



PUBLIC DISCLOSURE STATEMENT


ARENA REIT

**SERVICE CERTIFICATION
FY2023–24**

Australian Government

Climate Active Public Disclosure Statement



NAME OF CERTIFIED ENTITY	Arena REIT
REPORTING PERIOD	Financial year 1 July 2023 – 30 June 2024 Arrears report
DECLARATION	<p><i>To the best of my knowledge, the information provided in this public disclosure statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.</i></p>  <p>Robert Andrew de Vos Director 31 October 2024</p>



Australian Government
**Department of Climate Change, Energy,
the Environment and Water**

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Version 9.

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	206 tCO ₂ -e
CARBON OFFSETS USED	100% ACCUs
RENEWABLE ELECTRICITY	100%
CARBON ACCOUNT	Prepared by: Anthesis Australia
TECHNICAL ASSESSMENT	20/12/2023 Anthesis Australia Next technical assessment due: FY 2026

Contents

1. Certification summary.....	3
2. Certification information	4
3. Emissions boundary	6
4. Emissions reductions.....	9
5. Emissions summary.....	13
6. Carbon offsets	15
7. Renewable Energy Certificate (REC) summary.....	17
Appendix A: Additional information.....	18
Appendix B: Electricity summary.....	19
Appendix C: Inside emissions boundary.....	20
Appendix D: Outside emission boundary.....	21

2.CERTIFICATION INFORMATION

Description of service certification

The certification covers the management services provided by Arena REIT Ltd (ABN 89 602 365 186) for the Financial Year 1 July 2023 – 30 June 2024.

The emissions functional unit for the purposes of this document is tonnes of CO₂-e per FTE (t CO₂-e/FTE) for the management services provided by ARENA REIT LIMITED.

The emissions inventory in this Public Disclosure Statement has been developed in accordance with the Climate Active Carbon Neutral Standard for Products & Services on a cradle-to-grave basis.

Scope 3 Financed and embodied emissions categories, which include emissions associated with our investment portfolio, are outside Arena REIT's operational emissions boundary. Thus, they are not included in Arena REIT's carbon neutrality claim for the purpose of certification under the Climate Active Carbon Neutral Standard for Products & Services.

Arena REIT separately measures and discloses Financed and embodied emissions. For more details, please refer to pages 40-42 of Arena REIT's 2024 Sustainability Report: https://www.arena.com.au/wp-content/uploads/2024/09/FA2_Arena-Sustainability-Report-FY2024.pdf

Arena REIT also holds a Climate Active organisation certification for which a separate PDS for the FY2023-24 reporting period has been submitted. There is a 100% overlap between emissions sources reported in the service and organisation certification.

Description of business

ARENA REIT LIMITED is an internally managed Australian Real Estate Investment Trust (A-REIT) listed on the ASX (ASX code: ARF) and included in the S&P/ASX 200 Index. Arena REIT's investment strategy is to invest in sectors such as childcare, healthcare, education and government tenanted facilities leased on a long-term basis with the objective to generate an attractive and predictable distribution to investors with earnings growth prospects over the medium to long term.

The management services provided by ARENA REIT LIMITED, covers the following:

- Property Management encompassing lease administration, facility management, property inspection and condition assessment, property accounting, contract management, leasing and tenant liaison, OHS and property sustainability initiatives.
- Fund Management encompassing fund strategy, investment purpose and objectives, mandate management, financial reporting, investor relations, risk management systems and processes, equity and debt capital management, taxation management, OHS, regulatory compliance and strategic sustainability initiatives.
- Investment Management encompassing portfolio strategy and composition, investment identification and assessment, capital transaction structuring and execution, tenant partnerships, property valuation and risk management.
- Development Management encompassing activities across the development and construction process including planning, design, compliance, builder and contractor management, OHS and risk management.

3.EMISSIONS BOUNDARY

Inside the emissions boundary

All emission sources listed in the emissions boundary are part of the carbon neutral claim.

Quantified emissions have been assessed as 'attributable processes' of a product or service. These attributable processes are services, materials and energy flows that become the product or service, make the product or service and carry the product or service through its life cycle. These attributable emissions have been quantified in the carbon inventory.

