




PUBLIC DISCLOSURE STATEMENT

ARENA REIT

**ORGANISATION CERTIFICATION
FY2021-22 (TRUE-UP)**

Australian Government
**Climate Active
Public Disclosure Statement**



NAME OF CERTIFIED ENTITY	Arena REIT
REPORTING PERIOD	1 July 2021 – 30 June 2022
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 19 April 2023</p>



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

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Version March 2022.



1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	177 tCO ₂ e
OFFSETS BOUGHT	56% ACCUS, 44% VCU's
RENEWABLE ELECTRICITY	Total Renewable Electricity Percentage 49%
TECHNICAL ASSESSMENT	Matias Sellanes Ndevr Environmental Next technical assessment due: April 2025
THIRD PARTY VALIDATION	April 2022 Katherine Simmons KREA Consulting Pty Ltd

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2. CARBON NEUTRAL INFORMATION

Description of certification

The certification includes the Australian business operations of Arena REIT Ltd (ABN 89 602 365 186)

The emissions inventory in this Public Disclosure Statement have been developed in accordance with the Climate Active Carbon Neutral Standard for Organisations using the operational control approach.

The reporting period of this Public Disclosure Statement (Calendar year 1 July 2021 – 30 June 2022 True-Up)

Organisation description

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.

Arena has a corporate office located in Melbourne with 10 FTEs.

“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.”

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 relevant and are quantified in the carbon inventory. This may include emissions that are not identified as arising due to the operations of the certified entity, however are **optionally included**.

Non-quantified emissions have been assessed as relevant 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

Excluded emissions are those that have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary or are outside of the scope of the certification. These emissions are not part of the carbon neutral claim. Further detail is available at Appendix D.

Inside emissions boundary		Outside emission boundary
<p><u>Quantified</u></p> <ul style="list-style-type: none"> Accommodation and facilities Electricity ICT services and equipment Office equipment and supplies Postage, courier, and freight Professional services Transport (Air) Transport (Land and Sea) Waste Water Working from home 	<p><u>Non-quantified</u></p> <p>N/A</p>	<p><u>Excluded</u></p> <ul style="list-style-type: none"> Tenant Partner operations Material and construction of asset portfolio Maintenance and repairs
	<p><u>Optionally included</u></p> <p>N/A</p>	

Data management plan for non-quantified sources

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



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 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, and materials) and cutting waste and emissions.

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

1. Defining and measuring our carbon inventory

Throughout FY21 and FY22, we have been working with external experts to conduct a materiality assessment of Sustainability issues, developed a GHG emissions inventory of our operations and investment activities, identified priority areas for emissions reductions and assessed climate-related risks and opportunities to our business.

We have identified the need to further analyse how climate change will affect our asset portfolio, including an assessment of the embodied emissions in our developments, and the potential financial impacts stemming from acute and chronic climate change (physical climate risks). These assessments will help us with the identification of metrics to better qualify and quantify climate-related risks.

During FY22 Arena engaged an external climate change subject matter expert to prepare a Climate Action Plan (CAP). The CAP investigates Arena's corporate and financed emissions (Scope 1 and 2) for the FY21 base year, identifies target year emissions in line with high level Science Based Targets initiative aligned trajectories and a net zero pathway, compares these against a business-as-usual scenario, and quantifies abatement requirements to meet targets.

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 supports 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.

As outlined in [Arena's FY2022 Sustainability Report](#), Arena has committed to developing a detailed transition plan including a GHG emissions reduction roadmap for our operations and asset portfolio. The roadmap will be aligned with a science-based trajectory and will outline how we will achieve a reduction in cumulative absolute Scope 1 and 2 GHG Emissions (for operations and assets under management) by FY26 against FY21 baseline.

Arena's corporate GHG inventory has identified that most of Arena's upstream scope 3 emissions relate to the purchase of goods and services, including professional services fees, filing and licensing costs. Arena will engage with its current service providers to seek options for carbon neutral service offerings.

3. Avoiding emissions through the purchase of renewable energy

During FY22 Arena's CAP identified that Arena has no organisational scope 1 emissions and Arena replaced all scope 2 purchased non-renewable electricity with renewable energy, effectively making its organisational Scope 1 and 2 footprint zero from FY22 onwards.

4. Offsetting remaining emissions by purchasing accredited carbon offsets

Emissions reduction actions

Engage with service providers to seek options for carbon neutral service offerings.

