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ARENA REIT

2021 SUSTAINABILITY REPORT



Arena

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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 2021 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 Environmental, Social and Governance (ESG) matters, and a review of Arena's key initiatives and achievements during financial year 2021. This is the second standalone Sustainability Report that Arena has published and it is intended that it continue to be released annually. The report is only available online to reduce paper. Please consider the environmental impact before printing this report.



CHAIR & MANAGING DIRECTOR'S MESSAGE

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We are pleased to present Arena's 2021 Sustainability Report (Report). This is Arena's second report, which provides detail on our commitment to strategies that address sustainability challenges faced by Arena and Arena's stakeholders and identifies opportunities to progress positive change. It outlines goals and targets over the short and medium term for ongoing action and future reporting.

Arena's portfolio of social infrastructure properties provides direct access to essential community services. Our early learning centres provide early childhood education and care which allows parents and carers the opportunity to remain in or re-join the workforce. Arena's medical centres provide local, community-based primary health care services. Our specialist disability accommodation is designed to provide a better quality of life for residents with high physical support needs.



Left to Right: David Ross, Rob de Vos.

Given the environmental and social footprint of its assets, Arena has an opportunity to leverage its own sustainability initiatives to create a multiplier effect on its sustainability impacts by partnering with its 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.

During the year, Arena's Partnerships for Change program also saw the establishment of an inaugural community partnership with RizeUp, a grass roots community organisation facilitating a pathway to safety and independence for women and children affected by domestic and family violence.

This Report covers Arena's sustainability initiatives, strategies and performance across our Australian operations for the year ended 30 June 2021. The Global Reporting Initiative Standards, the Sustainability Accounting Standards Board framework and the United Nations Sustainable Development Goals were used to inform the content and scope of the Report.

Finally, we acknowledge the challenges that the COVID-19 pandemic has presented, and highlight the resilience and support of our stakeholders during the period. On behalf of the board of Arena we express our gratitude to our tenant partners for their tenacity and ability to continue delivering essential services to Australian communities and our team for their ongoing commitment under challenging circumstances.

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

Yours sincerely,

David Ross
Chair

Rob de Vos
Managing Director

2021 HIGHLIGHTS

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2021 HIGHLIGHTS

PARTNERSHIPS FOR CHANGE

INCREASED OUR STAKEHOLDER ENGAGEMENT
which has allowed us to collaborate and progress partnerships for positive change

Arena's annual tenant survey results indicate our tenant partners view Arena as a
VALUABLE BUSINESS PARTNER

ENVIRONMENT

A material increase in the use of renewable energy, which reduces our tenant partners' utility costs and reduces negative impacts on the environment.

>21% OF ARENA'S PROPERTIES CURRENTLY USING SOLAR ENERGY

ADDITIONAL 45% OF ARENA'S PROPERTIES ARE IN THE PROCESS OF INSTALLING SOLAR ENERGY

SOCIAL

Arena develops, owns and manages social infrastructure property which facilitates access to essential education and healthcare services provided by our tenant partners across multiple local communities.

IMPROVED DISCLOSURE
as to the various community benefits derived from Arena's social infrastructure property portfolio

COMMENCED INAUGURAL COMMUNITY PARTNERSHIP WITH RIZEUP

60% of Arena's team are
VERY SATISFIED
and 40% are
EXTREMELY SATISFIED
with Arena's
WORKPLACE CULTURE

GOVERNANCE

The board of directors of Arena REIT Limited and Arena REIT Management Limited work together and take a coordinated approach to corporate governance. The composition, responsibilities and protocols of each Board are documented in Board Charters which are published to Arena's website, along with Arena's Code of Conduct and other key policies.

COMMISSIONED INDEPENDENT REVIEW OF ESG FRAMEWORK
implementing improved disclosure for FY21 and formation of a longer-term governance action plan to address other appropriate matters

Reviewed and made
IMPROVEMENTS TO SUPPORT WORKPLACE CULTURE
in line with Arena's Code of Conduct and Values

- Improved parental leave provisions;
- Support for employees experiencing family and domestic violence; and
- Support for appropriate disclosure of complaints related to workplace culture

ABOUT ARENA REIT

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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 300, the MSCI Global Small Cap, GPR/APREA Investable REIT 100 and FTSE EPRA NAREIT indices with a market capitalisation of $1.24 billion as at 30 June 2021.

Arena has ten employees, with a corporate office located in Melbourne, Victoria. Arena has outsourced registry, Custodian and IT services and there have been no significant changes to the size, structure, ownership or supply chain during FY21.

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

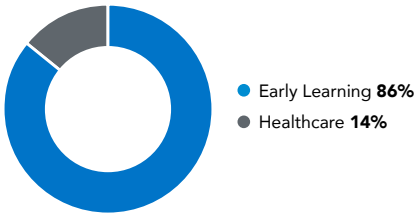
- 238 Early Learning Centres (ELCs), providing early childhood education and care;
- 8 multi-disciplinary medical centres, providing healthcare services to local communities; and
- 3 specialist disability accommodations, providing high-needs disability enabled residential accommodation.

Arena's portfolio is comprised of 163,294 square metres (m^2) (1,757,682 square feet (ft^2)) of net lettable area as follows:

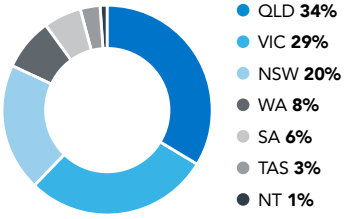
- ELCs (or specialty property) 147,127 m^2 (1,583,662 ft^2); and
- Healthcare property 16,167 m^2 (174,020 ft^2).

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Sector Diversification
By value (%)

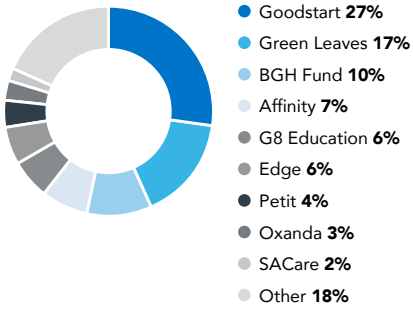


Geographic Diversification
By value (%)*



*Totals may not sum due to rounding

Tenant Diversification
By income (%)



