



Arena

Better Communities. Together.

ARENA REIT

2025 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 2025 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 2025. 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

Progressing towards our 2030 target of a reduction of 60-70% in the intensity of Arena's Scope 3 (Category 13), Downstream Leased Assets Emissions.

We are pleased to present Arena's 2025 Sustainability Report, detailing our strategies to tackle sustainability challenges and contribute to positive change. During 2025 we have continued to make material progress on our sustainability goals.

Growing community demand, supportive government policies and demographic trends are fueling the need for more essential community services. Arena's portfolio enhances access to:

- ▶ early learning centres that boost lifelong learning prospects for Australian children and enable parents and carers to participate in the workforce;
- ▶ medical centres offering community-based primary health care;
- ▶ specialist disability accommodation designed to improve quality of life for residents with high physical support needs; and
- ▶ key worker accommodation to support the delivery of ongoing and specialist healthcare to regional Australia.

Our sustainability approach

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.

Report scope and frameworks

This report covers Arena's operations for the year ended 30 June 2025. Our reporting uses the following sources to inform the content and scope of our disclosures:

- ▶ Global Reporting Initiative (GRI) Standards;
- ▶ Sustainability Accounting Standards Board (SASB) framework;
- ▶ Task Force on Climate-related Financial Disclosures (TCFD); and
- ▶ United Nations Sustainable Development Goals (UN SDGs).

Key FY2025 achievements

Sustainability has been embedded across Arena's business strategies which best positions us to achieve positive long term commercial and community outcomes. Key sustainability outcomes achieved during FY2025 include:

- ▶ submitted Arena's 'Reflect' Reconciliation Action Plan draft to Reconciliation Australia;
- ▶ solar renewable energy systems installed on 92% of Arena's property portfolio;
- ▶ delivered a 39% absolute reduction and 47% reduction in the intensity of Arena's Scope 3 (Category 13), Downstream Leased Assets Emissions^{1,2}; and
- ▶ achieved 100% of Sustainability Linked Loan margin discount for the FY2024 sustainability performance targets.

Issues in the early education and care sector

We acknowledge and share the concern and distress within the community following recently disclosed serious incidents of harm, misconduct and abuse in the early education and care sector. These events highlight the critical importance of safeguarding children in all care environments. While Arena is not involved in the operation of any services at early learning centres, we strongly support the adoption of enhanced safety measures across the sector. We note the actions being taken by Federal and state governments to improve safety measures and oversight. We are engaging with our tenant partners and support initiatives that strengthen child safety and community confidence.

Looking to the future

Our active portfolio management, development expertise and tenant partnering model delivered positive outcomes for stakeholders in FY2025. As we step into FY2026, Arena is well positioned to continue to deliver on our purpose of building 'Better Communities. Together', whilst achieving attractive, predictable returns for investors.

We welcome feedback from all stakeholders as we continue to refine our sustainability initiatives and reporting.

Yours sincerely,

David Ross
Chair

Rob de Vos
Managing Director

Left to Right: David Ross, Rob de Vos.



1. Scope 3 (Category 13), Downstream Leased Assets Emissions 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 FY2021 baseline.
2. Refer to page 43 on the recategorisation of our Scope 3 emissions from Category 15 to Category 13.



OUR PERFORMANCE HIGHLIGHTS

We have continued to make material progress on our goals during the reporting period as detailed below.

OUR FY2025 PERFORMANCE				
	KEY ISSUE	TARGET	TRACKING	RECENT ACHIEVEMENTS
Environment	Climate resilience	▶ Develop a detailed transition plan including an emissions reduction roadmap for our operations and asset portfolio by FY2025.	DELIVERED	▶ Delivered a 39% absolute reduction and 47% reduction in the intensity of Arena's Downstream Leased Assets Emissions ¹ to end FY2024, compared with our interim 2030 target of a 60-70% reduction in the intensity of Arena's Downstream Leased Assets Emissions ¹ .
		▶ Align reporting with recommendations of the TCFD by FY2025.	DELIVERED	▶ FY2025 Sustainability Report disclosures aligned with the TCFD.
	Resource efficiency	▶ Maintain organisational carbon neutrality.	DELIVERED	▶ Zero organisational scope 1 and 2 emissions.
		▶ Install solar renewable energy systems on 90% of Arena's property portfolio by FY2027.	DELIVERED	▶ 6-star rating for organisational NABERS energy tenancy rating (with 100% green power). ▶ Certified Carbon Neutral by Climate Active for business operations in 2023-2024. ▶ Certified Carbon Neutral by Climate Active for business services in 2023-2024. ▶ Solar renewable energy systems installed on 92% 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	▶ Maintained gender balance for the ARL Board and senior executives using the 40:40:20 model. ▶ Independent team alignment and engagement survey benchmarked with top decile ranking in both employee engagement and alignment.
	Our tenant partners	▶ Continue to collaborate with tenant partners on appropriately identified ESG/Sustainability initiatives and report progress.	DELIVERED	▶ We continued to work collaboratively with our tenant partners during the period, engaging with a tenant partner to explore an emerging technology platform that measures CO2 savings from solar installations and may enable tenants to capture additional financial value from existing solar infrastructure.
	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. ▶ Submitted Arena's 'Reflect' Reconciliation Action Plan draft to Reconciliation Australia.
Governance	Responsible governance	▶ Continue to review and refine company policies and procedures for managing ESG risks.	DELIVERED	▶ Integrated and implemented Arena's internal investment process methodology to include 'Preferred Sustainability Investment Criteria' which are consistent with Arena's Sustainability Framework. ▶ FTSE Russell ESG Governance Score maintained at 5/5, the highest possible rating.
	Supply chain sustainability	▶ Continue to build on our Modern Slavery response in line with our roadmap.	ON TRACK	▶ Delivered fourth voluntary Modern Slavery Statement. ▶ Delivered Year 3 targets of our Modern Slavery Roadmap.

1. Scope 3 (Category 13), Downstream Leased Assets Emissions 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 FY2021 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 total assets of over \$1.8 billion as at 30 June 2025.

Arena has twelve 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 FY2025.

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 281 social infrastructure properties is located across all Australian states and the Northern Territory and provides access to essential community services in four sectors:

- ▶ 271 Early Learning Centres (ELCs), providing early childhood education and care;
- ▶ six multi-disciplinary medical centres, providing healthcare services to local communities;
- ▶ three specialist disability accommodations (SDAs), providing high-needs disability enabled residential accommodation; and
- ▶ one key healthcare worker accommodation property, facilitating access to ongoing and specialist healthcare for regional Australians.

Arena's operating portfolio has an occupancy of 100%¹.

Arena's portfolio is comprised of 204,612 square metres (m²) (2,202,441 square feet (ft²)) of net lettable area as follows:

- ▶ ELCs (or specialty property) 184,946 m² (1,990,756 ft²); and
- ▶ Healthcare property 19,666 m² (211,685 ft²).

99% (by floor area) of the ELC (or specialty) portfolio and 94% (by floor area) of the Healthcare portfolio is indirectly managed.

1. Excludes one property conditionally contracted for sale and includes one property with commercial terms agreed for a new lease.

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.

The benefits of childcare are well established. ELC attendances benefits all of society - children, parents, communities and business

Arena's 271 operating ELC properties offer a total of 26,082 licensed places across Australia.

- ▶ 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."¹
- ▶ There is a significant positive relationship between preschool attendance and Year 3 NAPLAN results.²
- ▶ Early childhood development programs can produce long-term improvements in school attainment, help reduce delinquency and crime, improve employment chances and increased earnings.³
- ▶ The correlation coefficient between the rates of Australian female workforce and long day care participation is 0.99.⁴
- ▶ 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.⁵
- ▶ ELCs offer a significant return on investment of 1:2. For every dollar invested now, the Australian Government receives \$2 back over a child's life.⁵

The Federal government continues to introduce reforms focused on improving access to high quality, affordable childcare for Australian families.

These reforms have been informed by reviews conducted by the ACCC (2023)⁶ and Productivity Commission (2024)⁷ and are anticipated to increase ELC participation, delivering direct benefits to families and higher workforce participation benefits to the economy.⁸

Recently disclosed serious incidents of harm, misconduct and abuse in the sector have resulted in greater focus by Federal and state governments on regulatory measures to improve safeguarding of children and penalise non-compliance.⁹ While Arena is not involved in the operations of any services at early learning centres, we strongly support the adoption of enhanced safety measures across the sector. We are engaging with our tenant partners and support initiatives that strengthen child safety and community confidence.

The Federal government's Strengthening Early Childhood Education and Care Regulation legislation passed in July 2025. This legislation introduced funding cuts and/or conditional approvals for centres that repeatedly fail to meet safety standards, unannounced spot checks, faster reporting of abuse, bans on personal devices and increased disclosure in the enforcement action register.^{9,10}

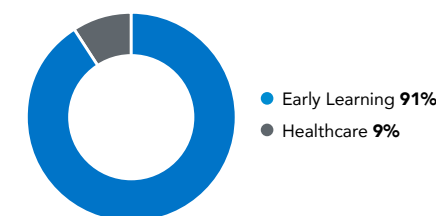
These reforms were further reinforced at the August 2025 State and Territory Education Ministers' Meeting, where Federal, state, and territory governments committed to a joint action plan to improve safety and accountability across early childhood services.¹¹

Arena's ELC tenant partner operations are assessed by ACEQA and state governments against the National Quality Framework (NQF). ACEQA is launching a rapid assessment of safeguarding practices under the NQF, with findings due by December 2025.

State and territory regulators have agreed to intensify compliance efforts by committing to assess and rate services on average every three years and assess and rate 'working towards' services more frequently.¹¹

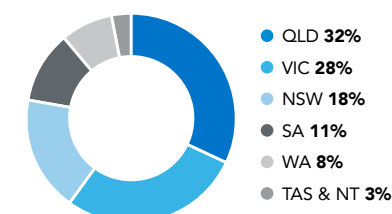
Sector Diversification

By value (%)*



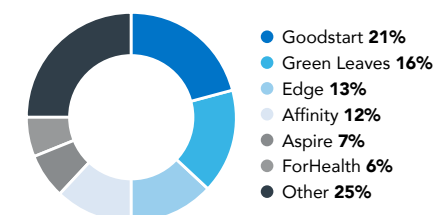
Geographic Diversification

By value (%)



Tenant Diversification

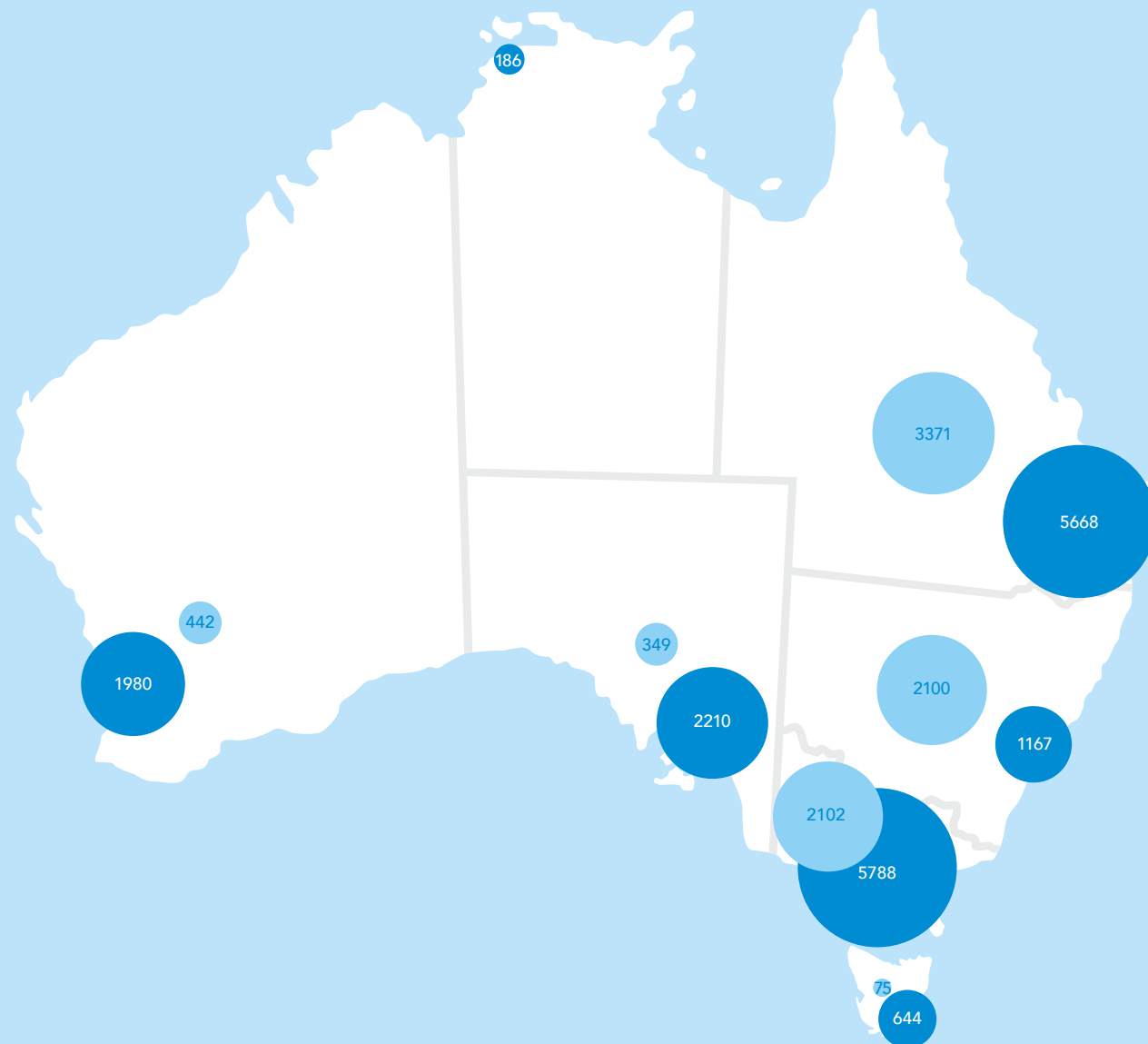
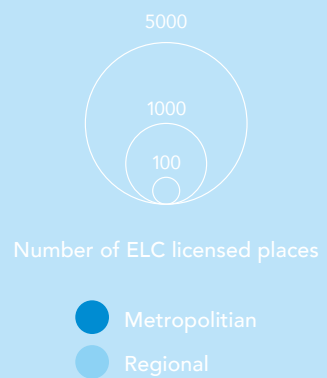
By income (%)



