

Sustainability Report



2023





Image: Shell Reddy Express Brandon Park (VIC)
Cover image: Shell Coles Express Alexandria (NSW)

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Waypoint REIT is Australia's largest listed REIT owning solely fuel and convenience (F&C) retail properties; it has a high-quality network across all Australian states and territories.

Waypoint REIT's objective is to maximise long-term returns from the portfolio for the benefit of all securityholders.

Waypoint REIT will provide securityholders with:

- a real estate portfolio that forms part of a market-leading, national fuel retailing and convenience store network;
- exposure to a secure income stream through predominantly triple net leases to Viva Energy, a high-quality tenant;
- contracted revenue growth;
- a disciplined and prudent approach to capital management; and
- a strong corporate governance framework with a majority independent Board of Directors.

Waypoint REIT is a stapled entity comprising one share in Waypoint REIT Limited (ABN 35 612 986 517) and one unit in Waypoint REIT Trust (ARSN 613 146 464). The Responsible Entity of Waypoint REIT Trust is VER Limited ACN 609 868 000, Level 15, 720 Bourke Street, Docklands VIC 3008.

Waypoint REIT Limited and the Responsible Entity undertake a coordinated approach to the corporate governance of Waypoint REIT. Waypoint REIT applies the same corporate governance framework to the wholly owned subsidiaries of Waypoint REIT and its employees. The information contained in this report has been approved by the Board, ensuring all material topics are covered and is current as at 31 December 2023 or as otherwise stated. This is not investment or financial product advice. Waypoint REIT 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 Waypoint REIT's approach to sustainability (including environmental, social and governance or **ESG**) matters, and a review of Waypoint REIT's key sustainability related initiatives and achievements during the year ended 31 December 2023. It is intended that Waypoint REIT will release its Sustainability Report annually. The report is only available online.

If you have any questions about the contents of this report, please contact tina.mitas@waypointreit.com.au.



INVESTMENT PROPOSITION

Secure rental income with embedded growth, underpinned by long-term leases to top-tier tenants

Essential Economic Infrastructure



- There are ~8,000 F&C outlets in Australia, providing an essential service to ~21 million vehicles
- Approx. three-quarters of Australian drivers refuel at least once a fortnight (c. one-third at least once a week)¹
- Convenience store sales growth of 3.8% p.a. for the five-year period 2018–2022²

Predictable Income + Growth



- WPR portfolio: 99.9% occupancy, 8.1-year WALE, 89.6% NNN leases
- Strong organic rental growth underpinned by 3.0% WARR⁴
- Further growth potential via acquisitions, development fund-throughs and reinvestment in the portfolio

ASX-Listed Major Tenant (Viva Energy)



- Australia's largest owned and operated F&C network (>700 sites)
- Supplies about one-quarter of Australia's fuel requirements³
- Exclusive supplier of Shell fuels in Australia
- Market capitalisation of ~\$5.4 billion (February 2024)

Irreplicable Network



- National portfolio accumulated over 100+ years
- Aligned with population density and concentrated in metropolitan locations along Australia's eastern seaboard
- Underpinned by ~2 million square metres of land

Conservative Capital Structure



- A disciplined and prudent approach to capital management
- Target gearing range of 30-40%
- Investment grade credit rating (Moody's Baa1)⁵
- Diversified debt sources and tenor

Internal Management Structure



- Majority independent Board of Directors
- One of the lowest MERs in the S&P/ASX 200 REIT Index (FY23: 30bp)

1. Source: Budget Direct Fuel Consumption Survey and Statistics 2022.

2. Source: AACS State of the Industry Report 2022.

3. Source: vivaenergy.com.au.

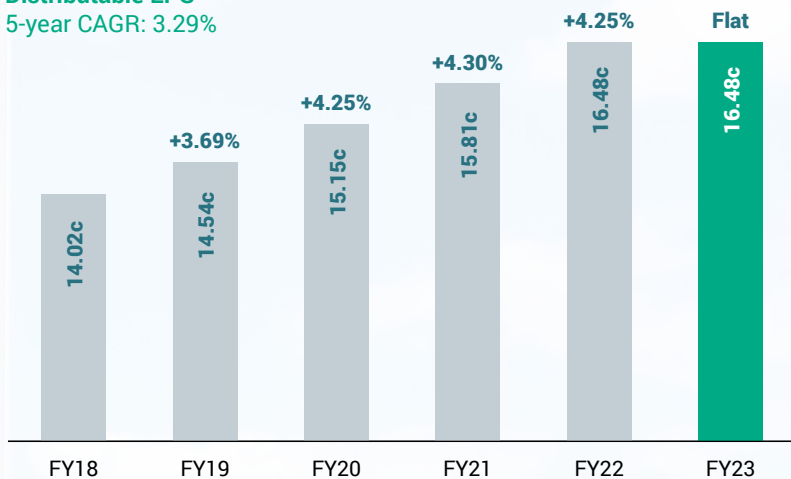
4. Assumes long-term CPI of 3.0% for leases with CPI-linked rent reviews.

5. Credit rating must not be used, and WPR does not intend to authorise its use, in the support of, or in relation to, the marketing of its securities to retail investors in Australia or internationally.

HISTORICAL RETURNS

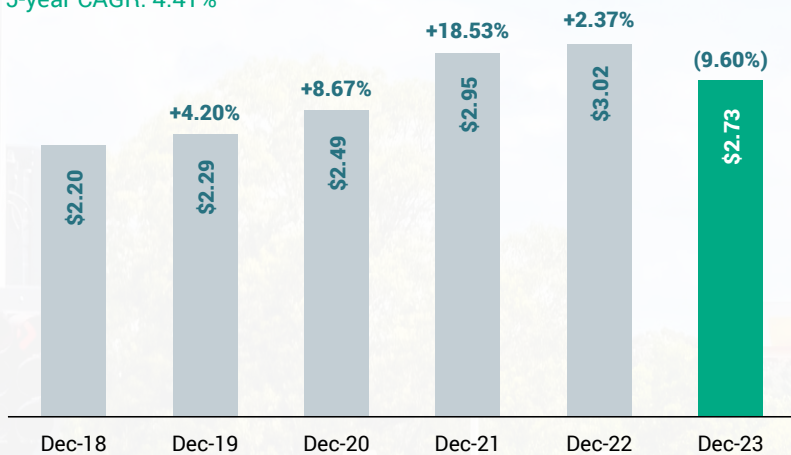
WPR has delivered solid growth in Distributable EPS and NTA per security over the past 5 years.

Distributable EPS¹
5-year CAGR: 3.29%



1. Based on weighted average number of securities on issue during the reported period.

NTA per security
5-year CAGR: 4.41%



OUR APPROACH TO SUSTAINABILITY

Our four core values (**Values**), set out below, reflect what Waypoint REIT stands for, and the entire organisation is guided by these core Values when making decisions.

Values



These Values underpin and guide our approach to Sustainability.

We are committed to:

- 1.**
The continuous improvement of the ESG aspects of our business.
- 2.**
Managing, minimising and mitigating (where possible) the ESG-related risks associated with our business.
- 3.**
Engaging and collaborating with our tenants and other stakeholders to influence positive change and drive mutually beneficial ESG outcomes.
- 4.**
Being transparent about progress.

Our approach to sustainability considers the passive nature of our business model. Our investment focus on leasing sites to fuel and convenience retailers presents specific environmental challenges associated with those sectors. However, these challenges are tempered by our portfolio being predominantly comprised of triple net leases, which limits our ability to directly address these challenges compared with our tenants who occupy and operate the assets under the leases.

Waypoint REIT seeks to support our tenants within the scope of the lease terms in place to minimise the environmental impact of their operations on our sites.

We are committed to having broader discussions on these challenges with our tenants, particularly given the potential risks and opportunities the transition to a lower carbon economy presents for our tenants in the fuel and convenience retail sector.

This report covers the financial year ending 31 December 2023. The sustainability data in this report relates specifically to assets and activities within Waypoint REIT's direct operational control unless stated otherwise.

2023 HIGHLIGHTS

Waypoints REIT's key ESG highlights and achievements for 2023 are summarised in the table below.

Pillar	Focus area	2023 achievement
Environment	Climate change and energy	Maintained full offset of Scope 1, Scope 2 and selected (direct) Scope 3 emissions under our direct operational control through the purchase of carbon offsets. ¹
	Reporting and transition risk and opportunities	<p>Integrated first-pass climate risk assessments into portfolio asset planning.</p> <p>Further developed our portfolio physical climate risk assessment by grouping assets with common characteristics to enable scalable plans to be developed to respond to these physical risks.</p> <p>Completed a gap analysis and forward-looking roadmap to enable Waypoint REIT to continue to evolve and prepare for proposed mandatory climate-related reporting in Australia.</p> <p>Completed a high-level assessment of end-of-lease site remediation considerations in the context of potential future alternate use.</p> <p>European study tour undertaken to better understand the long-term implications of the energy transition on fuel and convenience retail.</p> <p>Ongoing involvement in ESG surveys (S&P CSA and Sustainalytics).</p>
Social	Our people	<p>Zero employee turnover – stable team of 8 employees.</p> <p>100% compliance for employee training.</p>
	Workplace health, safety and environment	No employee recordable injuries and no environmental infringements by Waypoint REIT. ²
Governance	Risk management	<p>Implemented additional resilience measures to our technology environment based on recommendations suggested by the cybersecurity maturity assessment conducted by Deloitte in 2022.</p> <p>Continued prudent and disciplined approach to capital management evidenced by active management of exposure to floating interest rates, with 93% of Waypoint REIT's drawn debt being hedged at 31 December 2023 and early assessment of potential refinancing strategies to be executed in 2024 well in advance of debt maturities commencing in April 2025.</p>
	Ethical conduct and transparency	<p>Issued third annual Modern Slavery Statement.</p> <p>No reportable compliance breaches.</p>

1. Australian Carbon Credit Units purchased and surrendered through Tasman Environmental Markets Australia Pty Ltd (**TEM**) in January/February 2024.

