

# Abacus Property Group

Sustainability  
Report 2022

We believe that integrating sustainability into our investment decision-making and business operations is congruent with the responsibility we have to our stakeholders and critical to us achieving our long-term commercial goals.

Our intention is to deliver sustainable, long-term value and we are focused on making ongoing improvements across the Abacus Group. We have set strong sustainability commitments across a range of functions in order to meet this objective.

**Steven Sewell,**  
Managing Director

# About this report

This annual Sustainability Report for the year ended 30 June 2022 forms part of Abacus Property Group's FY22 reporting suite. This Report covers Abacus' Australian and New Zealand operations. This Report has been

prepared in accordance with the Global Reporting Initiative's (GRI) Standards: Core option.

For questions and comments on our sustainability performance, contact [enquiries@abacusproperty.com.au](mailto:enquiries@abacusproperty.com.au)





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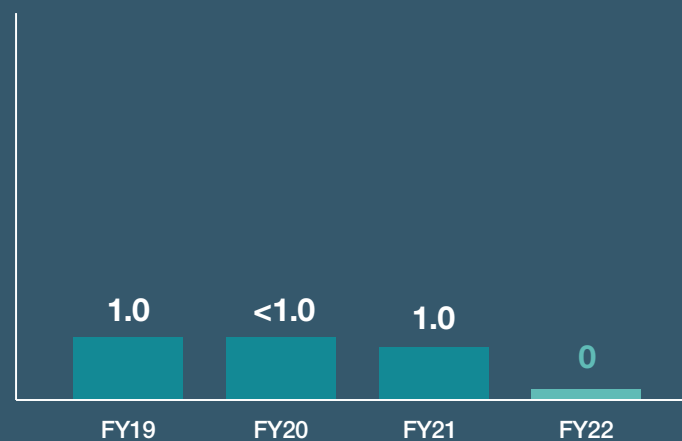
# FY22 highlights

## Worker incident severity rate

Reduction in loss time due to injury



Focus on providing safe, secure and healthy workspaces for our employees and customers



## Occupancy rate across Commercial Portfolio



# 26%

reduction in GHG emissions intensity (scope 1 and 2) compared to 2019<sup>1</sup>



# 23%

reduction in water intensity (compared to 2019)



# NET ZERO EMISSIONS 2050

Continued progression to the attainment of board approved public sustainability targets including Net Zero Emissions (Scope 1 and 2) by 2050

# 52

assets with

# SOLAR PV

## CONTINUED IMPROVEMENT IN ENERGY AND WATER EFFICIENCY

# 4.6

Average NABERS rating

# Energy

FY21: 4.6 stars

# 4.5

Average NABERS rating

# Water

FY21: 4 stars

<sup>1</sup> Assets under operational control as defined by the NGER Act

# Managing Director's message

## Welcome to our FY22 sustainability report, highlighting our progress and achievements made over the year.

During FY22 we have progressed a number of improvement pathways that move us closer to achieving the sustainability targets set by the Board, designed to improve our environmental performance, transparency and accountability. These targets are focused on energy, emissions, water and waste across our property portfolio and were developed in conjunction with our asset management team.

It was another active year for Abacus, with over \$1.2 billion of capital (including some post balance date transactions) deployed into our key sectors. Pleasingly, the Group was able to continue its focus on the sustainable active asset and development management of our investments and as part of this focus, place strong emphasis on improving our systems and practices, and ensuring our stakeholders understand our commitment and approach to sustainability. Sustainability is embedded within the decision-

making process across the Group, receiving appropriate focus at all levels of management.

This report demonstrates our commitment to the many facets of sustainability including work, health and safety; stakeholder engagement; customer satisfaction; responsible resource management; governance, risk and transparency, cyber security, employee engagement, climate change risk; responsible procurement and technology and innovation. Our reporting framework has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

With the impact of COVID-19 continuing throughout the year, we continued our emphasis and focus on collaboration with our operating partners and customers to provide safe and healthy environments and supporting our people and customers. We remain committed to our people and focus on providing a safe, healthy, and constructive work environment.

Our FY21-FY25 Work Health and Safety Strategic Plan provides a planned and quantifiable approach for the management of WHS across Abacus' operations.

From an environmental perspective, we continue to improve and have set future targets around energy, emissions, water, and waste. This year we recorded a 26% reduction in greenhouse gas emission intensity (Scope 1 & 2) across our operations (like for like assets<sup>2</sup>) compared to the 2019 baseline<sup>3</sup>. Our NABERS Energy and NABERS Water ratings have also improved within our Office portfolio, and we have exceeded our FY25 NABERS Water target, from a combination of water efficiency improvements via real time monitoring.<sup>3</sup>

On-site solar PV continues to play a large part of our operational efficiency improvements program, with a total of 47 solar systems now installed at Storage King sites, and five in our Office portfolio. This initiative is not complete and we continue to explore

more opportunities in our portfolio where feasible and practical.

To strive for continuous improvement of all our ESG settings, standards and activities, we are reviewing our sustainability strategy for FY23. This will include a revision of our Net Zero target, enhanced governance and management systems, and reporting to meet the Sustainability Audit Standards.

Customer engagement remains a key focus for us, maintaining strong relationships with our customers throughout FY22. In response to our customers and the changing nature of work, our flex office solution has been a key focus at Abacus. Having achieved occupancy levels of ~90% at our two initial Flex by Abacus offerings at 14 Martin Place and 99 Walker Street we continue to explore expansion opportunities within our portfolio. These renovated, modern spaces complete with sophisticated technology, breakout and kitchen facilities are available to both new and existing customers who require overflow space or have additional

meeting room requirements. We are also investigating the expansion of the offering in Victoria and Queensland.

Our people, culture and community have been ongoing areas of focus. Following the COVID-19 lockdowns we organised a group company off site day in March 2022 which significantly enhanced team engagement and business relationships. In June 2022 we conducted a company wide annual engagement survey where high participation rates were achieved along with strong results indicating improvement across every category relative to 2021. We have continued our investment in our people and culture and progressed our philanthropic program, including continuing our employee volunteering and pre – tax workplace giving programme.






**Steven Sewell,**  
Managing Director



<sup>2</sup> Base building under operational control

<sup>3</sup> Note the COVID-19 impact of reduced physical occupation of our buildings.

-  Retail
-  Office
-  Storage



# About us

Abacus Property Group (ASX: ABP), is a diversified Australian REIT with an investment portfolio concentrated in the Commercial property and Self Storage sectors. We invest capital in real estate opportunities to deliver superior long-term returns and maximise securityholder value.

Abacus is a strong asset backed, annuity style business model where capital is directed towards assets that provide potential for enhanced

income growth and ultimately create value. Our people, market insight and repositioning capability together with strategic partnering are the key enablers of our strategy.

Abacus is listed on the Australian Stock Exchange and is included in the S&P/ASX 200 Index and the FTSE EPRA NAREIT Global Real Estate Index Series.

Abacus (ASX: ABP) is a stapled entity comprised of Abacus Group Holdings

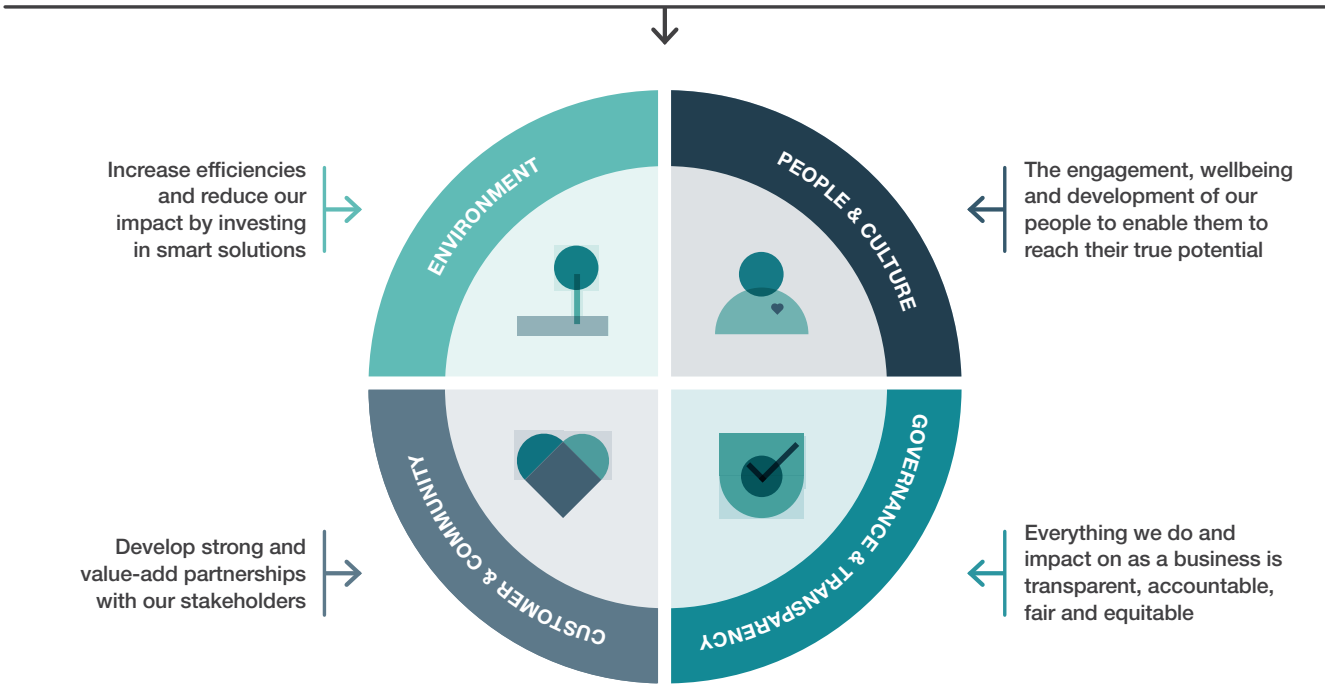
Limited ACN 080 604 619, Abacus Trust ARSN 096 572 128, Abacus Income Trust ARSN 104 934 287, Abacus Storage Property Trust ARSN 111 629 559, Abacus Group Projects Limited ACN 104 066 104, and Abacus Storage Operations Limited ACN 112 457 075.

The shares and units in these entities are stapled together and trade as one security in ABP.

# Our approach

## Abacus Sustainability Strategy

Deliver long-term sustainable outcomes for our stakeholders



### Abacus Sustainability Strategy

We believe it is important to understand and respond to the environmental, social and governance impacts of our business activities and, as a responsible corporate citizen, we have a duty of care to all our stakeholders and the environment in which we operate.

Our approach to sustainability is underpinned by our sustainability strategy, in conjunction with our sustainability and environmental policy, which are focused on supporting growth across the

business by recognising that we have responsibilities to all our stakeholders and the environment in which we operate.