1. www.unicef.org/eap/early-learning ; www.pc.gov.au/inquiries/completed/childcare#report;
2. www.unicef.org/innocenti/reports/where-do-rich-countries-stand-childcare
3. www.aihw.gov.au/reports/children-youth/australias-children/contents/education/early-childhood-education-and-care
4. www.education.nsw.gov.au/about-us/education-data-and-research/cese/publications/literature-reviews/review-of-effects-of-early-childhood-education
5. Arena analysis of ABS Labour force status by Relationship in household, Sex, State and Territory, January 1991 onwards; Australian Government 'Child Care Subsidy data' 2011-2024
6. www.thefrontproject.org.au/images/downloads/ECO_ANALYSIS_Full_Report.pdf
7. [Australian Competition and Consumer Commission \(ACCC\) Childcare Inquiry Final Report December 2023](http://www.australiancompetitionandconsumercommission.gov.au/childcare-inquiry-final-report-december-2023)
8. [Australian Government Productivity Commission 'A path to universal early childhood education and care' Report No. 106, 28 June 2024](http://www.australiangovernmentproductivitycommission.gov.au/path-to-universal-early-childhood-education-and-care-report-no-106-28-june-2024)
9. [National vision for early childhood education and care - Department of Education, Australian Government](http://www.nationalvisionforearlychildhoodeducationandcare.gov.au)
10. [Department of Education, Strengthening early childhood education and care regulation - legislation passes, 31 July 2025](http://www.departmentofeducation.gov.au/strengthening-early-childhood-education-and-care-regulation-legislation-passes-31-july-2025)
11. www.ministers.education.gov.au/clare/albanese-government-introduces-legislation-strengthen-safety-child-care-centres
11. www.education.gov.au/early-childhood/announcements/joint-action-child-safety



LOCATION OF ARENA'S ELC LICENSED PLACES ACROSS AUSTRALIA



**General practice is the most accessed sector of the Australian healthcare system. General practice is essential to the health of Australia.¹**

- ▶ Each year, almost nine in 10 Australians visit a General Practitioner (GP). In 2023, more than 22 million Australians visited their GP. Over 169 million health services were provided by GPs, and on average, patients received 7.6 services from their GP. General practice is far more cost-effective than hospital care.¹
- ▶ 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.²
- ▶ 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.¹

Arena's newly acquired Bendigo Key Health Worker Accommodation supports the recruitment and retention of essential healthcare staff in the region, while easing pressure on the local housing market amid an escalating housing crisis.³

- ▶ The purpose-built facility consists of a 120-apartment residential village, located 500 metres from the main Bendigo Hospital site.
- ▶ The accommodation ensures that ongoing staff, including nurses, allied health professionals, and other essential workers, have secure housing close to their workplace. This enables Bendigo Health to recruit and retain key personnel despite the regional housing shortage.
- ▶ It also provides short-term accommodation for visiting specialists, who are critical to delivering a wide range of specialised health services that are not always available locally.
- ▶ By supporting these visiting clinicians, the facility enables Bendigo Health to maintain access to specialised care for the community, reducing the need for patients to travel long distances for treatment.
- ▶ The wider community also benefit as Bendigo Health's staff aren't competing for limited local housing, helping to relieve demand on an already strained rental and housing market.³

The benefits of Specialist Disability Accommodation (SDA) include independence and greater life satisfaction.

- ▶ "Access to appropriate housing is crucial for upholding the dignity, wellbeing and overall quality of life for individuals with extreme function impairments." The SDA program "enables people with disability to secure housing that is both well-designed and strategically located."⁴
- ▶ Households with members that have 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.⁵ Proximity to shops, transport and other services is critical to enabling people with disability to easily get about and have meaningful lives.⁶
- ▶ 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.⁶

1. www.racgp.org.au/ESDEDEV/media/documents/Health-of-the-Nation-2024.pdf

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

3. www.gaelebroad.com.au/media-releases/housing-crisis-demands-urgent-action/

4. www.ahuri.edu.au/sites/default/files/documents/2024-03/AHURI-Final-Report-417-Specialist-Disability-Accommodation-in-the-social-housing-sector-Policy-and-practice.pdf

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

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

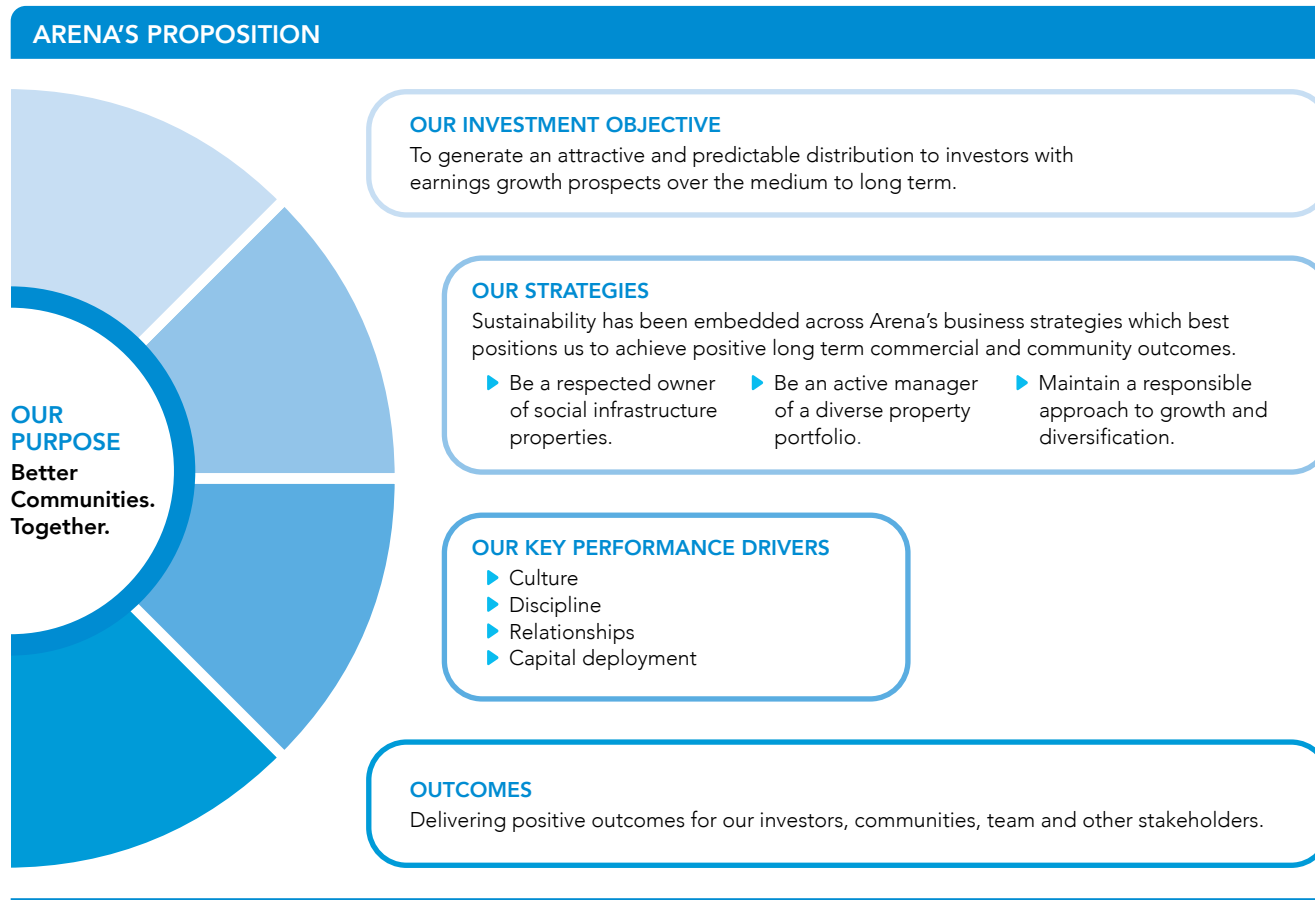




Arena's proposition

To fully embed sustainability across Arena's business and further strengthen the link between stakeholder outcomes and performance-based remuneration, Arena has identified its key strategies and key performance drivers (KPD's) 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 remuneration for performance based outcomes.



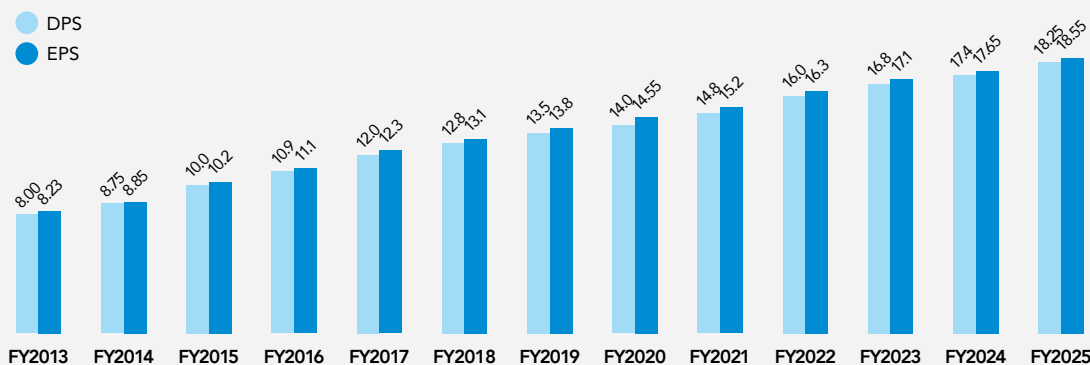


Arena's investment objective and strategy

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 responsible approach to growth and diversification.

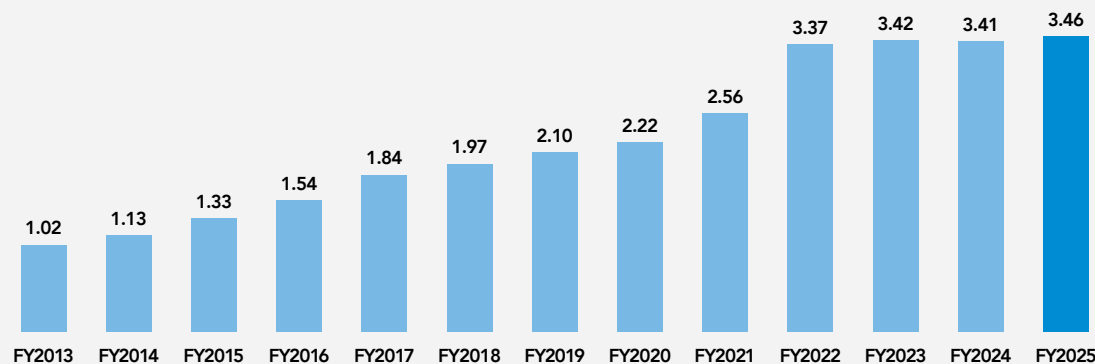
EARNINGS AND DISTRIBUTIONS PER SECURITY SINCE LISTING



EPS average annual growth of 7.0% per annum

DPS average annual growth of 7.1% per annum

NET ASSET VALUE (NAV) PER SECURITY SINCE LISTING



NAV average annual growth of 10.7% per annum



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 FY2021. 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 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 FY2025.

Arena has reported in accordance with the GRI Standards for FY2025.

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

Please refer to the GRI/SASB content index starting on page 65 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 engage with our investors on a regular basis and we undertake a series of investor briefings following the release of our half year and annual results. Previously, 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





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.
	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>13 CLIMATE ACTION</div>		<div>3 GOOD HEALTH AND WELL-BEING</div> <div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div>			<div>11 SUSTAINABLE CITIES AND COMMUNITIES</div>	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div>



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.



In FY2025 we undertook our annual survey to gauge tenant partners’ views on Arena and their relationship with us. The results indicate an ongoing 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.

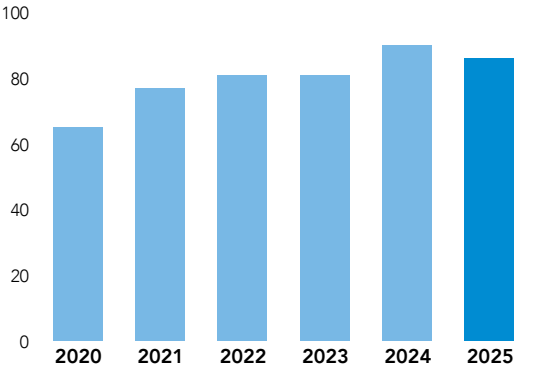
Arena regularly engages with our tenant partners in regard to sustainability initiatives. As part of our FY2025 annual survey Arena again asked our tenant partners if they were interested in collaborating in relation to ESG/Sustainability initiatives. Over 55% of tenants partners who participated in the survey confirmed their interest. Topics our tenant partners identified as those of ongoing interest covered energy reduction initiatives, water savings, renewable (solar energy), climate change risk mitigation (including physical and/or transition risks) and waste reduction.

During the year, Arena engaged with a tenant partner to explore an emerging technology platform that measures the CO2 savings from solar installations. The platform offers visibility of environmental benefits and may enable tenants to capture additional financial value from existing solar infrastructure.

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.

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.



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



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.

Arena has published disclosures on climate-related risks and opportunities in our [FY2022](#), [FY2023](#) and [FY2024](#) Sustainability Reports. This year, we continued implementing climate-related initiatives and progressing in our alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We plan to continue reviewing and updating our disclosures annually as we progress toward compliance with the Australian Sustainability Reporting Standards (ASRS), which requires Arena to release our first fully compliant climate-related financial disclosure for the FY2028 reporting year.

Emissions Reduction Plan

In FY2024 Arena disclosed its Emission Reduction Plan (Plan) which has been developed to communicate Arena's commitment, outline a pathway, and direct stakeholder expectations regarding our emission reduction ambitions. It demonstrates Arena's actions to address our key material environmental issues of climate resilience and resource efficiency.

The Plan is designed to align Arena with a target of net zero Scope 3 (Category 13), Downstream Leased Assets Emissions by 2050 with an appropriate interim decarbonisation target aligned with the CRREM Global Pathway.

Arena is targeting net zero Downstream Leased Assets Emissions by 2050 and has set an interim 2030 target of a 60-70% reduction in the intensity of our Downstream Leased Assets Emissions from a 2021 baseline.

Physical impacts of climate change - climate change adaptation

15,900 square metres (m²) (171,148 square feet (ft²))¹ of Arena's portfolio is located in 100 year flood zones as follows:

- ▶ ELCs (or specialty property) 13,177 m² (141,838 ft²); and
- ▶ Healthcare property 2,723 m² (29,310 ft²).

