



ABACUS

JOINT MODERN  
SLAVERY STATEMENT

For the year ended  
30 June 2023





## MANDATORY CRITERIA

SECTIONS	MANDATORY CRITERIA IN SECTION 16 OF THE MODERN SLAVERY ACT	REFERENCE ABACUS MODERN SLAVERY STATEMENT	PAGE
01	Identification of the reporting entity (section 16(a))	Message from the Managing Director Welcome	3 4
02	Describe the reporting entity's structure, operations, and supply chains (section 16(b))	Our structure, operations and supply chains	7
03	Describe the risks of modern slavery practices in Abacus' operations and supply chains (section 16(c))	Our modern slavery risks	13
04	Actions to assess and address modern slavery risks, including due diligence and remediation processes (section 16(d))	Actions to assess and address modern slavery risk Remediation processes Grievance mechanisms and incident management	15 21 23
05	Assessing the effectiveness of Abacus' actions (section 16(e))	Continuous improvement and effectiveness assessment	24
06	Consultation with entities Abacus owns or controls (section 16(f)(i))	Consultation with Abacus controlled entities	26

## MESSAGE FROM THE MANAGING DIRECTOR

Abacus Group is dedicated in accomplishing its Vision of creating exceptional value for our customers, stakeholders and the community through the ownership and management of real estate. This Vision requires us to live out our Values of being entrepreneurial, but also, to be responsible and accountable in our decision-making and business practices, as we aspire to make a real difference in our community. To be responsible and accountable means to promote and support respect for human rights of workers within our operations, supply chains, and business partnerships, in line with the *UN Guiding Principles on Business and Human Rights*.

In this light, for our joint modern slavery statement in this reporting period, Abacus Group is pleased to offer a greater perspective on our procurement strategy, how we have further embedded supplier due diligence processes and allowed for more transparency in our operations and supply chains to reduce the risk of modern slavery. We increased our engagement with key suppliers within high risk sectors of our

supply chains based on the outcomes of our annual supplier risk assessment to understand areas of strength, opportunities for improvement and any real concerns of modern slavery risk occurring within our business. This was supported by the creation of an internal Abacus Modern Slavery Working Group comprising of team members across the Asset Management, Operations and Risk and Compliance teams within Abacus Group, encouraging positive cross-functional collaboration on our initiatives this year. We continue to monitor industry initiatives through the Property Council of Australia's Modern Slavery Working Group and collaborate with our peers and leverage shared knowledge and experiences within the industry.

This joint modern slavery statement was reviewed by an independent lawyer. This joint modern slavery statement was approved by the Abacus Group Boards including in their capacity as governing body of each of the three reporting entities

in accordance with section 14 of the *Modern Slavery Act 2018* (Cth).

Approved by Abacus Trust ARSN 096 572 128 ('AT') on 27 October 2023

Approved by Abacus Storage Property Trust ARSN 111 629 559 ('ASPT') and Abacus Storage Operations Limited ACN 112 457 075 ('ASOL') on 3 November 2023

This joint modern slavery statement is signed by Steven Sewell in his capacity as Director and responsible member of AT, ASPT and ASOL, in accordance with section 14 of the *Modern Slavery Act 2018* (Cth).



**STEVEN SEWELL**

Managing Director  
Abacus Group  
3 November 2023





## WELCOME

This is a joint modern slavery statement prepared by Abacus Group including the reporting entities Abacus Trust ARSN 096 572 128 ('AT'), Abacus Storage Property Trust ARSN 111 629 559 ('ASPT') and Abacus Storage Operations Limited ACN 112 457 075 ('ASOL') for the reporting period ending 30 June 2023 and in accordance with the mandatory criteria for modern slavery statements in section 16 of the **Modern Slavery Act 2018** (Cth) ('Act').

At 30 June 2023, Abacus Group comprised of Abacus Group Holdings Limited ACN 080 604 619 ('AGHL') and its controlled entities, AT and its controlled entities, Abacus Income Trust ARSN 104 934 287 ('AIT') and its controlled entities, Abacus Group Projects Limited ACN 104 066 104 ('AGPL') and its controlled entities, ASPT and its controlled entities and ASOL and its controlled entities. ASOL's controlled entities include Storage King Corporate Holdings Pty Ltd ACN 625 434 335 ('Storage King').

The registered office of Abacus is at Level 13, 77 Castlereagh Street, Sydney NSW 2000.

This is Abacus' fourth Modern Slavery Statement. This statement sets out our approach to identifying and addressing the risk of modern slavery practices in our operations and supply chains and details our processes for conducting human rights and modern slavery due diligence within our supply chains for the financial year ended 30 June 2023 as well as actions we intend to take in the next financial year.

The term 'modern slavery' describes situations of serious exploitation in Australia or abroad such as trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour. It does not include substandard working conditions or underpayment of workers; however, these practices are also illegal and harmful and may be present in situations of modern slavery.






Abacus recognises that respecting and proactively promoting human rights is an integral part of our business and is a key component of our broader sustainability strategy. Abacus rejects all forms of modern slavery in our operations, supply chain and our business partnerships.

Abacus operates wholly within Australia and New Zealand, countries which have democratic governments with high standards of governance and strong legislative systems that support human rights, national employment standards, privacy, anti-corruption, and non-discrimination. 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 Act.