Non-quantified emissions have been assessed as attributable and are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. All material emissions are accounted for through an uplift factor. Further detail is available at Appendix C.

Outside the emissions boundary

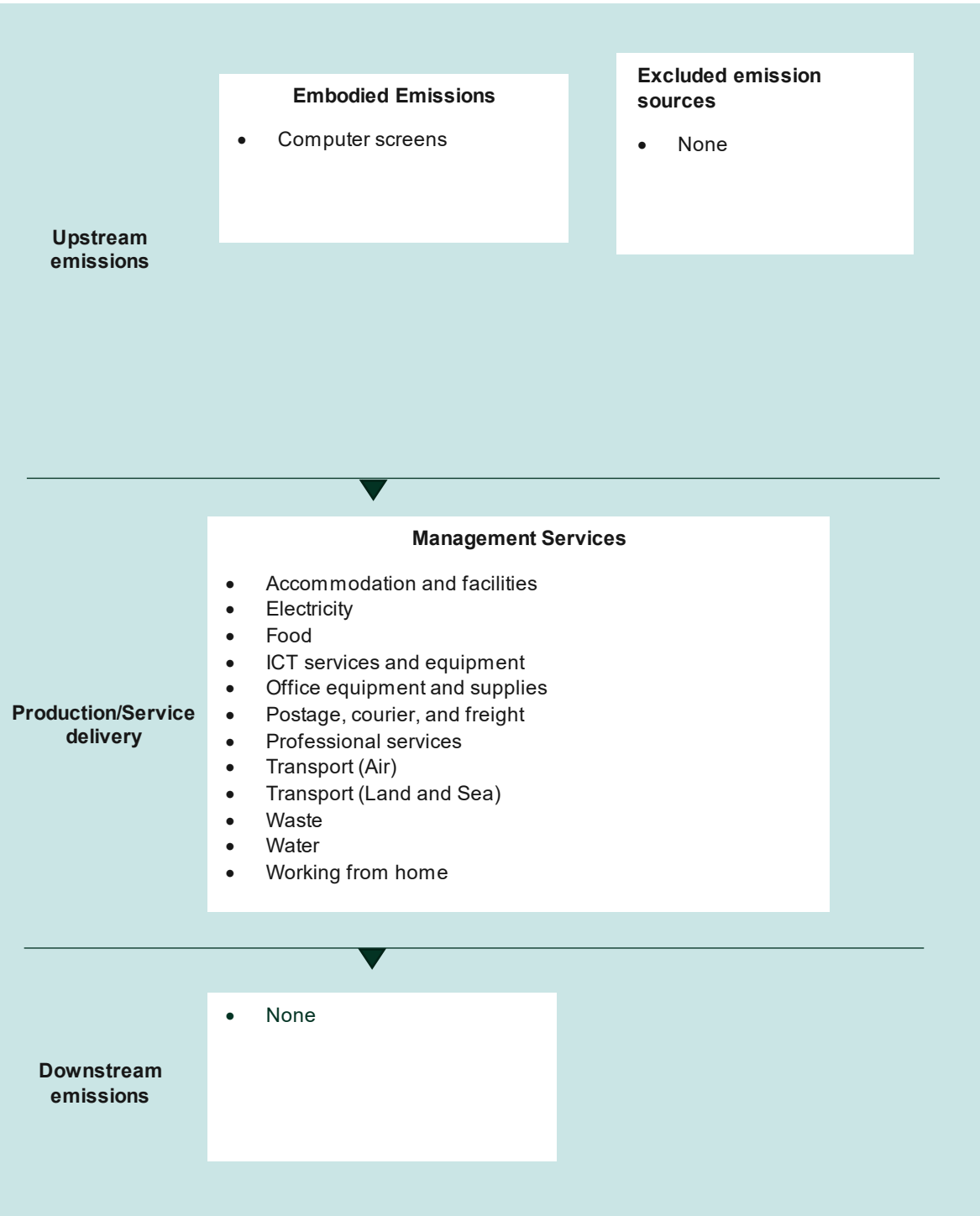
Non-attributable emissions have been assessed as not attributable to a product or service. They can be **optionally included** in the emissions boundary and therefore have been offset, or they can be listed as outside of the emissions boundary (and are therefore not part of the carbon neutral claim). Further detail is available at Appendix D.