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

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

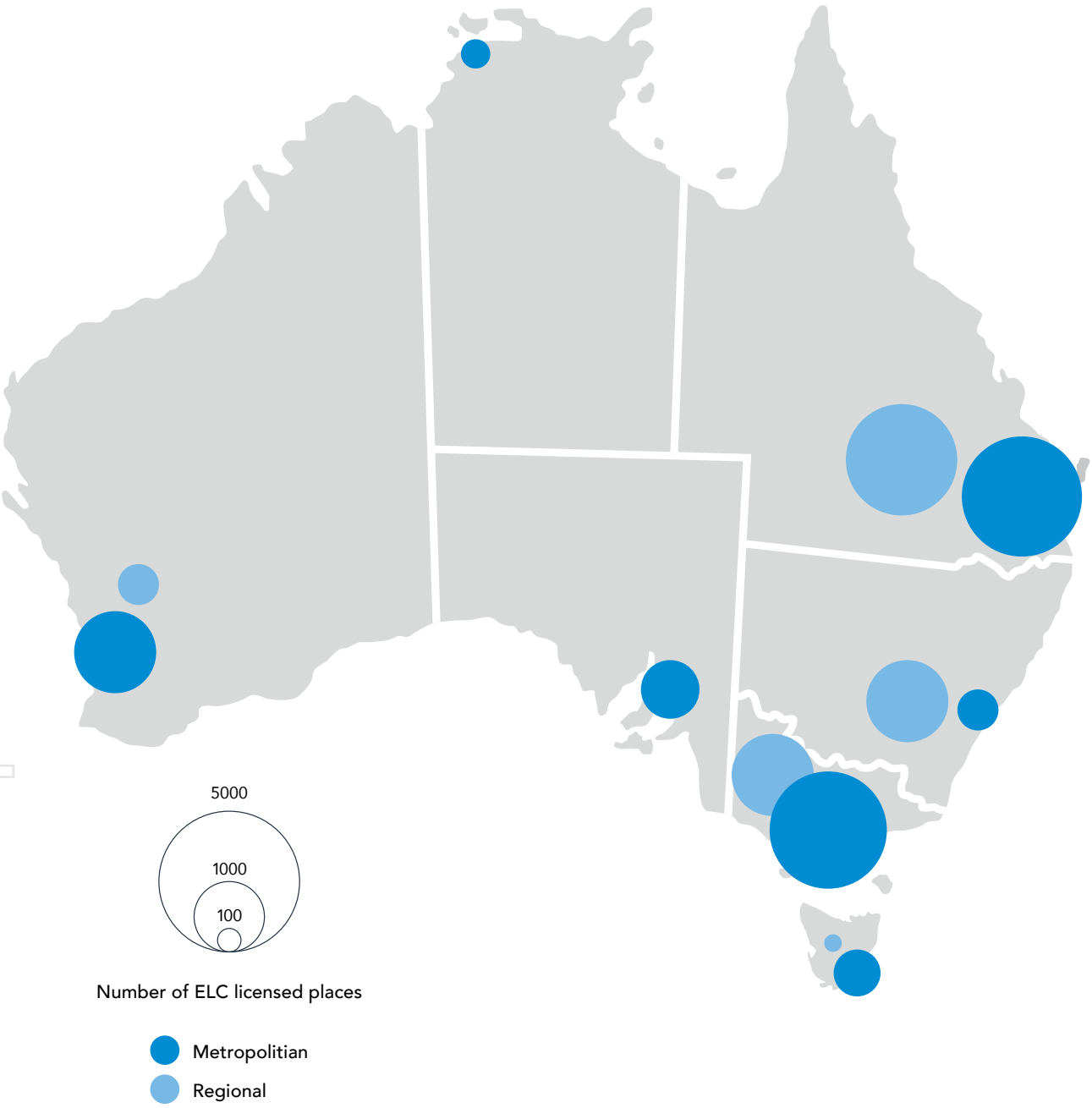
- Interactions with other children help social, emotional and behavioral development[1].
- There is a significant positive relationship between preschool attendance and Year 3 NAPLAN results[2].
- Early childhood development programs can produce long-term improvements in school attainment, help reduce 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 0.98[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, Australia receives $2 back over a child's life[5].

Arena's 226 operating ELC properties offer a total of 20,868 licensed places across Australia. The average quality rating of Arena's rated ELC portfolio is "Meeting the standard[6]" of the National Quality Framework (NQF); these services provide quality education and care in all 7 quality areas of the NQF.

1. *https://www.pc.gov.au/inquiries/completed/childcare#report; https://www.unicef-irc.org/publications/pdf/where-do-rich-countries-stand-on-childcare.pdf*
2. *https://www.aihw.gov.au/reports/children-youth/australias-children/contents/education/early-childhood-education-and-care*
3. *https://www.unicef-irc.org/publications/pdf/WP%202019-06.pdf*
4. *Arena analysis of ABS Female Labour Force Participation Rate (aged 20-74 at least one dependent child of ELC age); Australian Government 'Early Childhood and Child Care in Summary' Reports 2012-2020*
5. *https://www.thefrontproject.org.au/images/downloads/ECO ANALYSIS Full Report.pdf*
6. *https://www.acecqa.gov.au*

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LOCATION OF ARENA'S ELC LICENSED PLACES ACROSS AUSTRALIA



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Medical general practitioners are Australia's most trusted healthcare providers and vital to COVID-19 vaccination roll-out[7]

- Patients know and trust their General Practitioner (GP); and are perfectly positioned to counsel patients and build vaccine confidence in the community[8].
- General practice is doing the heavy lifting to get as many people vaccinated as soon as possible and has already administered more than half of Australia's COVID-19 vaccinations[9].
- 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[10].
- 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[11].

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

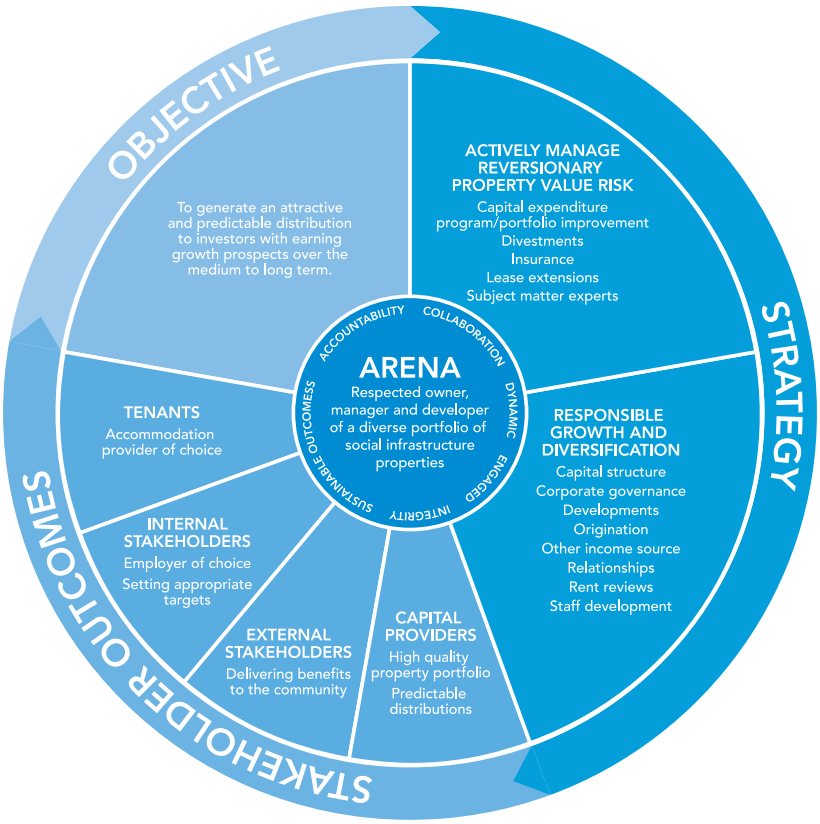
- Specialist Disability Accommodation (SDA) offers a greater range and choice of housing providers, types and options; the chance to realise personal goals and aspirations; opportunities for social and economic participation; independence and autonomy[12]; greater satisfaction through a better home life; enriching relationships from sharing; improved education and work prospects[13].
- Prior to the NDIS and the SDA market, housing and support for people with disability was a welfare model where they were expected to be grateful recipients of whatever was offered. In a market-based system, NDIS invests in people with disability to maximise independence and community inclusion and reduce the long-term liability of the scheme[14].
- Households with members having a disability can find it difficult to secure suitably located accommodation and often must live on the urban fringe or in regional communities – some distance from public transport and other services[15]. Proximity to shops, transport and other services is critical to enabling people with disability to easily get about and have meaningful lives[16].
- Being located near family and friends in a familiar community is essential for maintaining relationships, fostering community inclusion and adding to community diversity; ideally SDA's should be dispersed throughout the community[15].