## OVERVIEW OF FY23 INITIATIVES TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

The table shows an overview of the key initiatives undertaken in the FY23 reporting period to enhance how we assess and address modern slavery risks across our operations and supply chains

INITIATIVE		STATUS	COMMENTS
<b>Collaboration</b>	Continue industry participation and collaboration through the Property Council of Australia's Modern Slavery working group and other industry experts	 	<p>Abacus is a founding member of the Property Council of Australia's Human Rights and Modern Slavery Working Group which meets monthly to:</p> <ul style="list-style-type: none"> <li>• discuss current and emerging topics, issues, approaches and legislation around human rights and modern slavery within the real estate industry, including invitation of expert speakers and industry suppliers to discuss the challenges of taking modern slavery action.</li> <li>• develop industry specific guidance on modern slavery issues including remediation guides for the construction and property industries.</li> <li>• engage with Informed 365 supplier platform on developments, updates and supplier uptake with the working group including updates of the supplier assessment questionnaire.</li> </ul> <p>Abacus will continue to participate in the Working Group in FY24.</p>
<b>Modern Slavery statement review</b>	Working with the Property Council of Australia's Modern Slavery Working Group, Abacus's Modern Slavery Working Group, and other industry experts to ensure this statement meets current standards		<p>With the review of the <i>Modern Slavery Act 2018</i> (Cth) commencing in 2022, the Property Council of Australia's Modern Slavery Working Group facilitated discussion on the Issues Paper released in August 2022 and organised a submission in response to the consultation on behalf of the Working Group members. Abacus is monitoring for any further guidance on potential legislated changes alongside the Working Group particularly with the release of the report outlining recommendations for changes to the Act in 2023 which will impact the way we report. We have also adopted the improvement opportunities identified in the 2023 ACSI report, <i>Compliance without ambition: Taking stock of ASX200 reporting under Australia's Modern Slavery Act</i>. This Statement has also been reviewed by an independent lawyer to ensure that its contents are consistent with the requirements under the Act.</p>
<b>Training</b>	Mandating modern slavery compliance training to all Abacus and Storage King employees and prepare for key supplier training to commence in FY24		<p>As part of our continued commitment to promoting awareness of human rights and the risks of modern slavery impacting our suppliers and their workers within our operations and supply chains, an annual refresher on modern slavery was provided to all Abacus employees and the Storage King management team. For those who were not able to attend, the slides were uploaded on to the Abacus and Storage King intranets. The training was led by the Risk and Compliance team as part of the organisation-wide annual compliance session and outlined the risk factors that the team needs to be aware of and how to report any potential or actual concerns of modern slavery.</p>
<b>Modern Slavery working group</b>	Continue the efforts of the Abacus Modern Slavery Working Group comprising senior members of Risk & Compliance, Operations and Asset Services, by seeking up-skilling opportunities and continual collaboration both internally and externally		<p>The Abacus Modern Slavery Working Group typically meets monthly to discuss and track progress against key priorities, the content of the annual Statement and future initiatives. This includes:</p> <ul style="list-style-type: none"> <li>• reviewing key suppliers and tracking supplier questionnaire responses.</li> <li>• review of unusual or high-risk supplier responses triggering further review.</li> <li>• discussion on procurement initiatives and strategy to further integrate modern slavery actions.</li> <li>• discussing emerging topics, issues and approaches relating to modern slavery including regulatory or industry changes.</li> <li>• drafting and review of the annual statement.</li> </ul> <p>The Abacus Modern Slavery Working Group now also includes greater representation from business operations across the Commercial and Self Storage teams who are involved day-to-day with the management of assets and suppliers.</p>



INITIATIVE		STATUS	COMMENTS
<b>Risk assessment</b>	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 annual risk assessment of the Abacus and Storage King supply chains and operations was completed in FY23, in line with the Methodology for the Development of Social Risk Ratings for the Property Council of Australia's Supplier Pre-selection Platform and through discussion with the Abacus Modern Slavery Working Group. The annual risk assessment formally identified an additional high-risk area within our operations, being the security sector. It also produced 59 suppliers across our high risk areas who we requested to complete a modern slavery questionnaire.
<b>Supplier due diligence and remediation</b>	<p>Ongoing supplier due diligence utilising the Informed 365 supplier engagement portal with a focus on;</p> <ul style="list-style-type: none"> <li>increasing the number of invited suppliers utilising our existing risk assessment methodology; and</li> <li>increasing participation rates and working with suppliers to improve supplier responses</li> </ul> <p>Continuing 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</p>	✓ 	We achieved a modern slavery questionnaire completion rate of 100% in FY23, compared to our completion rate of 93% in FY22. Abacus commenced further reviews of seven high risk suppliers with expenditure of at least \$500,000 in CY22 and where we considered that the responses did not meet our expectations. We also closed out the review of five high risk suppliers identified in FY22. Further information can be found in the Remediation Processes section of this Statement. We will continue to conduct further reviews in FY24 and collaborate with our suppliers to understand where the real risks of modern slavery lie.
<b>Procedural review</b>	Conduct mid-year review of all modern slavery procedures	✓	<p>We reviewed:</p> <ul style="list-style-type: none"> <li>our procurement processes, particularly the induction and onboarding procedures to embed an induction modern slavery questionnaire.</li> <li>our risk assessment process and whether our risk profile has changed in the last financial year. No changes were made to the process.</li> <li>our methodology to conduct further reviews and deep dives and whether it is fit for purpose based on our pool of suppliers. No changes were made to the process.</li> <li>our governance processes, including instituting an internal working group and policies which underpin our commitment to addressing modern slavery and human rights issues.</li> </ul>
<b>Centralised procurement and supplier prequalification</b>	<p>Continue to build a centralised procurement team for key goods and services</p> <p>Ensuring key suppliers complete a modern slavery assessment as part of the procurement and onboarding processes</p>		In FY23, Abacus focused on the onboarding and induction stage of our procurement processes. We developed a short questionnaire for all new suppliers – in addition to the fulsome questionnaire submitted by the high risk suppliers – that contains key questions that Abacus intends to focus on particularly if responses are unusual or do not meet our expectations. Further information can be found in the <i>Supplier procurement</i> section of this Statement.
<b>Formal agreements</b>	Contemporising our supplier contracts with clauses that require compliance with our modern slavery requirements	✓	All major and minor works contracts have a standard modern slavery clause which must be agreed to by the supplier.

✓ COMPLETED ONGOING



## OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS



### Our Operations

We invest capital in real estate opportunities to deliver superior long term returns and maximise securityholder value.

The principal activities of Abacus during the reporting period were investment in Commercial (Office and Retail) and Self Storage properties, along with Commercial and Self Storage refurbishments and developments.

- Abacus owned a portfolio of 15 Commercial assets, 6 Retail and other assets and 131 Self Storage assets at 30 June 2023, all held within various property trusts. The Commercial and Retail portfolio is mostly located across the Eastern seaboard of Australia, and the Self Storage portfolio has assets across Australia and New Zealand.