Arena REIT Board

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.

Managing Director & Chief Corporate Affairs and People Officer

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 Corporate Affairs and People Officer.

Sustainability Working Group

The Sustainability Working Group is responsible for integrating and progressing Sustainability initiatives across the business and is comprised of Arena team members from each of the following teams:

Finance	Investor relations and sustainability	Property	Risk and compliance
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1. 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;
- ▶ providing reusable coffee cups and recyclable coffee pods for use in the office;
- ▶ not using plastic water bottles;
- ▶ no unnecessary printing or hard copy investor materials or marketing materials;
- ▶ investors must opt in to receive a hard copy Annual Report; and
- ▶ we undertake regular campaigns to convert hard copy securityholder communications to electronic communications.

Arena was certified carbon neutral by Climate Active for business operations and for our services in 2023-2024.

Electricity consumption within the organisation

During FY2024, Arena consumed a total of 28,409kWh of electricity. This was comprised from only renewable sources (100% green power and Large Scale Renewable Energy Target). This was calculated through a market based approach. Arena has zero organisational scope 1 and 2 emissions.

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

ELECTRICITY INTENSITY WITHIN THE ORGANISATION			
	FY2024 kWh/FTE	FY2023 kWh/FTE	FY2022 kWh/FTE
Total electricity intensity	3122	3054	1194
Renewable electricity intensity	3122	3054	589
Non-renewable electricity intensity	0	0	605

Waste generated within the organisation

Over the last three years, Arena generated the following waste:

WASTE			
	FY2025 kg	FY2024 kg	FY2023 kg
Recycled	178	108	188
Organic	38	29	10
Landfill	65	61	107
Total	282	198	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. Arena reached our FY2027 goal to install renewable energy systems on 90% of our properties, three years ahead of target. Currently, as at 30 June 2025, Arena has 92% of properties with solar installed. For FY2024, this substitutes 4,102 MWh of electricity from total grid use. This does not include the electricity that is fed into the grid from Arena solar systems.

The substantial increase in solar renewable energy installations since FY2021 has led to a 39% absolute reduction and 47% reduction in the intensity of Arena's emissions from Downstream Leased Assets.

Following the work we have undertaken 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
FY2021	21%
FY2022	80%
FY2023	83%
FY2024	90%
FY2025	92%





TENANT PARTNER'S ELECTRICITY CONSUMPTION

	ELC Portfolio + Office		Healthcare Portfolio		Total Portfolio	
	kWh	%	kWh	%	kWh	%
Energy consumed directly from solar renewable systems in kWh in FY2022	1,789,219	16%	467,594	12%	2,256,814	15%
Non-renewable sources in kWh in FY2022	9,071,322	84%	3,454,799	88%	12,526,121	85%
TOTAL FY2022	10,860,541	100%	3,922,393	100%	14,782,934	100%
Energy consumed directly from solar renewable systems in kWh in FY2023	3,356,089	29%	494,148	25%	3,850,238	29%
Non-renewable sources in kWh in FY2023	8,124,684	71%	1,459,901	75%	9,584,584	71%
TOTAL FY2023	11,480,773	100%	1,954,049	100%	13,434,822	100%
Energy consumed directly from solar renewable systems in kWh in FY2024	3,659,472	31%	442,637	25%	4,102,109	30%
Non-renewable sources in kWh in FY2024	8,048,582	69%	1,571,750	75%	9,620,332	70%
TOTAL FY2024	11,708,054	100%	2,014,387	100%	13,722,441	100%

Calculated from Arena's 2022, 2023 and 2024 PCAF data.

LIKE-FOR-LIKE PERCENTAGE CHANGE IN TENANT PARTNER'S ELECTRICITY CONSUMPTION

	ELC Portfolio + Office	Healthcare Portfolio	Total Portfolio
% change in the energy consumed directly from solar renewable energy systems in FY2024 compared to FY2023	9%	-10%	7%
% change in energy consumed directly from non-renewable sources in FY2024 compared to FY2023	-1%	8%	-
% change in total energy consumed in FY2024 compared to FY2023	2%	3%	2%

Calculated from Arena's 2023 and 2024 PCAF data.





CLIMATE-RISK AND FINANCIAL IMPACTS IN LINE WITH TCFD

FURTHERING OUR CLIMATE RISK JOURNEY

Arena continues to be committed to climate resilience and resource efficiency 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 tenant partners to mitigate the impacts and maximise opportunities resulting from climate change and the transition to a low-carbon future. This included steps such as the ongoing implementation of solar power, and engaging with a tenant partner to explore an emerging technology platform that measures CO2 savings from solar installations, which may enable tenants to capture additional financial value from existing solar infrastructure.

Arena has published disclosures on climate-related risks and opportunities since FY2022 (refer to our [FY2022](#), [FY2023](#) and [FY2024](#) Sustainability Reports). This year, we continued implementing climate-related initiatives and progressing our alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We will continue reviewing and updating our disclosures annually as we look to progress toward compliance with the Australian Sustainability Reporting Standards (ASRS), which requires Arena to release our first fully compliant climate-related financial disclosure for the FY2028 reporting year.

Throughout FY2025, we have been working with external climate change experts to undertake several high priority climate-related initiatives. Together, these initiatives form part of our overall commitment to address

FY2025 HIGHLIGHTS

- ▶ Arena was certified carbon neutral by Climate Active for business operations and for our services in 2023-2024.
- ▶ Solar installed on 92% of Arena's properties.
- ▶ Integrated and implemented Arena's internal investment process methodology to include 'Preferred Sustainability Investment Criteria' which are consistent with Arena's Sustainability Framework.
- ▶ Updated total, operational, Downstream Leased Assets and embodied emissions profiles.
- ▶ Implemented Emission Reduction Plan targeting net zero Downstream Leased Assets Emissions by 2050 with an interim 2030 target of a 60-70% reduction in the intensity of Arena's Downstream Leased Assets Emissions.
- ▶ Achieved a 39% absolute reduction and 47% reduction in the intensity of Arena's Downstream Leased Assets Emissions to end FY2024 from FY2021 baseline.

our key sustainability issues and deliver positive social outcomes for our stakeholders in support of Arena's purpose 'Better Communities. Together'. These initiatives are summarised here with further details on the following pages.

GOVERNANCE

Board oversight

The Board has 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 Audit, Risk and Compliance Committee, through its delegated authority from the Board, maintains oversight of climate-related risks.

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



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.

The Board considers climate-related issues at least quarterly within its fixed meeting schedule. 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 standing items updating on progress toward sustainability goals and emission reduction targets, climate-related risks and opportunities, GHG inventory of Arena's organisational and Category 13 emissions from Downstream Leased Assets, renewable energy and resource efficiency, modern slavery and greenwashing. Also covered in FY2025 were updates regarding the finalisation and approval of the Australian Sustainability Reporting Standards (ASRS), their applicability to Arena and the timing of reporting requirements.

The Board also oversees the development and adoption of related policies and procedures. These include Arena's Code of Conduct and its Sustainability 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. The Sustainability Policy is subject to annual review.

To ensure the Board maintains skills and experience appropriate to Arena's strategy and operations and to consider the impact of changes to the composition of the Board due to director succession, the relative skills and experience of each director are considered annually with reference to agreed criteria. During the Reporting Period the Nomination Committee engaged an external consultant to assist with the review and update of the board skills matrix, which resulted in refinement of the skills categories and a revised assessment scale. A survey based on the new assessment criteria confirmed that each director continued to satisfy the requirement for practical knowledge and effective contribution in all skills categories. The Board further engages external subject matter experts and advisers to inform decision making. To ensure ongoing commitment to emerging matters relevant to Arena's

business, including sustainability and climate risk, in FY2026, training sessions will be held to support skills development and experience at the Board and Management levels.

Executive management

Strategic and operational initiatives designed to respond to climate-related risks, resource efficiency, and GHG emissions are executed collaboratively under the leadership of the Managing Director and the coordination of the Chief Corporate Affairs and People Officer.

Arena has a Sustainability Working Group chaired by the Chief Corporate Affairs and People Officer and comprised of team members from the finance, investor relations and sustainability, property and risk and compliance teams. The Sustainability 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; and
- ▶ Continuously improving sustainability performance and reporting, including on climate change, with transparency about progress.

We continued to strengthen the integration of sustainability considerations into our corporate governance and risk management frameworks during FY2025 and will continue to do so going forward.

An overview of our organisational structure in relation to climate-related risks and opportunities is shown in Figure 1 (right).

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.



Figure 1. Arena's organisational structure in relation to climate-related risks and opportunities

continued



Arena has gained 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 involved quantitatively assessing how our climate risks might vary under future climate scenarios and the resulting potential financial impacts on our business through costs, property values, investor returns and growth plans. This built upon the work we conducted over FY2022 and FY2023 which included identifying our physical and transition risks and opportunities and conducting qualitative scenario analysis to assess how these may manifest under different future scenarios.

Our ongoing assessment of climate-related risks and opportunities has enabled 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.

Climate Scenario Analysis

Qualitative scenario analysis

The three scenarios identified in FY2023 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 Table 1 (page 27).¹

Arena's identified climate-related risks and opportunities were qualitatively assessed under each of the above scenarios. In FY2024, we expanded on this assessment by identifying a selection of material risks to conduct further quantitative analysis. Risks that were not subject to further quantitative analysis are outlined below:

- ▶ Emerging regulation - emissions reporting requirements;
- ▶ Emerging regulation - climate-related disclosure requirements;
- ▶ Emerging regulation - compliance costs under an expansion of the Safeguard Mechanism;
- ▶ Director's fiduciary duties;

- ▶ Negative perceptions of climate change response;
- ▶ Shifting tenant preferences; and
- ▶ Disruption to tenant operations due to lack of continuity of electricity and gas supply.

Seven of the risks that were subject to quantitative assessment, and our rationale for undertaking this further analysis, are outlined below.

Quantitative scenario analysis

In FY2024 we identified a selection of risks from the qualitative assessment to conduct further quantitative analysis, to understand the potential impacts of climate risks and opportunities on our business and strategy. This involved identifying certain quantifiable metrics and parameters for selected risks, developing financial estimates of these parameters under the climate scenarios outlined above and integrating these with our financial models to estimate the range of potential financial impacts. Quantitative scenario analysis was undertaken for the following climate-related risks based on factors including materiality, ability to develop quantitative inputs, availability of data, utility of outputs, and importance to Arena's internal stakeholders:

- ▶ Emerging regulation - legislated/regulated carbon pricing;
- ▶ Emerging regulation - property performance, design and construction, energy efficiency standards/requirements;
- ▶ Rising electricity and gas costs;
- ▶ Increased cost of insurance due to extreme weather events;
- ▶ Property damage due to chronic impacts of climate change;
- ▶ Direct damage from extreme weather events; and
- ▶ Disruption to tenant operations due to extreme weather events.

Information about the quantifiable metrics and parameters selected, data sources and key assumptions underpinning this assessment are provided alongside the relevant risks in Table 2 (page 28).

Physical climate risk assessment

To further understand our exposure to physical climate risks under different future climate scenarios, during FY2023 we conducted a detailed physical climate risk assessment in partnership with Risk Frontiers. This analysis also provided quantitative inputs for our quantitative scenario analysis of climate-related risks. For further information about this assessment, including the methodology employed and a summary of the outcomes, refer to our 2023 Sustainability Report.

Climate risks and opportunities

The following tables outline Arena's key climate-related risks and opportunities under the three scenarios noted above. Similar to past years, we structured our risk assessment in terms of short, medium, and long-term timeframes. These timeframes remain unchanged from previous years and continue to be relevant and appropriate in the context of our market and business plans as outlined below.

- ▶ **(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.

As noted above, each climate-related risk has been assessed qualitatively, and selected climate-related risks have been assessed quantitatively. For quantitatively assessed risks, information about the impact pathways and indicators through which the risk can be quantified, as well as data sources and key assumptions, have been outlined.

Table 2 summarises the climate-related risks which were assessed both qualitatively and quantitatively. Table 3 outlines climate-related risks which were only assessed qualitatively. Table 4 contains our identified climate-related opportunities.

1. The three climate scenarios underpinning our scenario analysis were developed in FY2023. They have not been updated since.

continued



TABLE 1 ARENA'S CLIMATE SCENARIOS

Climate scenarios	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 by 2050. 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 by 2050. 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 by 2100, 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 scenario¹ ▶ 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 scenario² ▶ Mandatory carbon pricing ▶ Direct and indirect impacts from expansion of Safeguard Mechanism ▶ Australian Labor Party's Rewiring the Nation Policy³ 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

1. 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. [See here.](#)
2. 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. [See here.](#)
3. [The economic impact of the ALPs-Powering Australia Plan Summary Report-1221-2](#)

continued



TABLE 2 ARENA'S CLIMATE-RELATED RISKS Qualitative and Quantitative Assessment

Risk	Risk Effect	Time Frame	Scenario	Inherent Risk Rating	Risk Control Strategy	Residual Risk Rating	Impact Pathway & Indicator	Data Sources & Assumptions
Transition (Policy & Legal) Emerging regulation - legislated/regulated carbon pricing: Arena is not currently covered by any carbon pricing scheme, however with the expansion of national and global carbon pricing mechanisms and border adjustments, this may change in the future.	Additional costs of compliance, particularly if carbon pricing is expanded to cover client's Downstream Leased Assets or embodied emissions, cost pressures to reduce rent, vacancies in buildings with higher carbon footprints.	M	BAU	Low	Arena is not currently liable under carbon pricing mechanisms. Nonetheless, Arena continues to monitor emerging regulations, annually update its emissions footprint across organisational, Downstream Leased Assets and embodied emissions, continues to install onsite solar in partnership with tenants and is developing reduction targets. These initiatives will lower Arena's exposure to carbon pricing legislation.	Low	▶ Impact pathway: Legislated / regulated carbon pricing resulting in increased expenditure. ▶ Indicator(s): Carbon price per tonne of carbon dioxide equivalent (\$/tCO ₂ -e).	Data Sources ▶ International Energy Agency - Stated Policies Scenario & Net Zero Emissions scenario. ▶ Anthesis Australia - internal carbon pricing analysis. ▶ Arena - total operational and Downstream Leased Assets Emissions. Assumptions ▶ No application of carbon pricing to Downstream Leased Assets Emissions.
			1.5°C	Moderate		Moderate		Data Sources ▶ As above under BAU. Assumptions ▶ ACCUs/offsets are not eligible to meet reduction targets under Arena's SLLs or other frameworks, with the exception of ACCUs from removal projects for the last 10% unavoidable emissions to meet a SBTi Net Zero target.
			> 3°C	Low		Low		No metric quantified as carbon pricing not applicable under this scenario.