7. *https://www.racgp.org.au/download/Documents/Publications/Health-of-the-Nation-2018-Report.pdf; https://www.racgp.org.au/gp-news/media-releases/2021-media-releases/june-2021/racgp-welcomes-government-support-for-vaccine-coun*
8. *https://www.racgp.org.au/gp-news/media-releases/2021-media-releases/june-2021/racgp-welcomes-government-support-for-vaccine-coun*
9. *https://www.racgp.org.au/gp-news/media-releases/2021-media-releases/june-2021/racgp-welcomes-government-support-for-vaccine-coun*
10. *https://www1.racgp.org.au/newsgp/professional/why-do-patients-go-to-emergency-rather-than-to-the*
11. *https://www.racgp.org.au/download/Documents/Publications/Health-of-the-Nation-2018-Report.pdf*
12. *https://www.summerfoundation.org.au/resources/specialist-disability-accommodation-sda-explainer-for-investors/;*
13. *https://qpc.blob.core.windows.net/wordpress/2020/11/NDIS-market-in-Queensland-draft-report.pdf*
14. *https://www.summerfoundation.org.au/resources/specialist-disability-accommodation-sda-explainer-for-investors/*
15. *https://www.ahuri.edu.au/__data/assets/pdf_file/0026/36737/AHURI-Final-Report-310-Understanding-Specialist-Disability-Accommodation-funding.pdf*
16. *https://www.summerfoundation.org.au/wp-content/uploads/2017/08/pwc-summer-foundation-sda-market.pdf*

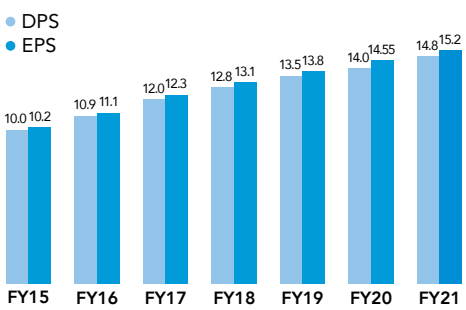
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Arena's investment objective and strategy

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

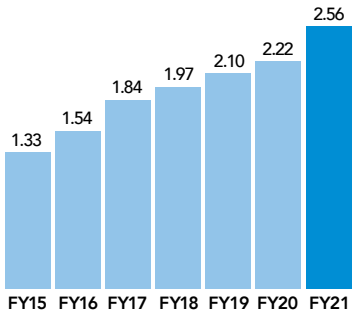


Arena's results demonstrate the benefits of our strategy, ongoing discipline and responsible approach to growth and diversification.



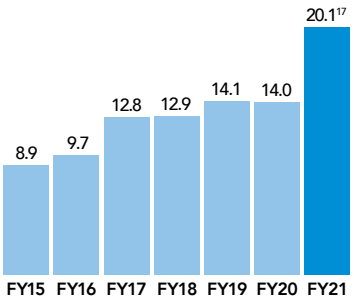
Earnings & distributions per security (cents)

3 year CAGR EPS 5.1% DPS 5.0%
5 year CAGR EPS 6.5% DPS 6.3%



NAV per security ($)

3 year CAGR 9.1%
5 year CAGR 10.7%



Portfolio WALE (years)

17. *Post balance date portfolio lease renegotiation with Goodstart included an increase of 25 years of lease term on 87 ELC properties.*

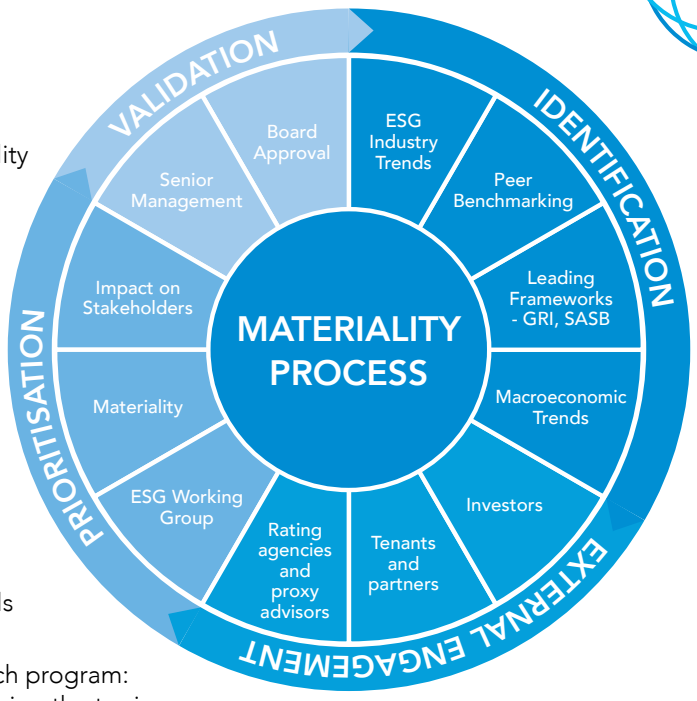
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ABOUT THIS REPORT

SCOPE OF REPORTING

Arena is committed to continuously improving its sustainability performance and reporting, year on year. Accordingly, this year we have increased the scope of our reporting, by:

- Commissioning a third-party ESG materiality assessment;
- Increasing the rigour of our reporting by utilising a wider range of sustainability frameworks – reporting fully against the Global Reporting Initiative (GRI), partially against the Sustainability Accounting Standards Board (SASB) and in more detail against the UN Sustainable Development Goals (SDGs);
- Identifying and reporting on more material topics; and
- Mapping out the first part of a long-term road map to guide our future sustainability program, with stated goals and targets.



The external assessment entailed a detailed desktop research program: analysing multiple leading ESG reporting frameworks; reviewing the topics our peers report on and the ESG frameworks they report against; understanding what topics leading ESG rating agencies deem most material for companies in our industry; and examining how leading investor associations view sustainability. In addition, an investor outreach campaign was launched to determine institutional investor's views on the effectiveness of Arena's sustainability performance and reporting.

The outcome of the assessment was a complete sustainability strategy, identifying the frameworks we will report against and the most material topics we will report on, setting out a long-term approach to our reporting and helping to set goals and targets.