- Abacus also owned the Storage King operating business that manages the day-to-day operations of Self Storage facilities owned by Abacus and by third parties.

Abacus Group is located in the Sydney CBD, Storage King is located in North Sydney.

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.

At 30 June 2023, Abacus was listed on the Australian Securities Exchange and was included in the S&P/ASX 200 Index. Abacus was also listed on the FTSE EPRA NAREIT Global Real Estate Index Series. The securities in Abacus were listed on the ASX in November 2002.

### Our Vision and Values

Our Vision is to create exceptional value for our customers and stakeholders as an owner and manager of real estate and operator of storage locations. Our strategy is to concentrate on select real estate sectors that deliver long term sustainable outcomes through active management. Our core Values are to be Entrepreneurial, Responsible, and Accountable. We want to deliver innovative and informed commercial insights and solutions, while making a positive difference in our community and upholding fair and honest business practices.



## GROUP STRUCTURE AND KEY ACTIVITIES: AS AT 30 JUNE 2023

# ABACUS

GROUP

<b>ABACUS GROUP HOLDINGS LIMITED</b> <b>ACN 080 604 619</b>	<b>ABACUS TRUST</b> <b>ARSN 096 572 128</b>	<b>ABACUS INCOME TRUST</b> <b>ARSN 104 934 287</b>	<b>ABACUS GROUP PROJECTS LIMITED</b> <b>ACN 104 066 104</b>	<b>ABACUS STORAGE PROPERTY TRUST</b> <b>ARSN 111 629 559</b>	<b>ABACUS STORAGE OPERATIONS LIMITED</b> <b>ACN 112 457 075</b>
KEY FUNCTION: Nominated Parent Entity and expenses for administrative and corporate functions.	KEY FUNCTION: Operating expenses and capital expenditures for our commercial portfolio	KEY FUNCTION: Operating expenses and capital expenditures for our commercial portfolio	KEY FUNCTION: Operating expenses and capital expenditures for our commercial portfolio	KEY FUNCTION: Operating expenses and capital expenditures for our self-storage portfolio	KEY FUNCTION: Storage King operations and management and expenses for administrative and corporate functions
Supply chain item (see page 11)	5, 6	1-4	1-4	1-4	1-6

In addition to the structure described in the Welcome section of this statement, Abacus Property Group is a stapled structure, which means that all six entities in the chart were traded together on the ASX under the ticker code ABP. This corporate structure was in place for the whole of the FY23 year. Effective 1 August 2023, Abacus Property Group undertook a corporate restructure to create two separate listed securities. The first four entities in the chart ( AGHL, AT, AIT and AGPL) now trade on the ASX under the ticker code ABG with a primary focus to invest in commercial real estate. The remaining two entities in the chart (ASPT and ASOL) trade on the ASX under the ticker code ASK with a primary focus to invest in Self Storage real estate. The underlying properties, operations and supply chains post the restructure are substantially unchanged.

















FY23 BALANCE SHEET  
ALLOCATION

30 June 2023

30 June 2022

**\$5.6 billion**  
Total Assets

**\$5.4 billion**  
Total Assets<sup>1</sup>

55% SELF STORAGE \$3.1 billion	45% COMMERCIAL \$2.5 billion	51% SELF STORAGE \$2.6 billion	49% COMMERCIAL \$2.5 billion
 Established <sup>2</sup> \$1,667m	 Office \$1,703m	 Established <sup>2</sup> \$1,509m	 Office \$1,903m
 Acquisitions <sup>3</sup> \$378m	 Retail \$466m	 Acquisitions <sup>3</sup> \$316m	 Retail \$490m
 Stabilising <sup>4</sup> \$608m	 Other <sup>6</sup> \$365m	 Stabilising <sup>4</sup> \$435m	 Other \$124m
 Other <sup>5,6</sup> \$419m		 Other <sup>5</sup> \$332m	

<sup>1</sup> Includes \$298m of investments in cash and other non-property assets not pictured above in FY22<sup>2</sup> Established portfolio: 76 mature stores open at 1 July 2021<sup>3</sup> Acquisitions portfolio: 19 mature stores acquired post 1 July 2021. (FY22: 16 stores)<sup>4</sup> Stabilising portfolio: 36 stores (FY22: 27 stores). Includes 20 development sites<sup>5</sup> Includes Storage King and other Self Storage investments<sup>6</sup> Includes cash and other non-property assets in FY23



## Our People

At Abacus, our people are a key enabler of our strategy and success. As at 30 June 2023, Abacus Group employed 89 employees in Australia, and Storage King employed 424 employees in Australia and 59 employees in New Zealand. Abacus does not engage any employees outside of Australia or New Zealand, other than outsourcing of some Storage King accounting and administrative support functions to a team of five employees based in the Philippines. The Storage King

team are in close contact with the owner of this business to provide assurance that the employees are provided with top tier salaries and benefits in the marketplace documented in employment contracts and are provided with a good working environment. Abacus employees work across asset management, leasing, development, as well as corporate functions including finance, legal, people and culture, risk and compliance, information technology, corporate development, and investor relations. Abacus employees mainly

work at the Abacus Group head office location. At Storage King, our employees are either part of store operations such as store managers and staff who are based onsite, or as part of the management function based in the Storage King head office location.

All Abacus and Storage King employees who are covered by a Modern Award are paid in accordance with the respective Modern Award that applies.

## Our Supply Chains

Abacus operates wholly within Australia and New Zealand. Procurement of goods and services across the group where we have operational control are centralised into three main areas:

- Capital expenditures for our Commercial and Self Storage assets;
- Operating expenses for our Commercial portfolio; and
- Self Storage operating expenses through our wholly owned subsidiary, Storage King.