table continued

continued



TABLE 2 ARENA'S CLIMATE-RELATED RISKS Qualitative and Quantitative Assessment *continued*

Risk	Risk Effect	Time Frame	Scenario	Inherent Risk Rating	Risk Control Strategy	Residual Risk Rating	Impact Pathway & Indicator	Data Sources & Assumptions
Transition (Policy & Legal) Emerging regulation - property performance, design and construction, energy efficiency standards/requirements: Arena may be impacted by developments in property performance standards or planning/construction regulations driven by climate change, including design resilience or resource and energy efficiency.	Mandatory retrofitting costs or a write-down in the property values. Impact to developments due to increased cost of production for building materials and emerging property performance, design and constructions standards/requirements. Increased costs of compliance (construction, refurbishment), potentially needing to increase rent, leading to a higher potential risk of stranded assets.	M	BAU	Moderate	Arena's management team and external development consultants monitor emerging regulations which may impact on Arena's business. This includes performance standards and future design/construction regulations to ensure that our business has adequate time to prepare for any new requirements.	Moderate	▶ Impact Pathway: Higher costs to modify existing buildings or additional costs of new builds to comply with energy efficiency ratings leading to higher capital and/or financing requirements. ▶ Indicator: Retrofitting costs per square meter (\$/m2).	Data Sources ▶ Climateworks - Built to Perform: An industry led pathway to a zero-carbon ready building code ¹ . ▶ Arena - portfolio indoor floor area. Assumptions ▶ CapEx of schools in \$/m2 can be equated to CapEx for ELCs. ▶ CPI trends for housing covers building CPI trends, and can be applied across Arena's portfolio including medical/offices.
			1.5°C	Moderate		Moderate		Data Sources ▶ As above under BAU Assumptions ▶ As above under BAU
			> 3°C	Low		Low		No metric quantified as no expected further costs to increase energy efficiency in the absence of regulation. Assumption that tenants are not requesting to increase energy efficiencies.

table continued

1. www.climateworkscentre.org/wp-content/uploads/2018/07/built_2_perform.pdf

continued



TABLE 2 ARENA'S CLIMATE-RELATED RISKS Qualitative and Quantitative Assessment *continued*

Risk	Risk Effect	Time Frame	Scenario	Inherent Risk Rating	Risk Control Strategy	Residual Risk Rating	Impact Pathway & Indicator	Data Sources & Assumptions
Transition (Market) Rising electricity and gas costs: Electricity and gas prices are expected to increase as well as face increased volatility as the physical impacts of climate change impact energy supply chains and economies begin to transition from fossil fuels to deployment of renewables at varying paces with various infrastructural challenges.	Cost pressures for Arena if electricity and gas prices spike drastically, leading to rent reductions and building vacancies.	S/M	BAU	Moderate	Arena's organisational energy consumption is minimal, and it continues to roll out the installation of onsite solar for its assets with tenant partners, reducing exposure to energy price volatility.	Moderate	▶ Impact Pathway: Rising electricity and gas costs resulting in increased expenditure. ▶ Indicator: AUD per megawatt hour (\$/MWh).	Data Sources ▶ Australian Bureau of Statistics - Consumer Price Index (ABS CPI) Assumptions ▶ Electricity prices will follow historical CPI trend. Average CPI over the past 30 years was 4.23%
			1.5°C	Moderate		Moderate		Data Sources ▶ Australian Labor Party - Rewiring the Nation ¹ Assumptions ▶ ALP's forecast 26% reduction in prices is applied to the NEM average annual price of \$128.09/MWh in FY2023. ▶ NEM average price is based on an aggregation of annual prices across the NEM states and is assumed to be a reasonable estimation of national electricity prices.
			> 3°C	Moderate		Moderate		Data Sources ▶ Australian Energy Market Operator (AEMO) - NEM annual average price of electricity ² Assumptions ▶ None

table continued

1. www.reputex.com/wp-content/uploads/2021/12/REPUTEX_The-economic-impact-of-the-ALPs-Powering-Australia-Plan_Summary-Report-1221-2.pdf
 2. www.aemo.com.au/Energy-systems/Electricity/National-Electricity-Market-NEM/Data-NEM/Data-Dashboard-NEM

continued



TABLE 2 ARENA'S CLIMATE-RELATED RISKS Qualitative and Quantitative Assessment *continued*

Risk	Risk Effect	Time Frame	Scenario	Inherent Risk Rating	Risk Control Strategy	Residual Risk Rating	Impact Pathway & Indicator	Data Sources & Assumptions
Physical (Acute) Direct damage from extreme weather events: Extreme weather events are expected to increase in frequency and severity over time due to the impacts of climate change.	Arena's properties could be directly damaged by these storm/wildfire events, increasing costs associated with repair and/or design adaptations. In extreme cases, property values may decline based on the location's ongoing exposures to such events. Indirect damage from supply chain disruptions leading to higher building acquisition or refurbishment costs, increased costs for resilience upgrades for existing buildings particularly as tenant requests for resilient buildings and new financing increase. Costs associated with relocating tenant partners for buildings most exposed. While there is potential for government intervention to support essential services such as healthcare and education, the likelihood and extent of this remains uncertain.	M	BAU	Moderate	<ul style="list-style-type: none"> Geographically diversified portfolio of assets. Insurances across property portfolio, including encouraging tenant partners to maintain policies. Due diligence regarding bushfire zones and flood overlays undertaken at acquisition. Integrated 'Preferred Sustainability Investment Criteria' into investment process methodology. Air quality impacts from bushfires managed by short term closures without significant disruptions beyond those experienced by the community. 	Moderate	<ul style="list-style-type: none"> Impact Pathway: Damage or total loss of properties due to (1) storm (hail, flood & cyclone) and (2) wildfire event exposure resulting in increased expenditure, decreased revenue and/or reduction in asset values. Indicators: <ul style="list-style-type: none"> Percentage property value reduction. New asset investment cost multiplier. Tenant revenue loss due to mandated temporary closure days (Closure days / operating days). 	Data Sources <ul style="list-style-type: none"> Arena FY2023 physical climate risk assessment (see above for further information about this assessment) CSIRO - Climate Change in Australia - Technical Report¹ Trend of historic increase in Arena's insurance premiums Assumptions <ul style="list-style-type: none"> Storm (hail, flood % cyclone) event <ul style="list-style-type: none"> No change in Arena's property portfolio Considers only those climate hazards modelled in Arena's FY2023 physical climate risk assessment, excluding hail which was determined as too scientifically uncertain to project under future climate, given the current state of climate models for Australia Wildfire event <ul style="list-style-type: none"> Linear change between base year and 2050 Increased frequency in catastrophic bushfire days is equal to the increased frequency in severe bushfire days. This overstates the expected frequency; catastrophic hazard days are likely a subset of the severe days ELCs operate on weekdays only No pass-through of costs from tenants to customers All severe bushfire hazard days that year fall on weekdays
			1.5°C	Moderate		Moderate		Data Sources <ul style="list-style-type: none"> As above under BAU Assumptions <ul style="list-style-type: none"> Storm (hail, flood % cyclone) event: as above under BAU Wildfire event: assume same values as BAU
			> 3°C	High		High		Data Sources <ul style="list-style-type: none"> As above under BAU Assumptions <ul style="list-style-type: none"> As above under BAU

Table continued

1. www.climatechangeinaustralia.gov.au/media/ccia/2.2/cms_page_media/168/CCIA_2015_NRM_TechnicalReport_WEB.pdf

continued



TABLE 2 ARENA'S CLIMATE-RELATED RISKS Qualitative and Quantitative Assessment *continued*

Risk	Risk Effect	Time Frame	Scenario	Inherent Risk Rating	Risk Control Strategy	Residual Risk Rating	Impact Pathway & Indicator	Data Sources & Assumptions
Physical (Chronic) Property damage due to chronic impacts of climate change: Chronic impacts such as sea level rise may impact on our properties located in coastal metropolitan areas.	Arena's properties could be directly damaged by these events, increasing costs associated with repair and/or design adaptations. In extreme cases, property values may decline based on the location's ongoing exposures to such events.	L	BAU	Moderate	<ul style="list-style-type: none"> Geographically diversified portfolio of assets. Insurances across property portfolio, including encouraging tenant partners to maintain policies. 	Moderate	<ul style="list-style-type: none"> Impact Pathway: Damage or total loss of properties due to (1) storm (hail, flood & cyclone) and (2) wildfire event exposure resulting in increased expenditure, decreased revenue and/or reduction in asset values. 	Data Sources <ul style="list-style-type: none"> CSIRO - Climate Change in Australia - Technical Report.¹ Trend of historic increase in Arena's insurance premiums. Assumptions <ul style="list-style-type: none"> Assumes no change in Arena's property portfolio.
			1.5°C	Moderate	<ul style="list-style-type: none"> Due diligence regarding bushfire zones and flood overlays undertaken at acquisition. Integrated 'Preferred Sustainability Investment Criteria' into investment process methodology. 	Moderate	<ul style="list-style-type: none"> Indicators: <ul style="list-style-type: none"> Percentage property value reduction. New asset investment cost multiplier. 	Data Sources <ul style="list-style-type: none"> As above under BAU. Assumptions <ul style="list-style-type: none"> As above under BAU.
			> 3°C	High	<ul style="list-style-type: none"> Air quality impacts from bushfires managed by short term closures without significant disruptions beyond those experienced by the community. 	High	<ul style="list-style-type: none"> Tenant revenue loss due to mandated temporary closure days (Closure days / operating days). 	Data Sources <ul style="list-style-type: none"> As above under BAU Assumptions <ul style="list-style-type: none"> As above under BAU

table continued

1. www.climatechangeinaustralia.gov.au/media/ccia/2.2/cms_page_media/168/CCIA_2015_NRM_TechnicalReport_WEB.pdf

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TABLE 2 ARENA'S CLIMATE-RELATED RISKS Qualitative and Quantitative Assessment *continued*

Risk	Risk Effect	Time Frame	Scenario	Inherent Risk Rating	Risk Control Strategy	Residual Risk Rating	Impact Pathway & Indicator	Data Sources & Assumptions
Transition (Market)/ Physical (Acute) Increased cost of insurance due to extreme weather events: 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. Assets in high-risk zones could become uninsurable and become stranded assets. Arena is unable to pass on the increases in property insurance premiums and is forced to bear the increased insurance costs, increase rent, or diversify its asset locations.	M	BAU	High	<ul style="list-style-type: none"> Geographically diversified portfolio of assets. Insurances across property portfolio, including encouraging tenant partners to maintain policies. Due diligence regarding bushfire zones and flood overlays undertaken at acquisition Property assets insured for repairs and reinstatement due to extreme weather events, subject to limits specified in the insurance policy. 	High	<ul style="list-style-type: none"> Impact Pathway: Increase in insurance premiums leading to increased expenditure. Indicators: Multiplier of insurance premium price trend. 	Data Sources <ul style="list-style-type: none"> Trend of historic increase in Arena's insurance premiums. Assumptions <ul style="list-style-type: none"> Lower Boundary: Use general historic trend of insurance CPI. Assumed that future trend will follow historic ones and multiplied by the AAL Accelerator Factor for RCP 4.5, 2050s scenario. Upper Boundary: Use the average historic trend of Arena internal insurance increase, excluding any outliers (e.g. 2023 increase of 100% is excluded), multiplied by the AAL Accelerator Factor for RCP 4.5, 2050s scenario.
			1.5°C	Moderate	<ul style="list-style-type: none"> Insurance program subject to annual review (with oversight by Board) to consider adequacy of cover and monitor signs of increasing premiums for particular locations. 	Moderate		Data Sources <ul style="list-style-type: none"> As above. Assumptions <ul style="list-style-type: none"> Lower Boundary: Use general historic trend of insurance CPI. Assumed that future trend will follow historic ones and multiplied by the AAL Accelerator Factor for RCP 2.6, 2050s scenario. Upper Boundary: Use the average historic trend of Arena REIT's internal insurance increase, excluding any outliers (e.g. 2023 increase of 100% is excluded), multiplied by the AAL Accelerator Factor for RCP 2.6, 2050s scenario.
			> 3°C	Extreme	<ul style="list-style-type: none"> Valuer engaged to provide replacement insurance value for existing portfolio, which is provided to the insurer. Replacement cost estimates in tenants' policies are reviewed for consistency with Arena's valuation. 	High		Data Sources <ul style="list-style-type: none"> As above. Assumptions <ul style="list-style-type: none"> Lower Boundary: Use general historic trend of insurance CPI. Assumed that future trend will follow historic ones and multiplied by the AAL Accelerator Factor for RCP 8.5, 2050s scenario. Upper Boundary: Use the average historic trend of Arena REIT's internal insurance increase, excluding any outliers (e.g. 2023 increase of 100% is excluded), multiplied by the AAL Accelerator Factor for RCP 8.5, 2050s scenario.

table continued

continued



TABLE 2 ARENA'S CLIMATE-RELATED RISKS Qualitative and Quantitative Assessment *continued*

Risk	Risk Effect	Time Frame	Scenario	Inherent Risk Rating	Risk Control Strategy	Residual Risk Rating	Impact Pathway & Indicator	Data Sources & Assumptions
Physical (Acute) Disruption to tenant operations due to extreme weather events: Tenants may experience disruptions in their ability to safely access properties and conduct their regular operations.	Tenants may face reduced business viability or difficulty paying rent, affecting Arena's revenue. Arena may be liable to bear costs of repairs and resilience upgrades. Requests for hazard-resilient building upgrades, new financing or more likely new buildings/locations given the vulnerable people served by ELC and healthcare facilities. Arena is forced to bear the cost of rent reductions, building adaptation measures, or diversify its asset locations.	M	BAU	Moderate	<ul style="list-style-type: none"> ▶ Insurances across property portfolio, including encouraging tenant partners to maintain policies. ▶ Integrated 'Preferred Sustainability Investment Criteria' into investment process methodology. ▶ Air quality impacts from bushfires managed by short term closures without significant disruptions beyond those experienced by the community. ▶ Continued exploring of options and opportunities to partner with tenants to strengthen portfolio resilience over time. 	Moderate	Revenues.	Data Sources <ul style="list-style-type: none"> ▶ Arena FY2023 physical climate risk assessment (see above for further information about this assessment). ▶ CSIRO - Climate Change in Australia - Technical Report.¹ Assumptions <ul style="list-style-type: none"> ▶ Storm (hail, flood % cyclone) event <ul style="list-style-type: none"> – Assumes no change in Arena's property portfolio. – Considers only those climate hazards modelled by Risk Frontiers, excluding hail which was determined as too scientifically uncertain to project under future climate, given the current state of climate models for Australia. ▶ Wildfire event <ul style="list-style-type: none"> – Linear change between base year and 2050. – Assumes that the increased frequency in catastrophic bushfire days is equal to the increased frequency in severe bushfire days. This overstates the expected frequency; catastrophic hazard days are likely a subset of the severe days. – Assumes ELCs operate on weekdays only. – Assumes no pass-through of costs from tenants to customers. – Assumes all severe bushfire hazard days that year fall on weekdays.
			1.5°C	Moderate		Moderate		Data Sources <ul style="list-style-type: none"> ▶ As above. Assumptions <ul style="list-style-type: none"> ▶ Storm (hail, flood % cyclone) event: as above. ▶ Wildfire event: as above.
			> 3°C	Extreme		High		Data Sources <ul style="list-style-type: none"> ▶ As above. Assumptions <ul style="list-style-type: none"> ▶ As above, but more significant damage as compared to BAU.

