.gov.au/reports/medicines/medicines-in-the-health-system
 27. www.racgp.org.au/gp-news/media-releases/2021-media-releases/june-2021/racgp-welcomes-government-support-for-vaccine-coun; www1.racgp.org.au/ajgp/2021/december/general-practice-covid-vaccine-rollout
 28. www1.racgp.org.au/ajgp/2020/june/reproductive-health-1; www.ama.com.au/position-statement/sexual-and-reproductive-health-2014
 29. www.racgp.org.au/getattachment/1e906fba-2573-44d0-ae6e-63bd0b28f825/attachment.aspx
 30. www1.racgp.org.au/newsgp/professional/why-do-patients-go-to-emergency-rather-than-to-the



SDG	2030 TARGETS WE CONTRIBUTE TO ACHIEVING	HOW WE CONTRIBUTE
	<ul style="list-style-type: none"> ▶ 4.2. Ensure all girls and boys can access quality early childhood development, education and care so they are ready for primary education. ▶ 4.A. Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all. 	<p>Arena's 249 operating ELC properties offer a total of 23,476 licensed places across Australia enabling increased access to ELCs.</p> <ul style="list-style-type: none"> ▶ Australia's participation rates at age four have risen from 53 per cent in 2005 to 82% in 2020.³¹ The Australian government is committed to improving this even further. Introducing a national approach to improve access to and participation to affordable, quality preschool in the year before school.³² ▶ Arena's ELCs are regulated by ACEQUA and State governments to measure how they compare with the National Quality Framework (NQF). ▶ The average quality rating of Arena's rated ELC portfolio is "Meeting the standard"³³ of the NQF; these services provide quality education and care in all 7 quality areas of the NQF. ▶ All activity rooms in Arena's ELC properties are wheelchair accessible. ▶ High quality early learning benefits children in many ways, including: <ul style="list-style-type: none"> • Cultivating cognitive and social-emotional skills. Socialising with other children support a child's social, emotional and behavioral development, giving them skills they can apply in school and in their lives, beyond school.³⁴ • Preschool programs assist children to acquire learning-related skills such as the ability to adapt appropriate behaviors, control impulsivity, express thoughts, remain concentrated and show curiosity and persistence.³⁵ • There is a significant positive relationship between preschool attendance and Year 3 NAPLAN results.³⁶ • Preschool can be especially valuable for preventing children from disadvantaged backgrounds falling behind their peers. With children who are at risk of abuse or neglect, a diagnosed disability or are developmentally vulnerable benefiting the most from attending early learning education.³⁷ • 'High-quality educational provision is a cost effective way to address the intergenerational transmission of socio-economic disadvantage and has the potential to alter development trajectories as well as protect against risks'.³⁸

31. data.oecd.org/students/enrolment-rate-in-early-childhood-education.htm;

32. www.aihw.gov.au/reports/children-youth/australias-children/contents/education/child-learning-and-development; www.vu.edu.au/sites/default/files/australian-investment-in-education-ecec-report-mitchell-institute.pdf

33. www.acecqa.gov.au/;

34. www.unicef-irc.org/publications/pdf/where-do-rich-countries-stand-on-childcare.pdf;




35. www.aihw.gov.au/reports/children-youth/australias-children/contents/education/early-childhood-education-and-care

36. www.pc.gov.au/inquiries/completed/childcare#report; www.aihw.gov.au/reports/children-youth/australias-children/contents/education/early-childhood-education-and-care

37. www.unicef-irc.org/publications/pdf/WP_2019-06.pdf; www.aihw.gov.au/reports/children-youth/australias-children/contents/education/early-childhood-education-and-care

38. www.unicef-irc.org/publications/pdf/WP%202019-06.pdf






SDG	2030 TARGETS WE CONTRIBUTE TO ACHIEVING	HOW WE CONTRIBUTE
	<ul style="list-style-type: none"> ▶ 5.2. Eliminate all forms of violence against women and girls, including trafficking and sexual and other types of exploitation. ▶ 5.5. Ensure full and effective participation of women and equal opportunities for leadership at all levels in political, economic and public life. ▶ 5.A. Give women equal rights to economic resources and access to ownership and control over land and other property, financial services, inheritance and natural resources. 	<p>Arena contributes to this SDG in two key ways:</p> <ul style="list-style-type: none"> ▶ Our partnership with RizeUp, a community based organisation supporting families affected by DFV. Since 2015 RizeUp has provided a home and fresh start for 13,630 families impacted by DFV, including 26,746 children. ▶ By making early childhood education and care more accessible, allowing women and carers to remain in or re-enter the workforce. ▶ Australian and international evidence shows that workforce participation by parents and carers is influenced by the availability of affordable early childhood education and care. Time out of the workforce caring for young children can have a longer lasting negative impact on the earnings of parents and carers.³⁹ ▶ The correlation coefficient between the rates of Australian female workforce and long day care participation is 0.99.⁴⁰
	<ul style="list-style-type: none"> ▶ 7.1. Ensure universal access to affordable, reliable and modern energy services. ▶ 7.2. Substantially increase the share of renewable energy in the global energy mix. 	<p>Arena's partnership approach delivers mutually beneficial outcomes for our communities, team, tenant partners and ultimately our investors. We continue to work with our tenant partners to install solar renewable energy, reducing operating costs and carbon emissions, with the cost of installation rentalised or offset by increased valuation upside and predictability of income through lease extensions.</p> <p>Solar renewable energy is now installed on 83% of Arena's property portfolio.</p>
	<ul style="list-style-type: none"> ▶ 8.4. Improve global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production. ▶ 8.5. Achieve full and productive employment and decent work for all women and men, including young people and those with disabilities, and equal pay for work of equal value. ▶ 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, particularly women migrants, and those in precarious employment. 	<p>83% of Arena's properties now have solar renewable energy installed.</p> <p>Arena REIT certified carbon neutral by Climate Active for business operations in 2021 – 2022.</p> <p>See Arena's progress toward a credible climate transition plan as outlined on page 19.</p> <p>See Social section, page 40 to 41 in regard to Health, safety and wellbeing.</p> <p>See Social section, pages 39 to 43 to see how Arena has extended and disclosed our approach to various employee initiatives.</p> <p>See governance section, page 49 to see how Arena has improved its actions regarding its supply chain and Modern Slavery.</p> <p>See Social section, page 43 in regard to Diversity, discrimination and equal pay.</p>