**Builders and contractors on our development and fit out projects**



**Managing agents and operational contractors on our Commercial portfolio**



**Operational contractors within our Storage King business**



The principal supply chains to Abacus and Storage King include:

#### PROCUREMENT ITEM

<b>01 Non-residential construction</b>	<p>This includes use of building, engineering, and fitout contractors based in Australia or New Zealand to undertake construction works. These contractors may source materials locally or from overseas.</p> <ul style="list-style-type: none"><li>• Capital projects, tenant fitouts, upgrades, and developments for our Commercial assets. Generally, our assets have five-year capital plans to replace key building services such as lifts, security systems, heating and cooling system, electrical and fire systems. These items of plant are usually sourced and installed by major engineering groups.</li><li>• Capital projects, development, and upgrades of Self Storage assets. These are typically less complicated in design compared to Commercial assets with key capital upgrades including security systems, perimeter gates, and storage partitions. Existing Self Storage assets may also be expanded where demand allows, or new Self Storage facilities may be built on vacant land. These capital works will usually be undertaken by major construction groups who project manage the contract from inception to completion including fitout of the storage units and fitout of a retail sales.</li></ul>
<b>02 Building maintenance and repair services and materials</b>	<p>For both Commercial and Self Storage assets, this includes maintenance and repair of lifts, heating and cooling system, plumbing, fire safety systems, landscaping, doors, and electrical systems through our key maintenance contractors based in Australia and New Zealand. These contractors may source materials locally or from overseas.</p>
<b>03 Security</b>	<p>Security contractors who patrol our Commercial, Retail and Storage assets and facilities.</p>
<b>04 Cleaning services and Waste management</b>	<p>Cleaning contractors who provide general facility cleaning, washroom, and sanitary services.</p>
<b>05 Professional, administrative and corporate services</b>	<p>This includes procurement of professional and corporate services such as asset consultants, property management, leasing, legal and advisory services, insurance, registry services, custodian services, travel facilitation, hotel and meeting facilities and other administrative services.</p>
<b>06 Utilities and statutory charges</b>	<p>Use of electricity, water, gas and telecommunication services, and payment of statutory charges including council rates and land tax.</p>



## Supply Spend

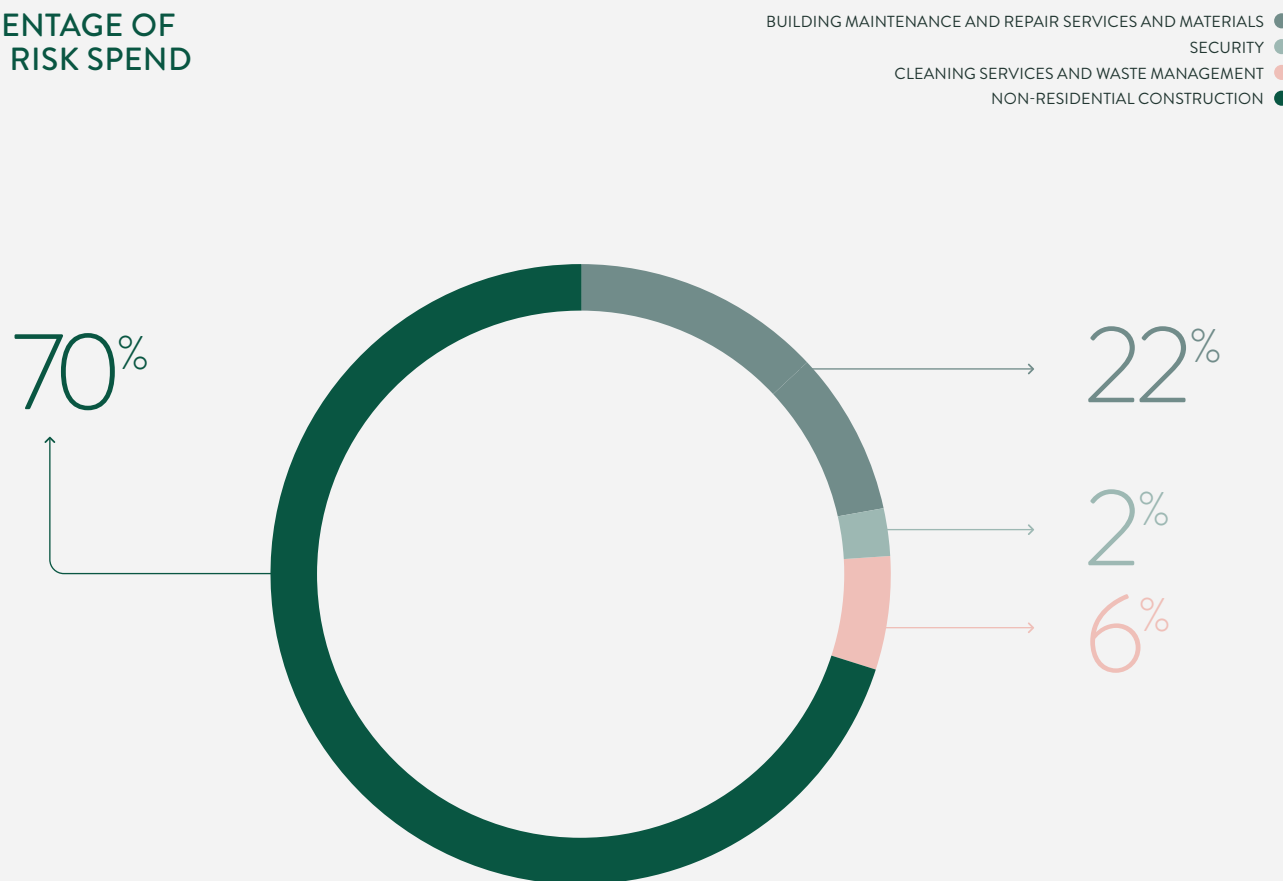
The total supply spend across our assets where we have operational control in FY23 was approximately \$240 million (inclusive of GST). In FY22, this spend was approximately \$267 million (inclusive of GST).

We have identified our high risk categories as:

- Building maintenance and repair services and materials.
- Security.
- Cleaning services and waste management.
- Non-residential construction.

Abacus and Storage King have approximately 700 suppliers in our identified high risk categories with a spend of approximately \$116 million (inclusive of GST). The chart below shows the percentage of spend by category within our high risk spend.