STAKEHOLDER CONSULTATION

The key stakeholder groups consulted or referenced were:

- **OUR TEAM MEMBERS** We circulated a survey to our team members to gauge their views on working for Arena and what more we can do to improve our working environment and culture. We also engage with our team members regularly formally and informally to gain their feedback and discuss current initiatives.
- **TENANTS** We regularly talk with our tenants about their own sustainability and the areas where we can work together to improve our collective sustainability performance. During FY21 we again undertook a survey of tenants to determine the sustainability areas most important to them and the degree to which they want to work with Arena to improve their own sustainability practices.
- **INVESTORS** We talk to our large investors on a regular basis and we undertake a series of investor briefings following the release of our half year and annual results. This year, as part of the materiality assessment, we undertook an investor engagement campaign. This 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** As part of the external assessment project, a desktop research program identified the ESG rating agencies and other ESG service providers subscribed to by the largest number of our investors. Rating agencies can influence the thinking of institutional investors by providing their own assessment of how well companies like Arena manage sustainability risks. The research identified the topics influential agencies assess as being most material to Arena's business.

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MATERIALITY

The materiality assessment for Arena identified:

- The issues, sustainability risks and opportunities that are most critical to Arena;
- Topics that large investors and the rating agencies consider material to Arena;
- The GRI's Topic-specific issues considered most material to Arena by peers and investors. GRI is the most frequently used global reporting framework;
- The issues identified by SASB, (a global reporting framework) as most relevant to the Real Estate industry sub-sector;
- In addition to GRI and SASB, what global investors want to see from companies they invest in. This includes aligning with the UN SDGs, the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD) and the 2018 Modern Slavery Act.

The process for defining the Report's content was based on the GRI's Reporting Principles. The Principles include stakeholder inclusiveness, sustainability context, materiality, topic boundaries and completeness. Arena believes that this Report conforms with them. Topic boundaries differ from topic to topic and are provided in the GRI Content Index starting on page 30. Our material topics are outlined below.

This Report conforms with the GRI Standards 'Core' option.

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

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/CO2 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: Legal/regulatory compliance Tax transparency Suppliers/human rights/ Modern slavery Bribery and corruption Whistleblower protection

WHAT IS MOST MATERIAL TO ARENA

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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 to create a multiplier effect on its sustainability impacts by partnering with its tenants to achieve mutually beneficial goals. Accordingly, Arena's overarching approach to sustainability is to actively seek out 'Partnerships for Change.' Our partnership approach delivers mutually beneficial outcomes for our communities, team, tenant partners and ultimately our investors.

PARTNERSHIPS FOR CHANGE

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

During 2021 Arena incorporated additional questions in regard to ESG as part of Arena's regular annual tenant partner survey.

Tenant partners who participated in the survey overwhelmingly indicated they were interested in collaborating with Arena in regard to ESG topics as follows:

- Broadening ESG knowledge in general 85%
- Green building certification 90%
- Reducing energy use 90%
- Modern slavery 75%
- Waste reduction 90%
- Water conservation 90%

During FY22 Arena will work with its tenant partners under Partnerships for Change to collaborate, share knowledge and assist progressing positive change on appropriate sustainability issues.

Arena already consults and co-operates with its tenant partners with respect to OHS issues and the requirement for tenants to abide by relevant workplace legislation in accordance with the term of their lease with Arena. Our tenant partners are required to be licensed under relevant healthcare and early learning legislation. We intend to extend the areas where we already collaborate in order to implement other sustainability initiatives that will achieve mutually beneficial outcomes.

GOAL		TIMEFRAME
	Collaborate with tenant partners on appropriately identified ESG initiatives and report progress.	FY22

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ENVIRONMENT

We recognise that climate change is occurring, and a contributing factor is greenhouse gas emitted as a result of human activities. As a publicly owned holder of social infrastructure property, our stakeholders include not just our investors and tenant partners, but also the wider community. We are conscious of the need to responsibly manage the environmental impacts of our business activities and operations. We therefore believe it is our responsibility to work collaboratively to effect positive change and drive mutually beneficial environmental outcomes with our tenant partners. Continuing to invest in solar renewable energy for our tenant partners is a key aim of the program. It lowers grid electricity use and power bills and offers ongoing operating cost savings to our tenants which they can put back into their businesses and at the same time significantly cut partnership carbon emissions.

Arena is proactive in its approach to pursuing solar renewable energy opportunities with tenant partners. Arena provides a cost-benefit analysis on the installation of solar energy at each of our tenant partners' locations. The cost benefit analysis allows us to demonstrate the financial returns of such an investment, and importantly the estimated reduction in carbon emissions.

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

Arena intends to continue proactively seeking opportunities to build on our achievements to date with regard to the installation of solar renewable energy across our property portfolio.

Proportion of Arena's properties utilising solar renewable energy FY21

	%
Properties using solar energy at 30 June 2021	21%
Additional properties planning to install solar energy	45%

11,968[18] square metres (m^2) (128,822 square feet (ft^2)) of Arena's portfolio is located in 100 year flood zones as follows:

- ELCs (or specialty property) 9,245 m^2 (($99,512 ft^2$); and
- Healthcare property 2,723 m^2 (29,310 ft^2).

CASE STUDY
DELIVERING BENEFICIAL AND SUSTAINABLE OUTCOMES[19]

On 29 July 2021, Arena announced the renegotiation of leases on a portfolio of 87 properties with Goodstart Early Learning (Goodstart), a not-for-profit ELC operator and Arena's largest tenant partner.

BENEFITS FOR GOODSTART INCLUDE:

- Installation of solar panels on ELC properties driving a material reduction in energy costs;
- Reduction in carbon emissions of over 1,000[19] tonnes per annum;
- Expenditure saved on energy cost to be reinvested into ELCs and the children they support.

BENEFITS FOR ARENA:

- The increased lease term on 87 properties increased the pro-forma WALE on Arena's portfolio from 14.7 years at HY21 to 20.1 years as at 30 June 2021.

18. *As advised by insurer of Arena's property portfolio.*
19. *As calculated by Efficient Homes Australia Pty Ltd trading as Infinite Energy ABN 36 141 430 328.*

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Arena's organisational environmental footprint results from a small number of team members operating out of one central Melbourne office, or by remote 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, materials) and cutting waste and emissions.

We use a number of methods to reduce the environmental footprint of our head office, including:

Cutting our energy use or managing waste, plastics and recycling wherever possible by:

- 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;
- Recycling printer consumables;
- All Arena team members opting into e-communications;
- Using electronic board papers and audit committee papers;
- Holding Board meetings virtually where possible;
- Using improved electronic filing instead of paper filing;
- Utilising e-waste and green waste recycling for our office relocation;
- Using Arena-issued reusable coffee cups and recyclable office coffee pods; and
- Not using plastic water bottles.

With regard to individual investor communications (excluding Arena's Annual General Meeting):

- Meetings are held virtually where possible;
- We do not print investor materials or send hard copy investor 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 e-communications.

Arena expects to have more detail regarding our own environmental impact in FY22 reporting.