39. www.thefrontproject.org.au/images/downloads/ECO_ANALYSIS_Full_Report.pdf

40. Arena analysis of ABS Female Labour force status by Relationship in household, Sex, State and Territory, January 1991 onwards; Australian Government 'Child Care Subsidy data' 2011-2022.



SDG	2030 TARGETS WE CONTRIBUTE TO ACHIEVING	HOW WE CONTRIBUTE
	<ul style="list-style-type: none"> ▶ 11.A. Support positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning. ▶ 11.B. [By 2020] Substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels. 	<p>Arena has 26% of social infrastructure properties (67 properties) classified as Inner Regional, 14% (36) as outer regional and 0.4% (1) as very remote, demonstrating Arena's support for communities all around Australia. 83% of Arena's properties now have solar renewable energy installed. See Environmental section, pages 18 to 37 for Arena's FY23 TCFD disclosures.</p>
	<ul style="list-style-type: none"> ▶ 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. ▶ 13.2. Integrate climate change measures into national policies, strategies and planning. ▶ 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaption, impact reduction and early warning. 	<p>As outlined on pages 18 to 37 Arena has made material progress on climate action during FY23 including:</p> <ul style="list-style-type: none"> ▶ Active collaboration with tenant partners on sustainability initiatives. Including sharing our inaugural voluntary Modern Slavery Statement and communicated our commitment to engaging and collaborating to influence positive change and drive mutually beneficial outcomes and created bespoke solar decals for installation at ELC's to assist to visually educate the children and families attending their centres about solar energy installation and use. ▶ Solar renewable energy systems installed on 83% of Arena's property portfolio. ▶ 13% reduction in emissions intensity of Arena's assets under management.⁴¹ ▶ Measured inventory of Arena's FY22 (year one) embodied emissions. ▶ Completed inaugural Physical Climate Risk Assessment. ▶ Continued implementing climate risk-related considerations and progressing our TCFD pathway. ▶ Zero organisational scope 1 and 2 emissions. ▶ 5.5-star rating for organisational NABERS energy co-assessment. ▶ Certified carbon neutral by Climate Active for business operations 2021-2022.
	<ul style="list-style-type: none"> ▶ 16.6. Develop effective, accountable and transparent institutions at all levels. ▶ 16.7. Ensure responsive, inclusive, participatory and representative decision-making at all levels. 	<p>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 is committed to the highest level of integrity and ethical standards in all business practices. Arena has a relatively flat organisational structure with a collaborative and inclusive culture. Arena undertook an independent external Team Alignment and Engagement Survey during FY23, the results indicated a strong performance, with Arena scoring the in the top decile for Alignment and in the top quartile for Engagement. For more on Arena's Governance, including Ethical Behaviour, Code of Conduct, Anti -Bribery and corruption, Supply chain and Whistleblowing policy, see the Governance section of this Report starting on page 45. See governance section, page 49 to see how Arena has improved its actions regarding its supply chain and Modern Slavery. See Social section, page 43 in regard to Diversity, discrimination and equal.</p>

41. For FY22 (Scope 3, Category 15) by indoor floor area measured in kgCO2e/m2 in line with supplemental guidance for the financial sector by the TCFD as compared with equivalent restated FY21 baseline.



GRI/SASB CONTENT INDEX

Statement of Use:

Arena REIT has reported in accordance with the GRI standards for the period 01 July 2022 - 30 June 2023.

GRI 1 used:

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s):

N/A - Real Estate Standard has not been released.