### PERCENTAGE OF HIGH RISK SPEND

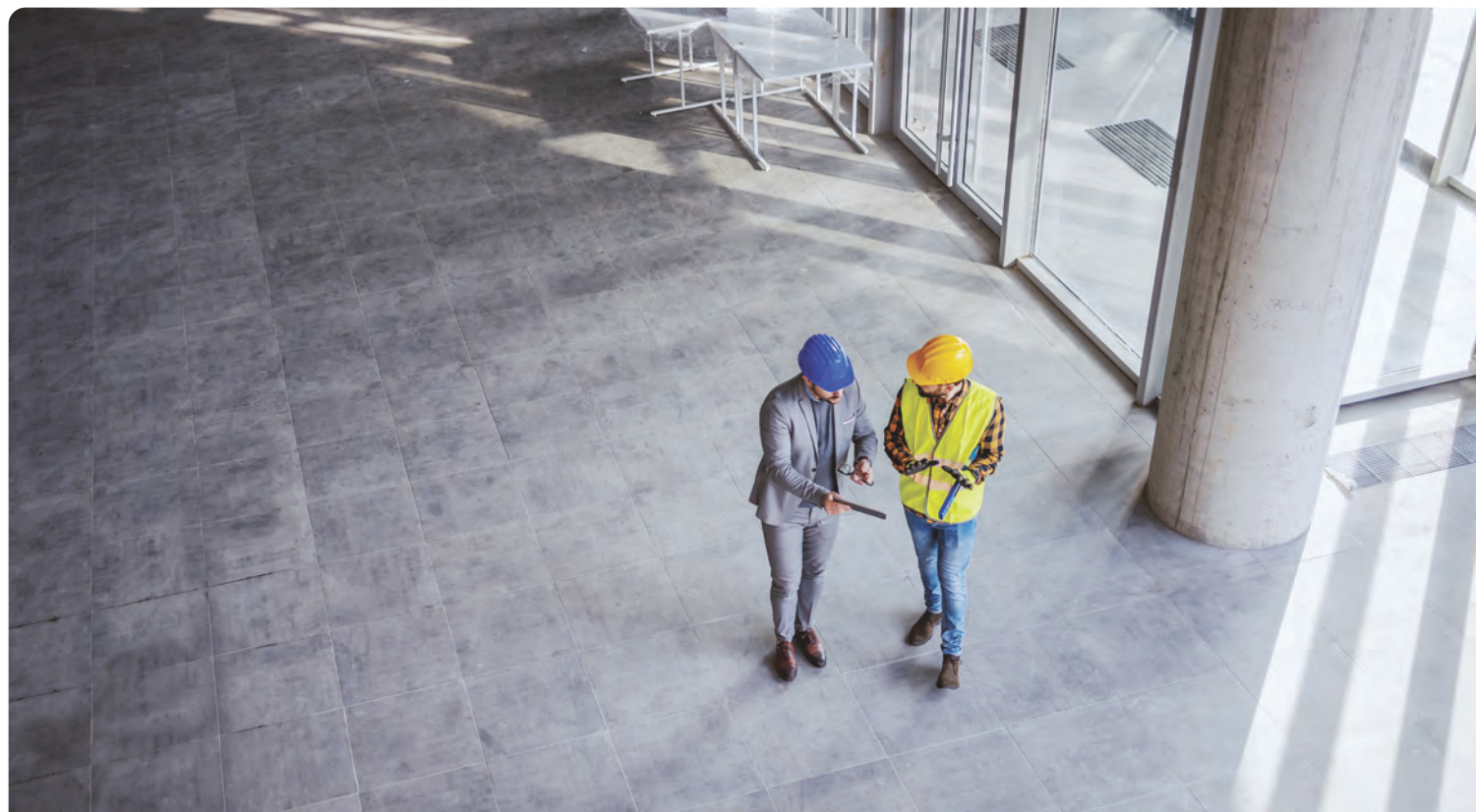




## OUR MODERN SLAVERY RISKS

We are alert to the risks to human rights and how our activities at Abacus may potentially cause, contribute to, or be directly linked with instances of modern slavery, as described in the *UN Guiding Principles on Business and Human Rights*. In FY23, we conducted our annual periodic risk assessment across our operations and supply chains to review our current understanding of where risks lie. We used the Methodology for the Development of Social Risk Ratings for the Property Council of Australia's Supplier Pre-selection Platform which assigned social risk ratings for key procurement categories within the property sector. These procurement categories accounted for risk to labour rights and decent work, health and safety, human rights, governance, and community infrastructure. We considered these social risk ratings as well as:

- areas of spend across our operations and supply chains.
- our supplier relationships and level of influence.
- geographic and sector risks.
- the nature of products or services supplied.





## Risks in our Operations

The risk of modern slavery practices in our operations that Abacus or Storage King are potentially causing, contributing to, or being directly linked to is considered to be low. This is based on the direct control of our employees, either providing professional services or retail employees based in Australia and New Zealand. All employees are paid in accordance with the prescribed minimum wage applicable to them, or by an applicable Modern Award rate. Storage King currently engages some of its accounting and administrative support functions through a provider in the Philippines who has a team of five employees and maintain a relationship with this provider to ensure that its employees are appropriately remunerated and provided with a safe environment to work. While we consider this relationship to be of low risk, we request this provider to complete an annual modern slavery questionnaire.

## Risks in our Supply Chains

We have identified where we may contribute to or be directly linked to modern slavery risks through our procurement of building and construction contractors, maintenance contractors, cleaning and waste management and security. We consider these to be our Priority One high risk areas. The risk assessment process this year identified an additional new category added as a high risk area, being security.

We recognise that the property and construction sectors may be at risk of modern slavery due to a variety of factors as defined in the KPMG and Australian Human Rights Commission's report, Property, construction and modern slavery: Practical responses for managing risk to people (2020), including:

- high demand for a low-skilled labour force.
- poor visibility over long and complex supply chains.
- low-tier suppliers operating in high-risk geographies.
- lack of bargaining rights and grievance mechanisms.

The workforce in the property and construction sectors may be subject to:

- forced or unpaid work.
- unsafe conditions.
- bonded and child labour.
- inadequate accommodation.
- passport confiscation.
- human trafficking.

In engaging these categories of suppliers, Abacus recognises that we could be directly linked or contribute to modern slavery practices if, for example, the supplier failed to appropriately pay their workers, or forced them to work unreasonable hours outside of agreed times.