ENVIRONMENT

Goals for FY21	What we achieved	Goals for FY22
Continue to collect and track tenant partner energy consumption and production data, from tenant partners where solar energy has been installed by Arena. Continue to engage with tenant partners initially providing them with a cost benefit analysis on the installation of solar energy, with the ultimate goal of proceeding with the installation.	Created a dedicated renewable energy dashboard for tenants, which records energy production and emissions data. In the process of developing model to forecast future savings of kWh grid electricity, CO2 emissions and monetary saving for Arena's properties that have solar installed and have agreed to have solar installed. Additional 45% of properties agreed to install solar renewable energy, taking total to 67% of total properties to install solar renewable energy.	Report on collaboration with tenant partners regarding installing solar power. Report on renewable energy production for properties where it has been installed. Outline an organisational carbon emission reduction plan. Outline a carbon emission reduction plan for property portfolio. Outline a plan to align with TCFD.

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SOCIAL

HUMAN CAPITAL (Arena team)

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

Employee Satisfaction FY21	
	% of employees
Satisfaction with workplace culture	100%
Satisfaction with ability of department to work as a team	90%

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.

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

Type of Employment FY21		
All employees	Male	Female
Full time	5	4
Part time	0	0
Fixed contract full time	0	1

No Arena employees are employed under collective bargaining agreements.

Team Survey

In FY21 Arena repeated our annual team engagement survey. This survey measures the level of team satisfaction and provides us with valuable information about our team member's perceptions and experiences. We use the data and feedback collated from this survey to identify future priorities for the business.

Arena achieved strong performance across the following areas:

- Increase in overall average rating of enjoyment working at Arena from 4 to 4.5 out of 5;
- 40% of team members were extremely satisfied and 60% very satisfied with Arena's workplace culture;
- Improved satisfaction with current work-life balance; and
- 70% of team very satisfied with opportunities for professional development at Arena.

The survey also identified the following feedback:

- Interest in continuing to progress Arena's sustainability initiatives; and
- Preference for ongoing flexible working arrangements.

Remuneration

Arena's key remuneration objectives are to attract, retain and incentivise talent by providing market competitive pay, with opportunities for incentive awards to align remuneration with performance and strategy, and to guide the behaviour and actions of executive key management personnel (KMP). An independent review of Arena's remuneration framework was completed in FY21 and will be implemented in FY22; details of the review are provided in the FY21 Remuneration Report.

In the four years since the previous independent review, Arena has experienced significant growth, including a 60% increase in property income, an 85% increase in total assets and a 134% increase in market capitalisation. The key remuneration decisions to be implemented in FY22, reflect contemporary market practice, and have been benchmarked against a peer group of ASX listed REITs and companies to address talent retention in

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an increasingly competitive market and the progression of Arena's strategy in a complex and challenging environment. More than 55% of Executive KMP FY22 total target remuneration is at risk and subject to short term and long-term performance hurdles.

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

Health, safety and wellbeing

Arena is committed to complying with the requirements of all relevant workplace health and safety 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).

Health and Safety – Injuries FY21	
Employee recordable injury by type	Number
Fatalities	0
Medical treatment injuries	0
Lost time injuries	0

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.

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

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

We have established a workplace health and safety committee of team members which 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.

During FY21, in response to COVID-19, Arena continued to predominantly work from home in accordance with a documented policy. A COVIDSafe Plan was implemented and enforced when team members were permitted to attend the corporate workplace. All team members completed a checklist to confirm that they were able to maintain a safe working environment. In support of effective business operations and the continued engagement and organisation wide well-being, Board, management and regular team meetings have been conducted remotely, as required.

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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 FY21 included:

- Annual flu vaccination program
- Support for COVID testing and vaccination
- Gym membership
- Pilates
- Massage
- Physio
- Surfing
- Yoga
- Bike repairs

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, as required, and annually team members complete attestations that they have read and understood the obligations of the Code of Conduct and other key polices.

Average Hours of Training FY21		
All employees	Male	Female
Less than 10	3	2
10-20	0	2
More than 20	2	1

As part of the annual performance review, which all team members receive, individual development plans are agreed for all. These may include further higher education qualifications, as appropriate, for which Arena may contribute financial assistance if appropriate, 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.

Leave

We have recently updated the Arena staff handbook to include more contemporary standards for parental leave and accrual of annual leave, and new provisions for family and domestic violence leave. Arena offer 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. During FY21 one team member completed their parental leave and returned to work.

Parental Leave FY21		
All employees	Male	Female
Entitled to parental leave	5	5
Parental leave taken	0	1
Returned to work following parental leave	0	1

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Turnover

With a small group of team members and a strong workplace culture we have extremely low employee turnover. There were no new hires and no employee terminations during FY21.

Company policies

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

- Arena Code of Conduct, which covers behaviour related to topics including legal compliance, conflicts of interest, privacy, media comment, discrimination, work health and safety, bribery and corruption, responsible business practice and whistleblowing.
- Separate policies on diversity, conflicts of interest, privacy and whistleblowing.

Other benefits

- We support working from home arrangements by providing equipment and resources to maintain a safe and efficient personal workplace.
- We make income protection insurance available to all permanent employees.
- Recent improvements to support our workplace culture in line with our values and the Code of Conduct by including improved 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.

Diversity, discrimination and equal pay

Arena is strongly committed to diversity among both team members and the Board. We believe that a diverse set of team members reflects the communities in which we all live, makes us a better company and ensures that a range of different perspectives can be brought to the table when considering issues. It assists with employee 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 employees regardless of age, gender, marital or family status, sexual orientation, disabilities, ethnicity, religious or cultural beliefs or socio-economic background, and we do not tolerate any discrimination, harassment, vilification or victimisation in the workplace.

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

Diversity FY21		
ARL Board	Male	Female
Under 30	0	0
30 -50	1	0
Over 50	3	1
ARML Board	Male	Female
Under 30	0	0
30 -50	2	0
Over 50	3	1
All Employees	Male	Female
Under 30	1	0
30 -50	4	4
Over 50	0	1
Senior Executives[20]	Male	Female
Under 30	0	0
30 -50	3	1
Over 50	0	1

20. Senior executives include Arena's KMP as referenced in Arena's 2021 Corporate Governance Statement disclosure.

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Following 30 June 2021, Arena's diversity objectives were revised to reflect Arena's aspiration to achieve gender balance for the ARL Board by the end of FY24 and to maintain gender balance for senior executives by using the 40:40:20 model (40% female, 40% male and 20% unallocated, to allow flexibility for succession planning and Board renewal). Arena has set a target of a minimum 40% female representation on the Arena REIT Limited Board and among senior executives by 2024.

Male:Female Pay Ratio FY21		
All employees	Male	Female
KMP	1	NA
Senior management[21]	1	0.76
Professional	1	1.12

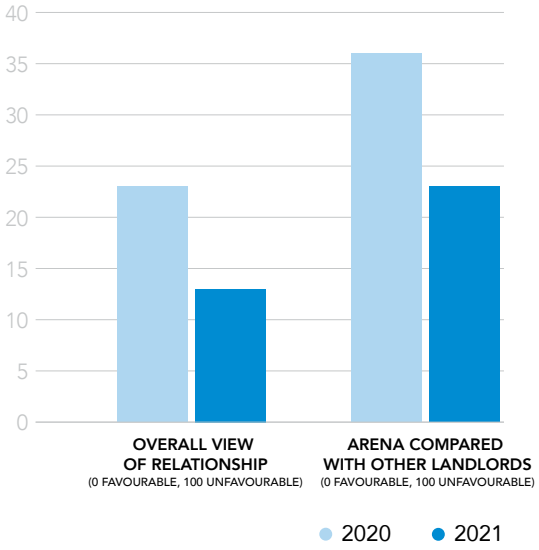
TENANT PARTNERS

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 provider 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.