2. With respect to facilities under Waypoint REIT's operational control.







ANNUAL MATERIALITY ASSESSMENT – OVERVIEW

The ESG Working Group conducts an annual materiality assessment of ESG topics. In 2023, this assessment included:

- a desktop review of Waypoint REIT's ESG risks and opportunities;
- reviewing the topics and ESG frameworks our peers report on and against;
- considering physical and transition risks facing our industry and business, and working with external consultants to better understand these;
- understanding what topics leading ESG rating agencies deem most material for companies in our industry;
- consultation with our largest tenant Viva Energy about its own sustainability priorities and initiatives, and opportunities for collaboration to improve sustainability practices; and
- understanding how our investors view sustainability.

The outcomes of this materiality assessment have been used to inform Waypoint REIT's ESG strategy, with the most material ESG topics facing Waypoint REIT today categorised into focus areas. These focus areas are also considered as part of Waypoint REIT's broader Risk Management Framework and are reflected in our risk appetite statement. The presentation of the focus areas is categorised under the three pillars of ESG – Environment, Social and Governance – and set out in the table below.

The focus areas are aligned to six of the United Nations' 17 Sustainable Development Goals (**UN SDGs**). The UN SDGs are non-binding voluntary initiatives. The UN SDGs underpin the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, which provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.¹

Pillar	Focus areas	Stakeholders	UN SDGs
Environment	<ul style="list-style-type: none"> • Climate change and energy • Reporting and transition risk and opportunities 	Employees Tenants Communities Securityholders	 
Social	<ul style="list-style-type: none"> • Our people • Workplace health, safety and environment 	Employees Tenants Contractors Communities Government Securityholders	  
Governance	<ul style="list-style-type: none"> • Ethical conduct and transparency (including compliance and risk management) 	Employees Communities Business partners Securityholders	

Reporting standards and assurance

We have continued to align our climate-related financial reporting on page 18 of this report against the Task Force on Climate-related Financial Disclosures (**TCFD**) recommendations, noting that the TCFD recommendations have been incorporated into the International Sustainability Standards Board's recently issued IFRS Sustainability Disclosure Standards.

Waypoint REIT is committed to progressively aligning our disclosures against the proposed Australian Sustainability Reporting Standards, which will cover the disclosure of climate-related financial information. These standards are currently undergoing consultation before coming into effect.

Based on the current exposure draft standards and the Climate-related financial disclosure: exposure draft legislation which was released for consultation in January 2024, Waypoint REIT expects to commence reporting under the proposed standards in 2027.

To provide confidence in our sustainability data, we have continued our recent practice of engaging PricewaterhouseCoopers (**PwC**) to provide 'limited assurance' over selected ESG performance datasets. PwC's limited assurance report is included as Appendix B to this report and sets out the selected ESG performance data subject to assurance by PwC.

1. <https://sdgs.un.org/goals>.

ENVIRONMENT

As a landlord to suppliers of hydrocarbon-derived products, we recognise we have a role to play in supporting the transition to lower-carbon energies while at the same time facilitating the safe and reliable supply of traditional hydrocarbon fuels to motorists.

Disruptions to the supply and demand for traditional fuel, alternative fuels and/or convenience retail products, the supply and demand for fuel and convenience retail properties, and the availability and cost of credit (including sector-specific ESG considerations) have a collective impact on Waypoint REIT.

Given the existential nature of such risks, however, we consider that these and our tenant's strategic response should continue to be monitored and assessed to best prepare Waypoint REIT for the medium to long term.

Waypoint REIT's property portfolio has a weighted average lease expiry of 8.1 years, and most leases have multiple option periods in place. This, coupled with 90% (by income) of our leases being on triple net terms, provides a secure rental income stream to securityholders but moderates our ability to monitor and reduce the environmental impact of our sites, as operational control and responsibility for a site's environmental impact largely resides with our tenants. Noting our own direct ESG impacts are both relatively modest and localised in their scope, Waypoint REIT aims to support our tenants to the best of our ability under the lease terms in place to minimise the environmental impact of their operations on our sites.

Climate change and energy

There are two main types of risks and opportunities that have been identified which relate to climate change and are relevant to Waypoint REIT:

1. **Physical risks** from climate change following an acute event or more material longer-term shifts in the climate that may have financial implications because of damage to physical assets, or indirect impacts such as supply chain disruption. Financial performance may also be affected by climate change impacting Waypoint REIT's physical space, operations, supply chain, transport needs and employee safety.
2. **Transition risks and opportunities** from the move to a low-carbon economy may result from government policy, legal, technological and market changes. Despite this, Waypoint REIT supports the need for action to limit global temperature rise to 2°C or less from pre-industrial levels.

Physical risk

Over the past two years, to better understand its climate change resilience, Waypoint REIT has been conducting climate exposure assessments across its geographically diversified portfolio of assets. This commenced with a 'first pass' assessment in 2022, which isolated the specific physical risk factors that posed a material risk to Waypoint REIT's portfolio across several long-term climate scenarios. In 2023, this was built on with a 'second pass' assessment, which involved grouping assets with common characteristics to enable scalable plans to be developed to respond to these physical risks. The results of this work are being integrated into strategic asset plans and the ongoing active portfolio management strategy of Waypoint REIT.

Both our insurance coverage and maintenance capital expenditure programs were deemed adequate following this process. While assets with greater exposure to climate hazards may experience shorter useful lives, higher maintenance and/or insurance costs, these impacts are largely borne by our tenants given 90% of leases are triple net.

Transition risk

Waypoint REIT acknowledges the longer-term trends that will affect the fuel and convenience sector over time, with the key issue identified being the energy transition and the shift from traditional fuels to alternate fuels.

According to Australian road vehicle fleet and new car sales data (shown on page 7), there are more than 21 million vehicles on Australian roads. Traditional fuel sources still dominate, representing 97% of the total vehicle fleet. While low or zero emissions vehicles as a share of new vehicle sales continue to grow (battery electric vehicles (**BEV**) and petrol hybrid electric vehicles (**PHEV**) accounted for approximately 8% of 1.22 million new vehicles sales in 2023), these vehicles still account for less than 1% of the overall vehicle fleet.

This data indicates an evolving transition in demand for energy and mobility solutions. Waypoint REIT believes it can be best positioned to adapt to this transition by maintaining a strong portfolio of sites that meets the current requirements of our tenants and their customers, while also offering flexibility of use to adapt alongside evolving tenant and customer needs over time.

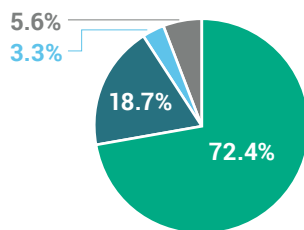


Image: EV chargers Taylors Lakes (VIC)

Australian road vehicle fleet and new car sales

Record new car sales in 2023; BEV/PHEV market share of 8.1%, but petrol/diesel still dominate fleet share

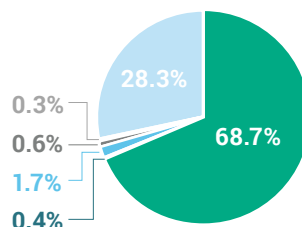
Australian fleet by type (Jan-23)¹



- Passenger
- Light Commercial
- Trucks
- Other

- 21.2m vehicles on Australian roads (January 2023)
- Vehicle fleet dominated by passenger vehicles (15.3m) and light commercial vehicles (4.0m)
- 'Other' includes motorcycles, buses, campervans and non-freight-carrying vehicles

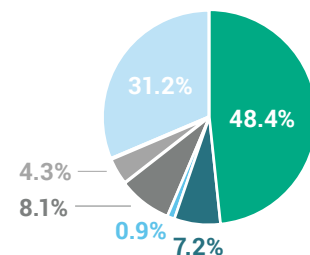
Australian fleet by power source (Jan-23)¹



- Petrol
- BEV/FCEV
- HEV
- Dual fuel
- Other
- Diesel

- Traditional fuel sources still dominate, with petrol (14.5m) and diesel (6.0m) powering 97% of all Australian vehicles
- HEV includes traditional hybrids and PHEVs

New vehicle sales by power source (2023)²



- Petrol
- BEV/FCEV
- PHEV
- Traditional HEV
- Trucks
- Diesel

- 1.22m new vehicles delivered in 2023 – surpassing the previous record of 1.19m in 2017
- Traditional fuel sources continue to dominate new vehicle sales, accounting for ~92% of total sales (including trucks and traditional hybrids)
- BEVs and PHEVs accounted for 8.1% of total vehicle sales (or 8.5% of vehicle sales excluding trucks, up from 3.8% in 2022)
- Only six FCEVs (hydrogen) were delivered in 2023

1. Source: BITRE, Road Vehicles, Australia (June 2023). Figures as at 31 January 2023.

2. Source: FCAI media release (4 January 2024). Figures include passenger vehicles, SUVs, light commercial vehicles and heavy commercial vehicles.