Our sustainability strategy aligns with our strategic business objectives to create long-term, sustained value, and is focused around four key pillars:

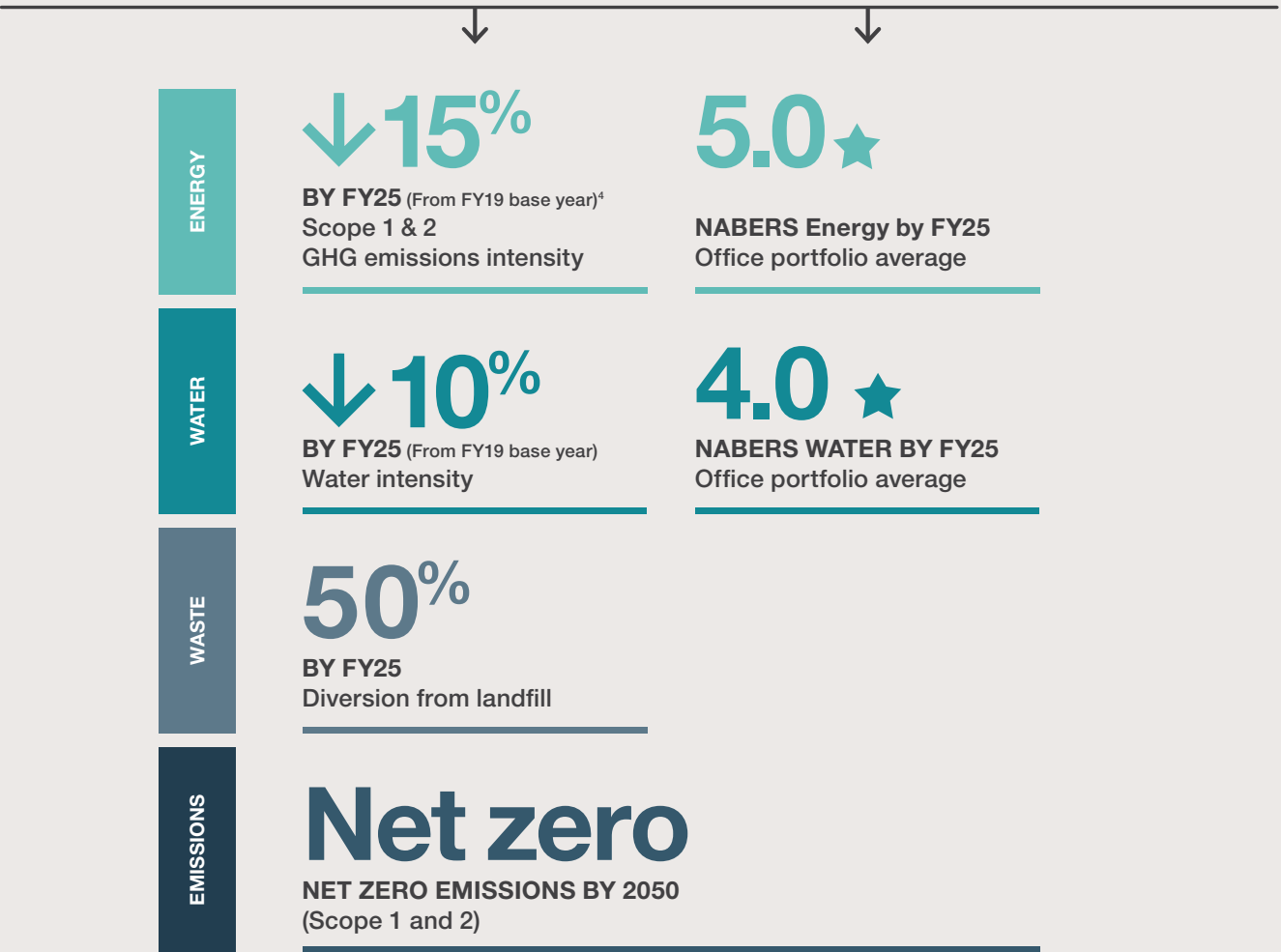
- Environment
- People and Culture
- Customer and Community
- Governance and Transparency

Our approach is further embedded by the guiding principles which are outlined in our sustainability and environmental policy as summarised:

- Implementation of environmental, social and governance legislative requirements as well as ongoing compliance with relevant legislation and regulation
- Managing our buildings efficiently to reduce costs and conserve the use of limited natural resources, and investing in alternative energy supplies to reduce our emissions where appropriate
- Incorporating environmental considerations in our investment and business decision-making processes as appropriate

## Public Sustainability Targets

Actively exploring opportunities and managing risks



<sup>4</sup> FY19 was adopted as our baseline as it reflects pre COVID-19 normalised occupancy





- Ongoing communication with all of our stakeholders
- Providing our employees with the information, training and support necessary to meet our sustainability objectives
- Working with our suppliers to ensure they meet our standards for environmental management and human rights
- Maintaining a safety-aware culture ensuring proper standards of workplace health and safety for our employees and other key stakeholders
- Using our influence where we do not have control by collaborating with key stakeholders (for example, tenants and co-investors) to optimise sustainable outcomes and environmental benefit as appropriate

Governance

Our robust governance policies and procedures provide the framework for managing sustainability across the business. Abacus recognises that risk management, including environmental, social and governance risks, is the responsibility of our Board, Sustainability Committee,

management, and all team members. We acknowledge that sustainability leadership at the Board and Executive team level is critical to integrating sustainability management and performance into our business.

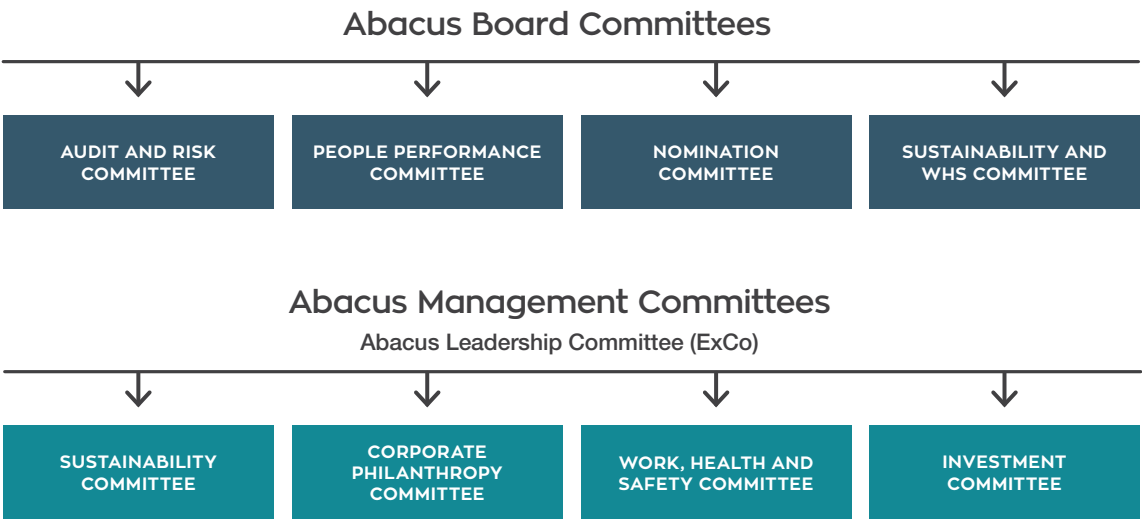
Corporate governance influences how our objectives are set and achieved, how risk is monitored and assessed, and how performance is optimised. We conduct our operations in a manner that ensures risks are identified, assessed, and appropriately managed in order to promote investor confidence and to meet stakeholder expectations.

Abacus recognises that there is increasing focus on broader reputational issues such as trust and transparency. Our Code of Conduct articulates our commitment to honesty, integrity and trust and guides our commitment to deliver value and service to our stakeholders.

Sustainability Commitments

- Maintaining a sustainability strategy which is aligned with the Abacus business strategy

- Identifying, managing, and monitoring potential risks and opportunities presented by environmental risks across our portfolio
- Achieving our current targets and continuing to evolve our strategies to enhance the environmental performance of our assets and developments including energy and water efficiency, greenhouse gas emissions reduction and waste to landfill reduction
- Monitoring and reporting on key environmental and sustainability indicators to benchmark and foster continual improvement in performance
- Adopting sustainable design practices in our asset improvement and development projects where appropriate
- Reporting on our sustainability progress and performance
- Implementing our commitment to sustainability in a practicable manner
- Influencing our employees and other stakeholders to operate in a manner that supports our sustainability commitments





Defining our Material Topics

At Abacus, we report on risks and opportunities that have relevant economic, environmental, social and governance impacts within our sector, and therefore influence the decisions of stakeholders.

Materiality is reviewed on an annual basis and provides a structured approach for Abacus to review current and emerging risks that may

impact on business operations as well as create opportunities that respond to changing market conditions. It also helps inform our stakeholders about how these risks may impact our ability to create, preserve or erode economic, environmental, and social value for ourselves, society, and the broader environment.

The outcome of the materiality assessment also guides the disclosures and content of the Abacus’ annual Sustainability Report

and allows Abacus to report under the appropriate Global Reporting Initiative standards which are relevant to the current Abacus strategy and operating model.

This year, we conducted a peer benchmarking and desktop review which include analysing insights and issues from a range of internal and external sources and stakeholders, including:

PEER BENCHMARKING	INSIGHTS FROM EXTERNAL SOURCES
<p>A benchmarking exercise reviewing sustainability reporting to ensure our 2022 material topics are aligned with our peers</p>	<p>Our ongoing dialogue with a range of external sources provide additional insights into material issues for our business.</p> <ul style="list-style-type: none"><li>– Investor and ESG analyst feedback</li><li>– Australian Council of Superannuation Investors</li><li>– Regulatory and legislative changes</li><li>– Media focus</li><li>– Tenant feedback via engagement surveys and other sources</li><li>– Participation in external events, working groups and forums</li><li>– Discussions with managing agent partners and other external stakeholders involved in the management of our assets</li></ul>

The materiality assessment concluded that key sectors, business priorities and key processes align with prior year material topics and confirmed that material topics remain current and reflect the Abacus strategy and operating environment. Impacts of COVID-19 are reported within existing material topics.

The table below outlines our material topics and provides a definition by which we report.

MATERIAL TOPIC	DEFINITION	GRI MATERIAL TOPIC	KEY STAKEHOLDERS IMPACTED	RELEVANT SECTION IN THIS REPORT
Health, safety and security of our people and customers	Relates to policy and management systems to ensure the health and safety of employees, contractors, and customers	Occupational Health & Safety	Employees and contractors	Our Material Topic – Health, safety and security of our people and customers
Customer attraction, satisfaction, and retention, coupled with changing expectations	Relates to the ability to attract and retain customers as a result of high levels of customer satisfaction due to the value for money of the physical infrastructure coupled with the quality of service received	Organisation-specific	Customers including tenants; Securityholders and investment community	Our Material Topic – Customer attraction, satisfaction and retention, coupled with changing expectations
Responsible resource management	Relates to the consideration of risks, opportunities and impacts of energy consumption, direct and indirect emissions (Scope 1, 2 and 3), water use and waste management	Energy; Emissions; Water; Waste	Community; Government and regulators; Securityholders and investment community; Customers including tenants and contractors	Our Material Topic – Responsible resource management
Climate-related risks and opportunities	Relates to the risks and opportunities arising from physical and transition impacts of climate change	Emissions	Customers including tenants; Government and regulators; Securityholders and investment community; Community	Our Material Topic – Climate-related risks and opportunities
Governance, risk, and transparency	Relates to the compliance with relevant legal requirements and regulations, governance structure and composition of the organisation to maintain a reputation of ethical conduct and ensure transparency in the way the organisation operates and conducts itself with both internal and external stakeholders (including the wider community)	Compliance; Environmental Compliance; Anti-corruption; Customer privacy	Government and regulators; Customers including tenants; Securityholders and investment community	Our Material Topic – Governance, risk, cyber and transparency
Responsible procurement	Relates to engaging with suppliers to ensure they operate in a manner consistent with our Supplier Code of Conduct, and ensuring the procurement process respects, international standards against criminal conduct and human rights abuses, our obligations under the Modern Slavery Act	Procurement Practices; Child Labour; Forced or Compulsory Labour; Human Rights Assessment	Employees and contractors; Suppliers; Government and regulators	Our Material Topic – Responsible procurement
Employee engagement and motivation	Relates to investment in motivation strategies to ensure employee satisfaction and contribution, while also maintaining employee turnover rates. This includes employee training, development, diversity, and inclusion strategies	Employment Diversity & equal opportunity	Employees and contractors	Our Material Issues – Employee engagement and motivation
Financial Performance	Consideration of broader economic, social and governance principles in the context of financial performance and the investment process	Economic Performance	Employees and contractors; Customers including tenants; Government and regulators; Securityholders and investment community; Community	Refer to the <a href="#">Abacus Annual Financial Report</a>
Technology and Innovation	Relates to organisational capacity to innovate and integrate technological advancements into business processes		Customers including tenants; Government and regulators	Incorporated into Our Material Issues – Customer Attraction, Satisfaction and Retention, coupled with changing expectations, Governance, Risk, Cyber and Transparency; Responsible Resource Management; and Climate Change Risks and Opportunities

Engaging with our Stakeholders

Why is this important to Abacus?

At Abacus, we regard stakeholder engagement as fundamental in the process of understanding the breadth and depth of our impacts both within and outside our business.

We are committed to engaging openly, honestly and at regular intervals with our stakeholders to understand their expectations and concerns.

Stakeholders are the entities or individuals that can reasonably be expected to be significantly affected by our activities, products, and services, or whose actions can reasonably be expected to affect

the ability of the organisation to implement its strategies and achieve its objectives.

The method and frequency of engagement will vary depending on the stakeholder, the issues of concern and the purpose of engagement, and will be best selected to meet the needs, capacity, and expectations of the relevant stakeholders.