Cutting our energy use or 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
Year 1 (Projected)	2021 - 22	186
Year 1 (Actual)	2021 - 22	177

Significant changes in emissions

Emission source name	Current year (tCO ₂ -e)	Previous year (tCO ₂ -e)	Detailed reason for change
Marketing and distribution	22	44	Natural fluctuations in operations and timing differences in general ledger accruals.
Business Services	64	49	Natural fluctuations in operations and timing differences in general ledger accruals.
Public Administration and Finance Services	21	23	Natural fluctuations in operations and timing differences in general ledger accruals.

Use of Climate Active carbon neutral products and services

Arena engaged Ndevr Environmental for the carbon inventory and the certification management.

Certified brand name	Product or Service used
Ndevr Environmental	Service

Organisation emissions summary

The electricity summary is available in the Appendix B. Electricity emissions were calculated using a market-based approach.

The previous report was a projection report using representative data to estimate the emissions for the reporting year. This table shows the differences between the projected emissions and the actual emissions recorded.

Emission category	Projected emissions (tCO ₂ -e)	Sum of Scope 1 (tCO ₂ -e)	Sum of Scope 2 (tCO ₂ -e)	Sum of Scope 3 (tCO ₂ -e)	Sum of total emissions (tCO ₂ -e)
Accommodation and facilities	0.44	0	0	0.15	0.15
Air transport	2.13	0	0	4.55	4.55
Carbon neutral products and services	0	0	0	0	0
Electricity	5.79	0	5.42	0	5.42
Food	0.02	0	0	2.85	0
ICT services and equipment	28.34	0	0	28.87	28.87
Land and sea transport	2.1	0	0	2.20	2.20
Office equipment & supplies	6.0	0	0	3.15	3.15
Postage, courier and freight	0.73	0	0	2.89	2.89
Professional services	130.76	0	0	121.7	121.7
Waste	4.41	0	0	0.48	0.48
Water	0.08	0	0	0.01	0.01
Working from home	4.62	0	0	4.24	4.24
Total net emissions	186 tCO₂-e	0	5.42	171.15	176.6 tCO₂-e
Difference between projected and actual					9.46 tCO₂-e

Uplift factors

N/A

6. CARBON OFFSETS

Offsets retirement approach

In arrears

1. Total number of eligible offsets banked from last year's report	14
2. Total emissions footprint to offset for this report	177
3. Total eligible offsets required for this report	177
4. Total eligible offsets purchased and retired for this report	186
5. Total eligible offsets banked to use toward next year's report	23

Co-benefits

Purchased offsets support carbon abatement via the following two projects:

1. Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary; and
2. The Strathburn Station Savanna Burning Project.

The Keo Seima Wildlife Sanctuary is undergoing unsustainable logging, hunting, fishing, and deforestation. The project area covers 166,983 ha of forest in key areas of the Keo Seima forest. Within the forest 41 globally threatened vertebrate species reside such as Asian elephants, wild cattle, several carnivores and birds. Offsets purchased not only the sequestered carbon within the Keo Seima Wildlife Sanctuary but also protect the forest's biodiversity.

The Strathburn Station Savanna Burning project involves the strategic and planned burning of savanna areas during the early dry season to reduce the risk of late dry season wild fires. This project is in the Cook local government area and supports the implementation of indigenous land practices to limit the impacts of wild fires.

Eligible offsets retirement summary

Offsets cancelled for Climate Active Carbon Neutral Certification											
Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Stapled quantity	Eligible quantity (tCO ₂ -e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total (%)
Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary	VCU	VERRA	13/05/2022	9864-150044603-150044702-VCS-VCU-263-VER-KH-14-1650-01012015-31122015-1	2015	0	100	0	0	100	56%
Strathburn Station Project	ACCU	ANREU	13/05/2022	8,339,970,674 – 8,339,970,773	2021-22	0	100	0	23	77	44%
Total offsets retired this report and used in this report										177	
Total offsets retired this report and banked for future reports									23		

Type of offset units	Quantity (used for this reporting period claim)	Percentage of total
Australian Carbon Credit Units (ACCU)	100	56
Verified Carbon Units (VCUs)	77	44

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

The following RECs have been surrendered to reduce electricity emissions under the market-based reporting method.

1. Large-scale Generation certificates (LGCs)*	N/A
2. Other RECs	N/A

* LGCs in this table only include those surrendered voluntarily (including through PPA arrangements), and does not include those surrendered in relation to the LRET, GreenPower, and jurisdictional renewables.