We note that fuel and convenience (mobility) operators are also acknowledging the transition underway, and they continue to adapt their strategies and plans (and the velocity of these) to the changing demands of their customers.

During 2023 Waypoint REIT completed a study tour to Northern Europe, including Norway, the Netherlands and United Kingdom. These countries are at varying stages of their own transition to lower carbon mobility. It was apparent that demand for well-located convenience and mobility assets remained a cornerstone of successful mobility networks. Operators continued to evolve their offers to respond to the evolving demands of mobility customers, including adapting to alternate energy sources (for example testing of electric charging and hydrogen refuelling offers in addition to conventional hydrocarbon fuels) and increasing breadth and sophistication of convenience offers, particularly in food and on-the-go services. The capability of convenience and mobility retailers to evolve and adapt to the transition already underway, and still ahead, provided valuable insight for Waypoint REIT in contemplating its ongoing active portfolio management strategies.

1. Source: Viva Energy 2023 Annual Report.

In 2023 our major tenant, Viva Energy Australia, completed two significant steps in diversifying its Convenience & Mobility business:

- It completed the acquisition of Coles Express, taking full operational control of the convenience business at its existing network of 700+ company operated outlets; and
- It announced the acquisition of On-the-Run, a world-class fuel and convenience retailer. The acquisition was granted ACCC approval in December 2023 and is anticipated to be completed in the first half of 2024.

Viva Energy has stated that these acquisitions will carry a number of benefits that support the evolution of its business¹:

- Reducing its Convenience & Mobility Division's fuel earnings share from 70% to 50% of gross margin on a pro forma basis;
- Further reducing the division's reliance on fuel income over time through the rollout of the On-the-Run convenience retail format across the broader Coles Express network; and
- Creating a compelling convenience retail offer to support the introduction of electric vehicle recharging facilities over coming years.

Waypoint REIT's strategy to mitigate transition risk continues to be threefold

Waypoint REIT looks forward to the completion of the On-the-Run acquisition by Viva Energy and the potential opportunities this may bring for further portfolio enhancement. In the meantime, Waypoint REIT continues to have a threefold strategy and approach to managing transition risk.

Strategy	Aim	Description/comments
Actively managing our portfolio	Improve portfolio quality and increase likelihood of lease renewals at expiry	<ul style="list-style-type: none"> • Selective acquisitions • Non-core disposals • Focus on long-term risks/returns (including underlying land value) • Acquisition/disposal criteria to be refined over time as the sector evolves • Portfolio diversification over time
Supporting our operators	Assist long-term viability/success of our operators, primarily as a capital partner	<ul style="list-style-type: none"> • Optimise current offering (e.g. site redevelopments) • Adapt offering over time (e.g. reconfiguration for addition of alternative fuels to site mix) • Facilitate innovation and sustainability (e.g. electricity easements for EV charging stations)
Prudently managing capital	Capital management strategy consistent with portfolio strategy	<ul style="list-style-type: none"> • Sustainable gearing levels and diversified sources and tenor of debt • Disciplined allocation of capital to optimise risk-adjusted securityholder returns



Tenant initiatives¹

Waypoint REIT also acknowledges the sustainability commitments and actions of our tenant operator Viva Energy.

In December 2023, Viva Energy entered into a co-funding agreement with the NSW Government for the development of 30 EV charging stations across its Shell-branded network in NSW.

In 2023, Viva Energy announced opt-in Certified Carbon Neutral Diesel (certified by Climate Active). Opt-in carbon neutral products will be available to Viva Energy's Shell Card customers in 2024.

Viva Energy has a target to achieve net zero Scope 1 and 2 greenhouse gas emissions across its Convenience & Mobility and Commercial & Industrial businesses by 2030. Viva Energy's decarbonisation roadmap identifies the following initiatives in its Convenience & Mobility business:

- a multi-year rooftop solar PV rollout commencing in 2024;
- canopy LED lighting upgrades during 2024 (expanding on upgrades undertaken in 2022); and
- entering into renewable power purchase agreements.

1. Source: Viva Energy Australia Annual Report 2023.

Energy efficiency

Since 2021, Waypoint REIT has offset its Scope 1, Scope 2 and Scope 3 (direct) greenhouse gas emissions (**Measured Emissions**) through the purchase and surrender of carbon offsets. These emissions have been determined by Waypoint REIT as most directly related to, and within more direct influence of, its business. Further details of the measurement methodologies applied for Measured Emissions are contained in the Basis of Preparation – Appendix C. Waypoint REIT's Measured Emissions are relatively modest; nonetheless, we remain committed to identifying opportunities to reduce these greenhouse gas (**GHG**) emissions where possible, and to offsetting residual emissions, through the acquisition and retirement of carbon offsets.

In 2023, Waypoint REIT's Measured Emissions were 68.80 tonnes of carbon dioxide equivalent (t-CO₂-e), a like-for-like increase of 5.21 t-CO₂-e (8%) from the 2022 Measured Emissions (re-stated). Details of key change drivers for 2023 GHG emissions include:

- Travel-related emissions increased by 6.78 t-CO₂-e (13%) compared with 2022. Despite travel activity being lower than 2022, published emissions factors for air travel increased, more than offsetting Waypoint REIT's decreased activity.
- Emissions related to waste from operations and upstream leased assets increased by 1.56 t-CO₂-e (was zero in 2022). Waypoint REIT relocated its Sydney offices during 2023. The relocation delivered a positive economic benefit to Waypoint REIT, however the new premises is not certified carbon neutral.
- Emissions from electricity supply at Waypoint REIT's corporate offices decreased by 2.57 t-CO₂-e (45%). This was achieved by switching to certified carbon neutral electricity agreements during the second half of 2023. A full year benefit of this change will be seen during 2024.
- Decreased emissions of approximately 0.67 t-CO₂-e (9% year-on-year) from employee commuting (including home working), which fell after a reduction in full-time employment in late 2022.

2022 re-statement

It is acknowledged that Measured Emissions reported in Waypoint REIT's 2022 Sustainability Report were 18.64 t-CO₂-e. In this report, 2022 Measured Emissions are re-stated as 63.59 t-CO₂-e.

During the preparation and review of 2023 Measured Emissions, there were three key calculation changes to 2022 Measured Emissions that were identified:

1. Scope 2 and Scope 3 (category 3) – Fuel and energy related emissions (calculation methodology change) – In 2022 GHG emissions associated with Waypoint REIT's electricity consumption, which are reported using a market-based method, were estimated using a calculated residual mix factor for each relevant state. The residual mix factor was calculated using the Scope 2 and Scope 3 emission factors for each relevant state (as set out within the 2022 National Greenhouse Accounts (NGA) Factors workbook) which were adjusted to account for the estimated amount of renewable electricity within the electricity grid using the Renewable Power Percentage (set by regulation under the Renewable Energy (Electricity) Act 2000). The 2022 GHG emissions have been restated to apply a national residual mix factor, rather than relevant state based factors, to align with the new market-based method details and residual mix factor included within the 2023 National Greenhouse Accounts (NGA) Factors Workbook.
2. Scope 3 (category 6) Business Travel – emissions factor applied for business travel flights was incorrect. Business travel emissions factors have been corrected for 2023 calculations, and 2022 emissions re-stated.
3. Scope 3 (category 7) Employee Commuting – a calculation error was made in relation to employee commuting statistics whereby only one-way travel distances had been used in parts of the calculation. 2022 emissions have been re-stated to reflect the inclusion of return journeys where required.

To maintain its commitment to offsetting Measured Emissions, Waypoint REIT has acquired and surrendered a total of 115 tonnes of carbon offsets in January/February 2024 (45 tonnes in recognition of the 2022 re-statement and 70 tonnes offsetting Waypoint REIT's 2023 Measured Emissions).

Emissions and offsets	Waypoint REIT Measured Emissions (t-CO ₂ -e)	Offsets (tonnes)	Net
2022 (as reported)	18.64	20.00	
2022 restatement adjustment	44.95	45.00	(1.41)
2023	68.80	70.00	(1.20)
2022 (restated)/2023	132.39	135.00	(2.61)

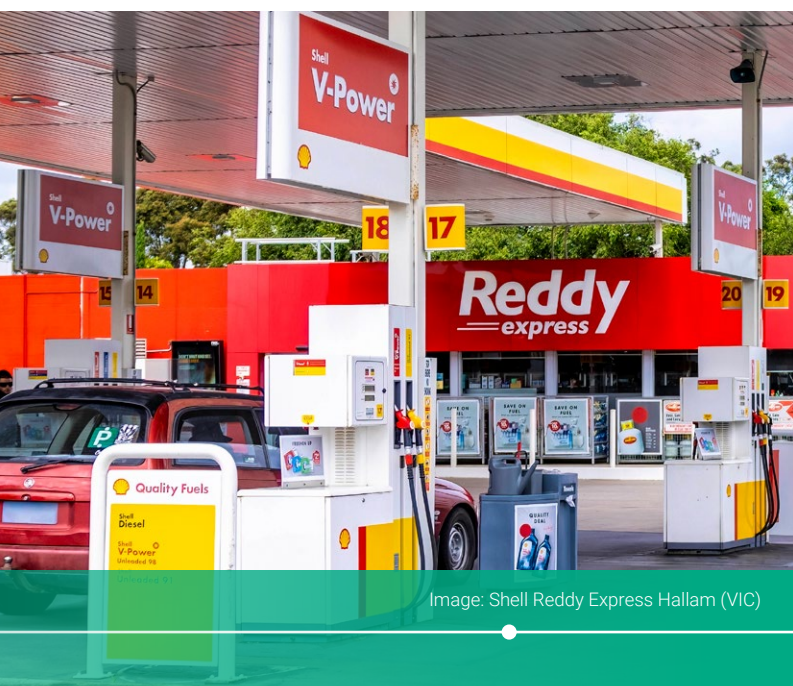


Image: Shell Reddy Express Hallam (VIC)

Carbon offsets

Australian Carbon Credit Units (ACCUs) carbon offsets have been purchased from Tasman Environmental Markets (TEM), a leading Asia-Pacific carbon offsetting solutions provider.