Inside emissions boundary		Outside emission boundary
<u>Quantified</u>	<u>Non-quantified</u>	<u>Non-attributable</u>
Accommodation and facilities	N/A	Tenant Partner operations
Carbon Neutrals Products and Services		Material and construction of asset portfolio
Electricity		Maintenance and repairs
Food		Financed emissions ¹
ICT services and equipment		
Office equipment and supplies		
Postage, courier, and freight		
Professional services		
Stationary Energy		
Transport (Air)		
Transport (Land and Sea)		
Waste		
Water		
Working from home		
	<u>Optionally included</u>	
	N/A	

¹ Scope 3 Financed and embodied emissions categories, which include emissions associated with our investment portfolio, are outside Arena REIT's operational emissions boundary

Product / Service process diagram

Cradle-to-gate boundary



4. EMISSIONS REDUCTIONS

Emissions reduction strategy

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.

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.

During FY2023 Arena reduced its scope 1 and scope 2 organisational emission to zero and maintained this position during FY2024.

Additionally, and although Financed Emissions² do not form part of the organisational boundary, Arena has disclosed the following targets:

- Install solar renewable energy systems on 90% of Arena's property portfolio by FY27; Arena achieved this goal during FY2024, three years ahead of the target time frame.
- Arena adopted an [Emission Reduction Plan](#) targeting net zero Financed Emissions by 2050, with an interim 2030 target of a 60-70% reduction in the intensity of Arena's Financed Emissions.
- Arena achieved a 36% absolute reduction and 42% reduction in the intensity of Arena's Financed Emissions to end FY2023 from a FY2021 baseline.

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

1. Defining and measuring our carbon inventory

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

¹Financed Emissions are Scope 3 Category 15 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.

organisation and to implement effective governance, risk management, and strategic responses and targets.

Arena has completed GHG inventories across our organisational, financed, and embodied emissions.

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

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.

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 Financed Emissions by 2050 with an appropriate interim decarbonisation target aligned with the CRREM Global Pathway. Arena is targeting net zero Financed Emissions by 2050 and has set an interim 2030 target of a 60-70% reduction in the intensity of our Financed Emissions from a 2021 baseline.

Arena's financial modelling and scenario analysis utilises different emission 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 consumed by our tenant partners.

Arena's corporate GHG inventory has identified that most of Arena's upstream scope 3 emissions relate to the purchase of goods and services, predominantly professional services fees, filing, and licensing costs. During FY2023 we committed to undertake additional analysis into the sustainability progress, specifically the climate ambitions and/or commitments, of our service providers as a priority area for progress during FY2024.

Arena's supplier spend analysis involves categorising each of our suppliers as major, moderate or minor based on the materiality of expenditure paid to them during each financial year:

For the purposes of this analysis, we focused on the climate ambitions and/or commitments of the major and moderate professional services expenditure captured in Arena's corporate GHG inventory (based on FY2023 expenditure) which is outlined below:

Arena had six major professional service suppliers:

- One is a major Australian regulator;
- Three had been or were Climate Active carbon neutral certified; and
- Two had committed to carbon neutrality by 2025 (under either Climate Active or for scope 1 & 2 emissions).

Arena had 16 moderate professional service suppliers:

- Three had been or were Climate Active carbon neutral certified;
- Three had climate targets aligned with SBTi;
- One had targets aligned with a 2 degree scenario under the Paris Agreement;
- Three had some other climate commitment or target; and
- Six have no public climate ambitions or commitments.

We will continue to review the climate ambitions and/or commitments, of our professional service providers and monitor their progress in this regard.

3. Avoiding emissions through the purchase of renewable energy

During FY2022 it was identified that Arena had no organisational scope 1 emissions and during FY2023 Arena replaced scope 2 purchased non-renewable electricity with renewable energy, making its organisational Scope 1 and 2 footprint zero during FY2023, a position which was maintained during FY2024.

4. Offsetting remaining emissions by purchasing accredited carbon offsets

Emissions reduction actions

Engage with service providers in regard to their progress on sustainability initiatives.