Project supported by LGC purchase	Eligible units	Registry	Surrender date	Accreditation code (LGCs)	Certificate serial number	Generation year	Quantity (MWh)	Fuel source	Location
Total LGCs surrendered this report and used in this report									

APPENDIX A: ADDITIONAL INFORMATION

Confirmation of retirement of offsets

Transaction ID	AU22180
Current Status	Completed (4)
Status Date	13/05/2022 11:41:08 (AEST) 13/05/2022 01:41:08 (GMT)
Transaction Type	Cancellation (4)
Transaction Initiator	Stuart, Benjamin Mathew Clarke
Transaction Approver	Rockliff, Nathan Stephen
Comment	Voluntary cancelled on behalf of Arena REIT for its FY22 Climate Active organisational certification

Transferring Account		Acquiring Account	
Account Number	AU-2321	Account Number	AU-1068
Account Name	Carbon Financial Services Pty. Ltd.	Account Name	Australia Voluntary Cancellation Account
Account Holder	Carbon Financial Services Pty. Ltd.	Account Holder	Commonwealth of Australia

Transaction Blocks													
Party	Type	Transaction Type	Original CP	Current CP	ESF Project ID	NGER Facility ID	NGER Facility Name	Safeguard	Kyoto Project #	Vintage	Expiry Date	Serial Range	Quantity
AU	KACCU	Voluntary ACCU Cancellation			EOP100912					2021-22		8,339,970,674 - 8,339,970,773	100

APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a market-based approach.

Location-based method

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

Market-based method

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

Market Based Approach Summary			
Market Based Approach	Activity Data (kWh)	Emissions (kgCO ₂ e)	Renewable Percentage of total
Behind the meter consumption of electricity generated	0	0	0%
Total non-grid electricity	0	0	0%
LGC Purchased and retired (kWh) (including PPAs & Precinct LGCs)	0	0	0%
GreenPower	3,300	0	31%
Jurisdictional renewables (LGCs retired)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	1,998	0	19%
Residual Electricity	5,449	5,421	0%
Total grid electricity	0	0	0
Total Electricity Consumed (grid + non grid)	0	0	0
Electricity renewables	5,298	0	
Residual Electricity	5,449	5,421	
Exported on-site generated electricity	0	0	
Emissions (kgCO ₂ e)		5,421	
Total renewables (grid and non-grid)	49.30%		
Mandatory	18.59%		
Voluntary	30.71%		
Behind the meter	0.00%		
Residual Electricity Emission Footprint (TCO₂e)	5		
<i>Figures may not sum due to rounding. Renewable percentage can be above 100%</i>			

Location Based Approach Summary

Location Based Approach	Activity Data (kWh)	Scope 2 Emissions (kgCO2e)	Scope 3 Emissions (kgCO2e)
ACT	0	0	0
NSW	0	0	0
SA	0	0	0
Vic	10,746	9,779	1,075
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
Grid electricity (scope 2 and 3)	10,746	9,779	1,075
ACT	0	0	0
NSW	0	0	0
SA	0	0	0
Vic	0	0	0
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
Non-grid electricity (Behind the meter)	0	0	0
Total Electricity Consumed	10,746	9,779	1,075

Emission Footprint (TCO2e)	11
<i>Scope 2 Emissions (TCO2e)</i>	10
<i>Scope 3 Emissions (TCO2e)</i>	1

Climate Active Carbon Neutral Electricity summary

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissions (kgCO2e)
Enter product name/s here	0	0

Climate Active carbon neutral electricity is not renewable electricity. The emissions have been offset by another Climate Active member through their Product certification.

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following sources emissions have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. 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	(1) Immaterial	(2) Cost effective (but uplift applied)	(3) Data unavailable (but uplift applied & data plan in place)	(4) Maintenance
N/A	-	-	-	-

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary. These emissions are not part of the carbon neutral claim. Emission sources considered for relevance must be included within the certification boundary if they meet two of the five relevance criteria. Those which only meet one condition of the relevance test can be excluded from the certification boundary.

Emissions tested for relevance are detailed below against each of the following criteria:

1. **Size** The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions
2. **Influence** The responsible entity has the potential to influence the reduction of emissions from a particular source.
3. **Risk** The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
4. **Stakeholders** Key stakeholders deem the emissions from a particular source are relevant.
5. **Outsourcing** The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

Emission sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
Tenant Partner Operations	Y	N	N	N	N	N
Maintenance and repairs	N	Y	N	N	N	N
Materials and construction of asset portfolio	Y	N	N	N	N	N



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