Project type

Environmental Planting

Carbon standard

Australian Government Emissions Reductions Fund

Methodology

Carbon Credits Farming Initiative (Reforestation and Afforestation)

Project description

The project has been designed to be planted in narrow belts and small blocks during 2012 and 2013 expressly for the purpose of carbon abatement. The trees are thriving and contributing to environmentally regenerative outcomes in the

surrounding landscape that continues to be farmed by the landholder.

Reforestation has occurred primarily on light sandy patches of land, or along denuded stream banks. As the plantings mature and forest canopy is regenerated, a range of potential biodiversity co-benefits are achieved. With both the robust carbon removals and the potential to improve biodiversity outcomes in the project area, this reforestation initiative is a prime example of high-integrity nature-based climate change solutions.

Project location

Located in the Great Southern region of Western Australia, 170 hectares of permanent eucalyptus tree plantings have been strategically established across four farms between the towns of Quairading and Kojonup.

Information provided by TEM
www.tem.com.au



The project meets the following United Nations Sustainable Development Goals:

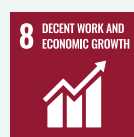


Image: Coles Express Ultimo (NSW)

SOCIAL

Our people

Culture and engagement

The Board and the Managing Director and CEO work with senior management to successfully cultivate a team culture focused on performance, governance, risk management and inclusiveness. Culture is reviewed periodically by the Board in conjunction with senior management. Given the small size of the team, the Board has the unique opportunity to interact with the majority of employees directly in some capacity during the year.

Diversity and inclusion

Waypoint REIT's **Diversity Policy** describes Waypoint REIT's approach to diversity and the importance diversity brings to innovative thinking and overall success, including attracting talent, reducing staff turnover, increasing job satisfaction and better overall staff performance and a commitment to fostering and maintaining an inclusive workplace that respects individuals. The Diversity Policy is available on the Waypoint REIT website

and its scope extends beyond gender and includes, but is not limited to, issues of gender, gender identity, physical appearance, political views, age, race, nationality or ethnic origin or cultural background, relationship status, marital status, family responsibilities, carer's responsibilities, pregnancy or potential pregnancy, religious beliefs or activity, social origin, sexuality or sexual orientation, disability, and medical record.

Waypoint REIT has adopted a methodology to establish measurable objectives for achieving gender diversity and to annually review these objectives and Waypoint REIT's progress in achieving them.

There were no incidents of discrimination reported during FY23.

Gender diversity

For 2023, the proportion of women employed by Waypoint REIT (as compared to 2022) and targets for 2023 are summarised in the table below.

Diversity objective	FY23 targets	FY22 outcomes	FY23 outcomes	FY23 diversity targets
Female Board representation	Ensure the current female Board representation does not decrease and retain a 40% target on female Board representation.	40%	40%	40%
Female representation on the Board and senior management team ¹	Ensure female representation on the Board and senior management team does not decrease, and to endeavour to increase female representation to 50% as and when opportunities arise.	37%	37%	50%
Female employees	Maintain 50% representation of employees as females.	50%	50%	50%

1. The senior management comprises Executives as defined in Appendix C of this report. In 2023, there were three senior executives reporting to the Managing Director and CEO.

The next table summarises Waypoint REIT's gender diversity objectives and progress made in achieving those objectives in 2023 (noting all have been achieved).

FY23 diversity objective	Outcome
1. Maintain the current proportion of female Board representation and retain a 40% target for female Board representation.	Achieved – Female Board representation increased from 25% in 2021 to 40% in 2022 and was maintained at 40% in 2023. Independent Non-Executive Directors' female representation also increased from 33% in 2021 to 50% in 2022 and was maintained 50% in 2023.
2. Maintain female representation on the Board and senior management team. Endeavour to increase female representation to 50% as and when opportunities arise.	Achieved – Female representation on Waypoint REIT's Board and senior management team was maintained at 37% in 2023. Given the small number of employees, any change can have an amplified effect on diversity metrics.
3. Maintain 50% of employees as female.	Achieved – As at the date of this statement, 50% of Waypoint REIT's workforce are female.

Overall, gender representation remains stable. Due to the small number of employees and Board members, any change has the potential to make a notable movement on diversity outcomes. FY24 diversity targets and other diversity measures can be found in the Corporate Governance Statement 2023 and is available on the Waypoint REIT website www.waypointreit.com.au/investors

Staff turnover

Waypoint REIT has a small group of employees, a strong workforce culture and we have low employee turnover. All of Waypoint REIT's employees are located in Australia. During 2023, there was one new Independent Non-Executive Director appointed, replacing one Independent Non-Executive Director who resigned. Voluntary and involuntary employee turnover was 0%.

Employees by employment status

The number of female and male permanent full-time and permanent part-time employees remains consistent with the previous year.

	2022		2023	
	Female	Male	Female	Male
Permanent full-time	-	4	-	4
Permanent part-time	4	-	4	-

Notes:

- Includes all employees as at 31 December 2023.

Employees by gender

Female representation at the senior manager level and for the overall workforce remains consistent with the previous year.

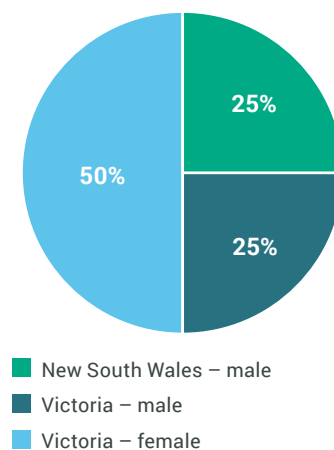


Note:

- Includes permanent full-time and permanent part-time employees as at 31 December 2023.

Employees by location

Employee numbers have remained constant in New South Wales and Victoria.



Note:

- Includes fixed term, permanent full-time and permanent part-time employees as at 31 December 2023.

Also refer to our 2023 Corporate Governance Statement for further information on diversity.

www.waypointreit.com.au/investors

Flexible working and parental leave

Our approach to flexible working and parental leave has been an important part of promoting greater gender balance in our workplace. Flexible working arrangements are in place for all staff. Waypoint REIT's employees continued to work flexibly during 2023 with regard to work location.

As at the end of 2023, four of Waypoint REIT's eight team members worked on formal part-time working arrangements. Flexible working from home practices are the 'new normal' for Waypoint REIT staff.

Waypoint REIT offers all eligible employees parental leave of up to 14 weeks for the primary carer within the first 24 months of their child's birth or adoption/permanent fostering of a child. Parental leave is also available to eligible permanent employees from the time they start working with us, in order to help provide greater access to paid parental leave and flexible unpaid leave. During 2023, all employees were entitled to parental leave and there were no employees that took parental leave or returned to work in the reporting period after parental leave ended.

Performance, training and development

All permanent employees are entitled to earn an 'at risk' component of remuneration designed to maximise performance in key strategic areas. This 'at-risk' component is set and measured through a balanced scorecard approach, with key performance indicators (**KPIs**) aligned to the key financial and non-financial value drivers of Waypoint REIT's business agreed between each employee and their manager at the start of the year. The Board believes that having a mix of financial and non-financial KPIs will provide measurable performance criteria strongly linked to year-on-year securityholder returns and encourage the achievement of individual goals consistent with Waypoint REIT's overall strategic, financial and non-financial objectives.

At the end of each year, the performance of employees is measured against the KPIs as set out in their balanced scorecard, and evidence of behaviour in line with Waypoint REIT's corporate values and Risk Management Framework.

Waypoint REIT has a **Continuous Learning Policy** entitling all employees up to \$1,000 of employer-paid training plus two paid study days and the opportunity to apply for additional resources to be assessed on a case-by-case basis.

A **Health and Wellbeing Policy** provides all employees with the opportunity to undertake annual health checks. Benefits are applied to all permanent employees (full time and part time).

In 2023, Waypoint REIT partnered with an employee assistance program (**EAP**) provider to provide all our employees with wellbeing support to feel mentally well and ensure they have 24/7 access to support when they need it. All employees have full access to our dedicated EAP online platform via website or mobile app. It features mental health information and interactive self-help tools, such as a digital wellbeing assistant that employees can chat to, a mood journal and a deep-breathing tool. Employees can also book three pre-approved therapy sessions, either online or in person, with a therapist of choice through our EAP provider's online booking system should they need professional support.