Indicator code	Description	Location or link
UNIVERSAL DISCLOSURES		
2-1	Organizational details	About Arena REIT
2-2	Entities included in the organization's sustainability reporting	Arena's Sustainability Report
2-3	Reporting period, frequency and contact point	1 July through 30 June, annually, Issues that are important to us
2-4	Restatements of information	Governance
2-5	External assurance	Issues that are important to us
2-6	Activities, value chain and other business relationships	About Arena REIT
2-7	Employees	Social
2-8	Workers who are not employees	Social
2-9	Governance structure and composition	Governance
2-10	Nomination and selection of the highest governance body	Governance
2-11	Chair of the highest governance body	Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Governance
2-13	Delegation of responsibility for managing impacts	Governance
2-14	Role of the highest governance body in sustainability reporting	Governance
2-15	Conflicts of interest	Governance
2-16	Communication of critical concerns	Governance
2-17	Collective knowledge of the highest governance body	Governance
2-18	Evaluation of the performance of the highest governance body	Governance
2-19	Remuneration policies	Social, FY23 Remuneration Report
2-20	Process to determine remuneration	Social, FY23 Remuneration Report
2-21	Annual total compensation ratio	Social
2-22	Statement on sustainable development strategy	Chair & Managing Director's Message
2-23	Policy commitments	Social
2-24	Embedding policy commitments	Social
2-25	Processes to remediate negative impacts	Governance
2-26	Mechanisms for seeking advice and raising concerns	Governance
2-27	Compliance with laws and regulations	Governance
2-28	Membership associations	Governance
2-29	Approach to stakeholder engagement	Issues that are important to us
2-30	Collective bargaining agreements	Social
3-1	Process to determine material topics	Issues that are important to us
3-2	List of material topics	Issues that are important to us
3-3	Management of material topics	Topics throughout this report

continued



Indicator code	Description	Location or link
TOPIC-SPECIFIC DISCLOSURES		
201-1	Direct economic value generated and distributed	2023 Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	Environment
201-3	Defined benefit plan obligations and other retirement plans	Social
201-4	Financial assistance received from government	Governance
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Social
202-2	Proportion of senior management hired from the local community	Social
203-1	Infrastructure investments and services supported	About Arena REIT
204-1	Proportion of spending on local suppliers	Governance
205-2	Communication and training about anti-corruption	Social and Governance
205-3	Confirmed incidents of corruption and actions taken	Governance
206-1	Anti-competitive behaviour	Governance
207-1	Approach to tax	Governance
207-2	Tax governance, control and risk management	Governance
207-3	Stakeholder engagement and management of concerns related to tax	Governance
207-4	Country-by-country reporting	Governance
302-1	Energy consumption within the organisation	Environment
302-2	Energy consumption outside of the organisation	Environment
302-3	Energy intensity	Environment
302-4	Reduction of energy consumption	Environment
305-1	Direct (Scope 1) GHG emissions	Environment
305-2	Energy indirect (Scope 2) GHG emissions	Environment
305-3	Other indirect (Scope 3) GHG emissions	Environment
305-4	GHG emissions intensity	Environment
305-5	Reduction of GHG emissions	Environment
306-1	Waste Generation and significant waste related impacts	Environment
306-3	Waste generated	Environment
306-5	Waste directed to disposal	Environment
401-1	New employee hires and employee turnover	Social
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social
401-3	Parental leave	Social
402-1	Minimum notice periods regarding operational changes	Social
403-1	Occupational health and safety management system	Social

continued



Indicator code	Description	Location or link
TOPIC-SPECIFIC DISCLOSURES		
403-2	Hazard identification, risk assessment, and incident investigation	Social
403-3	Occupational health services	Social
403-4	Worker participation, consultation, and communication on occupational health and safety	Social
403-5	Worker training on occupational health and safety	Social
403-6	Promotion of worker health	Social
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social
403-8	Workers covered by an occupational health and safety management system	Social
403-9	Work-related injuries	Social
403-10	Work-related ill health	Social
404-1	Average hours of training per year per employee	Social
404-2	Programs for upgrading employee skills and employee transition programs	Social
404-3	Percentage of employees receiving regular performance and career development reviews	Social
405-1	Diversity of governance bodies and employees	Social
405-2	Ratio of basic salary and remuneration of women to men	Social
406-1	Incidents of discrimination and corrective actions taken	Social
415-1	Political contributions	Governance
417-2	Incidents of non-compliance concerning product and service information and labeling	Governance
417-3	Incidents of non-compliance concerning marketing communications	Governance
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance
SASB - INFRASTRUCTURE INDUSTRY - REAL ESTATE SUB-INDUSTRY		
IF-RE-000.A	Number of assets, by property sector	About Arena REIT
IF-RE-000.B	Leasable floor area, by property sector	About Arena REIT
IF-RE-000.C	Percentage of indirectly managed assets, by property sector	About Arena REIT
IF-RE-000.D	Average occupancy rate, by property sector	About Arena REIT
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property sub-sector	Environment
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property sub-sector	Environment
IF-RE-410a.3	Discussion of approach to measuring, incentivising and improving sustainability impacts of tenants	Partnerships for Change and Environment
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property sub-sector	Environment
IF-RE-450a.2	Description of climate change exposure risk analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Environment



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Arena REIT Management Limited (ARML)

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Dennis Wildenburg (Independent, Non-Executive Director)

Rob de Vos (Managing Director)

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