Our stakeholders typically include the following groups:

STAKEHOLDER GROUP	WHY EACH STAKEHOLDER GROUP	METHOD OF ENGAGEMENT
Security holders, major security holder and the investment community	We have a range of investors with diverse concerns. We aim to ensure that Abacus are trusted partners to all security holders and investors, and they are transparently informed with the changes or developments that are likely to materially affect the business. We are committed to providing access to the most up to date and relevant information that we believe securityholders require to manage and evaluate their investment in Abacus	We engage regularly with our investment community via access to the Investor Relations team for enquires; ongoing investor briefings; Annual General Meetings; ASX announcements; half yearly and annual financial results announcements; investor days incorporating property roadshows with investors locally, regionally, and internationally and face-to-face meetings
Customers	We encourage two-way communication with our customers, including tenants. Understanding and responding to our customers is critical to the sustainability and development of our business Our key customers include: <ul style="list-style-type: none"><li>– Office and Industrial tenants across our Commercial assets.</li><li>– Storage King, our Self Storage business operator</li><li>– Shoppers and retailers in our shopping centres</li></ul>	We have ongoing dialogue throughout the tenant customer lifecycle including face to face meetings, phone calls and tenant customer surveys  Regular meetings and reporting from Storage King to understand how business objectives are achieved  Retail developments: engagement with existing tenants with regards to a redevelopment includes hosting information evenings, focus groups and face to face meetings
Abacus People	We have a strong commitment to our people and focus on providing a safe, healthy, and engaging work environment that supports their personal and career aspirations	We engage with our people through feedback surveys, focus Groups, team and post-results presentations; internal training sessions; new starter orientation; regular 1:1 catch-ups; annual performance assessment, development and succession planning
Non-Executive Board members	The Board has the responsibility for promoting the success of Abacus in a way which ensures that the interests of security holders and stakeholders are promoted and protected	We have ongoing dialogue with our Non-Executive Board members via regular reporting, workshops, strategy sessions and scheduled meetings
Contractors and supply chain	We have a diverse supply chain which ranges from the builders and contractors on our development projects, to the managing agents and operational contractors on our property portfolio	We have ongoing engagement with our managing agents and suppliers through regular correspondence, meetings, reporting and project updates  We have a Supplier Code of Conduct which communicates Abacus' expectations of our suppliers, including throughout their own supply chains, in providing products and services to us  We work proactively with our suppliers to ensure compliance with legislation (including the Modern Slavery Act) and to enhance productivity and efficiencies in our operations and developments
Capital Partners (Investment and Development Partners)	A key part of the Abacus strategy is to develop long term, strategic partnerships with like-minded partners. A core ingredient in Abacus' investment strategy is utilising its Third Party Capital platform to leverage our balance sheet capacity and allow Abacus to access and manage a larger number of quality assets	We engage regularly with our capital partners via access to the corporate development and client reporting teams for investment opportunities, acquisition analysis, general enquiries, reporting obligations on a monthly, quarterly, half yearly and annual basis, asset inspections and face-to-face meetings
Government and regulators	We acknowledge that political and regulatory changes can affect our business and are appropriately resourced to monitor and manage regulatory change	We have ongoing dialogue with Local, State and Federal Government in all jurisdictions in which we operate and are an active member in industry associations and working groups e.g. Property Council of Australia; Shopping Centre Council of Australia, Self Storage Association of Australasia
Local Community	Our assets are located within communities and it is important we have a level of engagement to ensure we meet expectations and enhance our corporate reputation	We engage with our local community, including the visitors to our centres and our residents, on an ongoing basis via: <ul style="list-style-type: none"><li>– The Abacus Corporate Philanthropic Committee which includes both giving and volunteering initiatives</li><li>– Provision of space at our retail centres to local charities, school groups; community groups and council</li></ul> Where we undertake development activities, we engage with the local community via focus groups, information evenings, shopping centre exit interviews, community consultation with an external provider and other forms of engagement as relevant for the project



# Safety and wellbeing drives our business

## Key Achievements in FY22

- Developed a WHS strategy to innovate a progressively safer and more sustainable future aligned with our evolving portfolio
- Introduction of a number of software programs to improve data recording, system management and analytics
- Introduction of Employee Assistance Program which was available to support employees through challenging times of COVID-19 and natural disasters
- Re-assessment and prioritisation of enterprise level WHS risks

## Why is it important?

The safety, health and well-being of all our people, contractors, customers and communities have and always will be our first priority. It is this belief that drives the business to strive for better.

Our WHS vision outlines our long-held commitment to designing, building, managing, and maintaining our facilities by effectively controlling hazards and risks to enable best in class office, retail and self storage services. To achieve this, it is incumbent on us to learn and adapt in line with our changing business.

## Our assurance

In FY22 a third-party was engaged to conduct an audit of the Abacus WHS Management System. Although no high-risk issues were identified, the audit did identify several corrective actions to ensure the WHS Management System is effective and suited to the changing portfolio diversity of Abacus. In FY22/23 we will continue to undertake a number of these corrective actions to address the audit findings.

In FY22, in addition to managing another year of COVID-19, our

focus has been to review our WHS strategic approach for the business to better align our corporate values to ensure there is accountability, an entrepreneurial vision to innovate in how we achieve our health and safety goals and responsibility to drive safety in all that we do. As a result, we have introduced new software systems, purpose safety systems and improved assurance processes.

## Work Health and Safety Scorecard Highlights

	STORAGE KING	ABACUS		
	FY22	FY22	FY21	FY20
Number of worker fatalities as result of a work-related injury across the portfolio	0	0	0	0
Worker incident severity rate	0	0	0	0
Number of safety and environmental training hours completed	134	3258	4081	5150

FY22 is the first year we are reporting on statistics for our self storage business. FY22 training hours was impacted by COVID-19.

We work closely with our key stakeholders and seek and listen to their ideas to understand how we can further enhance the way we manage safety in our workplaces and beyond.

*“There were no fatalities across the entire business portfolio.”*







### Living with challenging times

In 2022 we continued to live with COVID-19. We experienced closure of our office due to mandatory lockdown, workforce challenges due to illness, absenteeism, quarantine and government restrictions. Our tenants also experienced COVID-19 impacts especially in retail. A cross-functional team was established to ensure we kept up to date with the rapid changing landscape and government-imposed restrictions across multiple jurisdictions and the evolving health advice so that our people were informed and protected to the best of our knowledge. Throughout the pandemic, the focus on health and well-being of our people heightened. Numerous measures were implemented including increased sanitation to reduce the spread of the virus, supporting employees through the government vaccination program, allowing flexible working to manage government quarantine requirements, providing test kits and personal protective equipment and access to an employee assistance program to support the mental health of

employees and their families during this difficult time. The extent of the impact of the COVID-19 pandemic will continue to evolve. As a business we are agile and vigilant in our response to prioritise health and safety of our team and customers.

### Recovery from floods

Late February 2022 a number of the self storage facilities were impacted by the devastating floods in Southern Queensland and Northern New South Wales. The self storage facility at Rocklea was the most effected by major flooding, with customer goods being destroyed and access to the site temporarily restricted until safe to return. The site required a disaster recovery action plan that saw a staged recovery addressing risks of security, structural safety, operational control and decontamination. This site is being assessed for future climate resilience to enable business continuity by future proofing the site from flood damage.

We would like to thank the numerous volunteers that supported our business, and our thoughts are with the communities that were devastated from this disaster.

### FY22 Performance

Key highlights for FY22

- No major incidents
- No fatal /disabling work-related injuries
- No regulator penalties

As in previous years our FY22 Lost Time Injury Frequency Rate for Abacus was 0.

This is the first time we are reporting on statistics for our self storage business. The self storage recorded six Lost Time Injuries, many of which were incurred in absence of an early intervention program. In the last four months of the financial year, the business has focussed on establishing processes to better eliminate, manage worker injuries and promote early return to work where possible.

Abacus has worked closely with our service providers to ensure they have measures in place to manage safety. This has resulted in a slight decrease in work related injuries despite an increase in the number of developments undertaken by Abacus and Storage King

### Work related injuries for all employees

	STORAGE KING	ABACUS		
KEY PERFORMANCE INDICATOR	FY22	FY22	FY21	FY20
Number of fatalities as a result of a work-related injury	0	0	0	0
Rate of fatalities as a result of a work-related injury*	0	0	0	0
Number of high consequence work related injuries (excluding fatalities)	0	0	0	0
Number of recordable work-related injuries	26	0	0	0
Rate of recordable work-related injuries*	38.58	0	0	0
Number of First aid incidents	21	0	0	0
Number of Medically treated incidents	20	0	0	0
Number of Lost-time incidents	6	0	0	0
Total employee hours worked	673,848	161,070	132,392	139,360
Standard employee hours worked	673,848	161,070	132,392	139,360

All data relates to employees in Abacus/Storage King controlled premises covered by the WHS system.  
\* Frequency rates are calculated per 1 000 000 work hours

### Work related injuries for all workers (excluding employees)

	STORAGE KING	ABACUS		
KEY PERFORMANCE INDICATOR	FY22	FY22	FY21	FY20
Number of fatalities as a result of a work-related injury	0	0	0	0
Rate of fatalities as a result of a work-related injury	0	0	0	0
Number of high-consequence work related injuries (excluding fatalities)	0	0	0	0
Number of recordable work-related injuries	5	5	2	2
Number of First aid incidents	6	27	43	31
Number of Medically treated incidents	1	3	8	8
Number of Lost-time incidents	1	1	2	2

\* Frequency rates are calculated per 1 000 000 work hours

# Customer attraction, satisfaction and retention, coupled with changing expectations

## Key Achievements in FY22

- Achieved 95.0% occupancy in our Commercial portfolio and a 93.2% in our established self storage portfolio
- 99 Walker Street North Sydney- base building refurbishment comprising enhanced ground plan experience and customer amenity
- Refresh and expansion of Storage King facilities

## Why is this important?

Abacus has transitioned to a strong asset backed, annuity style business model, pursuing long term value enhancing investments with a focus on the commercial and self storage sectors. At the core of our strategy for our portfolio is to create value through customer attraction and retention.

We recognise that customers are constantly evolving in terms of how they use their space and their expectations of the buildings they occupy, and we strive to respond to their requirements. This has been magnified during the COVID-19 pandemic with tenants having more of a focus on the health and safety of their employees as well as ensuring business continuity. In light of this, the focus for the team at Abacus has been on providing safe and healthy

environments and supporting our people and customers. We continue to navigate this evolving situation in collaboration with our asset and operating partners and customers.

A strong focus continues on improving the operational performance of buildings in the Abacus portfolio. Technologies that can reduce costs and optimise building efficiencies such as on-site renewable energy and smart building automation have been implemented across the portfolio throughout the year. Many customers expect a high level of building efficiency and sustainability as it aligns with their own corporate governance requirements and the link between high efficiency buildings, lower operational costs and occupant satisfaction is clear.

## Our approach to managing

In **Office**, despite the ongoing pandemic we have maintained strong occupancy levels across the portfolio. The team have focused on improving the quality of our assets with a range of capital works programs focused on both operational efficiencies, end of life replacement and visual upgrades to lobbies and bathrooms.

Flexibility is another key focus area for Abacus. Regardless of the pandemics enduring impact, going forward, some businesses may reassess their future workspace needs and an extensive work from home period may accelerate changes in the use and demand for some office space. Whether that translates to less shared workspaces (such as

hot-desking), an increase in flexible work arrangements or a demand for more space to comply with physical distancing requirements, remains to be seen. Responding to this is key for customer attraction and retention. Our approach is to put forward a strategy that can adapt no matter how drastic or subtle the changes to work and the commercial office market prove to be. It is an approach that sees the next evolution of flex moving away from space leased to branded operators and more often being a value-add service offering provided directly by landlords. Our Flex office solution at Abacus responds to this, and our two initial offerings at – 14 Martin Place and 99 Walker Street achieving ~90% occupancy of late, prompting us to explore expansion opportunities within those buildings. We are also investigating the expansion of the offering in Victoria and Queensland.

In **Self storage**, we recognise that increased density in metropolitan areas and changes in the housing market are driving changes in how customers use self storage and how they prioritise location, access, and convenience. Working from home, decluttering, moving, downsizing and renovating are all factors that are driving demand for off-site storage. As a result, self storage has proven resilient during the COVID-19

pandemic, evident by record occupancy levels with an average of 93.2% across the established portfolio. During FY22, Abacus expanded its self storage portfolio, acquiring \$440m (27 assets) in settled acquisitions during FY22. In addition, 2 major expansions delivered 6,500sqm NLA (Pymble/Adamstown), with the portfolio wide capital upgrade program across 20+ facilities, including electrical infrastructure, LED and security upgrades to improve amenity, efficiency and appearance.

In Epping (VIC) we completed the development of a premium grade, purpose-built facility, comprising 6,900 m<sup>2</sup> of NLA over 3 levels. The facility has LED Lighting, a 30Kw Solar system to offset electricity usage, louvred natural ventilation system to reduce power requirements and a 15,000L greywater retention system that enables the utilisation of rainwater to maintain the landscaping around the property.