1. www.climatechangeinaustralia.gov.au/media/ccia/2.2/cms_page_media/168/CCIA_2015_NRM_TechnicalReport_WEB.pdf

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TABLE 3 ARENA'S CLIMATE-RELATED RISKS Qualitative Assessment only

Risk	Risk Effect	Time Frame	Impact Pathway	Scenario	Inherent Risk Rating	Risk Control Strategy	Residual Risk Rating
Transition (Policy & Legal) Emerging regulation - emissions reporting requirements: Arena is not currently required to report tenants' controlled energy or emissions data from its investment properties (Scope 3 (Category 13), Downstream Leased Assets) as they are our outside the organisation's operational control. As a Group 3 entity with mandatory sustainability reporting coming into effect in FY2028, reporting of scope 3 emissions, including category 13, will be phased in, however is not mandated until Arena's second reporting year (FY2029).	Additional costs associated with reporting, and penalties for non-compliance.	M	Expenditures	BAU	Moderate	▶ Arena has commenced collecting energy consumption and production data for tenant partners where it has installed solar energy. Arena has measured our organisational emissions footprint (Scope 1, 3 and 3), the emissions from our tenants' use (classified as Scope 3 (Category 13) Downstream Leased Assets) and our embodied emissions footprint, and continues to have zero organisational scope 1 and 2 emissions. ▶ Transition climate risks are considered as part of Arena's broader ESG strategy, including sustainability targets and reporting, TCFD reporting roadmap, monitoring emerging regulations, and partnering with tenant partners to understand and meet expectations, collaborate on renewable energy opportunities, and collect energy consumption & production data.	Low
				1.5°C	Moderate		Low
				> 3°C	Low		Low
Transition (Policy & Legal) Emerging regulation - climate-related disclosure requirements: Australian regulatory bodies including APRA and ASIC have indicated that governance obligations for listed companies include disclosures on climate-related risks. Additionally, climate-related disclosure requirements under ASRS have come into effect in Australia, placing increasing obligations on entities to disclose their approach to managing climate.	Non-compliance could result in negative attention for the business.	S	Revenues	BAU	Moderate	▶ 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. ▶ To prepare for more robust alignment with climate-related disclosure requirements under ASRS, Arena has aligned our reporting with the recommendations of the TCFD, and intends to continue to strengthen our disclosures as we transition toward reporting in compliance with ASRS in FY2028. Transition climate risks are considered as part of Arena's broader ESG strategy, including sustainability targets and reporting, TCFD reporting roadmap, monitoring emerging regulations, and partnering with tenant partners.	Moderate
				1.5°C	Moderate		Moderate
				> 3°C	Low		Low
Transition (Policy & Legal) Emerging regulation - compliance costs under an expansion of the Safeguard Mechanism: Arena is not currently covered by the Safeguard Mechanism, however with tightening baselines and expansion of the coverage, this may change in the future.	Additional costs of compliance through direct compliance costs and secondary impacts through increased costs of building and refurbishment materials.	S/M	Expenditures	BAU	Low	Arena is not currently covered under the Safeguard Mechanism and is unlikely to be directly covered. Nonetheless, Arena continues to monitor emerging regulations, measure and reduce its emissions.	Low
				1.5°C	Moderate		Moderate
				> 3°C	Low		Low

table continued

continued



TABLE 3 ARENA'S CLIMATE-RELATED RISKS Qualitative Assessment only *continued*

Risk	Risk Effect	Time Frame	Impact Pathway	Scenario	Inherent Risk Rating	Risk Control Strategy	Residual Risk Rating
Transition (Policy & Legal) 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.	Cost of non-compliance with fiduciary duty, legal liabilities and reputational damage could affect Arena's profitability, market share and reduce its ability to attract capital.	S/M/L	Assets & liabilities	BAU	Moderate	Arena's Board is briefed on key activities and commitments relating to climate change across the business including: ▶ Focus areas for the Sustainability Working Group, including climate-related initiatives. ▶ Review and approval of annual sustainability disclosures including content on climate change. ▶ Review and approval of the Emission Reduction Plan. The Board is committed to regular briefings and capacity building where required to ensure adequate oversight of climate-related matters.	Moderate
				1.5°C	Moderate		Moderate
				> 3°C	Moderate		Moderate
Transition (Reputation) 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.	Reputation could be negatively impacted if these expectations are not met. This could lead to reduced investment in Arena securities, deterioration in tenant satisfaction, reduce Arena's ability to attract capital, provide investor returns and execute growth plans.	M	Capital & financing	BAU	Low	From FY2021 to present, Arena has conducted a number of activities to strengthen its climate change response and ensure its reputation in this area is not compromised. These include: ▶ Reporting on collaborations with tenant partners regarding solar power installation. ▶ Reporting on renewable energy production for properties where it has been installed. ▶ Outlining an organisational and portfolio carbon 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, qualitative scenario analysis, and beginning to estimate financial impacts. Arena continues to be a certified carbon neutral organisation under Climate Active from FY2022 onwards. To offset hard-to-abate emissions Arena has purchased offsets which contribute to meaningful emissions mitigation projects.	Low
				1.5°C	Moderate		Moderate
				> 3°C	Low		Low
Transition (Market) Shifting tenant preferences: Arena's portfolio of social infrastructure properties is naturally aligned to tenants with sustainability aspirations. We expect tenant preferences for properties with 'green' credentials to increase as the economy decarbonises.	Tenant satisfaction could deteriorate if expectations are not met.	M	Revenues	BAU	Moderate	▶ Arena collaborates with its tenant partners to prioritise solar renewable energy investments as part of its 'Partnerships for Change' program. ▶ 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. ▶ In addition to the above, Arena's business model is based on long-term lease arrangements with our tenants (weighted average lease expiry 18.4 years as at FY2025) with embedded annual rent reviews. This leasing model also reduces exposure to rapid changes in market sentiment.	Low
				1.5°C	Moderate		Moderate
				> 3°C	Moderate		Moderate

table continued

continued



TABLE 3 ARENA'S CLIMATE-RELATED RISKS Qualitative Assessment only *continued*

Risk	Risk Effect	Time Frame	Impact Pathway	Scenario	Inherent Risk Rating	Risk Control Strategy	Residual Risk Rating
Transition (Market) Disruption to tenant operations due to lack of continuity of electricity and gas supply: In addition to price volatility, there is likely to be more volatility in the supply of electricity and gas due to more frequent and intense extreme weather events, as well as the possibility of interruptions due to a poorly managed transition of the grid to renewables.	Lack of continuity in supply could disrupt the ability of Arena's tenant partners to provide their healthcare and educational services, with negative impacts on their businesses through loss of customers.	S/M	Revenues	BAU	Moderate	▶ Arena continues to roll out the installation of onsite solar for its assets with tenant partners, reducing tenant partners' exposure to supply disruptions. Some of Arena's tenants have backup diesel generators for use in the event of supply disruption.	Moderate
				1.5°C	Moderate		Low
				> 3°C	High		Moderate

continued



TABLE 4 | ARENA'S CLIMATE-RELATED OPPORTUNITIES

Opportunity	Opportunity Effect	Impact Pathway	Scenario	Opportunity Prioritisation	Opportunity Intervention
Opportunity (Resilience) 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.	Reduced emissions liability or exposure to carbon pricing legislation, improved tenant partner relationships, improved reputation and ability to attract capital and financing, reduced costs of compliance with climate-related legislation.	Revenues	BAU	Medium Priority	Arena collaborates with its tenant partners to prioritise greater engagement, building relationships to achieve sustainability goals, and supporting tenant partners in meeting their own stakeholder expectations. Tenant partners and their emissions have been included in Arena's various emissions reporting and reduction initiatives.
			1.5°C	High Priority	
			> 3°C	Low Priority	
Opportunity (Resilience) Reputation: Arena could be considered a preferred investment if credentials and performance exceed sectoral performance on average.	Improved reputation and ability to attract capital and financing.	Capital & Financing	BAU	Medium Priority	Arena continues to enhance and track our overall sustainability performance and create value through initiatives we are implementing each year. Arena's sustainability credentials and FY2025 initiatives are detailed throughout this report.
			1.5°C	High Priority	
			> 3°C	Low Priority	
Opportunity (Resilience) Resilience: Implementation of measures to mitigate the risk of physical climate impacts will improve the resilience of our business and assets.	Improved physical risk resilience by implementing measures in response to physical climate risk assessment.	Assets & Liabilities	BAU	High Priority	Continued exploring of options and opportunities to partner with tenants to strengthen portfolio resilience over time.
			1.5°C	High Priority	
			> 3°C	High Priority	
Opportunity (Energy Source) Energy Source and Costs: Implementation of measures to reduce emissions and implement solar energy will reduce energy costs and long term electricity grid requirements.	Reduction in energy costs, and exposure to energy price volatility, through installation of onsite solar and reduction energy consumption following emission reduction measures.	Expenditures	BAU	Medium Priority	Installation of onsite solar for its assets with tenant partners, as well as implementation of emission reduction measures by reducing energy consumption, will reduce energy costs as well as exposure to energy price volatility through decreased reliance on electricity from the grid.
			1.5°C	High Priority	
			> 3°C	Low Priority	

continued



Responding to our Risks and Opportunities: Emissions Modelling, Sustainability Linked Loan, Emissions Reduction Roadmap, Emission Reduction Plan, Embedding Sustainability Across Arena's Strategies & Collaborating with our Tenants Partners

Preliminary emissions modelling

As part of our commitment to decarbonisation, in FY2022 we undertook emissions modelling of our corporate and Scope 3 (Category 13) Downstream Leased Assets Emissions (Scope 1 and 2) under business-as-usual (BAU) and grid decarbonisation scenarios, and explored possible emissions reduction pathways in line with climate science.

Sustainability Linked Loan

This initial emissions profiling led to the development of our inaugural Sustainability Linked Loan (SLL) with our banking syndicate over our existing debt facility totalling AUD\$500 million. The loan is linked to mutually agreed Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) which if delivered allow Arena to earn a margin discount across the SLL.

Arena achieved 100% of SLL margin discount for the FY2024 sustainability performance targets.

Emissions Reduction Roadmap

In FY2024, Arena developed an internal Emissions Reduction Roadmap (Roadmap) which builds on our earlier emissions modelling work. Through this roadmap we explored and prioritised various emissions reduction opportunities in greater detail based on ease of implementation, reduction or abatement potential, and cost. The financial modelling and scenario analysis utilises different emissions reduction opportunities which we have classified as Tier 1 and Tier 2 opportunities as follows:

- ▶ Tier 1 opportunities are forecast to be implemented over the period 2024 to 2030 and include the installation of new solar energy systems and optimisation of existing solar energy systems.
- ▶ Tier 2 opportunities are forecast to be implemented from 2031 to 2050 and include the electrification of all gas services and the utilisation of renewable electricity for any remaining purchased electricity.

We will continue to review the opportunities in the Roadmap and work with our tenant partners to implement opportunities as appropriate.

Energy assessments were conducted at a number of our sites to identify opportunities to reduce the energy consumption of our tenant partners, including behavioural change, dryer upgrades, HVAC temperature settings, ceiling fan installation and use, and green building design policies. Our triple net lease arrangements present certain challenges in implementing energy reduction initiatives, so while the modelling undertaken in the Roadmap focused on opportunities where we have been successful historically or those where we expect we may be successful in the future, we also intend to explore energy reduction initiatives in collaboration with our tenant partners as appropriate.

The Roadmap explored the feasibility of aligning our emissions reduction trajectory with a number of voluntary best practice frameworks, including the Science Based Targets initiative (SBTi)'s Buildings Pathway, the UN-convened Net-Zero Asset Owner Alliance (NZAOA), and the World Green Building Council's Net Zero Carbon Buildings Commitment.

The underlying methodology used in the development of our emission reduction targets is the Carbon Risk Real Estate Monitor (CRREM), which is the methodology endorsed by both SBTi and NZAOA. We will continue to consider the applicability of these frameworks going forward.

Finally, the financial modelling and scenarios analysis undertaken as part of Arena's Emission Reduction Roadmap are the basis from which Arena has drawn relevant information to develop a high-level emissions reduction plan.

Emissions Reduction Plan

During FY2024 Arena disclosed its Emission Reduction Plan (Plan) which has been developed to communicate Arena's commitment, outline a pathway, and direct stakeholder expectations regarding our emission reduction ambitions. It demonstrates Arena's actions to address our key material environmental issues of climate resilience and resource efficiency.

The Plan is designed to align Arena with a target of net zero emissions of Scope 3 (Category 13), Downstream Leased Assets, by 2050 with an appropriate interim decarbonisation target aligned with the CRREM Global Pathway.

To achieve this, Arena has set an interim 2030 target of a 60-70% reduction in the intensity of our Scope 3 (Category 13), Downstream Leased Assets Emissions from a FY2021 baseline. Scope 3 (Category 13), Downstream Leased Assets Emissions by indoor floor area measured in kgCO₂e/m² in line with supplemental guidance for the financial sector by the TCFD. These are the direct (scope 1) emissions of our investment properties, the indirect (scope 2) emissions from the generation of electricity consumed by the tenant partners utilising our investment properties, and scope 3 emissions related to scope 1 and 2 emissions from fuel and energy-related activities (including upstream emissions of purchased fuel and electricity, emissions from transportation and distribution losses and the generation of purchased electricity that is sold to the end use).