TENANTS' VIEWS ON RELATIONSHIP WITH ARENA - FROM TENANT SURVEYS



Tenant Partner Survey

In 2021 we undertook our regular annual tenants' survey to gauge their views on Arena and their relationship with us. In addition to the positive feedback on collaboration on ESG initiatives as outlined on page12 the results indicated a marked improvement from the previous survey in 2020, as shown in this chart.

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 the rollout of our Partnerships for Change program will assist our tenant partners with their sustainability aspirations over time.

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

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COMMUNITY PARTNERSHIPS AND GIVING

RizeUp

During FY21 Arena entered into a 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 (DFV).

Supporting survivors of DFV by creating a bridge into a sustainable home contributes to better overall community outcomes, now and for future generations. RizeUp directly helps survivors of DFV to recover and thrive as a result of corporate financial contributions. Arena's partnership with RizeUp is their first financial corporate partnership.

SOCIAL		
Goals for FY21	**What we achieved**	**Goals for FY22**
Repeat and broaden employee engagement survey, with goal to maintain or improve results. Repeat tenant survey with goal to inform strategic decision making and improve overall response.	Results of employee engagement survey improved during FY21. Tenant partner survey results informed Arena's approach to actively engage on Partnerships for Change.	Voluntarily opt into Modern Slavery reporting. Extend disclosure of appropriate WHS safety performance statistics. Extend and disclose Arena's approach to ongoing employee engagement and retention, employee performance and reward, managerial/leadership training/professional development and wellbeing initiatives including relevant statistics.

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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 2021 Corporate Governance Statement and Annual Report.

Risk management

Effective risk management is a core component of Arena's corporate governance and the Board has overall responsibility for all risks, including sustainability risk. We have documented policies and procedures to identify, assess, manage, monitor and report key risks. The risk management framework is designed to help Arena achieve its objectives though 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/governance**.

Management prioritises material business risks and develops mitigation strategies. The COVID-19 pandemic has significantly affected the Australian and global economy and the ability of companies and governments to operate. During FY21, the pandemic had no material impact on Arena, as all properties remained open and Government support was provided to tenants. How material the pandemic will be in the future to Arena's operations and financial performance depends on Australia's COVID-19 response, Government support and the extent to which our tenants' ability to pay rent is affected by COVID-19's ongoing impact. Arena does not have material exposure to environmental risks.

Our commitment to strong corporate governance and risk management is integral to achieving our strategic objectives and underpins our approach to all aspects of our operations.

ESG board reporting

During FY21 Arena commissioned an independent review of its ESG framework implementing improved disclosure for FY21 and formation of a longer-term governance action plan to address other appropriate matters.

Arena also commissioned an independent review of sustainability reporting and materiality. We have implemented the recommendations of the review via a more strategic focus, a rigorous approach to determining materiality, improved disclosure for FY21 and taking a longer-term view by setting goals and targets for future performance.

Arena has an ESG working group that meets regularly to integrate and progress ESG initiatives across the business. Arena's Board is responsible for setting the strategic objectives for Arena and for overseeing management in the implementation of Arena's sustainability initiatives.

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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 employees must understand and comply with Arena's policies and procedures and undertake periodic training appropriate to their role.

All new staff complete compliance induction training in relation to Workplace behaviour (which includes discrimination, harassment, sexual harassment, racial or religious vilification, victimisation, and bullying), Insider Trading, Continuous Disclosure, Privacy, Work Health and Safety, Cyber Security and Whistleblowing. Staff with specific obligations in relation to provisions of financial services under Arena's AFS Licence also have mandated annual training plans.

LEGAL/REGULATORY COMPLIANCE	Number
Legal actions pending or completed regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation during FY21	0
Fines or other sanctions for non-compliance with laws and/or regulations in the social and economic area during FY21	0
Fines or other sanctions for non-compliance with environmental laws and/or regulations during FY21	0
Incidents of discrimination recorded during FY21	0
Substantiated complaints concerning breaches of customer privacy.	0

Privacy

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

Ethical behaviour

Arena is committed to the highest level of integrity and ethical standards in all business practices. Employees must conduct themselves in a responsible manner, consistent with our values, current community standards and in compliance with all relevant legislation.

Code of Conduct

The Code of Conduct outlines how Arena expects Directors and employees 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 Arena's business reputation and corporate image within the community; and
- Make Directors, management and employees 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.

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Bribery and corruption

Our policy in relation to anti bribery and corruption is documented in Arena's Code of Conduct www.arena.com.au/about/governance.

All team members receive training on the Code of Conduct as part of induction and are required to complete an annual attestation that they have read and understood the obligation of the Code.

ETHICAL PERFORMANCE	Number
Political contributions made during FY21	Nil
Incidents of non-compliance with laws and regulations in the social and economic area recorded during FY21	Nil
Instances of non-compliance with environmental laws and regulations during FY21	Nil
Legal actions pending or completed during FY21 regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation.	Nil
Substantiated incidents of corruption recorded during FY21	Nil

Supply chain and Modern Slavery

Arena's supply chain may be broadly categorised as follows:

- Corporate services and operations – professional services, office supplies, IT services and equipment;
- Property development – construction and labour services, construction materials and equipment; and
- Property management (typically undertaken by tenant partners) – building maintenance, waste management, air conditioning and fire services.

We are committed to responsible business practices and the support of human rights. In accordance with relevant and applicable laws and regulations, Arena will assess, address and report on the risks of modern slavery practices (where appropriate). Our goal is to voluntarily opt into Modern Slavery reporting for FY22.

Whistleblowing policy

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

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

Arena proactively communicates whistle-blower policies to all team members and has structures in place to process whistle-blower reports and protection for team members who report.

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

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

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Tax

Arena REIT 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 2021 Annual Report, Note 4: Income Taxes.

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

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

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

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

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

Tax Risk Management Policy

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

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

Tax governance

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

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

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

Internal controls

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

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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.

GOVERNANCE

Goals for FY21	What we achieved	Goals for FY22
Implement progressive enhancements to Arena's Risk Management Framework. Align Arena's governance disclosures with the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.	Risk Management Policy and Procedure updated. Arena reported against the 4th edition of the Corporate Governance Council's Principles and Recommendations.	Implement company specific policies/procedures for managing ESG risks and how these are being implemented: ▸ Introduce formal lobbying/trade/ political contributions policy. ▸ Introduce an information technology data security policy. ▸ Enhance Arena's current diversity policy with associated procedures and programs, including mentorship, initiatives supporting a diverse workforce, employee affinity groups/ diversity councils/ and networking groups.