Waypoint REIT is also committed to building employee capability via on-the-job training and development opportunities, such as participating in special projects, attending conferences and industry forums, as well as formal classroom and web-based training to ensure their skills remain current.

All Waypoint REIT employees are required to complete ongoing mandatory training modules on Key Policies and procedures, including but not limited to compliance training and cybersecurity awareness training to ensure they understand our regulatory obligations in relation to their individual role. The mandatory training requirements are reviewed annually and updated as required to ensure they remain relevant and reflective of current market trends and regulatory requirements.

All new Directors and employees receive training on the Code of Conduct and complete comprehensive induction training to understand their responsibilities and accountabilities with respect to the Key Policies.

The number of reported training hours increased significantly this year, largely due to an increase in mandatory compliance and WHS&E training. Approximately 35 hours of training (average per employee) were completed in 2023 versus 26 hours of training (average per employee) in 2022 and seven hours of training (average per employee) in 2021.

All employees completed training in mandatory compliance modules, including a tailored modern slavery awareness e-learning module, Code of Conduct, and anti-bribery and corruption policies and procedures, which were provided free of charge and during paid working hours. In 2023, the training delivered to all employees also included approximately four hours of WHS&E training (average per employee) and included topics on health and wellbeing. For further details, refer to table below.

Training	FY23 hours of training	Inclusions
Compliance training	66	Modern slavery awareness training and Key Policies and procedures.
Cybersecurity training	39	Security awareness training, social engineering, phishing, security for workplace messaging platforms, etc.
Responsible managers' training	143	Anti-hawking prohibitions, directors' obligations, ESG and sustainability, continuous disclosure obligations, etc.
WHS&E training	29	Workplace wellbeing, sexual harassment training, WHS&E Governance Framework and WHS&E reporting escalation protocols.
Total hours of training	278	
Hours of training (average per employee)	35	
% of eligible employees completing training in mandatory compliance, cybersecurity and WHS&E	100%	

Total hours of training per employee (by gender and employee category)

Hours	Executive Leadership Team				Other			
	M	M	F	F	M	M	F	F
	2023	2022	2023	2022	2023	2022	2023	2022
<10	–	–	–	–	–	–	–	–
10-20	–	1	–	–	1	2	3	3
20-30	–	1	–	–	–	–	–	–
>30	3	1	1	2	–	–	–	–

Notes:

- Total hours of training include coordinated and structured in-house and outsourced company-paid vocational and mandatory compliance training, WHS&E training and cybersecurity training.
- Training hours reflect all recorded applicable training for employees.

All Directors and employees are required to complete attestations that they have read and acknowledge the obligations of all Key Policies, with more extensive training provided depending on their role within the organisation.

Waypoint REIT as an Australian Financial Services Licence (AFSL) holder is also required to have a development program for our Responsible Managers. The **Responsible Manager Development Policy** approved by the Board is designed to ensure that our Responsible Managers maintain competence in their particular area of responsibility, thereby complying with our AFSL.

Newly appointed Responsible Managers receive appropriate induction and then relevant training on an ongoing basis. Waypoint REIT provides all Responsible Managers with in-house training and gives representatives the opportunity to attend external training courses and/or seminars and conferences that are relevant to their area of expertise.

Remuneration

Waypoint REIT's long-term remuneration objectives are to reward strong performance, encourage executive retention, achieve the right balance between 'fixed' and 'at risk' pay and achieve alignment between executive and securityholders' interests. The Board recognises the key to Waypoint REIT's ongoing success lies in retaining and attracting high-performing people.

All Waypoint REIT employees earn wages above Australian legal minimum requirements, are based in Australia, and are free to associate and enter into collective bargaining agreements. None of Waypoint REIT's employees are employed under collective bargaining agreements.

Refer to the Remuneration Report in the 2023 Annual Report for further details.

www.waypointreit.com.au/investors



Image: Shell Coles Express Alexandria (NSW)

Workplace Health, Safety & Environment

Safety

Waypoint REIT carefully considers the safety credentials of the tenants and parties with whom we deal with across the portfolio. This extends to ensuring alignment with industry standard compliance procedures (and/or contractor requirements specified by tenants) where contractors are engaged by Waypoint REIT to carry out Landlord works at Waypoint REIT sites.

Further, Waypoint REIT's incident reporting protocols require us to confirm with tenants our expectations on work, health, safety and environment matters. Incidents reported by tenants are managed under Waypoint REIT's incident escalation protocols. A summary of reported incidents is reviewed by the ARMC on a quarterly and 'as required' basis should urgent review be required.

Waypoint REIT promotes health and wellbeing by providing employees with the opportunity for an annual health check and Employee Assistance Program, which may be accessed when required.

Environmental responsibility

Properties in the portfolio are subject to various environmental standards, regulations and laws, which, from time to time, may give rise to liabilities in terms of the status and remediation of those properties. The main environmental risk associated with fuel and convenience retail properties is soil and groundwater contamination caused by fuel leaks. However, the lease attaching to most sites requires tenants to use reasonable endeavours to prevent contamination at each site and indemnify Waypoint REIT for any contamination caused by their operations. Waypoint REIT has an indemnity from Viva Energy in respect of certain liability for historical environmental contamination across 355 assets acquired at the time of Waypoint REIT's initial public offering.

If any property in the portfolio is contaminated by a fuel tenant or its invitee during the term of the lease, the tenant under that lease must remediate it at its cost to a standard consistent with operating the site as a service station (or similar commercial use). However, if the tenant were to fail to meet its obligations under these arrangements (including due to its insolvency), Waypoint REIT may incur significant costs to rectify contamination on the properties and also on other properties that may be consequently impacted.

To minimise Waypoint REIT's potential exposure, we ensure our fuel tenants are strong operators with a focus on environmental protection and personal safety. As at 31 December 2023, 96% of Waypoint REIT's income was derived from Viva Energy.

Viva Energy is a sophisticated and experienced operator of fuel and convenience retail infrastructure. It has policies and procedures in place to minimise the risk of harmful fuel leaks and prioritises early fuel leak detection. Viva Energy has in place a comprehensive work, health, safety and environment control framework and management system. Viva Energy has also implemented spill prevention and control measures across all of its operations, including operational procedures, routine surveillance, risk-based inspection programs, and utilising leak detection technology.

Key metrics

Waypoint REIT did not receive any environmental infringements or notices from environmental regulators in 2023.

Employees of Waypoint REIT had no recordable, work-related injuries in 2023.



Image: Shell Coles Express Alexandria (NSW)

GOVERNANCE



Framework

Waypoint REIT's Risk Management Framework is used to identify, assess, manage, monitor and report key risks. The Board, via the Managing Director and CEO, is responsible for overseeing the establishment and implementation of the framework, and for approving and monitoring compliance with the framework.

In an ESG context the Board, through the Audit and Risk Management Committee (**ARMC**) and/or the ESG Working Group:

- considers climate-related risk within the Waypoint REIT Risk Management Framework;
- reviews and endorses the ESG annual work plan;
- monitors delivery of the work plan at least quarterly throughout the year; and
- considers present and emerging ESG issues through engagements with subject matter experts.

Commitments

Waypoint REIT is committed to operating our business in a way that is ethical, responsible and transparent through:

- operating in accordance with our Values;
- maintaining strong governance and Risk Management Framework;
- endeavouring to support ethical trade in our purchasing practices; and
- contributing to making the communities where Waypoint REIT operates better places to live and do business.

By adopting high standards, we aim to achieve commercial success for our investors and earn the respect of our stakeholders, business partners and the communities where we operate.

Ethical conduct and transparency

The Board has adopted the following policies governing ethical conduct and transparency:

- Anti-Bribery and Corruption and Anti-Terrorism Financing Policy
- Charitable Giving Policy
- Code of Conduct
- Complaints Handling Policy
- Conflicts of Interest Policy
- Disclosure Policy
- Diversity Policy
- External Auditor Independence and Rotation Policy
- Human Rights Policy
- Investor Relations Policy
- Privacy Policy
- Related Parties Transactions Policy
- Securities Trading Policy
- Supplier Code of Conduct
- Whistleblower Policy

(Collectively referred to as **Key Policies**).

Our **Code of Conduct** outlines how we expect our Directors, senior management, employees and any third party acting on our behalf to behave and conduct themselves in the workplace and is supported by our **Anti-Bribery and Corruption and Anti-Terrorism Financing Policy** and **Conflicts of Interest Policy**.

Our **Supplier Code of Conduct** encourages suppliers and contractors to abide by our Values and we aim to procure goods and services from those organisations demonstrating good ethical practices.



Our **Human Rights Policy** demonstrates our commitment to managing our operations and investments in line with the United Nations Guiding Principles on Business and Human Rights and the Australian Modern Slavery legislation. This commitment extends to our Directors, employees, contractors, sub-contractors, consultants and our suppliers, whom we expect to comply with applicable laws, regulations and standards when conducting business.

Our **Charitable Giving Policy** is tied to Waypoint REIT's commitment to help make the communities where Waypoint REIT operates better places to live and do business. The employee matching policy also allows for employees' charitable donations to Waypoint REIT's nominated charity partners to be matched by the company.

We aim to be fully accountable and transparent with the market around fines, breaches and other business transgression that may occur. A **Whistleblower Policy** and whistleblower hotline support this outcome. Our grievance mechanism is supported by an independent provider. Waypoint REIT had no whistleblower complaints during 2023.