Arena will:

1. Engage with tenant partners and other relevant stakeholders to implement the Emission Reduction Opportunities required to meet the Targets outlined in the Plan; and
2. Report annually on actions undertaken, progress toward Targets, or any changes to the Plan.

Arena will review the Plan at least every five years to assess whether it:

1. Remains fit for purpose;
2. Continues to be ambitious; and
3. Meets stakeholders' expectations.

Highlights

Arena has made important progress against the targets set out in the Emissions Reduction Plan, including:

- ▶ Achieving 47% reduction in the intensity of our Scope 3 (Category 13), Downstream Leased Assets Emissions in FY2024 compared to a FY2021 baseline.
- ▶ Installing solar energy systems across 92% of Arena properties, exceeding our target of 90% installation by 2027.

Embedding sustainability across Arena's business strategies

To fully embed sustainability across Arena's business strategies, during FY2024 Arena's internal investment process methodology

continued



was updated to include 'Preferred Sustainability Investment Criteria' which align with Arena's Sustainability Framework. These 'Preferred Sustainability Investment Criteria' explicitly factor relevant sustainability considerations into the feasibility analysis of new investments that are consistent with Arena's key environmental related sustainability issues, being 'climate resilience' and 'resource efficiency' and relevant social related sustainability issues being 'our tenant partners' and 'our communities'. The methodology was fully integrated and implemented throughout FY2025 so that:

- ▶ Investment approval paper templates were updated to expressly consider sustainability characteristics as part of decision making;
- ▶ All investments were screened and scored based on the characteristics and rating methodology;
- ▶ Board discussion could focus on sustainability matters as part of the overall investment thesis; and
- ▶ An awareness of the sustainability characteristics was used in considering new opportunities before they were brought forward for a decision.

PARTNERSHIPS FOR CHANGE

In FY2025, we continued to work collaboratively with our tenant partners to address sustainability challenges and implement risk mitigation actions. Through our flagship 'Partnerships for Change' program, we engaged with a tenant partner to explore an emerging technology platform that measures CO₂ savings from solar installations. The platform offers visibility of environmental benefits and may enable tenants to capture additional financial value from existing solar infrastructure.

Our tenant partners continue to see financial savings from using solar energy produced from the system installations. As at 30 June 2025, solar renewable energy systems have been installed on 92% of Arena's properties, exceeding our target to install solar renewable energy systems on 90% of our properties by FY2027. Our year-on-year progress in solar installation can be seen right in Table 5.

TABLE 5 | SOLAR ENERGY SYSTEM INSTALLATION ON ARENA'S PROPERTIES

	30 June 2025 ¹	30 June 2024	30 June 2023	30 June 2022	30 June 2021
% of Arena's properties with solar energy systems installed	92%	90%	83%	80%	22%
Total electricity usage by Arena's tenant partners (MWh)	NA	13,722	13,534	15,010	14,547
% change in total electricity usage by Arena's tenant partners from FY2021 baseline	NA	(6%)	(7%)	3%	-
Tenant partners' electricity usage from rooftop solar, substituting grid electricity (MWh)	NA	4,102	3,850	2,257	1,068
% change in tenant partners' electricity usage from rooftop solar, substituting grid electricity, from FY2021 baseline	NA	284%	260%	111%	-
Electricity from rooftop solar exported to grid (MWh)	NA	2,030	1,752	860	300
% change in rooftop solar exported to grid from FY2021 baseline	NA	577%	484%	187%	-

1. Amount of total electricity usage of Arena's tenant partners, the amount of tenant partners' electricity usage from rooftop solar and the amount of electricity from rooftop solar that is exported to the grid in FY2025 will be calculated when our FY2025 Downstream Leased Assets Emissions inventory is developed.



RISK MANAGEMENT

Arena's Risk Management Framework (RMF) is based on AS ISO 31000:2018, and 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 has ultimate responsibility for ensuring that Arena has adequate risk management systems in place which operate effectively in relation to its business. The Audit, Risk and Compliance Committee, through its delegated authority from the Board, is responsible for monitoring the effectiveness and adequacy of the RMF and compliance with Arena's agreed risk appetite. The Committee is supported by the Managing Director and Head of Risk and Compliance, who are responsible for the day to day management of the risks facing Arena.

Arena's group risk register includes risks related to the adequacy of its overall sustainability framework. Following our inaugural climate-related disclosure in FY2022 which identified our key climate-related risks and opportunities, one broad item for climate-related physical risks and one for climate-related transition risks were integrated into Arena's group risk register. A risk rating is assigned based on 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.

Following completion of the qualitative and quantitative assessment of our individual climate-related risks conducted over FY2023 and FY2024, the inherent and residual risk ratings assigned to physical and transition risk items in our group risk register were reviewed for consistency with the outcomes of Arena's climate risk tool. As a result of this review, the risk description and risk effect were enhanced to include details which are more specific to Arena's business operations. Similarly, as

Arena's approach to sustainability and climate action has evolved, the documentation of risk controls has been expanded.

In FY2025, inherent and residual risk ratings assigned to physical and transition risk items in our group risk register were reviewed. The resulting ratings indicate no change to the previous reporting year.

We were intending to use the quantitative assessment outputs in our internal financial modelling to stress test the financial impacts of climate-related risks on our business during FY2025. However, as a Group 3 entity preparing for ASRS compliance in FY2028, we have an opportunity to review the disclosures of Group 1 entities to ensure we align our approach with best practice. Therefore, we have rescheduled this analysis to allow for a benchmarking review of the first ASRS compliant reports, which will also include a review of any further guidance from the Australian Accounting Standards Board (AASB). Where appropriate, we will make updates to our group risk register to reflect the outcomes of this stress testing.

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.

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, this year, we continued to deepen our visibility over our GHG footprint. We sought external specialist support to develop comprehensive GHG accounts^{1,2}, in line with global best practice standards:

- ▶ The World Resources Institute [Greenhouse Gas Protocol Corporate Standard](#), the Australian Government's [Climate Active Carbon Neutral Standard for Organisations and Services](#) for Arena's operational emissions. These include emissions associated with our own operations.³
- ▶ The [Partnership for Carbon Accounting Financials](#) (PCAF) Standard for Downstream Leased Assets Emissions. These include emissions associated with our investment portfolio, i.e., emissions arising from our tenant partners' operations. TCFD guidance refers to the use of the PCAF Standard or a comparable methodology in calculating Downstream Leased Assets Emissions.
- ▶ 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.

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

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

3. 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.



Direct impacts on climate change

Measuring our organisational, service, Scope 3 (Category 13), Downstream Leased Assets, and embodied emissions inventories has helped us gain visibility into our direct and indirect impact.

Organisation

Arena is measuring and managing our own organisational impacts including our operational GHG emissions, as well as other environmental performance indicators, including electricity, water and waste.

Table 6 summarises Arena's organisational carbon inventory from FY2021 to FY2024. In FY2024, our scope 2 emissions remained at 0, as we have continued purchasing GreenPower to meet all of our electricity requirements. Our scope 3 emissions have increased slightly from FY2023 to FY2024; this is largely due to general increase in expenses in FY2024 compared with FY2023 relating to purchased goods and services.

TABLE 6 ARENA'S ORGANISATIONAL CARBON INVENTORY

Type of Metric	Unit	FY2024	FY2023	FY2022	FY2021 ¹
GHG Emissions - Absolute					
Scope 1 emissions	tCO ₂ -e	0	0	0	0
Scope 2 emissions ²	tCO ₂ -e	0	0	5.4	6.2
Scope 3 emissions ³	tCO ₂ -e	205.83	188.59	171.2	179.6
Total emissions	tCO ₂ -e	205.83	188.59	176.6	185.8
Offsets purchased and retired	Units	206	189	177	N/A ⁴
Net GHG emissions	tCO ₂ -e	206	189	177	186
GHG Emissions - Intensity					
Scope 1 emissions intensity	tCO ₂ -e/FTE	0	0	0	0
Scope 2 emissions intensity	tCO ₂ -e/FTE	0	0	0.58	0.62
Scope 3 emissions intensity	tCO ₂ -e/FTE	22.62	20.28	18.25	17.96
Emissions intensity (Scope 1, 2, 3)	tCO ₂ -e/FTE	22.62	20.28	18.82	18.58
Other Key Organisational Metrics					
Water	kL	264.7	329.3	27.5	225
Electricity	kgCO ₂ -e	0	0	5,421.2	6,215
Waste	Tonnes				
General Waste		0.06	0.11	0.3	2.47
Food		0.03	0.01	-	-
Recycling		0.09	0.09	0.12	0.45
Paper & Cardboard (not recycled)		0.02	0.09	-	0.14

*Unit Definitions:

kgCO₂-e Kilograms of carbon dioxide equivalent

kL Kilolitre

tCO₂-e Tonnes of carbon dioxide equivalent

tCO₂-e/FTE Tonnes of carbon dioxide equivalent per full-time equivalent employee

1. Note: Figures provided in our 2022 Sustainability Report were for FY2021 emissions, which were used to project FY2022 emissions for Climate Active certification. Final figures were revised upon incorporating feedback from Climate Active on emission factors.
2. Scope 2 emissions from purchased electricity were calculated using the market-based method.
3. 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 from home. Emissions from Scope 3 (Category 13), Downstream Leased Assets are excluded from our Climate Active inventory and boundary (see Indirect Impacts On Climate Change for more information).
4. Offsets retired in FY2022 were for Arena's projected FY2022 emissions (based on FY2021 data). This was true-up based on actual FY2022 data.



Service

In FY2023, Arena commenced measuring and managing the impact of our property, fund, investment and development management services. Table 7 summarises Arena's service carbon inventory in FY2024, compared with FY2023. As we are a vertically integrated company and do not outsource the management of our services, our services boundary aligns identically with our organisational reporting boundary and therefore the emissions reported for both inventories are identical. Should Arena's business practices change in the future, we will review our service boundary to confirm if any changes are required.

Carbon neutral status

To achieve carbon neutral organisation status, our FY2024 emissions have been fully offset through Australian Carbon Credit Units from a savanna burning project implementing Indigenous land practices, in Arnhem Land.

Indirect impacts on climate change

Measuring emissions from Scope 3 (Category 13), Downstream Leased Assets

Arena recognises the indirect impacts on climate change that arise from our investment properties, 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.

In 2022 we commenced reporting our investment-associated emissions in line with the PCAF Standard for Scope 3 emissions (Category 15) (Financed Emissions). A review of best practice guidance on these emissions and alignment with PCAF's most recent guidance document "Accounting and Reporting of GHG Emissions from Real Estate Operations ([Technical Guidance, Version 1.0, March 2023](#))", has led to a recategorisation of these emissions. In line with the operational control approach used for our organisational emissions inventory, and in accordance with PCAF guidance, emissions from our investment properties, where tenants have operational control, are now reported under Scope 3 Category 13 Downstream Leased Assets. The methodology, emission factors and metrics used to calculate these emissions are the same as in previous years, and this disclosure is the first time we report under this new category. We continue to disclose the weighted data quality score as measure of the underlying data used for the emissions calculations. For our FY2024 emissions data, we were able to improve year-on-year data quality from 2.08 in FY2023 to 2.02 in FY2024, using electricity usage data collected directly from our investment properties where possible.

TABLE 7 | ARENA'S SERVICE CARBON INVENTORY

Type of Metric	Unit	FY2024	FY2023
Scope 1 emissions	tCO ₂ -e	0	0
Scope 2 emissions ¹	tCO ₂ -e	0	0
Scope 3 emissions ²	tCO ₂ -e	205.83	188.59
Total emissions	tCO ₂ -e	205.83	188.59
Offsets purchased and retired	Units	206	189
Net GHG emissions	tCO ₂ -e	206	189
Scope 1 emissions intensity	tCO ₂ -e/FTE	0	0
Scope 2 emissions intensity	tCO ₂ -e/FTE	0	0
Scope 3 emissions intensity	tCO ₂ -e/FTE	22.62	20.28
Emissions intensity (Scope 1, 2, 3)	tCO ₂ -e/FTE	22.62	20.28
Water	kL	264.7	329.3
Electricity	kgCO ₂ -e	0	0
Waste	Tonnes		
General Waste		0.06	0.11
Food		0.03	0.01
Recycling		0.09	0.09
Paper & Cardboard (not recycled)		0.02	0.09

*Unit Definitions:

kgCO₂-e Kilograms of carbon dioxide equivalent

kL Kiloitre

tCO₂-e Tonnes of carbon dioxide equivalent

tCO₂-e/FTE Tonnes of carbon dioxide equivalent per full-time equivalent employee

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

2. 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 from home.



Table 8 summarises the following key metrics:

- ▶ Emissions from Scope 3 (Category 13), Downstream Leased Assets, in absolute and intensity terms with year-on-year tracking.
- ▶ Economic Emissions Intensity (tCO₂e/million AUD invested).

In FY2024 we have seen a continued decrease in emissions across the portfolio which can be attributed to a multitude of factors, depending on the assets.

Our Early Learning Centre assets saw the largest reduction in both absolute emissions and emissions intensity by internal floor area which stems from a reduction of the assets' electricity usage and an increase in electricity used from on-site rooftop solar production.

As at June 30 2025, the total share of properties across our entire portfolio with installed rooftop solar has risen to 92%, compared to 22% as at 30 June 2021. The share of electricity consumption supplied by rooftop solar increased from 7% to 30% over the same period.

Although our total indoor floor area has increased by 14% from FY2021 to FY2024 we have reduced absolute emissions over the same period from 10,596tCO₂-e to 6,432tCO₂-e, or 39%.

This also correlates with the emissions intensity by indoor floor area where we have reduced the emissions intensity for all assets over the same period from 64.11 kgCO₂-e/m² to 34.18 kgCO₂-e/m², or 47%.

The reductions in Arena's Scope 3 (Category 13), Downstream Leased Assets Emissions from FY2021 to FY2024 are outlined in Table 9 (over).