UN SUSTAINABLE DEVELOPMENT GOALS

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We have outlined below how we contribute to achieving the 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
	**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.	Arena owns 8 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. 'Countries with more doctor's per capita are associated significantly with lower maternal mortality rates, lower infant mortality rates and lower under-5s mortality rates – with the greatest effect on maternal mortality rates.'[22] GPs are the most trusted healthcare provider in Australia. GP's empower communities, and families to manage and look after their health[23]. General Practice is central to delivering preventative healthcare and mental healthcare in Australia. This is because GPs are the first point of contact for many patients using the health care system[24]. General practice is the most accessed part of Australia's health system. Greater than two million GP appointments are made every week. This only makes up 9% of Australia's annual health budget[25]. GP's are critical to Australia's vaccination program. On top of delivering routine childhood vaccinations and the annual influenza vaccine, GP's have played a crucial role in the COVID-19 Vaccination program. GP's have already administered more than half of Australia's COVID-19 vaccinations[26]. Majority of sexual and reproductive healthcare in Australia is accessed through General Practice[27]. GP's play a pivotal role in the prevention, early detection and management of harmful substance use, dependence, and behavioral addictions[28]. Medical centres take the burden off hospitals whilst improving patient outcomes[29].

22. *https://www1.health.gov.au/internet/publications/publishing.nsf/Content/health-oatsih-pubs-linkphc~health-oatsih-pubs-linkphc-systems~health-oatsih-pubs-linkphc-systems2*
23. *https://www.racgp.org.au/download/Documents/Publications/Health-of-the-Nation-2018-Report.pdf; https://www.who.int/news/item/14-10-2008-world-health-report-calls-for-return-to-primary-health-care-approach*
24. *https://www.racgp.org.au/getattachment/1ad1a26f-9c8b-4e3c-b45b-3237272b3a04/Guidelines-for-preventive-activities-in-general-practice.aspx*
25. *https://www.racgp.org.au/download/Documents/Publications/Health-of-the-Nation-2018-Report.pdf*
26. *https://www.racgp.org.au/gp-news/media-releases/2021-media-releases/june-2021/racgp-welcomes-government-support-for-vaccine-coun*
27. *https://www.racgp.org.au/racgp-digital-events-calendar/online-event-items/webinars/introduction-to-sexual-and-reproductive-health; https://www1.racgp.org.au/ajgp/2020/june/reproductive-health-1; https://www.ama.com.au/position-statement/sexual-and-reproductive-health-2014*
28. *https://www.racgp.org.au/afp/2012/august/the-recovery-paradigm/; https://www.ama.com.au/position-statement/harmful-substance-use-dependence-and-behavioural-addiction-addiction-2017*
29. *https://www1.racgp.org.au/newsgp/professional/why-do-patients-go-to-emergency-rather-than-to-the*

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SDG	2030 targets we contribute to achieving	How we contribute
	▸ **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.	Arena's 226 operating ELC properties offer a total of 20,868 licensed places across Australia enabling increased access to ELCs. ▸ 'Australia's participation rates at age four have risen from 53 per cent in 2005 to 89 per cent in 2016, the fourth highest increase in the OECD[30].' ▸ The Australian government is committed to improving this even further. Introducing a national approach to improve access to and participation to affordable, quality preschool in the year before school[31]. ▸ Arena's ELCs are regulated by ACEQUA and State governments to measure how they compare with the National Quality Framework (NQF). The average quality rating of Arena's rated ELC portfolio is "Meeting the standard[32]" of the NQF; these services provide quality education and care in all 7 quality areas of the NQF. ▸ All activity rooms in Arena's ELC properties are wheelchair accessible. High quality ELC benefits children in many ways, including: ▸ 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[33]. ▸ 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[34]. ▸ There is a significant positive relationship between preschool attendance and Year 3 NAPLAN results[34]. ▸ Preschool can be especially valuable for preventing children from disadvantaged backgrounds falling behind their peers. With children who are at risk of abuse of neglect, a diagnosed disability or are developmentally vulnerable benefiting the most from attending early learning education[35]. ▸ 'High-quality educational provision is a cost effective way to address the intergenerational transmission of socio-economic disadvantage and has the potential to alter development trajectories as well as protect against risks'[36].

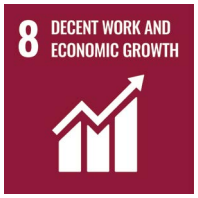
30. *https://www.dfat.gov.au/sites/default/files/australian-education-system-foundation.pdf*
31. *https://www.aihw.gov.au/reports/children-youth/australias-children/contents/education/child-learning-and-development; https://www.vu.edu.au/sites/default/files/australian-investment-in-education-ecec-report-mitchell-institute.pdf*
32. *https://www.acecqa.gov.au;*
33. *https://www.unicef-irc.org/publications/pdf/where-do-rich-countries-stand-on-childcare.pdf;*
34. *https://www.aihw.gov.au/reports/children-youth/australias-children/contents/education/early-childhood-education-and-care*
35. *https://www.pc.gov.au/inquiries/completed/childcare#report*
36. *https://www.unicef-irc.org/publications/pdf/WP 2019-06.pdf*

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SDG	2030 targets we contribute to achieving	How we contribute
	▸ **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.	Arena contributes to this SDG in two key ways: ▸ Our partnership with RizeUp, a community based organisation supporting families affected by DFV. Since 2015 RizeUp has provided a home and fresh start for over 1,400 women and families impacted by DFV in Queensland, NSW and Victoria. Arena is RizeUp's first financial corporate partner. ▸ 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[37]. ▸ The correlation coefficient between the rates of Australian female workforce and long day care participation is 0.98[38].
	▸ **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.	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: ▸ Over 21% of Arena's properties currently use solar renewable energy; and ▸ A further 45% of properties are in the process of installing solar renewable energy.

37. *https://www.thefrontproject.org.au/images/downloads/ECO ANALYSIS Full Report.pdf*
38. *Arena analysis of ABS Female Labour Force Participation Rate (aged 20-74 at least one dependent child of ELC age); Australian Government 'Early Childhood and Child Care in Summary' Reports 2012-2020.*

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SDG	2030 targets we contribute to achieving	How we contribute
	▸ **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.	▸ Arena plans on building on the progress already made with the solar installation. Arena plans on extending the project to include more properties, increasing the percentage of properties using solar renewable energy. ▸ Arena intends to outline an organisational carbon emission reduction plan by FY22. ▸ See Social section, page 16 in regards to Health, safety and wellbeing. ▸ See Social section, page 18 in regards to Diversity, discrimination and equal pay.
	▸ **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.	▸ Arena has 25% of social infrastructure properties (62 properties) classified as Inner Regional, 14% (36) as outer regional and 0.4% (1) as very remote, demonstrating Arena's support for communities all around Australia. ▸ Over 21% of Arena's properties currently use solar renewable energy with an additional 45% of properties in the process of installing. ▸ Arena intend to outline a plan to align with TCFD by FY22.
	▸ **16.6.** Develop effective, accountable and transparent institutions at all levels. ▸ **16.7.** Ensure responsive, inclusive, participatory and representative decision-making at all levels.	▸ The quality of Arena's corporate governance and risk management is integral to achieving our strategic objectives and underpins our values in relation to integrity and accountability for our decisions and actions. Arena is committed to the highest level of integrity and ethical standards in all business practices. ▸ Arena is a relatively flat organisational structure with a collaborative and inclusive culture. The employee survey showed that 60% of Arena's team are 'very satisfied', and 40% of Arena's team are 'extremely satisfied' with Arena's workplace culture. ▸ For more on Arena's Governance, including Ethical Behaviour, Code of Conduct, Bribery and corruption, Supply chain and modern slavery and Whistleblowing policy, see the Governance section of this Report starting on page 21. ▸ Please see page 18 regarding the FY21 Diversity, discrimination and equal pay.