We are subject to several ESG corporate ratings and participate in or respond to information requests or both, where appropriate and feasible based on our resources.

2023 update

- Waypoint REIT published its third Modern Slavery Statement on 22 June 2023 in accordance with the *Modern Slavery Act 2018* (Cth). Please see our website for a copy of the Modern Slavery Statement. waypointreit.com.au/investors
- Time and effort were also dedicated during the year towards understanding and assessing our external sustainability rankings. Participation in the S&P Global Corporate Sustainability Assessment (**CSA**) was proactively undertaken for the first time in 2022 and Waypoint REIT participated again in 2023. Despite a year-on-year score decrease, Waypoint REIT's overall performance was ranked at the 83rd percentile in the REIT industry/peer group of 869 companies. An improved ranking was achieved on the Sustainalytics assessment compared with the previous year. This was largely driven by Waypoint REIT's improved transparency provided through enhanced disclosures in Waypoint REIT's Annual Report, Sustainability Report, Corporate Governance Statement and various updates made to our Key Policies.

External Sustainability Ratings	2022	2023	Improvement/ (decline) ¹
Sustainalytics Risk Ratings	15.82 LOW risk	15.40 LOW risk	0.42
S&P Global ESG Score	43	37	(6)

1. The ESG ratings disclosed for Waypoint REIT are the historical average ESG risk ratings per year.

CLIMATE-RELATED FINANCIAL DISCLOSURES

The Financial Stability Board's Task Force on Climate-related Financial Disclosures (**TCFD**) was established to develop recommendations for more effective climate-related financial disclosures. Waypoint REIT has progressively enhanced its reporting against the TCFD recommendations. The TCFD recommendations are now incorporated into the International Sustainability Standards Board's (**ISSB**) recent IFRS Sustainability Disclosure Standards, which directly inform the upcoming Australian Sustainability Reporting Standards covering the disclosure of climate-related financial information. These standards are currently undergoing consultation and will become mandatory once they are brought into effect.

During 2023, Waypoint REIT conducted a review and refresh of our TCFD roadmap. The forward-looking roadmap has contemplated the ISSB's IFRS Sustainability Disclosure Standards and the available exposure draft of the Australian Sustainability Reporting Standards (which remain subject to finalisation). A summary of our phased approach to TCFD, achievements to-date and future initiatives are shown in the table below.

	Prior years	2023	Future years
Governance	Established ESG governance framework, working group, annual work plans and monitoring of priorities and targets.	Annual ESG work plan approved by the Board and completed by ESG Working Group. Completed TCFD gap analysis status check. Review of TCFD roadmap and requirements under latest known exposure drafts for mandatory reporting in Australia.	Enhance and evolve governance structure in preparation for forthcoming mandatory reporting.
Strategy	First pass physical climate exposure assessment. Assessed three climate change scenarios (SSP1-2.6, SSP2-4.5 and SSP5-8.5) over short (2030), medium (2050) and long (2090) term horizons.	Completed second pass physical climate risks vulnerability. Completed (with external assistance) a high-level project assessing end-of-lease site remediation project considerations in the context of potential future alternate uses.	Enhance disclosures to respond to the requirements of future mandatory reporting.
Risk management	Reviewed Waypoint REIT's Risk Management Framework and defined appetite for climate-related risk. Identified risks are added to the risk register by the ESG Working Group for review by the ARMC.	Completed first pass transition risk and opportunities assessment.	Build on work completed to-date to add further detail to climate risk and opportunity assessments.
Metrics and targets	Established Scope 1, 2 and selected Scope 3 emissions boundary for emissions within Waypoint REIT's direct operational control and carbon neutral target via utilisation of accredited carbon offsets.	Maintained net Measured Emissions of zero. Scope 2 emissions reduced, Scope 3 emissions increased.	Maintain net Measured Emissions of zero. Explore opportunities to expand disclosure of Scope 3 emissions to include Other (indirect) Scope 3 emissions.

Governance

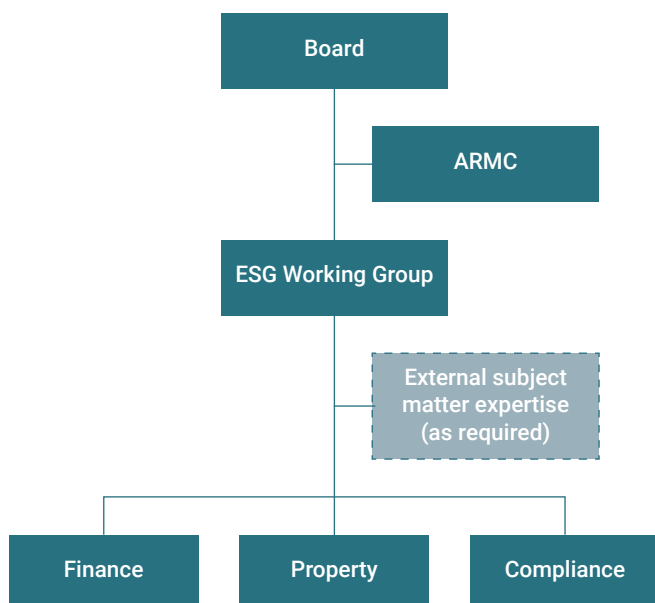
The Waypoint REIT Board is ultimately responsible for setting Waypoint REIT's ESG strategy. The ESG Working Group is responsible for bringing Waypoint REIT's ESG strategy to life and for actioning ESG goals set by the Board.

The Board, through the Audit and Risk Management Committee (**ARMC**) and/or the ESG Working Group:

- considers climate-related risk within the Waypoint REIT Risk Management Framework;
- reviews and endorses the ESG annual work plan;
- monitors delivery of the work plan at least quarterly throughout the year; and
- considers present and emerging ESG issues through engagements with subject matter experts.

The ESG Working Group comprises a cross-functional team that works to identify and recommend strategic focus areas and initiatives to respond to current and emerging ESG matters (including climate-related risks and opportunities). The ESG Working Group:

- prioritises and delivers the annual work plan endorsed by the Board;
- engages support of subject matter experts as required to ensure appropriate insight and expertise on ESG topics; and
- keeps the ARMC and Board updated, at least quarterly, on the delivery of the annual work plan and current and emerging ESG trends and issues.



Strategy

Waypoint REIT is committed to expanding its understanding of climate-related risks and opportunities over the short, medium and long term, as well as determining the impact of different scenarios on our business, strategy and financial planning.

In 2022, Waypoint REIT undertook first pass physical climate exposure screening of its portfolio of fuel and convenience assets against 13 climate-related hazards. A quantitative scenario analysis based on future climate exposure under three IPCC CMIP6 emissions scenarios – SSP1-2.6, SSP2-4.5, and SSP5-8.5 – was also undertaken. Please refer to our 2022 Sustainability Report for further details.

The 2023 ESG priorities and work plan focused on building on this work and enhancing Waypoint REIT's understanding and assessment of risk and opportunities in both the physical and transition spheres.

Physical risk

In 2023, Waypoint REIT built on the first pass physical climate exposure screening completed in 2022 by carrying out an assessment of how best to develop scalable plans against the long-term identified physical climate risks across our 402-site asset portfolio. This involved the following steps:

- The portfolio was screened for shared physical characteristics to determine if it could be segmented in a way that was consistent with this. It was concluded that the fuel and convenience assets of Waypoint REIT are generally homogenous in nature with few variables in the design, engineering or materials from which they are constructed.
- Vulnerability of assets to each of the 13 climate hazards (identified in Waypoint REIT's previous 2022 physical exposure assessment) and mitigation/adaption measures to respond to these were considered. Adaption measures and risk exposures were generally considered to include increased preventative and/or reactive maintenance effort/cost, and potential for increased insurance costs. Waypoint REIT's contractual lease arrangements impose such obligations and costs on tenants in most instances across its mostly triple net lease portfolio.

Transition risk and opportunity

During 2023, Waypoint REIT conducted a first pass climate exposure assessment aimed at identifying the most significant *transition risks and opportunities* for Waypoint REIT.

The assessment was conducted in line with guidance from the National Climate Change Adaptation Research Facility (**NCCARF**).

Risks and opportunities factors were drafted and classified into the different TCFD transition risks and opportunities categories and assessed through an externally facilitated workshop with Waypoint REIT's ESG Working Group.

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Transition risk categories	Transition opportunity categories
Policy and legal	Resource efficiency
Technology	Energy source
Market	Products/services
Reputation	Markets
	Resilience

A total of 41 transition risk factors and 46 opportunity factors were identified across the above categories. These risks were filtered by the likelihood and severity of impact to Waypoint REIT over a five-year period. Risks and opportunities with higher likelihood and severity have now been identified and will be prioritised for validation and further future assessment.

Risk management

The ultimate responsibility for overseeing and managing risks, including those related to climate change, rests with the Board.

Waypoint REIT's Risk Management Framework is used to identify, assess, manage, monitor and report key risks. The Board, via the Management Director and CEO, is responsible for overseeing the establishment and implementation of the framework and for approving and monitoring compliance.

Climate change risk is included in the risk register, which is communicated to the ARMC and the Board. The ARMC, among other things, reviews and recommends updates to Waypoint REIT's Risk Management Framework and material strategic risks to the Board for approval. The ARMC reviews and monitors the implementation of policies and procedures for identifying, assessing, monitoring and managing risk, including climate change-related risks.