Our construction and building maintenance contractors may source construction materials including bricks, cement, glass, steel, tiles, piping, paint, rubber, timber, from countries such as Cambodia, China, Indonesia, India, Pakistan, and the Philippines. One area of concern includes solar panels and the use of Uyghur forced labour across the manufacturing of solar panel components in the Xinjiang Uyghur Autonomous Region (XUAR) of China. Some of our Commercial assets were fitted with solar panels with

components potentially hailing from XUAR. While we did not procure any solar panels in FY23, it remains a risk that we monitor should we decide to procure further solar panels in the future.

In conducting this annual risk assessment, we consider our risk profile to be largely unchanged to FY22 as our core business and procurement activities remain consistent to the last reporting period.

## Assessment of Risks in our Operations and Supply Chains

Using the outcomes of the risk assessment conducted, we assessed our high risk categories using a spend threshold of \$100,000 in the calendar year 2022 to identify our high risk suppliers. This is so we are focused on suppliers where we have influence and leverage. For FY23, we identified 59 suppliers for review, and we requested them to complete a modern slavery questionnaire on the Informed 365 supplier platform. We achieved a 100% completion rate in FY23, compared to our completion rate of 93% in FY22. Further information regarding review of these suppliers and their responses are part of the Remediation processes section of this Statement.

## ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISK

### Governance

Our approach to modern slavery is underpinned by a Board-led governance structure, in which a Board Sustainability and WHS Committee oversees modern slavery matters to ensure stakeholder interests are promoted and protected. In addition to a clear governance structure, Abacus has developed an internal Modern Slavery Working Group comprised of key members of management from across the business. The Modern Slavery Working Group meets regularly to review modern slavery progress and updates.

The Abacus Modern Slavery Working Group in FY23 has been expanded from last year to provide greater coverage across our business with representatives from the operational teams such as asset management, facilities management, and developments. The Working Group typically meets monthly with a documented agenda and minutes and key

issues arising from the working group are escalated to executive meetings within the Group. The Working Group has increased our effectiveness at communicating Modern Slavery risks across the business and sharing best practice for mitigating the risks. For example, Working Group members are taking greater responsibility for managing responses to Modern Slavery questionnaires and managing areas for improvement directly with their supplier contacts, thereby embedding responsibility across the business and our suppliers. The Working Group draws on resources as required from within Abacus plus external advice through the Property Council of Australia, Informed 365 and sustainability consulting firm Better Sydney.

Abacus also has a dedicated Risk and Compliance Officer whose role includes assisting the Abacus Modern Slavery Working Group with supplier risk assessments.

### GOVERNANCE STRUCTURE



Further information on our governance structure and operations can be found at our website [www.abacugroup.com.au](http://www.abacugroup.com.au) and within our suite of policies and annual reports including our FY23 Annual Financial Report.



## Responsible Procurement

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. Abacus is committed to responsible procurement and ensuring high standards in our operations and supply chains in line with the *UN Guiding Principles on Business and Human Rights*.

### 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.



### THESE COMMITMENTS ARE UPHELD ON AN ONGOING BASIS BY:

Ongoing engagement, education, and awareness with our supply chain.

Conducting annual training for all Abacus employees in respect of compliance and our Code of Conduct.

Developing and implementing a Supplier Code of Conduct and ensuring all suppliers we work with are made aware of and provided with a copy of the Supplier Code of Conduct.

Sourcing and partnering with reputable suppliers with demonstrated experience in working in institutional or commercial grade property.

Entering into purchase agreements directly, instead of via our managing agents.

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.

Providing access to an effective grievance mechanism (Whistleblowing Policy) to our team members and supply chain to ensure that any human rights violations are reported, investigated, and remediated.





The following sections outline how we continue to meet our commitments on an ongoing basis.

### Ongoing engagement, education, and awareness

All Abacus employees undertake mandatory compliance training each year and this includes specific coverage of modern

slavery risks and the key policies set out in our policy framework below. We achieved 100% attendance at the training sessions and a record of attendance is coordinated by the Risk and Compliance team. All Abacus employees sign a declaration to confirm that they have received and reviewed a copy of the Code of Conduct and confirm that they have adhered to the values and requirements of the Code. Our employee training material is

assessed annually by an external compliance auditor and areas for improvement are incorporated into subsequent training sessions. A copy of the slides was uploaded on to the Abacus intranet for any employee to view after the session.

We collaborate with the Informed 365 supplier platform in promoting transparency and due diligence practices, where the platform hosts a modern slavery questionnaire that is completed by our high risk suppliers annually. An important benefit of the platform is that it reduces the administrative burden on suppliers to complete a questionnaire, as suppliers only need to be onboarded once on the platform, and with their permission, their responses can be shared with other organisations such as Abacus. Throughout the questionnaire there are linked resources relating to modern slavery and human rights, such as guidance on how to identify instances of modern slavery. Over half of suppliers onboarded by users of the platform as at September 2022 accessed educational resources on the platform. Pleasingly, as at June 2023, a total of 11,667 suppliers were engaged across all platform users. Abacus suppliers are also required to read and acknowledge our Human Rights policy, current Modern Slavery Statement and Supplier Code of Conduct at the onboarding stage before they are engaged.

In addition, as part of every Property Council of Australia's Modern Slavery Working Group meeting, new or updated modern slavery or human rights related resources of interest to the Group are shared which assists in providing additional guidance to Abacus as well as understanding whether there are emerging issues that require the Group's attention.

### Policy framework

Abacus is committed to clearly communicating to all employees, suppliers, customers, and other stakeholders its expectations and standards in relation to ethical business practices and the promotion of human rights as well as providing clear mechanisms for dealing with potential incidents of modern slavery.

Abacus Group maintains a policy framework that has been approved by the Board. The framework identifies the frequency of review of all policies, the majority of which are reviewed annually, with any changes approved by the Board. Where relevant, policies are reviewed by the Abacus team member responsible for the policy in conjunction with external consultants or lawyers as appropriate.