In **Retail**, we understand the importance of ensuring our centres respond to the needs of our tenants as well as the surrounding communities. This includes not only ensuring accessibility to the centre, convenient parking, and the appropriate combination of retail options but also focusing on the

operational efficiency of the centre to ensure lower operating costs and desirable indoor environmental conditions.

During the year Abacus conducted targeted capital works upgrades to further drive energy efficiency across our retail assets. At Ashfield Mall, 1,240 lights were replaced from fluorescent and halogen to LED, which resulted in a significant reduction in emissions. Ashfield Mall has now achieved a 4-star NABERS energy rating and a 3.5-star NABERS water rating.

At Oasis Shopping Centre, our LED upgrade project has contributed to the reduction in car park light consumption by approximately 40%. Energy usage monitoring and management practices have also been enhanced throughout the mall to improve efficiencies and optimise performance, in response to seasonal changes.

## Customer Attraction, Satisfaction and Retention Highlights

	FY22	FY21	FY20	FY19
Occupancy (Office)	94.70%	95.50%	91.50%	91.80%
Occupancy (Self Storage)	93.20%	90.90%	88.30%	88.40%
WALE (Office)	3.8	3.9	3.6	3.5



FY22 Performance

Key outcomes from our capital works programme

As our value proposition is specific to each property, capital works undertaken are tailored to each asset to attract and retain tenants. Some highlights of our works undertaken to improve or reposition our assets across our FY22 portfolio include:



99 WALKER STREET, NORTH SYDNEY  
Capital Works Program

Improvements made

99 Walker Street is a commercial office building located in the bustling centre of North Sydney’s business district. Original features such as high ceilings, timber floors, copious natural light and cross ventilation have been emphasised and the result is flexible and open spaces suitable for small and large businesses.

An opportunity arose to change the ground floor to retail usage with the hair dressing and beautician Salon Lane.

Key upgrades include:

- New end of trip facilities and on-floor amenities
- Refurbished modern lobby and building entrance
- New Access control system
- Destination Control lifts
- Abacus Flex office solution

As of 30 June 2022, the building is 95.2% leased with a WALE (by income) of 4.77 years

Impact on customer attraction, satisfaction and retention

- Enhanced corporate entry and ground plane experience
- Improved on-floor amenity for tenants and their visitors
- Additional third space providing further amenity for our customers.
- Improvement to energy efficiency leading to higher NABERS Energy rating
- Future proofing and contemporising to support the attraction and retention of tenants

WALE by years 4.77	Total lettable area (sqm) 19,295
NABERS Energy 5.5 stars	NABERS Water 5.5 stars (up from 5 stars)

FY22 Performance

Key outcomes from our capital works programme

As our value proposition is specific to each property, capital works undertaken are tailored to each asset to attract and retain tenants. Some highlights of our works undertaken to improve or reposition our assets across our FY22 portfolio include:



STORAGE KING ADAMSTOWN, NSW

Improvements made

Expansion and wholesale upgrade of a large building within a site acquired in FY19; comprising internal demolition of poor-quality internal fitout, electrical infrastructure and sodium high-bay lighting. Resulting in the delivery of 2,600sqm modern, efficient NLA over two levels, to include a replacement roof (1,800sqm) with capacity for future solar installation, 2-level fitout, hoist and modern zonal LED lighting throughout.

In addition, the whole site was generally improved with fire system upgrades, landscaping, re-branding and reconfiguration to improve customer amenity. The office was also refurbished, and upgrades were made to all computers, monitors and air-conditioning with energy efficient alternatives.

**Impact on customer attraction, satisfaction and retention**

Adamstown is a suburb located 6km south-west of Newcastle CBD with strong demographic profile. This upgrade was required; it provided a more institutional grade product offering in a previously low-grade space, while delivering additional NLA it also allowed the wholesale upgrade of infrastructure throughout to harness energy efficiencies with newer technologies.

WALE by years N/A	Total lettable area (sqm) 6,951 (Additional 1,150)
NABERS Energy N/A	NABERS Water N/A



FY22 Priorities and Performance

COMMITMENTS	STATUS	FY22 PERFORMANCE
Undertake annual or biennial tenant customer engagement survey with findings used to inform strategic decision-making	✓	Achieved. Utilised customer survey issues in FY21 to develop and implement a new approach to drive customer engagement
Maintain an occupancy rate of at least 90% for the office portfolio	✓	Achieved an occupancy rate of 94.7%
Maintain an occupancy rate of at least 88% for the self storage portfolio	✓	Achieved an occupancy rate of 93.2%
Maintain a WALE of at least 3.5 for the office portfolio	✓	Achieve a WALE of 3.8
Continued emphasis and focus on collaboration with our asset and operating partners and customers to provide a safe and secure environment in light of the evolving COVID-19 situation	⚙️	Ongoing

✓ Achieved ⚙️ Progressed ○ Not yet progressed

Future priorities

Understanding and responding to our customers’ changing needs and improving the customer experience is a key focus across the Abacus business. Ensuring we respond to these expectations will enable us to develop strong and value-add partnerships with our stakeholders and enhance our reputation, which will in turn increase our occupancy and WALE. Priorities for the year ahead include:

- Continue our customer engagement strategy with our property management partners
- Maintain an occupancy rate of at least 90% for the office portfolio
- Maintain an occupancy rate of at least 88% for the established self storage portfolio
- Maintain a WALE of at least 3.5 for the office portfolio

Continued emphasis and focus on collaboration with our asset and operating partners and customers to offer positive experiences and excellent accommodation solutions.





# Responsible resource management

## Key Achievements in FY22

- Continued progress with public sustainability targets for energy, emissions, water, and waste
- Target of Net Zero Emissions (Scope 1 and 2) by 2050
- Office portfolio NABERS Energy average – 4.6 stars (unchanged from 30 June 2021)  
Office portfolio NABERS Water average – 4.5 stars (up from 4 stars 30 June 2021)
- 26% reduction in Scope 1 and 2 GHG emissions intensity and 23% reduction in water intensity compared to 2019 baseline
- 36% of Waste diverted from landfill to recycling

## Why is this important?

Responsible resource management is about using our resources efficiently, sustainably and in ways that minimise the impact on the environment. As the owner of a large property portfolio, Abacus are well positioned to positively impact the resource consumption of our buildings through efficient property management and the development and upgrade of buildings which incorporate more efficient plant and equipment. Alongside this we recognise the importance of ensuring our buildings are operating as efficiently as possible to reduce operating costs for our customers.

## Our approach to managing

Abacus has an ongoing commitment to reducing the environmental impact of our operations by integrating resource efficiency considerations into the management of our property portfolio. In line with our strategy of investing longer term, we continue to review and improve the sustainability of our assets and are focused on

energy, water, and waste efficiency, as well as carbon emission reductions across our property portfolio.

Our approach to sustainability is underpinned by our sustainability strategy, in conjunction with our sustainability and environmental policy, which are focussed on supporting growth across the business by recognising that we have responsibilities to all our stakeholders and the environment in which we operate.

The sustainability strategy, approved by the Board-delegated compliance and sustainability committee, aligns with our overarching strategic business objective of creating long-term, sustained value, and is focused around four key pillars:

- Environment
- People and Culture
- Customer and Community
- Governance and Transparency

As part of our sustainability strategy, we set clear public sustainability targets to ensure ongoing improvements in environmental performance, transparency, and

accountability. The targets are focused on energy, emissions, water, and waste across our property portfolio (assets under operational control) and were developed in conjunction with our asset management team and approved by our Board. To achieve these targets, we have developed sustainability improvement pathways for our assets which are aligned with our operational and capital works upgrades. These pathways will ensure our office and retail assets have ongoing improvement opportunities and will lead to better performance and operational cost savings, and improvements in NABERS ratings. We have also set Key Performance Indicators (KPI's) for our property partners to ensure that the stakeholders managing our assets help facilitate achieving these targets.



## Abacus Sustainability Targets

METRIC	TARGET	HOW WE WILL GET THERE
ENERGY	Targeting a NABERS Energy portfolio average of 5 stars by FY25 for office assets	<ul style="list-style-type: none"><li>– Building efficiency optimisation using BMS analytics to ensure efficient operations of the mechanical plant</li><li>– Adjusting building operations to cater for lower occupancy due to COVID-19</li><li>– Employing initiatives such as economy cycle, adjusting building time schedules, maximising outside air intake, and reducing fan speeds in winter</li><li>– HVAC upgrades</li><li>– Lighting upgrades</li><li>– Lift upgrades</li><li>– Solar PV</li><li>– Building Management System (BMS) upgrades</li></ul>
	15% reduction in Scope 1 & 2 GHG emissions intensity by 2025 (from FY19 base year) for commercial property	
EMISSIONS	Net Zero emissions by 2050 (Scope 1 and 2)	<ul style="list-style-type: none"><li>– Ongoing investigation and implementation of on-site renewable energy where feasible.</li><li>– Review of renewable Power Purchase Agreements with our energy broker for future electricity procurement</li></ul>
WATER	Targeting a NABERS Water portfolio average of 4 stars by FY25 for office assets	<ul style="list-style-type: none"><li>– Rollout of real-time water monitoring across office and retail property with alarms for higher-than-expected water usage and overnight baseloads</li><li>– Water audits and correction of leaks</li><li>– Bathroom upgrades</li><li>– Cooling tower upgrades</li></ul>
	10% reduction in water intensity by 2025 (from FY19 base year) for commercial property	
WASTE	Targeting a 50% diversion from landfill by FY25 across commercial property	<ul style="list-style-type: none"><li>– Base building and tenancy waste audits</li><li>– On-site scales to measure waste coming out of tenancies and base building</li><li>– New waste contracts to include diversion targets and improved stakeholder education, signage, and provision of bins</li></ul>

FY22 Performance

Energy efficiency in operations

Abacus is cognisant that operating energy efficient, more sustainable buildings can benefit the environment and investors alike and we are actively invested in energy efficiency improvements across our portfolio that will provide both a financial return as well as energy and emission reductions, in line with our NABERS improvement pathways and energy targets. This year we recorded a 26% drop in scope 1 and 2 GHG emissions from our FY19 baseline (and a 4% drop from FY21) due in part to COVID-19 reduced occupancy, but also as a result of our capital works and operational efficiency programs. We also saw a significant drop in our Scope 3 emissions from FY21 due to limited travel and a reduction in building waste as a result of four months of lockdown. This means we have exceeded our FY25 target, and we will be reviewing our targets in FY23 to ensure we maintain momentum in reducing our emissions even further.

This year our major energy efficiency improvement projects included LED lighting upgrades at 63 Ann Street, 14 Martin Place, Ashfield Mall, and Oasis Shopping Centre, and a 250KW solar PV system at 187 Todd Road. In addition, we have partnered with Buildings Alive to help drive continuous improvement by providing daily performance data that facility managers can use to implement daily operational changes.

Water efficiency in operations

Water is an increasingly scarce resource for Australia and as managers of a large property portfolio, we strive to use it responsibly. FY22 saw a further drop in water consumption intensity with a 23% drop in consumption compared to our FY19 baseline.

Efficient water management in operations consists of improving the visibility of water consumption in our buildings by way of smart water metering, bathroom and cooling tower upgrades, undertaking water assessments to identify ways we can further improve water efficiency and upgrading facilities and systems to ones that use less water in operation. Pleasingly this has resulted in Abacus already achieving its FY25 target, noting lower levels of occupancy has had a positive impact on NABERS Water. Nonetheless, and we will be reviewing our targets in FY23 to ensure we maintain momentum in reducing our water usage even further.

Waste efficiency in operations


Reducing waste to landfill is a key part of our property operations and is fundamental component of each asset’s sustainability strategy. In FY22, we recorded a 36% waste diversion from landfill across our commercial property portfolio, up 6% from FY21 and on track to meet our target of 50% diversion from landfill by FY25.

We capture waste and recycling information from the assets under our operational control and continue to work with our property managers, cleaners, and waste contractors to develop improvement pathways for each asset. These pathways include initiatives such as waste audits, improving recycling infrastructure and signage, additional waste streams, improving tenant communication, and incentivising recycling by allocating swipe cards to retail tenants for what they send to landfill.

We also completed the procurement of a new waste contractor, which will come with improved data and KPIs aligned with our targets.

Responsible Resource Management Highlights


The following environmental data is for the reporting period 1 July 2021 to 30 June 2022 (FY22) unless otherwise stated.