TABLE 8 | ARENA'S SCOPE 3 (CATEGORY 13) EMISSIONS

Metrics for Downstream Leased Assets Emissions	Unit	FY2024	FY2023	FY2022	FY2021 ¹
Absolute Emissions					
Scope 1 + 2 emissions	tCO ₂ -e	6,432	6,741	9,768	10,596
Scope 3 emissions ²	tCO ₂ -e	920	959	1,126	1,312
Total emissions	tCO ₂ -e	7,352	7,700	10,894	11,908
Land use (total indoor floor area of assets under management) ³	metres ²	188,176	182,230	174,232	165,279
Intensity Metrics					
Emissions intensity [^] by indoor floor area	kgCO ₂ -e/m ²	34.18	36.99	56.07	64.11
Emissions intensity [^] by indoor floor area (Medical assets)	kgCO ₂ -e/m ²	63.17	64.69	154.43	169.45
Emissions intensity [^] by indoor floor area (ELC assets)	kgCO ₂ -e/m ²	31.65	34.50	45.33	52.00
Economic Emissions Intensity By Asset Type*					
Economic emissions intensity for all assets as valued at origination	tCO ₂ -e/million AUD	8.50	9.57	14.68	21.85
Economic emissions intensity for all assets as valued at 30 June	tCO ₂ -e/million AUD	4.79	5.22	7.72	11.11
Economic emissions intensity for Medical assets as valued at origination	tCO ₂ -e/million AUD	13.37	13.79	34.49	35.47
Economic emissions intensity for Medical assets as valued at 30 June	tCO ₂ -e/million AUD	7.32	7.37	15.78	20.18
Economic emissions intensity for ELC assets as valued at origination	tCO ₂ -e/million AUD	7.98	9.09	12.16	19.04
Economic emissions intensity for ELC assets as valued at 30 June	tCO ₂ -e/million AUD	4.52	4.96	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.

1. Arena conducted detailed energy assessments on some of its sites in FY2023, 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 FY2021 base year which was restated in our [2023 Sustainability Report](#).
2. 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.
3. Land use in m² is reported using the total indoor area of all Scope 3 (Category 13), Downstream Leased Assets Emissions.



Capturing the full benefit of our electricity and solar initiatives

Our reporting of Scope 3 (Category 13), Downstream Leased Assets Emissions to date, has not captured the full benefits of the solar renewable energy systems installed on Arena's property portfolio. To provide a more comprehensive view of our contribution to decarbonisation, we are now reporting avoided emissions separately. PCAF and other general guidance suggest the supplementary reporting of avoided emissions, provided they are kept outside the emissions boundary and clearly distinguished from reported Scope 3 emissions.

Arena's avoided emissions include:

- ▶ Solar renewable energy consumed on site, which displaces grid electricity and is partially reflected in our emissions reporting by reducing electricity-related emissions from tenant use; and
- ▶ Solar Renewable energy exported to the grid, which has not previously been measured or disclosed.

Measuring our embodied emissions

Recognising the significance of life cycle emissions within the built environment, in FY2022 we commenced estimating the embodied emissions from our investment properties using Green Building Council of Australia (GBCA) emissions factors. This includes emissions associated with the following life cycle phases, captured in the year the building asset is acquired or developed:

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

We continued to apply this methodology when estimating embodied emissions in FY2024. Table 10 summarises key metrics in absolute terms, which we intend to continue updating year-on-year. All estimates rely upon GBCA emissions factors across the life cycle phases, which utilise a high-level approach given the complexity of the value chain.¹ We aim to continue enhancing the completeness and accuracy of our emissions profile year-on-year, and will continue to disclose updates to our methodologies and any necessary reassessments.

TABLE 9 | REDUCTION IN ARENA'S SCOPE 3 (CATEGORY 13) EMISSIONS

Metrics for Downstream Leased Assets Emissions	Unit	FY2024	FY2023	FY2022	FY2021
Scope 1 + 2 emissions	tCO ₂ -e	6,432	6,741	9,768	10,596
% Change in absolute Scope 1 + 2 emissions compared to FY2021 baseline	%	(39.3%)	(36.4%)	(7.8%)	NA
Emissions intensity [^] by indoor floor area	kgCO ₂ -e/m ²	34.18	36.99	56.07	64.11
% Change in emissions intensity by indoor floor area compared to FY2021 baseline	%	(46.7%)	(42.3%)	(12.5%)	NA

[^] Emissions intensity by floor area includes Scope 1 and 2 emissions only.

TABLE 10 | ARENA'S EMBODIED EMISSIONS FOR OUR BUILDING PORTFOLIO

Type of Metric	Unit	FY2024	FY2023	FY2022 (restated) ²
Total emissions (Scope 3)	tCO ₂ -e	3,324	5,951	5,016

TABLE 11 | OUTLINE OF ARENA'S AVOIDED EMISSIONS FROM 2021 TO 2024³

Metrics for Avoided Emissions	Unit	FY2024	FY2023	FY2022	FY2021
Total electricity consumed from solar on site	Mw/h	4,102	3,850	2,257	1,068
Total electricity from solar exported to grid	Mw/h	2,030	1,752	860	300
Avoided emissions (total)	tCO ₂ -e	4,512	4,250	2,301	1,022

1. In FY2023 we also disclosed an intensity value of our embodied emissions. This has been removed in this year's disclosure. The current calculation approach uses GBCA industry average emissions factors (in tonnes of CO₂e/m² basis) to estimate embodied emissions. Intensity is therefore reflective of industry, instead of being a metric that is specific to our assets. Should we deepen our estimation of embodied emissions through the use of supplier specific or a more detailed life cycle analysis approach, we will update our disclosure accordingly.
2. In our initial calculation of embodied emissions in FY2022, an asset list was used with acquisition year to guide estimates. In FY2023, data improvements enabled us to capture and express all acquisitions both acquired and developed in each year. This resulted in a material change in the area (sqm) captured, and as a result the total emissions. This change is reflected in the restated FY2022 figures.
3. Emissions avoided are calculated by multiplying electricity generated by installed solar that is either exported to the grid or consumed on site (in kWh) by an emissions factor (in kgCO₂e/kWh) relevant to the state or territory where the property is located. This analysis does not include any other emission sources or a lifecycle emissions comparison (e.g. emissions associated with the manufacturing of solar panels) between different electricity generating systems.



SOCIAL





SOCIAL

Arena's human capital

Arena has a small, professional, disciplined and dynamic team that has 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 FY2025.

EMPLOYEES (AS AT 30 JUNE)						
	Male			Female		
	2025	2024	2023	2025	2024	2023
Permanent full time	6	5	3	5	5	6
Permanent part time	0	0	0	0	0	0
Temporary full time	0	0	0	1	0	0
Temporary part time	0	0	0	0	0	0
Total	6	5	3	6	5	6

During FY2025 one new male was appointed to a permanent full time position and one new female was appointed to a temporary full time position (parental leave replacement).

None of Arena's team members retired or were terminated during FY2025.

The Arena team works collaboratively and shares a strong level of trust.



Team survey

As for the last three years, in FY2025 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 17,000 responses from 80 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 in the top decile for both Alignment and Engagement.





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). In FY2024, Arena engaged an independent adviser to undertake a comprehensive review of its remuneration framework. Following consideration of the outcome of the independent review, changes to the remuneration framework were adopted for FY2025 as outlined in the FY2025 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 three months and nine months.

All employees are salaried for their specific role and not subject to minimum wage rules.

MALE: FEMALE PAY RATIO FY2025

All employees	Male	Female
KMP	1	N/A
Senior management ¹	1	1.1
Professional	1	1.0

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 FY2025, the legislated contribution rate was 11.5%), unless elected at a higher rate by an employee as part of a voluntary contribution.

ANNUAL TOTAL COMPENSATION RATIO FY2025

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) 3.0x

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 1.0x

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

	FY2025 No.	FY2024 No.	FY2023 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

	FY2025 No.	FY2024 No.	FY2023 No.
Fatalities	0	0	0
High consequence injuries (excluding fatalities)	0	0	0

EMPLOYEE RECORDABLE WORK RELATED ILL HEALTH

	FY2025 No.	FY2024 No.	FY2023 No.
Fatalities as a result of work related ill health	0	0	0
Recordable work related ill health	0	0	0

1. 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).



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; and
- ▶ 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 FY2025. 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 FY2025 included:

- ▶ annual flu vaccination program;
- ▶ golf club membership;
- ▶ exercise gear;
- ▶ gym membership;
- ▶ health and wellbeing specialist appointments;
- ▶ massage; and
- ▶ pilates.

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, Modern slavery, Privacy, Whistleblowing, Work Health and Safety and Workplace behaviours (which includes discrimination, harassment, sexual harassment, racial or religious vilification, victimisation 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		
	2025	2024	2023	2025	2024	2023
<10	1 ¹	0	1 ²	1 ¹	1 ²	0
10-20	2	3 ³	1	4	3	4
>20	3	2	2	2	2	2

1. Employee joined during the period

2. Employee left during the period

3. Includes two employees who joined during the period

The details in this table relate to mandatory training, including an annual compliance training program for all team members and other training for relevant team members to meet regulatory professional development obligations. In addition to mandatory training, each team member develops an individual development plan to support short and long-term development goals in the acquisition of skills and competencies to support organizational objectives and career opportunities.

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. One team member commenced parental leave during FY2025.

PARENTAL LEAVE	Male			Female		
	2025	2024	2023	2025	2024	2023
Entitled to parental leave	5	3	3	5	6	5
Parental leave taken	0	0	0	1	0	0
Returned to work following parental leave	N/A	N/A	N/A	N/A	N/A	N/A
Employed 12 months after return from parental leave	N/A	N/A	N/A	N/A	N/A	N/A

Turnover

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

During FY2025 there was one male appointed to a permanent full time position and one female appointed to a temporary full time position (parental leave replacement). There were no retirements or terminations during the period.

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 and Inclusion Policy
- ▶ Privacy Policy
- ▶ WHS Policy Statement
- ▶ Whistleblower Policy

Policy commitments

Arena's key policy documents, including the Code of Conduct and Supplier 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.
- ▶ 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, inclusion, 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 irrespective of difference in terms of gender, marital or family status, nationality, race, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience, 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 FY2025.

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 (AS AT 30 JUNE)						
ARL Board	Male			Female		
Age in years	2025	2024	2023	2025	2024	2023
<30	0	0	0	0	0	0
30-50	1	1	1	0	0	0
>50	2	2	3	2	2	2

ARML Board	Male			Female		
Age in years	2025	2024	2023	2025	2024	2023
<30	0	0	0	0	0	0
30-50	1	1	1	0	0	0
>50	3	3	3	2	2	2

All employees	Male			Female		
Age in years	2025	2024	2023	2025	2024	2023
<30	1	1	1	1	1	1
30-50	3	3	1	3	3	4
>50	2	1	1	2	1	1

Senior executives ¹	Male			Female		
Age in years	2025	2024	2023	2025	2024	2023
<30	0	0	0	0	0	0
30-50	1	2	1	1	1	1
>50	2	1	1	1	1	1

1. Senior executives include Arena's KMP as referenced in Arena's 2025 Corporate Governance Statement disclosure

Arena discloses its measurable diversity objectives and the progress towards achieving those objectives in the annual Corporate Governance Statement. In FY2025 Arena maintained gender balance for the Arena REIT Limited (ARL) Board and for senior executives and employees by using the 40:40:20 model (40% female, 40% male and 20% unallocated, to allow flexibility for succession planning and Board renewal).

Reconciliation

Arena is committed to developing a Reconciliation Action Plan. In doing so, it is our intention to strengthen our commitment to reconciliation and establish objectives for our business to enhance its understanding and respect for the rich history, cultures and achievements of First Peoples.

Arena has submitted a 'Reflect' Reconciliation Action Plan draft to Reconciliation Australia.





TENANT PARTNERS

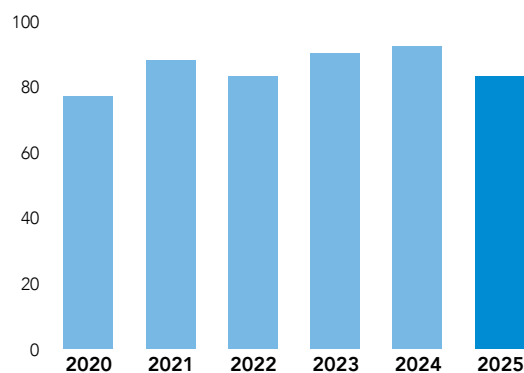
Engagement and retention

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.

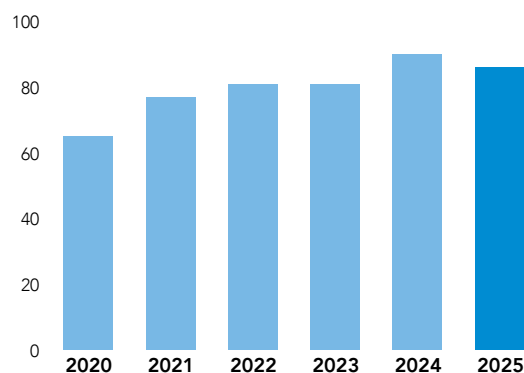
We recognise that tenants' use of space and expectations of their tenancy are constantly evolving. In many cases, they are exploring new business opportunities and see property as an important lever to gain competitive advantage. In this context, rather than maintaining a traditional landlord and tenant 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 FY2025 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 18, the results indicate an ongoing positive view of overall relationship with Arena and of Arena as compared to 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 FY2025 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 set up 3,208 homes, and helped 62,711 victim-survivors, including 41,819 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 2025 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 maintain gender balance using the 40:40:20 model, the Committee undertakes an independent search process, using the services of an external adviser to recruit non-executive directors, as required. During FY2025, one non-executive director retired and a new non-executive director was appointed to the Board.

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. During FY2025, Arena engaged an external consultant to assist with the review and update of the board skills matrix, which resulted in refinement of the skills criteria and assessment scale.

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 FY2025, the Board and their Committees completed 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 Corporate Affairs and People Officer 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 Corporate Affairs and People Officer. To integrate and progress Sustainability initiatives across the business and update the Board quarterly on the implementation of the Sustainability Framework, Arena has established a Sustainability Working Group comprised of Arena team members from each of the finance, investor relations and sustainability, property and risk and compliance teams and chaired by the Chief Corporate Affairs and People Officer. The Sustainability 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 do so going forward, where appropriate.

Preferred Sustainability Characteristics

During FY2024, Arena’s internal investment process methodology was updated to include ‘Preferred Sustainability Investment Criteria’ which are consistent with Arena’s Sustainability Framework.