The Board reviews economic, environmental and social topics and their impacts, risks and opportunities as needed, but at a minimum, on an annual basis. The impact of climate change on Waypoint REIT's sites is largely borne by the tenants and/or the site operators via the triple net nature of the leases in place across most of Waypoint REIT's sites. Accordingly, Waypoint REIT has a medium-risk appetite for climate change risk to allow for issues with a longer-term time horizon and/or new issues to be addressed as identified.

This approach recognises that the nature, extent and understanding of climate change risk will continue to evolve over time.

Our Risk Management Framework and related risk management policies and procedures are discussed in our operating and financial review in the Directors' Report included within the Annual Report and in our Corporate Governance Statement available on our website at:

www.waypointreit.com.au/investors

Metrics and targets

Waypoint REIT completed a carbon footprint assessment for 2023 as part of its ESG strategy. This included our operational footprint for Scope 1, 2 and selected (direct) Scope 3 emissions categories analysing fuel and energy consumption, waste generated, business travel, employee commuting (including working from home), and upstream leased assets emissions. This carbon footprint represents Waypoint REIT's view of the GHG emissions that it has the greatest opportunity to influence, also referred to in this report as 'Measured Emissions'.

Overall, gross Measured Emissions increased in 2023 as a result of the net sum of increase related to corporate office emissions, increased emissions factors/emissions intensity on business travel, decreased emissions on office electricity supply and decreased employee commuting/work from home emissions.

After accounting for changes in Waypoint REIT's Measured Emissions profile (including 2022 re-statement detailed on page 9 of this report), Waypoint REIT maintained net Measured Emissions of zero in 2023 through the purchase and retirement of Australian Carbon Credit Units (**ACCUs**) through Tasman Environmental Markets (**TEM**).

Waypoint REIT also acknowledges our major tenant, Viva Energy, and its target to achieve net zero for its Scope 1 and Scope 2 emissions across its Convenience & Mobility (which includes assets leased from Waypoint REIT) and Commercial & Industrial businesses by 2030¹.

1. Source: Viva Energy Australia Annual Report 2023.

APPENDIX A: CONSOLIDATED DATA TABLES

	Units	FY23	FY22 (restated)	FY22
Our people				
Total employees	#	8	8	8
Total employees in full-time roles	#	4	4	4
Total employees in part-time roles	#	4	4	4
Employee turnover voluntary	%	–	11	11
Employee turnover involuntary	%	–	11	11
Total employees (male/female)	%	50/50	50/50	50/50
Executives (male/female)	%	75/25	75/25	75/25
Board of Directors (male/female)	%	60/40	60/40	60/40
Climate change and energy				
Greenhouse gas (GHG) emissions				
Total Scope 1	tCO ₂ -e	–	–	–
Total Scope 2	tCO ₂ -e	2.84	5.08	5.97
Direct Scope 3				
Category 3: Fuel and energy related emissions	tCO ₂ -e	0.35	0.67	0.49
Category 5: Waste generated in operations	tCO ₂ -e	0.11	–	–
Category 6: Business travel	tCO ₂ -e	57.51	50.73	6.67
Category 7: Employee commuting	tCO ₂ -e	6.43	7.10	5.52
Category 8: Upstream leased assets	tCO ₂ -e	1.56	–	–
Total – Direct Scope 3	tCO ₂ -e	65.96	58.50	12.67
Total Scope 1, Scope 2 and Direct Scope 3 GHG emissions	tCO₂-e	68.80	63.59	18.64
Carbon offsets purchased and surrendered ¹	tCO ₂ -e	115.00	20.00	20.00
Workplace health, safety and the environment				
Health and safety				
Total recordable injuries	#	–	–	–
Environment				
Total environmental infringement or notices	#	–	–	–

1. Australian Carbon Credit Units purchased through Tasman Environmental Management (TEM). Offsets retired by TEM in January and February 2024 (for FY23) and March 2023 (for FY22).

APPENDIX B: LIMITED ASSURANCE REPORT



To the Directors of Waypoint REIT Limited

Independent Limited Assurance Report on identified Subject Matter Information in the Waypoint REIT Sustainability Report 2023

The Board of Directors of Waypoint REIT Limited engaged us to perform an independent limited assurance engagement in respect of the identified Subject Matter Information contained in the *Waypoint REIT Sustainability Report 2023* ('Subject Matter Information').

Subject Matter Information

The Subject Matter Information of Waypoint REIT Limited and its controlled entities, and Waypoint REIT Trust and its controlled entities (together 'Waypoint' or 'the Group') are as set out in Table 1 below:

Table 1. Subject Matter Information

Our people (as at 31 December 2023):

- Total employees - **8**
- Total employees in full-time roles - **4**
- Total employees in part-time roles - **4**
- Employee turnover (voluntary) % - **0**
- Total employees (male/female) % - **(50/50)**
- Executives (male/female) % - **(75/25)**
- Board of Directors (male/female) % - **(60/40)**

Climate change and energy:

- Greenhouse gas (GHG) emissions (for the year ended 31 December 2023):
 - Total Scope 1 - **0 tCO2-e**
 - Total Scope 2 - **2.84 tCO2-e**
 - Direct Scope 3
 - Category 3: Fuel and energy related emissions - **0.35 tCO2-e**
 - Category 5: Waste generated in operations - **0.11 tCO2-e**
 - Category 6: Business travel - **57.51 tCO2-e**
 - Category 7: Employee commuting - **6.43 tCO2-e**
 - Category 8: Upstream leased assets - **1.56 tCO2-e**
- Carbon offsets (by the date of issuance of this assurance report¹):
 - Carbon offsets purchased and surrendered - **115.00 tCO2-e**

Workplace health, safety and the environment (for the year ended 31 December 2023):

- Total recordable injuries - **0**
- Total environmental infringements or notices - **0**

¹ As part of Waypoint's commitment to offset its Measured Emissions.



Reporting Criteria

The criteria used by Waypoint to prepare the Subject Matter Information is set out in *Appendix C: Basis of Preparation* on page 26 of the Waypoint REIT Sustainability Report 2023, (the '**Reporting Criteria**'). We assessed the Subject Matter Information against the Reporting Criteria. The Subject Matter Information needs to be read and understood together with the Reporting Criteria.

Our assurance conclusion in relation to the Subject Matter Information is with respect to the 12-month period from 1 January 2023 to 31 December 2023 or as at 31 December 2023 as outlined in Table 1, or as otherwise specified in Table 1 above, and does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Waypoint REIT Sustainability Report 2023.

Responsibilities of Management

Management of Waypoint (**Management**) is responsible for the preparation of the Subject Matter Information in accordance with the Reporting Criteria. This responsibility includes:

- determining appropriate reporting topics and selecting or establishing suitable Reporting Criteria for measuring, evaluating and preparing the underlying Subject Matter Information;
- ensuring that those Reporting Criteria are relevant and appropriate to Waypoint and the intended users; and
- designing, implementing and maintaining systems, processes and internal controls relevant to the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

The maintenance and integrity of Waypoint's website is also the responsibility of the Management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information or Reporting Criteria when presented on Waypoint's website.

Our independence and quality control

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and Standard on Assurance Engagements ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*. Those standards require that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria for the periods set out in Table 1.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

In carrying out our limited assurance engagement, the main procedures we performed included:

- Assessing the suitability of the Reporting Criteria and the preparation and collation of the Subject Matter Information against this Reporting Criteria;
- Enquiring of Management regarding the processes and controls for capturing, collating, calculating and reporting the Subject Matter Information;
- Testing the mathematical accuracy of a sample of underlying calculations of the Subject Matter Information;
- Assessing the appropriateness of assumptions, methodologies and estimates, including relevant greenhouse gas emission factors and energy conversion factors, applied in calculating the Subject Matter Information, on a sample basis;
- Agreeing the Subject Matter Information to underlying data sources and calculations, on a sample basis; and
- Undertaking analytical procedures over the Subject Matter Information and the underlying data utilised within its preparation.

The Subject Matter Information includes carbon offsets ('offsets') purchased and surrendered of 115 tonnes of CO₂-e (by the date of issuance of this assurance report) as part of Waypoint's commitment to offset its Measured Emissions. Offsets representative of 45 tonnes of CO₂-e were purchased and surrendered in recognition of the 2022 re-statement of greenhouse gas emissions set out on page 9 of the Waypoint REIT Sustainability Report 2023 with an additional 70 tonnes of CO₂-e purchased and surrendered in recognition of Measured Emissions for the year ended 31 December 2023.

We have performed procedures as to whether these offsets:

- were purchased and surrendered by the date of issuance of this assurance report; and
- met the requirements to be considered *Eligible Offset Units* set out within the Reporting Criteria.

We have not, however, performed any procedures regarding the external providers of these offsets, and express no conclusion about whether the offsets have resulted, or will result, in a reduction of 115 tonnes of CO₂-e.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter Information with the Reporting Criteria, as it is limited primarily to making enquiries of the management of Waypoint and applying analytical procedures.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.



In addition, greenhouse gas emissions quantification is subject to inherent uncertainty because of evolving knowledge and information used in estimating the emissions factors and the values needed to combine emissions of different gases.

The limited assurance conclusion expressed in this report has been formed on the above basis.