Energy and Emissions

We report our Scope 1 and Scope 2 emissions according to our operational control boundary under the National Greenhouse and Energy Reporting Act 2017 (NGER Act). Operational control is defined as having the ability to introduce and implement operating, health and safety or environmental policies and measures for a facility. Scope 1 (direct) emissions occur from fuels combusted on-site (natural gas and diesel) as well as refrigerant leakage. Scope 2 (indirect) emissions are from the base building consumption of purchased electricity in our assets where we have operational control as well as our corporate office in Sydney and a small site office in Melbourne.


We also report our Scope 3 emissions from corporate travel (flights).



Water

Total water consumed comprises potable water consumed by the whole building (base building and tenant) for our Office and Retail portfolio purchased by Abacus from local water utilities for sites under our operational control, as defined within the NGER Act.

Water consumption is based on actual meter readings from water utilities, unless estimated by the utility. Where invoices are unavailable estimates based on the ‘same day, previous year’ consumption are used for reporting.



Waste

Waste data is collected and reported on for those assets where we have operational control over the waste contract. Waste data for our Office and Retail operations is managed and reported by our waste contractors and is a combination of actual weights or calculated by number of bins and volume to weight conversion factors.

	FY22	FY21	FY20	FY19
Energy consumption (GJ)	81,675	87,178	103,751	125,258
Scope 1 and Scope 2 emissions (tCO2-e)	14,420	15,810	18,170	21,842
Water consumption (kL)	155,661	166,560	204,090	232,485
Total waste generated (tonnes)	2,173	2,027	2,448	3,351
Total recycled (tonnes)	766	595	677	1,191



Responsible Resource Management

KEY PERFORMANCE INDICATOR	FY22	FY21	FY20	FY19
Energy consumption				
Stationary energy – Natural Gas (GJ)	15,978	19,974	27,267	33,075
Stationary energy – Diesel (GJ)	0	19	71	0
Total Energy Consumption – Fuels (GJ)	15,978	19,993	27,338	33,075
Energy Produced (GJ)	2,159	1,402	2,791	3,515
Energy consumption – Electricity (GJ)	63,538	65,783	73,622	88,668
Total energy consumption (GJ)	81,675	85,776	103,751	125,258
Energy use per square metre of gross lettable area (MJ/m2)	333	332	395	443
Emissions				
Carbon emissions (scope 1) associated with energy consumed (t CO <sub>2</sub> -e)	1,758	2,116	2,499	2,655
Carbon emissions (scope 2) associated with energy consumed (t CO <sub>2</sub> -e)	12,662	13,694	15,671	19,187
Carbon emissions (scope 3) associated with energy, water, waste and corporate travel (t CO <sub>2</sub> -e)	1,829	3,974	6,460	9,008
Water consumption				
Water consumption (KL)	155,661	166,560	186,530	232,485

\*Energy produced from gas fired co-generation system at 91 King William Street, Adelaide.  
The energy consumption and scope 1 and 2 emissions data have been calculated using the default emission factors per the National Greenhouse and Energy Reporting Act 2007 and (National Greenhouse and Energy Reporting (Measurement) Determination 2008).

NABERS rating across our properties

Our Office portfolio is rated annually under the National Australian Built Environment Rating System (NABERS) for energy and water. Abacus uses NABERS to benchmark energy and water efficiency, developing improvement strategies to improve or maintain our buildings to high NABERS performance. By creating and maintaining high-performing, environmentally efficient assets, we can not only minimise our carbon emissions and environmental impacts, but we can also pass on valuable cost-savings and emissions reductions to our customers.

Public sustainability targets

were approved by the Board in November 2020. Good progress has been made towards our FY25 NABERS targets and a number of buildings have met or exceeded their FY22 targets.

	FY21	FY22	FY25 TARGET
NABERS Energy average	4.63	4.6 (4.7*)	5 stars
NABERS Water average	4.05	4.5	4 stars

\* With GreenPower

FY22 Priorities and Achievements

COMMITMENTS	STATUS	FY22 PERFORMANCE
Achieving year on year progress towards NABERS and environmental targets		Energy and water targets for FY23 and FY25 agreed for each asset as well as portfolio average
Onboard new waste contractor and improve data and reporting		Process to streamline waste contractors commenced with scope of services incorporating FY25 diversion target of 50% as a KPI
Continue with the Buildings Alive implementation		Ensuring all buildings are using the daily analytics models to drive incremental improvements in energy and water efficiency
Continue to implement on-site solar PV where it makes good financial sense		Ongoing initiative. Refer to 'climate related risks and opportunities' for further detail

✔ Achieved   Progressed   ○ Not yet progressed

Future priorities

With the sustainability strategy and targets agreed, our focus will be on ongoing performance, measurement, and verification to ensure we meet our FY25 targets in a consistent and transparent way.

- Ongoing implementation of key initiatives to drive building efficiencies. This includes our new Sustainability Steerco that meets monthly to drive operational performance
- Ensuring all capital works projects are assessed against a sustainability improvement matrix
- Review of sustainability targets and initiatives in FY23 in light of improving occupancy levels
- Continue to implement on-site solar PV where it makes good financial sense
- Implementation of the new waste procurement and diversion strategy with the new provider

# Climate-related risks and opportunities

## Key Achievements in FY22

- Continued progress with net zero emissions (scope 1 and 2) target by 2050
- Increased our investment in on-site solar PV in our Office portfolio with a 250kW system installed at 187 Todd Road, Port, Melbourne, bringing our total office assets with solar to 5
- Ongoing implementation of our Self Storage solar program with 3 new installations performed in FY22, taking the total to 47 solar PV systems across the country totalling 1099kW in size and further installations planned for future years

## Why is this important?

Abacus may be exposed to unforeseen material environmental risk or the impact of climate change over time. Environmental and climate change related events have to potential to damage our assets, disrupt operations and impact the health and wellbeing of our people and communities. Abacus recognises that integrating sustainability considerations, including that of climate change, into our investment decision making and business operations is congruent with the responsibility we have to our stakeholders and is critical to Abacus achieving its long-term goals.

Our focus on energy efficiency upgrades, the installation of solar PV across our portfolio and the development of targets and strategies to enhance the energy and emissions performance of our assets is key to ensuring our portfolio remains resilient to the impact of climate change over time.

## Our approach to managing

Environmental issues, including that of climate change, have been identified as a material issue to Abacus and we have in place appropriate strategies to protect our properties and mitigate any risk. This includes the consideration of climate-related risks and opportunities across the lifecycle of our investment decisions – from acquisitions to asset and property management as well as new developments. Environmental and climate change risks are included on the board approved key risk register and are incorporated into our decision-making process when acquiring properties and as part of the ongoing management of each property. We manage this risk through the due diligence process undertaken with each acquisition as well as the asset risk matrix for each property, which are reviewed every six months. Key environmental concerns are reported to the Investment Committee and Board as part of the governance framework.

Operationally we are focused on energy efficiency as well as on-site solar. New developments undertake a climate adaptation and resilience assessment as part of the Green Star certification and new office acquisitions undergo appropriate climate-related due diligence including an assessment for resilience to extreme storm, extended days of hot weather and localised flooding. Depending on potential future risks, discussions around the location of essential services, the age and condition of HVAC systems, and the water resistance of the roof and façade are factored into decision making.

## FY22 Performance

### Highlights: Investment in Renewable Energy

Investing in on-site renewable energy has been a key focus for Abacus. On-site solar PV can provide a substantial reduction in operational electricity costs as well as reduce our carbon footprint and reliance on the grid. Over recent years, we have installed 52 solar PV systems across our Self Storage and Office portfolios and have additional installations planned for future years.

### Commercial Property

This year we completed the installation of a 250kW solar PV system at 187 Todd Road. The Office portfolio now has 5 renewable assets with a total of 817kW of solar PV.

### Self Storage

Our self storage portfolio now has 47 solar PV systems across the country totally 1099kW in size, with 3 large installations performed in FY22.

In Epping (VIC) we completed the development of a premium grade,

purpose-built facility, comprising 6,900 m² of NLA over 3 levels. The facility has LED Lighting, a 30Kw Solar system to offset electricity usage, louvred natural ventilation system to reduce power requirements and a 15,000L greywater retention system that enables the utilisation of rainwater to maintain the landscaping around the property.

## FY22 Priorities and achievements

COMMITMENTS	STATUS	FY22 PERFORMANCE
Continue to investigate and conduct feasibility analysis for on-site renewables across the self storage, and Commercial portfolios	✓	Ongoing
Review new solar technologies such as the thin-film solar PV for their applicability to assets where conventional solar may not be practicable	✓	Achieved. Epping (VIC) new facility features a new solar system along with various other sustainable building elements
Continual focus on building performance optimisation to minimise climate related impacts	✓	Ongoing improvements in building performance, efficiency, and resilience via capital works upgrades
Evaluation of risk and opportunities and climate related disclosures in line with our business, strategy, and peers	⚙️	Ongoing evaluation

✓ Achieved ⚙️ Progressed ○ Not yet progressed

## Future priorities

Abacus is committed to the appropriate management and oversight of material climate-related risks and opportunities to our business and developing appropriate strategies to manage these issues. Our approach to climate change forms a key component in the development of our sustainability strategy and includes the following:

- Evaluation of risk and opportunities and climate related disclosures in line with our business, strategy, and peers
- Undertake a portfolio-wide risk assessment of exposure and vulnerability based on asset location and type
- Continue to investigate and conduct feasibility analysis for on-site renewables across the self storage, and Commercial portfolios
- Continual focus on building performance optimisation to minimise climate related impacts

# Governance, risk, cyber and transparency

## Key Achievements in FY22

- Abacus has successfully embedded a Governance, Risk and Compliance (‘GRC’) system in line with its Risk Management Framework to improve the governance over risk management. This will ensure an efficient and clearer picture of how risks emerge and manifest across Abacus as well as documenting and monitoring of control measures to bring them within accepted tolerance levels
- Board and Executive Committee risk workshops were held in May 2022 in order to review, discuss and confirm the Group risk profile and Abacus’ risk management culture in order to form a view aligned to Abacus’ strategy
- Abacus has successfully completed enhancements to its risk reporting of key risks, key risk indicators, compliance obligations, and its risk appetite statement for its business entities, The application of Abacus’ risk framework methodology was also successfully completed over the Storage King business to ensure consistency across the Group

## Why is this important?

Abacus’ approach to governance, risk, cyber and transparency is important to supporting the success of its strategy. It ensures that management are guided and appropriately monitoring risks when making material business decisions in response to changing operational conditions and opportunities.

## Our approach to managing

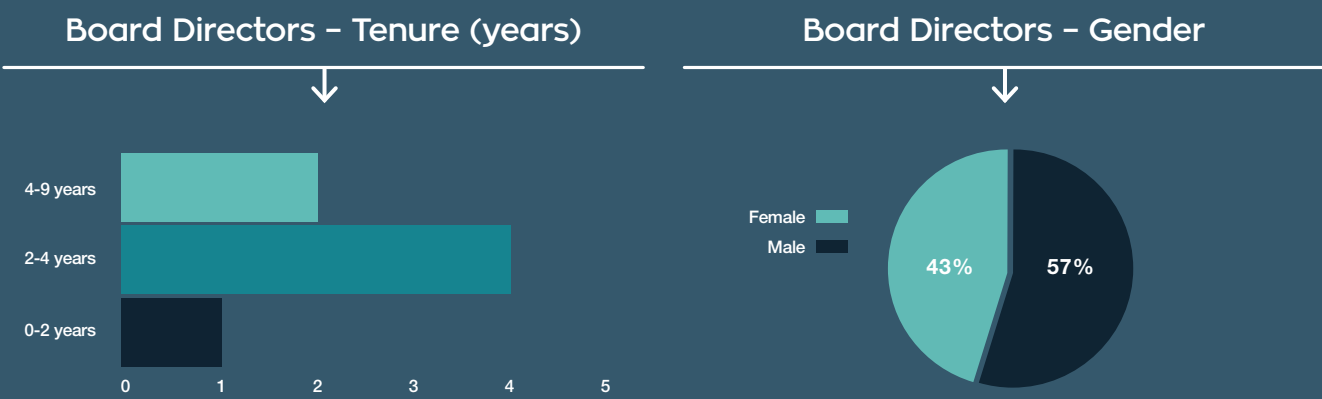
Abacus’ approach to the management of governance and risk matters is underpinned by our corporate governance framework and risk management framework.

Abacus recognises in its Sustainability and Environmental Policy that integrating sustainability issues, including environment

and climate change, into our investment decision making and business operations is congruent with the responsibility we have to our stakeholders and is critical to Abacus achieving its long-term goals. Abacus continues to develop appropriate strategies to protect its properties and mitigate the risks of climate change. Environmental issues are incorporated into our decision-making process when acquiring properties and as part of the ongoing management of each property. Key environmental concerns are reported to the Investment Committee and the Board as part of the governance framework. Environmental risks associated with each property are monitored as part of the Group’s asset management processes.