Reducing our energy use and managing waste, plastics, and recycling wherever possible:

- Limiting hard copy printing, printers default to black double-sided printing when printing cannot be avoided.
- Recycling all paper mail and old documents which are not required to be retained, including material which is subject to secure destruction.
- Undertaking regular waste measurement for more accurate reporting.
- Recycling printer consumables.
- All Arena team members opting into Arena registry e-communications.
- Using electronic board papers and committee papers.
- Using electronic filing instead of paper filing.
- Using Arena-issued reusable coffee cups and recyclable office coffee pods.
- Not using plastic water bottles.
- Meetings held virtually where possible.
- No unnecessary printing or hard copy investor materials or marketing materials.
- Investors must opt in to receive a hard copy Annual Report.
- We undertake regular campaigns to convert hard copy securityholder communications to e-communications.

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year			
		Total tCO ₂ -e	Emissions intensity of the functional unit
Base year/ Year 1:	2022-23-	189	20.28
Year 2:	2023-24	206	22.62

Significant changes in emissions

Significant changes in emissions			
Attributable process	Previous year emissions (t CO ₂ -e)	Current year emissions (t CO ₂ -e)	Reason for change
Electronic office equipment (computers, monitors, printers etc.)	13.55	22.94	General increase in expenses within FY24 compared to FY23
Business services	55.15	65.06	General increase in professional services expenditure during FY24 compared to FY23

Use of Climate Active carbon neutral products, services, buildings, or precincts

Arena engaged Anthesis Australia (formerly Ndevr Environmental) for the carbon inventory and the certification management and also engaged The GPT Group to lease their carbon neutral office (Base building) at 8 Exhibition St, Melbourne, VIC,3000 (Ernst and Young building).

Certified brand name	Product/Service/Building/Precinct used
Anthesis Australia (Formerly Ndevr Environmental)	Professional Services
King & Wood Mallesons	Professional Services
GPT	Carbon Neutral Certified Base Building - 8 Exhibition St, Melbourne, VIC, 3000.
Consolidated Property Services	Professional Services

Emissions summary

Emission category	Scope 1 emissions (tCO ₂ -e)	Scope 2 emissions (tCO ₂ -e)	Scope 3 emissions (tCO ₂ -e)	Total emissions (t CO ₂ -e)
Accommodation and facilities	0.00	0.00	1.35	1.35
Cleaning and Chemicals	0.00	0.00	0.00	0.00
Climate Active carbon neutral products and services	0.00	0.00	0.00	0.00
Electricity	0.00	0.00	0.00	0.00
Food	0.00	0.00	2.12	2.12
ICT services and equipment	0.00	0.00	28.71	28.71
Office equipment & supplies	0.00	0.00	23.80	23.80
Postage, courier and freight	0.00	0.00	0.87	0.87
Professional Services	0.00	0.00	114.86	114.86
Refrigerants	0.00	0.00	0.00	0.00
Stationary Energy (gaseous fuels)	0.00	0.00	0.00	0.00
Stationary Energy (liquid fuels)	0.00	0.00	0.00	0.00
Stationary Energy (solid fuels)	0.00	0.00	0.00	0.00
Transport (Air)	0.00	0.00	17.52	17.52
Transport (Land and Sea)	0.00	0.00	13.54	13.54
Waste	0.00	0.00	0.23	0.23
Water	0.00	0.00	0.60	0.60
Working from home	0.00	0.00	2.23	2.23
Total emissions (tCO₂-e)	0.00	0.00	205.83	205.83

Uplift factors

N/A

6. CARBON OFFSETS

Eligible offsets retirement summary

Offsets retired for Climate Active certification

Arena REIT also holds a Climate Active organisation certification for which there is a separate PDS for the FY2023-24 reporting period. There is a 100% overlap between emissions reported in the service and organisation certification therefore refer to the organisation PDS for offset and electricity emission details.

Co-benefits

Jawoyn Fire 2 – Savanna Burning Project

The Jawoyn Fire Project is an Australian government approved project that recognises carbon credits that we produce by reducing wildfires through strategic, controlled savanna burning. The fire project's benefits reach far and wide. It reduces harmful emissions, protects important wildlife and delivers significant social, cultural and economic benefits to Indigenous Australians. This is a unique opportunity to help create a better future for Indigenous Australians and our environment.