POLICY	PURPOSE	KEY REQUIREMENTS	BOARD APPROVED
Human Rights Policy	The Human Rights Policy outlines our commitment to promoting human rights in our business	Human rights are upheld through: <ul style="list-style-type: none"> <li>Operating a workplace that is respectful of human rights regardless of race, ethnicity, religious or cultural background, gender, sexual orientation, pregnancy, parental status, carer's responsibilities, and age.</li> <li>Expecting business partners and suppliers to conduct their own businesses in a safe and responsible manner including by complying with all applicable laws, regulations, and standards, relating to the protection and promotion of human rights.</li> </ul> We require our suppliers to read and accept this policy at onboarding.	18 May 2023
Whistleblowing policy	The Whistleblowing Policy describes how to make a disclosure regarding misconduct connected to or concerning Abacus and the procedures we have in place to appropriately manage disclosures including alleged instances of modern slavery	The fundamental principles applicable to our business include that we act with honesty and integrity, we act in accordance with all applicable laws, and we speak up if someone does the wrong thing. All Abacus team members have a responsibility to remain alert to misconduct, report known or suspected misconduct in accordance with this policy, act in a way that reduces, prevents or stops misconduct, support (and not victimise) those who have made or intend to make a disclosure, and ensure the identity of the whistleblower and the person/s who is the subject of the disclosure, are kept confidential in accordance with legal requirements.	27 June 2022
Supplier Code of Conduct	The Supplier Code of Conduct communicates important expectations we have of our suppliers. A copy of our Supplier Code of Conduct is provided to our suppliers	Abacus is committed to promoting ethical, environmental, and social standards throughout our supply chain. We expect all of our Suppliers to conduct business in an honest, safe, responsible, and equitable manner and in compliance with all applicable laws, regulations, and standards. We also expect our Suppliers to ensure that participants in their own supply chains conduct business in accordance with the same expectations we have for our Suppliers. We require our suppliers to read and accept this policy at onboarding.	15 August 2022
Diversity and Inclusion policy	The Diversity and Inclusion Policy sets out our aim to promote an inclusive environment within the Abacus business	We believe our vision is best achieved by creating an inclusive environment and encouraging diversity throughout the Abacus Group business, including among team members and at the governance level. Diversity includes, but is not limited to, promoting a team environment which includes and welcomes members with a range of different attributes and characteristics, including as to gender, age, ethnicity, disability, family, and carer's responsibilities, sexual orientation, and religious and cultural backgrounds.	5 May 2022
Sustainability and environmental policy	The Sustainability and Environmental Policy communicates our commitment to integrating sustainable practices in our investments, property management, developments, and workplaces	We are committed to managing our buildings efficiently to reduce costs, conserve the use of limited natural resources, avoid pollution, investing in energy efficiency and renewable energy to reduce our emissions, achieving net zero emissions across the operational portfolio by 2030, and incorporating environmental considerations including climate change risk, adaptation and resilience in our investment and business decision-making processes.	21 November 2022



POLICY	PURPOSE	KEY REQUIREMENTS	BOARD APPROVED
<b>Work Health and Safety policy</b>	The Work Health and Safety Policy aims to ensure that we have safe environments within our assets and workplaces	We integrate work, health and safety risk and considerations into our daily activities, business strategy, and planning. This commitment is supported by a comprehensive health and safety management system underpinned by our corporate values which are accountable, entrepreneurial, and responsible. We require our suppliers to read and accept this policy at onboarding.	21 November 2022
<b>Gifts, Fraud, Anti-bribery and Corruption policy</b>	The Gifts, Fraud, Anti-Bribery and Corruption Policy sets out the expectations for our employees to act in an ethical manner at work and within business dealings	Ethical conduct means acting with honesty and integrity. This includes questioning if something doesn't seem right, or doesn't reflect our Values, and being accountable to take action to put it right. Examples of conduct which are clearly not ethical include accepting a gift which is inappropriate or improper; giving, offering, accepting, or soliciting, a bribe; engaging in, or assisting or encouraging, any type of fraud or corruption, or other unlawful conduct; failing to declare conflicts of interest; and covering-up or not reporting conduct which is unethical or dishonest.	31 October 2022
<b>Employee Code of Conduct</b>	The Employee Code of Conduct requires our employees to uphold honest, fair, and transparent business practices that our customers, securityholders and the community expects from us	All team members are expected to act in accordance with our Values, Code of Conduct, and any relevant policy or procedure. All team members are accountable for their actions and behaviours, including any failure to act.	31 October 2022

These policies are available on the Abacus website and on the employee intranet. There were no non-compliances or breaches identified in FY23 in relation to these policies.



## Supplier procurement

In FY23, in addition to our annual modern slavery questionnaire hosted on Informed 365 going out to our high risk suppliers, we have embedded a modern slavery induction questionnaire at the prequalification stage of our procurement process with the adoption of a new contractor management system in FY23. This induction assessment is a streamlined version of the annual questionnaire and targets key questions which Abacus and Storage King consider to indicate any potential risks of modern slavery and may require additional information from the supplier prior to us engaging with them.

The responses to the induction questionnaire are reviewed at first instance by our Health, Safety and Environment and procurement teams by ensuring that the responses are appropriate and conformant with Abacus expectations. If the responses are unusual, they are flagged to the Risk and Compliance team, followed by the Abacus Modern Slavery Working Group for discussion. No material issues have been identified so far. Our managing agents are also involved in

the contractor management system and ensuring that suppliers are following the onboarding process. In addition to the induction questionnaire, we have ensured that all contractors engaged are required to agree to a modern slavery clause within our major or minor works contracts to ensure that at minimum, our contractors are aware of our expectations and ensuring instances of modern slavery do not occur. The Storage King team have also recently developed an internal procurement policy for procurement of operational contractors to ensure that suppliers can be appropriately reviewed and approved prior to engagement.

### REVIEW OF CLEANING CONTRACTORS

In FY23, the Abacus procurement and facility management team collaborated with our managing agent to review our suite of cleaning contractors engaged on our Commercial and Retail assets. As part of the tendering process, we required that our managing agent include review of compliance with our expectations around modern slavery beyond the questionnaire, such as labour practices.