## Abacus board diversity and tenure

Diversity targets are reviewed annually and are the responsibility of the People Performance Committee. Abacus exceeded its target of minimum representation of 2 females on the Board, and as of 30 June 2022 has 3 females on the Board. Abacus has and continues to recruit from a diverse pool of candidates for all positions filled during the year. All employees, regardless of role, worked flexibly.



Our key charters and policies include:

Code of Conduct	Performance Evaluation Policy	Business Risk Management Policy
Continuous Disclosure and Securityholder Communication Policy	Trading Policy	Privacy Policy
Sustainability and Environmental Policy	Diversity and Inclusion Policy	Conflicts of Interest Policy
Appointment and selection of non-executive director's policy	Work Health and Safety Policy	Board Charter
People Performance Committee Charter	Nominations Committee Charter	Audit and Risk Committee Charter
Whistleblowing Policy	Human Rights Policy	Gifts, Fraud, anti-bribery and corruption policy
Supplier Code of Conduct	Modern Slavery Statement	Complaints policy

Our suite of publicly available policies are available at our Corporate Governance page on the Abacus Property Group website at [www.abacusproperty.com.au](http://www.abacusproperty.com.au)



Non-compliance with laws and regulations

KEY PERFORMANCE INDICATOR	FY22	FY21	FY20	FY19
Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:  i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms	Nil	Nil	Nil	Nil
Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:  i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms	Nil	Nil	Nil	Nil

Substantiated complaints concerning breaches of customer privacy and losses of customer data

KEY PERFORMANCE INDICATOR	FY22	FY21	FY20
Number of substantiated complaints received concerning breaches of customer privacy categorised by  i) complaints received from outside parties and substantiated by the organization; ii) complaints from regulatory bodies	Nil	Nil	Nil
Number of identified leaks, thefts, or losses of customer data	Nil	Nil	Nil

Confirmed incidents of corruption and actions taken

KEY PERFORMANCE INDICATOR	FY22	FY21	FY20
Total number and nature of confirmed incidents of corruption	Nil	Nil	Nil
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	Nil	Nil	Nil
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	Nil	Nil	Nil
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases	Nil	Nil	Nil

FY22 Performance

Risk management framework

Abacus has a structured approach to the management of its risks, where:

- Risk management principles and techniques are incorporated into all business processes
- Decisions are made within a defined and approved risk appetite that do not expose Abacus to unacceptable levels of financial, compliance and other risks that may adversely impact its strategic growth plan
- Abacus’ resources, people, financial and capital resources, knowledge, and reputation are safeguarded
- A risk culture is embedded where all employees accept responsibility for risk management

All risks are assessed and managed on a continual basis, where risks are measured, escalated, and reported in accordance with Abacus’ Risk Management Framework. This Risk Management Framework is applied across all business activities, so as to identify material risks, and to apply effective controls that are designed and operated to prevent risks from materialising. These controls are evaluated and tested on a periodic basis so as to assess their effectiveness in mitigating risks.

Major improvements to the delivery of the framework have been completed, some including

- A GRC system has been embedded across Abacus to enable reporting, monitoring, and assessment of risks in real-time

- Abacus has successfully completed enhancements to its risk reporting of key risks, key risk indicators, compliance obligations, and its risk appetite statement for its business entities, The application of Abacus’ risk framework methodology was also successfully completed over the Storage King business to ensure consistency across the Group
- Compliance Plan and Diary was reviewed and improved, with a stronger focus on documenting and checking the operational effectiveness of controls. Roll out of improved annual Compliance Training was also completed as part of this work

Cyber security governance

We have continued with the implementation of an Abacus Digital and IT Strategy which will strengthen cyber security governance in line with industry best practice. IT governance at Abacus includes documented polices and processes covering information systems incident response, network security, business continuity and disaster recovery, user access control and acceptable use.

Regular IT and cyber security training is delivered to employees on an ongoing basis and includes current areas of concern including acceptable use of IT and phishing attack awareness. The most recent training campaign was completed between April and June 2022. We actively aim to protect the business online, be alert to new threats, and report cybercrime or incidents.

The Abacus Business Continuity Plan was updated in 2022 and the Disaster Recovery Plan was successfully tested in June 2022.

Our commitment to honesty, integrity and trust

We are committed to acting honestly and with integrity, so that we gain the trust of all stakeholders. At Abacus we strive for a reputation for, and commitment to, honesty, integrity and trust and recognise these elements as essential for success and longevity in the investment industry. With our commitment to raising awareness, and the need to encourage, protect and support responsible reporting of wrongdoing, we continue to build a supportive work environment which aligns to our Code of Conduct and values. This program is actively promoted and encouraged by the Board and Executive Team.

Our Code of Conduct is our guide to upholding our commitment to honesty, integrity and trust. In May 2022, our Code of Conduct was updated and approved by the Board so to ensure the fundamental principles and behaviours within Abacus remain in line with our values. Training was delivered to all employees on the updated Code of Conduct in June 2022.

Compliance training was delivered to all employees in May 2022, which focused on the fundamental areas of Abacus’ obligations that employees are required to have a baseline understanding of. The training was delivered tailored to the specific activities and operations at Abacus so to improve its relevance and understanding by all employees.

FY22 Priorities and Achievements

COMMITMENTS	STATUS	FY22 ACHIEVEMENTS
Zero tolerance for material non-compliance with applicable laws and regulations	✓	Achieved. Ongoing expectation
Delivery of revised Corporate Governance Statement	✓	Achieved. Corporate Governance Statement was released in August 2022
Update to Compliance Plan and Diary to reflect better how compliance is achieved with applicable laws and regulations	✓	Achieved. The Plan and Diary were updated and are being monitored within our GRC system
Risk refresh activities completed across business entities to ensure the Risk Management Framework is embedded across all activities	⚙️	Achieved and remains an ongoing activity. Significant progress has been achieved, with further work currently progressing in underlying business processes, business resilience, and assurance

✓ Achieved ⚙️ Progressed ○ Not yet progressed

Future priorities

In line with our commitment to continually strengthen governance in order to influence how objectives are set and achieved, how risk is monitored and assessed and how performance is optimised we aim to focus on:

- Continuing to embed risk management across the business through risk training
- Continuing to assess existing and emerging risks by regular monitoring and oversight
- Further develop an Abacus risk culture aligned to the Board’s risk appetite – a culture that is transparent, integrated, and dynamic

Responsible procurement

Key Achievements in FY22

- Ongoing implementation of Modern Slavery Action Plan and collaboration with the Property Council Modern Slavery working group
- Strengthened supplier due diligence and understanding of supply chains and operations, supported by the Informed365 supplier engagement platform
- Inclusion of high-risk supply spend

Why is this important?

Responsible Procurement relates to engaging with suppliers to ensure they operate in a manner consistent with our Supplier Code of Conduct and ensuring the procurement process adheres to the international standards against criminal conduct and human rights abuses and our obligations under the Act.

Responsible Procurement means considering the ethical, environmental and social impacts of purchasing decisions and looking for opportunities where outcomes can be enhanced, and where we are committed to ensuring high standards in our operations and throughout our supply chain. Abacus is committed to implementing and monitoring ongoing practices which support human rights with reference to the UN Guiding Principles on Business and Human Rights and the Australian Modern Slavery Act 2018 (‘The Act’).

Our approach to managing

Abacus has a diverse supply chain which includes;

- builders and contractors on our development projects
- managing agents and operational contractors on our property portfolio; and
- operational contractors and third-party relationships within our Storage King business

Abacus operates wholly within Australia and New Zealand, countries which have democratic governments with high standards of governance. There is a lower social risk where operations are wholly in Australia and New Zealand. However, Abacus recognises that instances of modern slavery can still occur in Australian and New Zealand supply chains.

Respecting and proactively promoting human rights is an integral part of our

business and forms a key component of our sustainability commitment which is outlined in our Supplier Code of Conduct and Human Rights Policy. Abacus guiding principles include:

- The expectation that our team members, contractors, sub-contractors, consultants and suppliers will conduct business in a safe, responsible and equitable manner and in compliance with all applicable laws, regulations and standards
- Our team members, customers, suppliers and investors being treated fairly and respectfully
- Diversity and inclusion, which is about our commitment to ensure collective perspectives are valued and respected, with the objective of enhancing informed judgment and high-quality decision making. Diversity includes, but is not limited to, gender, age, ethnicity, sexual orientation, religious and cultural background



- The right to just and fair remuneration
- The fundamental right of all workers and those affected by our undertaking to a safe and healthy working environment
- Allowing freedom of association and collective bargaining

Abacus ensures these commitments are upheld on an ongoing basis by:

- Ongoing engagement, education and awareness with team members and our supply chain
- Developing and implementing a Supplier Code of Conduct
- Incorporating human rights into purchasing decisions and adhering to Abacus’ Human Rights Policy
- Conducting human rights and modern slavery due diligence into our supply chains on an ongoing basis and ensuring our supply chains are, as far as we are aware, free from modern slavery; and
- Providing access to an effective grievance mechanism (Whistleblowing Policy) to our team members and supply chain to ensure that human rights violations are reported, investigated, and remediated

FY22 Performance

Our Modern Slavery Risks

Recognising that systemic risks in our supply chain cannot be solved in isolation, we place high value on collaborating with our industry peers to collectively understand and manage the risk of modern slavery across our direct and indirect supply chain. Abacus is a founding member of the Property Council of Australia’s Modern Slavery working group, which has fifteen founding members that work alongside peers in the industry to develop a supplier due diligence platform. This collaboration allows leading Property Council of Australia members to engage, assess and report on their supply chain networks more easily through a single online platform which collects, compares and collates information on suppliers, to inform year-on-year progress.

The single online platform collects, compares and shares data on all suppliers to ensure consistency across the industry, streamlines the reporting process for businesses involved, reduces the reporting burden, and makes it easier for suppliers to share information with the leading property organisations they select. Suppliers are invited to register and enter information about actions they are taking to assess and address modern slavery. Data can then be accessed by Property Council members through the platform’s dashboard to enable better evaluation, decision-making and reporting.

In FY22 Initiatives completed to enhance how we address modern slavery risks across our supply chain included:

	INITIATIVE	STATUS	COMMENTS
RISK ASSESSMENT	Annual risk assessment of our supply chain and methodology to assess suppliers across our highest risk categories and to continue developing our supply chain knowledge and to improve our understanding of supplier responses	✔	The FY22 Abacus supplier risk assessment has been completed
INDUSTRY COLLABORATION	Continue industry participation and collaboration through the Property Council of Australia’s Modern Slavery Working Group	⚙️	Recognising that systemic risks in our supply chain cannot be solved in isolation, we place high value on collaborating with our industry peers to collectively understand and manage the risk of modern slavery across our direct and indirect supply chain
SUPPLIER DUE DILIGENCE - SUPPLIERS	Ongoing supplier due diligence utilising the supplier engagement portal	⚙️	Abacus, where appropriate, will take steps to continue due diligence activities over its supplies
SUPPLIER DUE DILIGENCE - VERIFICATION	Commence verification of existing suppliers deemed a higher risk within the single online platform	⚙️	Abacus, where appropriate, will take steps to verify suppliers deemed a higher risk, and will continue to engage with its supplier landscape
REMEDIATION	Continue to work with key stakeholders to progress our group-wide response to modern slavery with a focus on prevention, mitigation and remediation in contracts and processes to incorporate human rights and modern slavery	⚙️	Abacus, where appropriate, will take steps to address any remediation that is required. Furthermore, will take steps to prevent elevated modern slavery risks through its supplier onboarding processes
TRAINING	Annual refresher training for all Abacus employees and roll out of additional modern slavery training to key team members	✔ ⚙️	Annual refresher training was delivered to all Abacus employees in June 2022 and to all Storage King employees in August 2022

✔ Achieved ⚙️ Progressed ○ Not yet progressed

Continuous improvement is a key element of an effective response to modern slavery risks and our methodology and due diligence will be subject to ongoing reviews and reporting to the board as appropriate so that continuous improvement can be demonstrated as our processes are embedded (in line with the requirements of the Act).

Our annual Modern Slavery statement summarise our approach in line with the reporting requirements is available on our website <https://www.abacusproperty.com.au/about-us/corporate-governance>.