Our limited assurance conclusion

Based on the procedures we have performed, as described under 'Our responsibilities' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria for the year ended 31 December 2023, as at 31 December 2023, or as otherwise specified in Table 1 above.

Use and distribution of our report

We were engaged by the Board of Directors of Waypoint REIT Limited on behalf of the Group to prepare this independent assurance report having regard to the Reporting Criteria. This report was prepared solely for the Board of Directors of Waypoint REIT Limited in accordance with the agreement between us, to assist the directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Subject Matter Information.

We accept no duty, responsibility or liability to anyone other than Waypoint in connection with this report or to Waypoint for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than Waypoint and if anyone other than Waypoint chooses to use or rely on it, they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than Waypoint receiving or using this report.

A stylized signature of PricewaterhouseCoopers in a cursive script.

PricewaterhouseCoopers

A stylized signature of Adam Cunningham in a cursive script.

Adam Cunningham
Partner

Melbourne
28 March 2024

APPENDIX C: BASIS OF PREPARATION

Environmental metrics

Reporting boundaries

- GHG emissions reporting boundaries have been established with reference to the WRI/WBCSD, 2004: *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*. World Business Council for Sustainable Development and the World Resources Institute and WRI/WBCSD, *Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Supplement to the GHG Protocol Corporate Accounting and Reporting Standard* (together, the **GHG Protocol**).
- Scope 1 and 2 emissions are reported for facilities under operational control of Waypoint REIT (as defined within the *National Greenhouse and Energy Reporting Act 2017*) (together, the **Waypoint facilities**).
- Selected (direct) Scope 3 emissions reported consists of the following GHG Protocol categories: Fuel and Energy-related Activities (category 3), Waste Generated in Operations (category 5), Business Travel (category 6), Employee Commuting (including working from home) (category 7) and Upstream Leased Assets (category 8).
- Other (indirect) Scope 3 emissions not reported consist of the following GHG Protocol categories: Purchased Goods and Services (Category 1), Capital Goods (Category 2), and Downstream leased assets (Category 13), including but not limited to fuel and convenience tenants' electricity consumption, shop refrigerant use and fugitive emissions.
- All other GHG Protocol Scope 3 emissions categories were not deemed relevant.

Emissions calculations

- Scope 1, 2 and 3 emissions are calculated in accordance with the GHG Protocol methodology using available emission factors, in order of priority, from the *Australian National Greenhouse Accounts Factors 2023* (Department of Climate Change, Energy, the Environment and Water (**Fed**)) (**NGA Factors**), *UK Government GHG Conversion Factors for Company Reporting 2023* (Department for Energy Security & Net Zero (UK)) (**UK Company Reporting factors**) and other industry based methodologies. Emission factors including Well to tank emissions and Radiative factoring have been utilised where applicable where **UK Company Reporting factors** have been applied.
- Where buildings in which Waypoint facilities are located are certified as carbon neutral by Climate Active, emission factors of zero are applied where relevant.

- Activity data for emission calculations is actual data where available, supplemented by management estimates, spend based consumption data and relevant industry information and/or research, as set out below:
 - **Scope 1 emissions:** Direct emissions generated from the operation Waypoint facilities, consisting primarily of emissions from the combustion of fuels. Total fuel consumption at Waypoint facilities is based on third party invoices supplemented by management estimates.
 - **Scope 2 emissions:** Indirect emissions as a result of one or more activities that generate electricity or, where relevant, heating, cooling or steam, that is consumed at Waypoint facilities, where the direct emissions are generated at facilities which are not Waypoint facilities. Scope 2 emissions for Waypoint facilities consist primarily of emissions associated with the consumption of electricity, with the amount of electricity consumed based on third party invoices supplemented by management estimates. Scope 2 emissions in relation to electricity are reported using market-based method in accordance with Method B – market-based method from the *National Greenhouse and Energy Reporting (Measurement) Determination 2008*.
 - **Direct Scope 3 emissions:** Direct Scope 3 emissions reported consists of the following GHG Protocol categories:
 - a) **Scope 3 emissions: Fuel- and Energy-related Activities (category 3)** – Emissions associated with the production, transmission and distribution of fuel and energy consumed at Waypoint facilities (where not included as a Scope 2 emission). Total fuel and energy consumption at Waypoint facilities is based on third party invoices supplemented by management estimates.
 - b) **Scope 3 emissions: Waste Generated in Operations (category 5)** – Emissions associated with waste generated by Waypoint facilities. Total waste generated, including both waste recycled, and waste sent to landfill, is based on waste amounts for each Waypoint facility reported by relevant property managers within the most recent available reporting period for these buildings.
 - c) **Scope 3 emissions: Business Travel (category 6)** – Emissions associated with business travel of Waypoint REIT employees, consisting of emissions associated with air and land travel and accommodation.
 - i) **Air travel** – Emissions are estimated using the total distance travelled and class of travel is based on travel data provided by Waypoint REIT's corporate travel providers.
 - ii) **Car hire/taxi** – Emissions are estimated using the total distance travelled is based on total spend on taxis and other car travel (Uber etc) converted with reference to the *2014 State & Territory Taxi Statistics from the Australian Taxi Industry Association (ATIA)*, adjusted for inflation.
 - iii) **Public transport** – Emissions are estimated using the total distance travelled which is estimated based on spend on public transport, and average trip distances of routes utilised.
 - iv) **Accommodation** – Emissions are estimated using the total nights of accommodation based on actual spend on accommodation and meals whilst travelling converted to nights of accommodation using an estimated average spend per night.

- d) **Scope 3 emissions: Employee Commuting (including working from home) (category 7)** – Emissions associated with Waypoint REIT employees commuting and working from home.
 - i) **Employee commuting** – Days/hours working from office, travel distances and methods of travel are based on data from employee surveys undertaken by Waypoint.
 - ii) **Working from home** – Working-from-home employee data are based on data from employee surveys undertaken by Waypoint. The working-from-home emissions have been calculated with reference to the **UK Company Reporting factors**.
- e) **Scope 3 emissions: Upstream Leased Assets emissions (category 8)** – Emissions associated with the operation of assets that are leased by Waypoint REIT and not already included in the reporting of Scope 1, Scope 2 or other Scope 3 categories consisting primarily of share of base building emissions for offices in which Waypoint leases office space on a share of Net Lettable Area basis. Emissions are based on actual data provided by the building managers for the most recent annual reporting period and/or management estimates.

- Scope 3 emissions not reported consists of the following GHG Protocol categories: Purchased Goods and Services (category 1), Capital Goods (Category 2), and Downstream leased assets (Category 13).

Carbon offsets

Carbon offsets are purchased and surrendered to compensate for the Scope 1, Scope 2 and selected direct Scope 3 emissions generated by Waypoint REIT's activities during the reporting period. Each carbon offset represents the offset of one (1) tonne of CO₂ equivalent greenhouse gas emissions with carbon offsets purchased and surrendered considered "Eligible Offset Units", as set out within Appendix A of the *Climate Active Carbon Neutral Standard for Organisations* effective from 26 October 2022.

Total environmental infringements or notices

- The total number of environmental infringement or notices reported during the 12-month reporting period issued by an Environmental or Government Regulator, to a WPR entity, for any environmental incidents reported under the operational control of the relevant WPR entity.

People metrics

- **Total Employee** – Total number of permanent, fixed-term and part-time employees of Waypoint REIT as at the end of the reporting period
- **Total employees in full-time roles** – An employee under a permanent contract who works a standard work week, which is 38 hours.
- **Total employees in part-time roles** – An employee under a permanent contract who works less than a standard work week.
- **Employee turnover %** – The number of employees who left Waypoint REIT as a percentage of the average total employees during the 12-month reporting period.
 Voluntary turnover covers voluntary exits of employees as a result of resignation, relocation or retirement.
 Involuntary turnover covers involuntary exits of employee as a result of employment termination by the employer.
- **Total employees (Male/Female) %** – The number of permanent, fixed-term and part-time casual employees of Waypoint REIT of each gender as a percentage of the total employees as at the end of the reporting period.
- **Executives** – Executives are defined as the Managing Director and CEO and direct reports of the Managing Director and CEO who are heads of organisational function areas (e.g. Finance, Legal/Compliance, Property).
- **Executives (Male/Female) %** – The number Executives of each gender as a percentage of the total number of Executives.
- **Board of Directors (Male/Female) %** – The number of Directors of the Waypoint REIT Board of Directors (**Board members**) of each gender as a percentage of the total number of Board members as at the end of the reporting period.

Safety metrics

Total recordable injuries

The total number of recordable injuries from Waypoint REIT employees during the 12-month reporting period.

Recordable injuries include work-related injuries or illness suffered by a Waypoint REIT employee and include the following types of injury classification:

- **Medical Treatment Injuries** – An injury or illness requiring medical treatment by a qualified medical practitioner, other than First Aid that is sustained during a single work-related event. Such treatment must be provided by a medical practitioner and evidenced through a valid medical certificate.
- **Lost time Injuries** – Any work-related physical injury/illness that results in absence from work for at least one scheduled day or full shift after the event (i.e. next shift).

Recordable injuries do not include first aid injuries and non-work-related injuries. A first-aid injury is any work-related injury to an employee that results in minor treatment (e.g. dressing on a minor cut, removal of a splinter, hot and cold compresses) regardless of who administers the first aid treatment and does not result in lost time i.e. treatment given is within the scope of a trained first aider.