GRI/SASB CONTENT INDEX (GRI 'CORE' OPTION)

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Indicator code	Description	Topic boundary	Location or link
UNIVERSAL DISCLOSURES			
102-1	Name of the organisation	Inside the Company	About Arena REIT
102-2	Activities, brands, products, and services	Inside the Company	About Arena REIT
102-3	Location of headquarters	Inside the Company	About Arena REIT
102-4	Location of operations	Inside the Company	About Arena REIT
102-5	Ownership and legal form	Inside the Company	Arena's Sustainability Report
102-6	Markets served	Outside the Company	About Arena REIT
102-7	Scale of the organisation	Inside the Company	About Arena REIT
102-8	Information on employees and other workers	Inside the Company	Social
102-9	Supply chain	Outside the Company	Governance
102-10	Significant changes to the organisation regarding size, structure, ownership and its supply chain	Inside and outside the Company	About Arena REIT
102-11	Precautionary principle or approach	Inside the Company	While not referring to the precautionary principle, our risk management approach is disclosed in the 2021 Corporate Governance Statement
102-12	External developed economic, environmental and social charters	Outside the Company	None
102-13	Membership of associations (industry) and national or international advocacy - hold position on governance body; provide funding or views membership as strategic	Outside the Company	None
102-14	Statement from senior decision-maker	Inside the Company	Chair and Managing Director's Message
102-16	Values, principles, standards, and norms of behaviour	Inside the Company	Governance
102-18	Governance assurance	Inside the Company	Governance
102-40	List of stakeholder groups	Inside and outside the Company	About this report
102-41	Collective bargaining agreements	Inside the Company	Social
102-42	Identifying and selecting stakeholders	Inside and outside the Company	About this report
102-43	Approach to stakeholder engagement	Inside the Company	About this report
102-44	Key topics and concerns raised	Inside and outside the Company	About this report
102-45	Entities included in the consolidated financial statements	Inside the Company	2021 Annual Report, Directors' Report page 17
102-46	Defining report content and topic Boundaries	Inside the Company	About this report
102-47	List of material topics	Inside the Company	About this report
102-48	Restatements of information	Inside the Company	About this report
102-49	Changes in reporting	Inside the Company	About this report
102-50	Reporting period	Inside the Company	July 1 2020 - June 30 2021
102-51	Date of most recent report	Inside the Company	September 29 2020
102-52	Reporting cycle	Inside the Company	Annually
102-53	Contact point for questions regarding the report	Inside the Company	About this report
102-54	Claims of reporting	Inside the Company	About this report
102-55	GRI content index	Inside the Company	This page
102-56	General assurance	Inside the Company	About this report

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GRI/SASB CONTENT INDEX (GRI 'CORE' OPTION) CONTINUED

Indicator code	Description	Topic boundary	Location or link
TOPIC-SPECIFIC DISCLOSURES			
Management approach			
103-1	Explanation of the material topic and its boundary	Inside the Company	Topics throughout this report
103-2	The management approach and its components	Inside the Company	Throughout this report
103-3	Evaluation of the management approach	Inside the Company	Throughout this report
ECONOMIC			
Economic performance			
201-1	Direct economic value generated and distributed	Inside and outside the Company	2021 Annual Report
Market presence			
202-2	Proportion of senior management hired from the local community	Outside the Company	100%
Indirect economic impacts			
203-1	Infrastructure investments and services supported	Outside the Company	$106 million page 10 of FY21 Results Presentation Commercial arrangements About Arena REIT
Anti-corruption			
205-2	Communication and training about anti-corruption	Inside the Company	Social
205-3	Confirmed incidents of corruption and actions taken	Inside the Company	Governance
Anti-competitive behaviour			
206-1	Anti-competitive behaviour	Inside the Company	Governance
Tax			
207-1	Approach to tax	Inside the Company	Governance
207-2	Tax governance, control and risk management	Inside the Company	Governance
207-3	Stakeholder engagement and management of concerns related to tax	Inside the Company	Governance
207-4	Country-by-country reporting		Governance Note 4: Income taxes Arena REIT Annual Report
ENVIRONMENT			
Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	Inside the Company	Governance
SOCIAL			
Employment			
401-1	New employee hires and employee turnover	Inside the Company	Social
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Inside the Company	Social
401-3	Parental leave	Inside the Company	Social
Labour/Management relations			
402-1	Minimum notice periods regarding operational changes	Inside the Company	Social

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Indicator code	Description	Topic boundary	Location or link
Occupational health and safety			
403-1	Occupational health and safety management system	Inside the Company	Social
403-2	Types of injury and rates of injury, occupational diseases	Inside the Company	Social
403-3	Occupational health services	Inside the Company	Social
403-4	Worker participation, consultation, and communication on occupational health and safety	Inside and outside the Company	Social Partnerships for change
403-5	Worker training on occupational health and safety	Inside the Company	Social
403-6	Promotion of worker health	Inside and outside the Company	Social
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Inside the Company	Social
403-9	Work-related injuries	Inside the Company	Zero incidents
Training and education			
404-1	Average hours of training per year per employee	Inside the Company	Social
404-2	Programs for upgrading employee skills and employee transition programs	Inside the Company	Social
404-3	Percentage of employees receiving regular performance and career development reviews	Inside the Company	Social
Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	Inside the Company	Social
405-2	Ratio of basic salary and remuneration of women to men	Inside the Company	Social
Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Inside the Company	Zero incidents
Public policy			
415-1	Political contributions	Outside the Company	Arena does make any political donations
Customer privacy			
418-1	Privacy	Outside the Company	Governance
Socio-economic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Inside the Company	Governance
SASB SUSTAINABILITY ACCOUNTING STANDARD - INFRASTRUCTURE (INDUSTRY) – REAL ESTATE (SUB-INDUSTRY)			
Business model and innovation			
IF-RE-410a.3	Business model and innovation	Management of tenant sustainability impacts	Partnerships for Change
IF-RE-450a.1	Physical impacts of climate change	Properties located in 100-year flood zone	Environment
Activity metrics			
IF-RE-000.A	Number of assets, by property subsector		About Arena REIT
IF-RE-000.B	Leasable floor area, by property subsector		About Arena REIT
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector		0% of ELC (specialty) and healthcare assets are indirectly managed
IF-RE-000.D	Average occupancy rate, by property subsector		ELC (specialty) property 100% Healthcare property 100%



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CORPORATE DIRECTORY

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ACN 602 365 186

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

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Rosemary Hartnett (Independent, Non-Executive Director)
Simon Parsons (Independent, Non-Executive Director)
Dennis Wildenburg (Independent, Non-Executive Director)
Rob de Vos (Managing Director)
Gareth Winter (Executive Director of ARML)

COMPANY SECRETARY

Gareth Winter

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