Future priorities

Recognising the global challenge of addressing modern slavery and our obligations under the Australian Modern Slavery Act (2018), Abacus will continue to incorporate human rights and supply chain due diligence into our business practices and commit to the following priorities:

- Annual risk assessment of our supply chain and methodology to assess suppliers across our highest risk categories and to continue developing our supply chain knowledge and to improve our understanding of supplier responses
- Continue industry participation and collaboration through the Property Council of Australia’s Modern Slavery working group
- Ongoing supplier due diligence utilising the supplier engagement portal with a focus on;
  - increasing the number of invited suppliers utilising our existing risk methodology and
  - increasing participation rates and working with suppliers to improve supplier responses
- Continue verification of existing high-risk suppliers within the single online platform
- Annual refresher training for all Abacus and key Storage King employees



# Employee engagement and motivation

## Key Achievements in FY22

- Group off site day to promote team engagement and business relationships
- New Code of Conduct launched across the Group
- Refresh and launch of all people policies, supported by legislation training
- Review and launch of all contracts of employment
- Implemented a new performance and reward framework
- Continued to expand focus on employee wellbeing benefit by introducing a new Employee Assistance Program (EAP)
- Pulse survey conducted to sense check progress against FY21 Employee Feedback and Engagement Survey. Improvement achieved across all categories

## Why is this important?

Attracting, engaging, and retaining talented people is fundamental to delivering the Group's strategy. Building a collaborative and engaging workplace that enables people to contribute and excel is integral to the delivery of our vision, strategy, and objectives. Abacus empowers our team members to take initiative, accountability and make a difference. Our flat organisational structure and open-door culture supports this and allows us to respond to change, adapt quickly, and leverage opportunities as they arise.

Abacus recognises the benefits of creating an inclusive environment and promoting team member and Board diversity. Inclusion and diversity at

Abacus are about our commitment to ensuring varied perspectives are valued and achieved, with the objective of enhancing informed judgment and high-quality decision making.

## Our approach to managing

The Group has and will continue to evolve, a range of initiatives designed to ensure a contemporary and future focused workplace culture, and capabilities are in place to deliver on our vision, strategy, and objectives.

Our Group Values are:

- We are one team
- We are entrepreneurial
- We are responsible and
- We are accountable

These values underpin everything we do across the Group.

Using feedback gained from our employee engagement and pulse surveys, focus groups, business unit leaders' feedback and external research, we continue to build on foundational people and culture initiatives.

Our approach ensures that we are future proofing the Group by progressing best practice initiatives, building organisational capability and effectiveness.







**FY22 Group Performance**

**Launched and communicated new remuneration framework**

In FY22 we launched the new Abacus performance and reward framework, which promotes further alignment between the incentives of our people with the interests of securityholders. The framework aims to reward, engage, and develop our people focusing on value creation for our customers and community. We are mindful that our framework may need to evolve as we make further progress with our strategy, and we continue to monitor market trends to ensure that it remains fit for purpose.

Of particular note we have introduced a deferral to our Short-term Incentive for the Executive team and a new Long-term Incentive Plan based on long term growth in Funds from Operations earnings per security.

**Employee Securities Gift Plan**

The Employee Securities Gift Plan was launched in March 2022, offering an \$1,000 gift of securities to employees. The focus of this was twofold:

- To create a culture of ownership of the group through our people’s personal investment in it; and
- to align and focus us on our mid to long term deliverables.

**Pulse survey conducted on the FY21 Employee Feedback and Engagement Survey**

The Group launched an employee feedback and engagement survey in April 2021 seeking feedback on a range of topics (e.g. leadership, communication, culture etc).

A pulse survey was then conducted in May 2022 to monitor progress against key measures that were identified in April 2021. High participation rates were achieved along with strong results indicating improvement across every category relative to 2021.

**Expanded the Abacus Benefit offering with a focus on support of employee wellbeing**

In February FY22, the Group expanded the benefit offering to include a Mental Health and Wellbeing program. An external provider has been engaged to provide confidential and comprehensive support to all employees and their family members. This program has been designed to improve health and wellbeing and resolve any personal or workplace challenges.

**Diversity and Inclusion at Abacus**

At Abacus, diversity and inclusion involves a commitment to building a more inclusive workplace that enables greater diversity of thought with the objective of enhancing informed judgment and the quality of decision making. Diversity is about embracing the uniqueness of each team member and the added value their combined differences bring to Abacus.

Abacus actively encourages employees with diverse backgrounds to bring their own experiences and perspectives, helping to create a more resilient, innovative, and successful organisation. Building a diverse and inclusive environment at Abacus is also critical to supporting people engagement and motivation.

During the year, we continued to further embed our diversity and inclusion initiatives with the aim of integrating diversity and inclusion as part of the business. In FY22, our efforts have been focused on initiatives improving gender diversity, including:

- Maintained gender diversity on the Abacus Board of non - executive directors, with continued female representation of at least three females.
- 58% of our new hires are females which exceeded our target of 40% female new hires for FY22.

- An active and targeted recruitment drive for Women at Abacus
- The acceptance of two Women for the Property Council of Australia’s 500 Women in Property Program, that recognises high potential talent within the sector providing them with networking and professional development opportunities
- Legislation training covering anti-discrimination, harassment and vilification was rolled out to all Abacus employees and contractors
- Continued recognition of International Women’s Day
- Storage King submitted Workplace Gender Equality Report for FY22 for Storage King Operations

Insights include:

- 20.2% of Storage King operations female workforce are employed on a part-time basis, providing ongoing support to those with caring responsibilities
- Increase in female promotions in FY22: 16 compared to 7 in FY21
- Increase in female representation in Storage King senior leadership with the recruitment of 3 roles

We continue to seek to improve our understanding of the unique needs of our people demographics which is a key input for the Abacus diversity and inclusion strategy.

**Future priorities**

The ongoing engagement, wellbeing and development of our people is a key priority for Abacus, and we recognise that having a high-performing and motivated workforce has a direct relationship to the success of our business. Building on the initiatives implemented as part of the Abacus People and Culture strategy, our key priorities for FY23 include;

**Group**

- Pulse survey action planning at business unit level
- Rollout of full employee feedback and engagement survey in 2H23.
- Annual Group offsite

**Abacus**

- Delivery of Digital Learning and Development program for all Abacus employee in partnership with THINKA
- Implementation of Team members Individual Development Plans

**Storage King**

- Roll out of the new remuneration framework at Storage King
- Comprehensive review of attraction strategy and onboarding processes

# Abacus

## Employees by employment type and gender

GRI DISCLOSURE	KEY PERFORMANCE INDICATOR	FY22 PERFORMANCE		FY21 PERFORMANCE		FY20 PERFORMANCE		FY19 PERFORMANCE	
		Total Females	Total Males	Total Females	Total Males	Total Females	Total Males	Total Females	Total Males
401-1	Number of full time employees	32	44	20	36	18	36	20	35
401-1	Number of part time employees	9		8		10		9	
401-1	Number of temporary employees			2	1	1	1	1	
401-1	Total number of employees	41	44	30	37	29	37	30	35

## Employee turnover by gender, age group and region

GRI DISCLOSURE	KEY PERFORMANCE INDICATOR	FY22 PERFORMANCE		FY21 PERFORMANCE		FY20 PERFORMANCE		FY19 PERFORMANCE	
		Total Number	Rate (% of total workforce)	Total Number	Rate (% of total workforce)	Total Number	Rate (% of total workforce)	Total Number	Rate (% of total workforce)
Employee turnover by gender									
401-1	Female	15	42	7	24	3	11	7	12
401-1	Male	10	25	10	27	2	6	5	29
Employee turnover by age group									
401-1	Under 30 years old	2		7		3		2	
401-1	30-50 years old	17		5		1		4	
401-1	Over 50 years old	6		5		1		9	
Employee turnover by region									
401-1	Australia	25	33	17	26	5	8	15	21

## New starters by gender, by age group and region

GRI DISCLOSURE	KEY PERFORMANCE INDICATOR	FY22 PERFORMANCE		FY21 PERFORMANCE		FY20 PERFORMANCE		FY19 PERFORMANCE	
		Total Number	Rate (% of total workforce)	Total Number	Rate (% of total workforce)	Total Number	Rate (% of total workforce)	Total Number	Rate (% of total workforce)
New employees by gender									
401-1	Female	25	70	8	27	2	7	6	21
401-1	Male	18	44	10	27	4	14	7	20
New employees by age									
401-1	Under 30 years old	8		11		2		3	
401-1	30-50 years old	30		5		2		10	
401-1	Over 50 years old	5		2		2			
New employees by region									
401-1	Australia	43	57	18	27	6	9	13	23

## Percentage of individuals within Abacus’ governance bodies by gender

GRI DISCLOSURE	KEY PERFORMANCE INDICATOR	FY22 PERFORMANCE		FY21 PERFORMANCE		FY20 PERFORMANCE		FY19 PERFORMANCE	
		Number of females	Percentage of total body (%)	Number of females	Percentage of total body (%)	Number of females	Percentage of total body (%)	Number of females	Percentage of total body (%)
401-1	Board of Directors	3	43	3	50	3	50	3	50
401-1	Audit and Risk Committee	1	25	2	50	2	50	1	33
401-1	People performance Committee	1	25	2	50	2	50	2	67
401-1	Sustainability and Work Health & Safety Committee	3	100	3	100	3	100	2	67

## Percentage of individuals within Abacus’ governance bodies by age group

GRI DISCLOSURE	KEY PERFORMANCE INDICATOR	FY22 PERFORMANCE		FY21 PERFORMANCE		FY20 PERFORMANCE		FY19 PERFORMANCE	
		Total number	Percentage of total body (%)	Total number	Percentage of total body (%)	Total number	Percentage of total body (%)	Total number	Percentage of total body (%)
405-1	Under 30 years old								
405-1	30-50 years old	1	14	1	17	1	17	1	17
405-1	Over 50 years old	6	86	5	83	5	83	5	83



# Abacus

Abacus female salaries as a ratio of male salaries

KEY PERFORMANCE INDICATOR	FY22 PERFORMANCE									FY21 PERFORMANCE			FY20 PERFORMANCE			FY19 PERFORMANCE		
	ALL			OPERATIONAL			SUPPORT			Total females	Total males	Ratio of female salary to male salary	Total females	Total males	Ratio of female salary to male salary	Total females	Total males	Ratio of female salary to male salary
Employee Category	Total females	Total males	Ratio of female salary to male salary	Total females	Total males	Ratio of female salary to male salary	Total females	Total males	Ratio of female salary to male salary									
KMP		3									2			2			3	
Other Executives and General Managers	2	9	0.8							1	4	0.6	1	5	0.6	1	4	0.6
Senior Management	8	8			4		8	4	0.9	4	13	1.0	4	13	0.9	4	12	0.9
Other Management	10	11		3	7	0.9	7	4	0.9									
Professional & Technical	4	5	1.1							9	10	0.9	8	13	0.9	8	7	0.8
Administration & Operations	17	8	1.2							16	8	1.0	16	4	1.0	17	9	0.8
TOTAL	41	44								30	37		29	37		30	35	

As part of our strategic repositioning Abacus has made a considerable reinvestment in people, culture, processes and Systems. Due to this growth the table above has been adjusted to more accurately reflect our business.