Arena’s preferred sustainability characteristics are assessed as part of Arena’s investment characteristics methodology and are evaluated based on points calibrated according to their importance to new investment decisions, they include:

- ▶ Climate Resilience
 - Exposure to physical risks
 - flood risk
 - cyclone
 - hail
 - high sea inundation
 - wildfire
- ▶ Resource efficiency
 - solar installation and solar capability
 - energy efficient heating and cooling
- ▶ Our tenant partners
 - existing tenant partner
 - efficient, flexible, well-located accommodation
 - sustainable rents
 - essential services
- ▶ Our communities
 - facilitates access to community services
 - social and financial benefits to local communities

The methodology was fully integrated and implemented throughout FY2025 so that:

- ▶ investment approval paper templates were updated to expressly consider sustainability characteristics as part of decision making;
- ▶ all investments were screened and scored based on the characteristics and rating methodology;
- ▶ Board discussions could focus on sustainability matters as part of the overall investment thesis; and
- ▶ an awareness of the preferred sustainability characteristics was used in considering new opportunities before they were brought forward for a decision.

Risk management

Effective, accountable and transparent risk management is a core component of Arena’s corporate governance. The Audit, Risk and Compliance Committee, through its delegated authority from 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, or its delegated Committee, 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 FY2025.





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 WITH LAWS AND REGULATIONS

	FY2025	FY2024	FY2023
Significant instances of non-compliance with laws and regulations			
▶ Reportable situation to ASIC (with no further action)	1	0	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	1	0

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, modern slavery, privacy, whistleblowing, work health and safety and workplace behaviours (which includes discrimination, harassment, sexual harassment, racial or religious vilification, victimisation 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.

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. Ongoing training regarding business ethics is 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.

Supplier Code of Conduct

The Supplier Code of Conduct communicates Arena's expectations regarding responsible business conduct to suppliers in the creation of new contracts or review of existing contracts. The Code of Conduct is a principles-based code which details Arena's expectations in relation to labour and human rights, including that suppliers take steps to ensure modern slavery is not used in their own operations and supply chains and that suppliers have processes in place to allow workers to report concerns.



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; and
- ▶ 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			
	FY2025	FY2024	FY2023
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

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 FY2025.

Whistleblower 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 the Whistleblower Policy 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 Audit, Risk and Compliance Committee of 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.



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 third 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 FY2025 we completed the following actions in accordance with year three of our modern slavery roadmap:

- ▶ Completed a spend analysis for the reporting period, to consider any updates to the previous ranking of our suppliers by spend and our level of influence. Outcomes were overlaid by risk, as identified by Arena's hotspot analysis, to consider where there may be opportunities to use leverage to address potential risk areas. There were no material changes to the risk assessment for the reporting period.
- ▶ Finalised documentation to include a modern slavery clause in the service agreements for two service providers to which Arena in its capacity as a Responsible Entity delegates significant duties (as agreed in the prior reporting period).
- ▶ Communicated Arena's expectations regarding responsible business conduct (including that suppliers take steps to ensure modern slavery is not used in their own operations and supply chains and that suppliers have processes in place to allow workers to report concerns) to a broader cohort of suppliers and requested their agreement to abide by the Supplier Code of Conduct.
- ▶ Issued a modern slavery questionnaire to key corporate service providers who have previously affirmed their agreement to abide by the Supplier Code of Conduct or otherwise provided confirmation of their policies which support the same principles for responsible business conduct.

- ▶ Continued to build understanding of risks and inform supplier engagement by reviewing the most recent modern slavery statements of key suppliers. The assessment considered the extent to which there was alignment with the risks in Arena's operations and supply chain, the maturity of the supplier's risk assessment and due diligence processes and the balance between quantitative and qualitative measures used to assess the effectiveness of their actions to manage modern slavery risks.
- ▶ Reviewed the Supplier Code of Conduct and template modern slavery contract clause to consider whether they are operating effectively and agreed minor updates to ensure they remain fit for purpose.
- ▶ Considered the appropriateness of joining a global collaborative forum, implementing a formal human rights policy and development of a modern slavery response plan and agreed timeframes for further review and action appropriate to the size and complexity of our current business operations.
- ▶ Updated Arena's modern slavery webpage to include contemporary links to relevant third party reference materials, including the Australian Government's modern slavery in Australia website.

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

Information security and data protection

Information security and safeguarding our data and network from information security risks and 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. 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 which is periodically reviewed and benchmarked by an independent party with expertise in information security. Arena's Audit, Risk and Compliance Committee and the Board have ultimate responsibility for information security risks and receive quarterly reporting on information security events, cyber risk, planned and completed IT security enhancement projects from the Chief Financial Officer. The Board also receives periodic briefings from industry experts on cyber-risk and related matters.

As disclosed in Arena's Corporate Governance Statement, all of Arena's directors are required to maintain practical knowledge to contribute effectively in relation to information security and technology matters, including:

- ▶ awareness of and experience in relevant technology areas, including IT strategy and system implementation, and an understanding of associated risks;
- ▶ a sound understanding of cyber risks including data breaches, ransomware attacks, phishing, and distributed denial of service (DDoS) attacks, amongst others; and
- ▶ awareness of the opportunities and threats associated with artificial intelligence and its potential impact on the business.

All of Arena's staff are subject to, and confirm annually, their compliance with IT use protocols and receive regular information security training on cyber-risks and threats. Arena has not experienced an information security breach or a third-party information security breach.

Sustainable finance



An inaugural Sustainability-Linked Loan (SLL) was issued over Arena's existing debt facility of \$500 million during FY2023.

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.

Arena achieved 100% of Sustainability Linked Loan margin discount for the FY2024 sustainability performance targets.

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 2025 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; and
- ▶ 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; and
- ▶ 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, Risk and Compliance 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, Risk and Compliance 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 FY2025 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

There have been no restatements of information made from the previous reporting period.

Financial assistance received from government

Arena REIT did not receive any financial assistance from government in FY2025.




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 six 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 is the most accessed part of the healthcare system and is essential to the health of all Australians.¹▶ General practice is the most accessed part of Australia's health system. 'Each year, almost nine in 10 Australians visit a GP. In 2022-2023, more than 22 million Australians visited their GP. Over 169 million health services were provided by GPs, and on average, patients received 7.6 services from their GP.' General practice is far more cost-effective than hospital care.¹▶ '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.'²▶ General Practitioners take on a significant proportion of the mental health workload. "For people experiencing mental health symptoms, GPs are often the first health professional they interact with, providing access to other mental health services and essential care coordination."³▶ 'In 2022-2023, GPs prescribed the majority of PBS and RPBS medicines - around 88% of all prescriptions dispensed.'⁴▶ GP's are perfectly placed to ensure patients are up to date with their vaccinations and have expertise in counseling hesitant patients. 'GP's provide the vast majority of childhood vaccines in Australia - 73.2% of vaccinations given to children aged 10 and under were administered in general practices in 2022.'⁵▶ Majority of sexual and reproductive healthcare in Australia is accessed through General Practice.⁶▶ GP's 'play a variety of roles in addiction management, from screening and diagnosis to primary prevention, treatment and referral, as required'.⁷▶ Medical centres take the burden off hospitals whilst improving patient outcomes.⁸

1. www.racgp.org.au/FSDEDEV/media/documents/Health-of-the-Nation-2024.pdf
2. www.racgp.org.au/advocacy/position-statements/view-all-position-statements/clinical-and-practice-management/maternity-care-in-general-practice
3. www.racgp.org.au/getmedia/122d4119-a779-41c0-bc67-a8914be52561/Health-of-the-Nation-2023.pdf.aspx
4. www.aihw.gov.au/reports/medicines/medicines-in-the-health-system
5. www.racgp.org.au/gp-news/media-releases/2024-media-releases/july-2024/gps-best-placed-to-fight-vaccine-fatigue-resurgenc
6. [www.publish.csiro.au/PY23083#:~:text=Background%3A%20Most%20sexual%20health%20care,a%20general%20practitioner%20\(GP\)](http://www.publish.csiro.au/PY23083#:~:text=Background%3A%20Most%20sexual%20health%20care,a%20general%20practitioner%20(GP))
7. www.racgp.org.au/getattachment/1e906fba-2573-44d0-ae6e-63bd0b28f825/attachment.aspx
8. 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 271 operating ELC properties offer a total of 26,082 licensed places across Australia enabling increased access to ELCs. The benefits of childcare are well established:</p> <p>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.¹</p> <p>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.²</p> <p>There is a significant positive relationship between preschool attendance and Year 3 NAPLAN results.²</p> <p>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.³</p> <p>'Studies highlight that early childhood education breaks down the barriers to educational success faced by children in disadvantaged circumstances, making sure they have basic skills they need for life'.⁴</p> <p>The Federal government continues to introduce reforms focused on improving access to high quality, affordable childcare for Australian families. These reforms have been informed by reviews conducted by the ACCC (2023)⁵ and Productivity Commission (2024)⁶ and are anticipated to increase ELC participation, delivering direct benefits to families and higher workforce participation benefits to the economy.⁷ Recently disclosed serious incidents of harm, misconduct and abuse in the sector have resulted in greater focus by Federal and state governments on regulatory measures to improve safeguarding of children and penalise non-compliance.⁸</p> <p>While Arena is not involved in the operations of any services at early learning centres, we strongly support the adoption of enhanced safety measures across the sector. We are engaging with our tenant partners and support initiatives that strengthen child safety and community confidence.</p> <p>The Federal government's Strengthening Early Childhood Education and Care Regulation legislation passed in July 2025. This legislation introduced funding cuts and/or conditional approvals for centres that repeatedly fail to meet safety standards, unannounced spot checks, faster reporting of abuse, bans on personal devices, increased disclosure in the enforcement action register.^{8,9}</p> <p>These reforms were further reinforced at the August 2025 Education Ministers Meeting, where federal, state, and territory governments committed to a joint action plan to improve safety and accountability across early childhood services.¹⁰</p> <p>All activity rooms in Arena's ELC properties are wheelchair accessible.</p>

1. www.unicef.org/innocenti/reports/where-do-rich-countries-stand-childcare

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

3. www.pc.gov.au/inquiries/completed/childcare/#report

4. www.dss.gov.au/system/files/resources/why-children-and-their-early-years-matter-evidencesummary-support-early-years-strategy-2024-2034.pdf

5. [Australian Competition and Consumer Commission \(ACCC\) Childcare Inquiry Final Report December 2023](https://www.accc.gov.au/publications/australian-competition-and-consumer-commission-accs-childcare-inquiry-final-report-december-2023)

6. [Australian Government Productivity Commission 'A path to universal early childhood education and care' Report No. 106, 28 June 2024](https://www.pc.gov.au/publications/australian-government-productivity-commission-a-path-to-universal-early-childhood-education-and-care-report-no-106-28-june-2024)



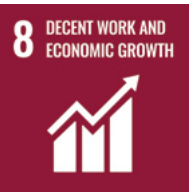
7. [National vision for early childhood education and care - Department of Education, Australian Government](https://www.education.gov.au/national-vision-for-early-childhood-education-and-care)

8. [Department of Education, Strengthening early childhood education and care regulation – legislation passes, 31 July 2025](https://www.education.gov.au/strengthening-early-childhood-education-and-care-regulation-legislation-passes-31-july-2025)

9. www.ministers.education.gov.au/clare/albanese-government-introduces-legislation-strengthen-safety-child-care-centres

10. www.education.gov.au/early-childhood/announcements/joint-action-child-safety






SDG	2030 TARGETS WE CONTRIBUTE TO ACHIEVING	HOW WE CONTRIBUTE
 <p>5 GENDER EQUALITY</p>	<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 set up 3,208 homes, and helped 62,711 victim-survivors, including 41,819 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 careers 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.¹ ▶ The correlation coefficient between the rates of Australian female workforce and long day care participation is 0.99.²
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<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 92% of Arena's property portfolio.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</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>92% of Arena's properties now have solar renewable energy installed.</p> <p>Arena has zero organisational scope 1 and 2 emissions. Arena was certified carbon neutral by Climate Active for business operations and for our services in 2023-2024.</p> <p>See detail and progress towards Arena's Emission Reduction Plan on page 20.</p> <p>See Social section, pages 48 to 49 in regard to Health, safety and wellbeing.</p> <p>See Social section, pages 47 to 51 to see how Arena has extended and disclosed our approach to various employee initiatives.</p> <p>See Governance section, page 58 to see how Arena has improved its actions regarding its supply chain and modern slavery.</p> <p>See Social section, page 51 in regard to diversity, discrimination and equal pay.</p>

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

2. 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' 2011-2024.



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>By number, Arena has 21% of social infrastructure properties (60 properties) classified as Inner Regional, 11% (31) as outer regional and 0.4% (1) as remote, demonstrating Arena's support for communities all around Australia.</p> <p>92% of Arena's properties now have solar renewable energy installed.</p> <p>See Environmental section, pages 24 to 45 for Arena's FY2025 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 24 to 45 Arena has made material progress on climate action in recent years including:</p> <ul style="list-style-type: none"> ▶ Adopted an Emission Reduction Plan targeting net zero Downstream Leased Assets Emissions by 2050, with an interim 2030 target of a 60-70% reduction in the intensity of Arena's Downstream Leased Assets Emissions.¹ ▶ Continued to collaborate with our tenant partners during the period by engaging with a tenant partner to explore an emerging technology platform that measures the CO2 savings from solar installations. The platform offers visibility of environmental benefits and may enable tenants to capture additional financial value from existing solar infrastructure. ▶ Solar renewable energy systems installed on 92% of Arena's property portfolio. ▶ A 39% absolute reduction and 47% reduction in the intensity of Arena's Downstream Leased Assets Emissions to the end of FY2024.¹ ▶ FY2025 Sustainability Report disclosures aligned with the TCFD. ▶ Zero organisational scope 1 and 2 emissions. ▶ 6-star rating for organisational NABERS energy tenancy rating (with 100% green power). ▶ Arena was certified carbon neutral by Climate Active for business operations and for our services in 2023-2024.
	<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.</p> <p>Arena has a relatively flat organisational structure with a collaborative and inclusive culture. Arena undertook an independent external Team Alignment and Engagement Survey during FY2025, the results indicated a strong performance, with Arena scoring the in the top decile for both Alignment and Engagement.</p> <p>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 on pages 53 to 59.</p> <p>See governance section, page 58 to see how Arena has improved its actions regarding its supply chain and modern slavery.</p> <p>See Social section, page 51 in regard to diversity, discrimination and equal pay.</p>

1. Scope 3 (Category 13), Downstream Leased Assets Emissions 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 FY2021 baseline.



GRI/SASB CONTENT INDEX

Statement of Use:

Arena REIT has reported in accordance with the GRI standards for the period 01 July 2024 - 30 June 2025.

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, FY2025 Remuneration Report
2-20	Process to determine remuneration	Social, FY2025 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	2025 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-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sub sector	Environment
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Governance
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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