Together with four other Arnhem Land ranger groups - Wardekkeren, Mimal, Djelk and Ardjamarlal - Jawoyn Fire Project contributed to the successful West Arnhem Land Fire Abatement (WALFA) project, which pioneered the savanna burning approach to emissions reduction. From 2006, The Arnhem Land ranger groups worked with scientists and landowners across Arnhem Land to determine how traditional fire management reduces uncontrollable wildfires and cuts greenhouse gas emissions. The Australian Federal Government's Carbon Farming Initiative (CFI) recognised the approach to early dry season savanna burning and approved a methodology to calculate carbon credits. Since then, the success of the partnership has seen it expand across our region. It is transforming fire management, preserving the environmental and land, creating employment and improving people's lives.

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) Summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

Arena REIT also holds a Climate Active organisation certification for which there is a separate PDS for the FY2023-24 reporting period. There is a 100% overlap between emissions reported in the service and organisation certification therefore refer to the organisation PDS for offset and electricity emission details.

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following emissions sources have been assessed as attributable, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. These emissions are accounted for through an uplift factor. They have been non-quantified due to one of the following reasons:

1. **Immaterial** <1% for individual items and no more than 5% collectively
2. **Cost effective** Quantification is not cost effective relative to the size of the emission but uplift applied.
3. **Data unavailable** Data is unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.
4. **Maintenance** Initial emissions non-quantified but repairs and replacements quantified.

Relevant non-quantified emission sources	Justification reason
N/A	

Excluded emission sources

Attributable emissions sources can be excluded from the carbon inventory, but still considered as part of the emissions boundary if they meet **all three of the below criteria**. An uplift factor may not necessarily be applied.

1. A data gap exists because primary or secondary data cannot be collected (**no actual data**).
2. Extrapolated and proxy data cannot be determined to fill the data gap (**no projected data**).
3. An estimation determines the emissions from the process to be **immaterial**).

Emissions Source	No actual data	No projected data	Immaterial
N/A			

Data management plan for non-quantified sources

There are no non-quantified sources in the emission boundary that require a data management plan.

APPENDIX D: OUTSIDE EMISSION BOUNDARY

Non-attributable emissions have been assessed as not attributable to a product or service (do not carry, make or become the product/service) and are therefore not part of the carbon neutral claim. To be deemed attributable, an emission must meet two of the five relevance criteria. Emissions which only meet one condition of the relevance test can be assessed as non-attributable and therefore are outside the carbon neutral claim. Non-attributable emissions are detailed below.

1. **Size** The emissions from a particular source are likely to be large relative to other attributable emissions.
2. **Influence** The responsible entity could influence emissions reduction from a particular source.
3. **Risk** The emissions from a particular source contribute to the responsible entity's greenhouse gas risk exposure.
4. **Stakeholders** The emissions from a particular source are deemed relevant by key stakeholders.
5. **Outsourcing** The emissions are from outsourced activities that were previously undertaken by the responsible entity or from outsourced activities that are typically undertaken within the boundary for comparable products or services.

Non-attributable emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Tenant Partner Operations	Y	N	N	N	N	<p>Size: The emissions source is likely to be more than 1%.</p> <p>Influence: We do not have the potential to influence the emissions from this source, including by shifting to a different lower-emissions supplier for our business.</p> <p>Risk: There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest.</p> <p>Stakeholders: Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business.</p> <p>Outsourcing: We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.</p>
Maintenance and repairs	N	Y	N	N	N	<p>Size: The emissions source is likely to be immaterial.</p> <p>Influence: We do have the potential to influence the emissions from this source, including by shifting to a different lower-emissions supplier for our business.</p> <p>Risk: There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest.</p> <p>Stakeholders: Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business.</p> <p>Outsourcing: We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.</p>
Materials and construction of asset portfolio	Y	N	N	N	N	<p>Size: The emissions source is likely to be more than 1%.</p>

						<p>Influence: We do not have the potential to influence the emissions from this source, including by shifting to a different lower-emissions supplier for our business.</p> <p>Risk: There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest.</p> <p>Stakeholders: Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business.</p> <p>Outsourcing: We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.</p>
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An Australian Government Initiative