# Storage King

## Employees by employment type and gender

GRI DISCLOSURE	KEY PERFORMANCE INDICATOR	FY22 PERFORMANCE		FY21 PERFORMANCE	
		Total Females	Total Males	Total Females	Total Males
401-1	Number of full time employees	134	178		
401-1	Number of part time employees	90	40		
401-1	Number of temporary employees	13	6		
401-1	Total number of employees	237	224	200	199

## Employee turnover by gender, age group and region

GRI DISCLOSURE	KEY PERFORMANCE INDICATOR	FY22 PERFORMANCE*	
		Total Number	Rate (% of total workforce)
Employee turnover by gender			
401-1	Female	74	34
401-1	Male	60	28
Employee turnover by age group			
401-1	Under 30 years old	39	
401-1	30-50 years old	66	
401-1	Over 50 years old	29	
Employee turnover by region			
401-1	Australia	111	26
401-1	New Zealand	23	5

\*Storage King was acquired by Abacus in Dec 2020 therefore the collection of data for the full year of data commenced in FY22

## New starters by gender, by age group and region

GRI DISCLOSURE	KEY PERFORMANCE INDICATOR	FY22 PERFORMANCE	
		Total Number	Rate (% of total workforce)
New employees by gender			
401-1	Female	91	42
401-1	Male	66	31
New employees by age			
401-1	Under 30 years old	46	
401-1	30-50 years old	65	
401-1	Over 50 years old	46	
New employees by region			
401-1	Australia	139	32
401-1	New Zealand	18	4

## Storage King female salaries as a ratio of male salaries

KEY PERFORMANCE INDICATOR	FY22 PERFORMANCE								
	ALL			OPERATIONAL			SUPPORT		
Employee Category	Total females	Total males	Ratio of female salary to male salary	Total females	Total males	Ratio of female salary to male salary	Total females	Total males	Ratio of female salary to male salary
Other Executives and General Managers		4							
Senior Management	9	24		7	17	0.9	2	7	0.8
Other Management	65	91		63	87	1.0	2	4	0.8
Sales	120	67		120	67	1.0			
Labourers		5			5				
Support and Specialist	12	7					12	7	1.1
TOTAL	206	198							

Data excludes New Zealand



# Community investment at Abacus

## FY22 Priorities and Achievements

COMMITMENTS	STATUS	FY22 PERFORMANCE
Implementation of new remuneration framework	✓	Launched and communicated new remuneration framework
Expand the Abacus Benefit offering with a focus on support of employee wellbeing	✓	An external provider has been engaged to provide confidential and comprehensive support to all employees and their family members
Focus on outcomes of Employee Feedback and Engagement Survey	✓	A pulse survey was conducted in May 2022 to monitor progress against key measures that were identified in April 2021. High participation rates were achieved along with strong results indicating improvement across every category relative to 2021
Continue focus on Ex Co Leadership development	🌞	Ongoing initiative for the business
Continue to monitor diversity and inclusion targets, which are approved by the Nomination and Remuneration Committee, across management representation, career progression, parental leave, recruitment, pay equity and training	🌞	Ongoing initiative for the business

### Future priorities

The ongoing engagement, wellbeing and development of our people is a key priority for Abacus, and we recognise that having a high-performing and motivated workforce has a direct relationship to the success of our business. Building on the initiatives implemented as part of the Abacus People and Culture strategy, our key priorities for FY23 include:

#### Group

- Pulse survey action planning at business unit level across the Group
- Rollout of full employee feedback and engagement survey in 2H23
- Annual Group offsite

#### Abacus

- Delivery of Digital Learning and Development program for all Abacus employee in partnership with THINKA
- Implementation of Team members Individual Development Plans

#### Storage King

- Roll out of the new remuneration framework at Storage King
- Comprehensive review of attraction strategy and onboarding processes



IMAGE COURTESY OF CEREBRAL PALSY ALLIANCE

## Community investment at Abacus

At Abacus, investing in the communities in which we operate is a core component of our culture and a key way in which we engage our people. Our philanthropic program includes pre-tax workplace giving, employee volunteering days, dollar for dollar matching on team members donation drives, corporate sponsorships with charitable organisations and providing vacant space/casual leasing in our shopping centres at minimal or no cost.

### Volunteering

Abacus actively supports the local communities where we operate and encourages all employees to

participate in volunteering activities by providing one day's volunteering leave to all employees.

Abacus employees have been active again in volunteering across organisations such as Good360 and Ashfield Infants Home following COVID-19 lockdowns and have engaged as a collective in initiatives such as Steptember with the Cerebral Palsy Alliance.

### Self Storage

Abacus' Self Storage properties with its manager Storage King, has an ongoing program that actively supports the following charities across its portfolio:

- 1. McGrath Foundation (AU only)**  
\$1.00 from every Tea Chest & Carry Box sold during October is donated to the McGrath foundation to support the work of Breast Cancer care nurses.
- 2. Blue September (NZ only)**  
\$1.00 from every Tea Chest & Carry Box sold during September is donated to the Prostate Foundation to support prostate cancer research.
- 3. Steptember (Cerebral Palsy Alliance)** where Storage King pays for each staff members registration for this event \$25 per person.

In addition, individual Storage King facilities run programs that support local charities on an ongoing basis.



# Financial performance

## Key Achievements in FY22

- Group statutory profit of \$517.2 million in FY22, up 40.0% from \$369.4 million in FY21
- Funds from operations (FFO) of \$160.9 million, up 18% from \$136.4 million in FY21
- FFO per security of 19.0 cents, up 3.3% from 18.4 cents in FY21
- Distribution per security (DPS) of 18.0 cents, up 2.9% from 17.5 cents in FY21
- Distribution payout ratio was 95% of FFO
- FY22 gearing at 28.7%, 620 basis points on FY21. Proforma gearing at 30.5%
- FY22 net tangible assets (NTA) per stapled security of \$3.85, up 12.2% from \$3.43 in FY21

## Why is this important?

At Abacus, we take advantage of value-add opportunities that drive long term total returns and maximise securityholder value. Our investment objective is to provide investors with sustainable income streams and increasing returns. We recognise that investors are progressively aligning their investments with their personal values. These values can include a more holistic assessment of the positive and negative environmental, social, governance and ethical impacts associated with different investment options. We understand that our operating activities can have a negative impact and aim to minimise this, wherever possible.

## Our approach to managing

Abacus has continued its strategic direction giving prominence to key sectors where the Group believes it has a clear competitive advantage. Abacus' future capital allocation framework will focus heavily upon continuing to increase its exposure to the commercial and self storage sectors. This strategy will target

to acquire well located assets that will be held for the longer term. Increasing exposure to these asset classes will enhance Abacus' ability to grow recurring revenue.

Effective financial management is achieved through the responsible management of our property portfolio. We integrate the following economic factors within our day-to-day operations:

- Understanding the critical importance of sustainability and its integration across the business via our sustainability strategy, which focuses on the four pillars of:
  - Environment
  - Customer and Community
  - People and Culture
  - Governance and Transparency
- Recognition that customer attraction and retention is critical to the success of our business. This is identified as a material topic in this report and our approach to its management is explored in Our Material Topic – Customer attraction, satisfaction, and retention, coupled with changing expectations
- Incorporation of sustainability into strategic decision making processes. As part of the property acquisition due diligence process, Abacus engages experts to advise on any potential sustainability risks and factor these into the acquisition decision making process
- Recognition that increased urbanisation has resulted in demand for self storage in metropolitan and suburban locations. As part of our renewed strategy, we have increased our investment in Self Storage
- Appropriate gearing is maintained and reviewed regularly to align with the property portfolio and prevailing economic conditions
- We make relevant sustainability information available to stakeholders to enable investors, lenders, and customers to integrate sustainability criteria into their investment and lending decisions





FY22 Priorities and Performance

COMMITMENTS	STATUS	FY21 ACHIEVEMENTS
Increasing our investment in longer date core plus and develop to core Office assets; Increase our investment in Self Storage	✓	Ongoing as per strategy
Capital allocation remains focused on acquiring assets that will provide recurring income and create value over the longer term	✓	Ongoing as per strategy
Deliver distribution per security growth of 2-3% for FY22	✓	Distribution per security (DPS) of 18.0 cents, up 2.9% from 17.5 cents in FY21
Payout ratio for FY22 is expected to increase to 85%-95% of Funds from Operation	✓	Distribution payout ratio 95% of FFO was achieved

✓ Achieved    ⚙️ Progressed    ○ Not yet progressed

Future priorities

Execution of our stated objectives:

- Increasing our investment in longer dated core plus and develop to core commercial assets
- Increasing our investment in self storage
- Capital allocation remains focussed on acquiring assets that will provide recurring income and create value over the longer term

Industry partnerships



# GRI Index

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	OMISSION AND EXPLANATIONS
General disclosures			
102-1 Name of the organisation		p. 8	
102-2 Activities, brands, products, and services		p. 8	
102-3 Location of headquarters		p. 8	
102-4 Location of operations		pp. 8-9	
102-5 Ownership and legal form		p. 8	
102-6 Markets served		pp. 8-9	
102-7 Scale of the organisation		p. 8	
102-8 Information on employees and other workers		pp. 44-53	
102-9 Supply chain		pp. 41-43	
102-10 Significant changes to the organisation and its supply chain	No significant changes		
102-11 Precautionary Principle or approach	N/A		Abacus does not explicitly reference the precautionary approach in its risk management framework. Refer to pp. 37-38 for additional information about Abacus’ Risk Management Framework
102-12 External initiatives		p. 59	
102-13 Membership of associations		p. 59	
Strategy			
102-14 Statement from senior decision maker		pp. 6-7	
Ethics and integrity			
102-16 Values, principles, standards, and norms of behavior		pp. 44-47	
Governance			
102-18 Governance structure		pp. 10-13	
Stakeholder engagement			
102-40 List of stakeholder groups		p. 17	
102-41 Collective bargaining agreements	Zero employees on collective bargaining agreements		
102-42 Identifying and selecting stakeholders		p. 16	
102-43 Approach to stakeholder engagement		pp. 16-17	
102-44 Key topics and concerns raised		pp. 14-15	
Reporting practice			
102-45 Entities included in the consolidated financial statements		Abacus Property Group Annual Financial Report 2022 – Notes to the Financial Statements	
102-46 Defining report content and topic boundaries		pp. 14-15	
102-47 List of material topics		p. 16	
102-48 Restatements of information	N/A		
102-49 Changes in reporting	N/A		
102-50 Reporting period		Inside front cover	
102-51 Date of most recent report		Inside front cover	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	OMISSION AND EXPLANATIONS
Reporting practice (continued)			
102-52 Reporting cycle		Inside front cover	
102-53 Contact point for questions regarding the report		Inside front cover	
102-54 Claims of reporting in accordance with the GRI Standards		Inside front cover	
102-55 GRI content index		pp. 60-63	
102-56 External assurance	N/A		We have not sought external assurance over the content of this report however we have undertaken assurance readiness with Deloitte in preparation for external assurance in FY23.

GRI STANDARD	DISCLOSURE		PAGE REFERENCE
Health, safety and security of our people and customers			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	p. 18
	103-2	Management approach and its components	p. 18
	103-3	Evaluation of management approach	pp. 20-21
GRI 403: Occupational Health and Safety	403-9	403-9 Work-related injuries	p. 21
Customer attraction, satisfaction and retention, coupled with changing expectations			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	pp. 22-23
	103-2	Management approach and its components	pp. 22-23
	103-3	Evaluation of management approach	pp. 24-27
Responsible resource management			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	p. 28
	103-2	Management approach and its components	p. 28
	103-3	Evaluation of management approach	pp. 30-33
GRI 302: Energy	302-1	Energy consumption within the organisation	pp. 32-33
	302-3	Energy intensity	pp. 32-33
GRI 303: Water	303-1	Water withdrawal by source	pp. 32-33
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	pp. 32-33
	305-2	Energy indirect (Scope 2) GHG emissions	pp. 32-33
	305-3	Other indirect (Scope 3) GHG emissions	p. 32
Climate-related risks and opportunities			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	p. 34
	103-2	Management approach and its components	p. 34
	103-3	Evaluation of management approach	p. 35



GRI index (continued)

GRI STANDARD		DISCLOSURE		PAGE REFERENCE
Governance, risk, cyber and transparency				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	p. 36	
	103-2	Management approach and its components	pp. 36-38	
	103-3	Evaluation of management approach	pp. 39-40	
GRI 419: Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	p. 38	
GRI 307: Environmental compliance	307-1	Non-compliance with environmental laws and regulations	p. 38	
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 38	
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	p. 38	
Responsible procurement				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	p. 41	
	103-2	Management approach and its components	pp. 41-42	
	103-3	Evaluation of management approach	pp. 42-43	
Employee engagement and motivation				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	p. 44	
	103-2	Management approach and its components	p. 44	
	103-3	Evaluation of management approach	pp. 46-47	
GRI 401: Employment	401-1	New employee hires and employee turnover	p. 48	
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	p. 49	
	405-2	Ratio of basic salary and remuneration of women to men	p. 50-51	
Financial performance				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	p. 56	
	103-2	Management approach and its components	pp. 56-57	
	103-3	Evaluation of management approach	pp. 57-58	
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	p. 58 and Abacus Property Group's Annual Financial Report 2022	

TERM	MEANING
Employee Turnover	Who leave the organisation voluntarily or due to dismissal, retirement or death in service
Environmental laws and regulations	Laws and regulations related to all types of environmental issues applicable to the organisation
ESG	Environmental, Social and Governance
GHG	Greenhouse gas – Gas that contributes to the greenhouse effect by absorbing infrared radiation
GRI	Global Reporting Initiative
Injury	Non-fatal or fatal injury arising out of, or in the course of, work
Lost Day	Time ('days') that cannot be worked (and are thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational disease or accident
NABERS	National Australian Built Environment Rating System
NDA	Non-Disclosure Agreement
Scope 1 emissions	Direct GHG emissions from sources that are owned or controlled by an organisation (eg. natural gas, diesel and refrigerant leakage)
Scope 2 emissions	GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organisation
Scope 3 emissions	All indirect GHG emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions
Severity Rate	Severity rate is the average time lost per occurrence of injury/disease
WALE	Weighted Average Lease Expiry

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