At the time, we had eight cleaning contractors being used across the portfolio. We considered around 12 contractors in the tendering process, and we were able to scale our use to four key contractors. This ensured that we were familiar with the contractors being used and Abacus could be satisfied that the contractors were appropriate in light of our identified risks of modern slavery.



## REMEDICATION PROCESSES

### Further supplier reviews

As part of our ongoing due diligence processes, from our pool of high risk suppliers we have selected suppliers with a spend in excess of \$500,000 in calendar year 2022 and where their questionnaires have indicated non-conformant responses in order to conduct further reviews. The purpose of conducting the review is to gain further clarification on the supplier's responses and also identify opportunities for improvement. The categories of questions we focus on include:

- source of manufactured products or services from overseas that contribute to the delivery of products and services.
- whether the organisation has assessed their modern slavery risks.
- whether the organisation has a general understanding of modern slavery.
- whether the organisation has implemented grievance mechanisms.

- outsourcing of recruitment processes and hiring of overseas workers.

In our FY22 Modern Slavery Statement, we reported that we identified five suppliers (three in the construction sector and two in the cleaning sector) who fit within these criteria. In the FY23 reporting period, the Abacus Modern Slavery Working Group members contacted each supplier, four of which responded, and one supplier did not.

Three out of the five suppliers were able to clarify any non-conformant responses and based on our discussions, their responses did not indicate to us that there was a real risk of modern slavery. One supplier indicated that they did not have any immediate plans to implement modern slavery processes nor assess their operations and supply chains for modern slavery risks and this warranted further discussion as noted below. The non-responding supplier is no longer used by Abacus.

### DUE DILIGENCE

In FY22, the one supplier who identified that they did not have any immediate plans to implement modern slavery processes was proposed to be engaged again by Abacus in FY23. As their response was flagged by the Abacus Modern Slavery Working Group as non-conformant, the Abacus team resolved that the supplier would only be engaged subject to the supplier adopting a proactive approach in developing their modern slavery processes and managing their supply chains. The supplier was not engaged at the end of the tendering process as Abacus had chosen a different supplier, however, this process of vetting suppliers indicates that we are committed to ensuring that suppliers we collaborate with are also committed to addressing modern slavery.

Some positive assertions coming out of the discussion included that suppliers were:

- actively developing modern slavery and procurement policies and mapping out their supply chains.
- updating their prequalification and supplier management processes, including building an approved supplier list.
- implementing training to employees on the topic of modern slavery.

In FY23, following the same methodology as in FY22, we identified seven suppliers which required further review. The seven suppliers comprised of five construction organisations and two security organisations. The Abacus Modern Slavery Working Group members contacted each supplier and all suppliers responded.

Upon discussions with each supplier, we assessed that the responses did not indicate to us any real risks of modern slavery. Some positive assertions coming out of the discussion included that:

- all supplier employees are being paid at least by the minimum wage or the Modern Award rate as applicable.
- most suppliers had a modern slavery policy or similar such as a human rights policy.
- most suppliers had a grievance and complaints mechanism in place, either on an informal or formal basis.

We will continue to conduct further reviews in FY24 and collaborate with our suppliers to in order to understand where the real risks of modern slavery lie.





## GRIEVANCE MECHANISMS AND INCIDENT MANAGEMENT



Abacus recognises the importance of allowing for worker voice and providing the means for our team members, suppliers, and customers to report any instances of modern slavery or human rights issues.

We are committed to ensuring there is trust and transparency in the handling of grievances raised to ensure a safer workplace culture. Abacus partners with 'Your Call', Australia's largest independent whistleblowing provider as a way for our team members and suppliers to report concerns confidentially and anonymously, which is espoused in our Employee Code of Conduct, Supplier Code of Conduct and Whistleblowing policy.

If a whistleblower report is raised, it is first addressed by a nominated whistleblower officer and if the report relates to a breach of human rights or modern slavery, it will be flagged to the Abacus Modern Slavery Working Group in line with the requirements of the Whistleblowing policy and Human Rights policy. In FY23, there were no whistleblowing reports raised through our whistleblowing scheme, nor were there reports raised directly with Abacus or Storage King.



## CONTINUOUS IMPROVEMENT AND EFFECTIVENESS ASSESSMENT

The Abacus Modern Slavery Working Group typically meets monthly to discuss and track progress against key priorities, content of the annual Statement and future initiatives. This includes:

- reviewing key suppliers and tracking supplier questionnaire responses.
- reviewing unusual or high-risk supplier responses triggering further review.
- discussing procurement initiatives and strategy to further integrate modern slavery actions.
- discussing emerging topics, issues and approaches relating to modern slavery including regulatory or industry changes.
- drafting and review of the annual statement.
- tracking key performance indicators such as supplier modern slavery questionnaire completion rates, training attendance and completion of supplier reviews.

The Abacus Modern Slavery Working Group now also includes greater representation from business operations across the Commercial and Self Storage teams who are involved day-to-day with the management of assets and suppliers. The Abacus Modern Slavery Working Group has been determined to have improved in its effectiveness from FY22 to FY23 due to the improved supplier questionnaire response rate.

In addition, with the review of the *Modern Slavery Act 2018* (Cth) occurring in 2022-2023, the Property Council of Australia's Modern Slavery Working Group facilitated discussion on the Issues Paper released in August 2022 and organised a submission in response to the consultation on behalf of the Working Group members. Abacus are monitoring for any further guidance on potential legislated changes alongside the Working Group particularly with the release of the report outlining recommendations for changes to the Act in 2023 which may

impact the way we report. This Statement has also been reviewed by an independent lawyer to ensure that its contents are consistent with the requirements under the Act. We also will consult with any independent experts, such as Better Sydney, on some of our initiatives such as supplier deep dives. We have also adopted the improvement opportunities identified in the 2023 ACSI report, *Compliance without ambition: Taking stock of ASX200 reporting under Australia's Modern Slavery Act* for this Statement.





## FUTURE AREAS OF FOCUS

### ABACUS COMMITS TO THE FOLLOWING FY24 PRIORITIES:

<b>Collaboration</b>	<ul style="list-style-type: none"><li>• Continue industry participation and collaboration through the Property Council of Australia's Modern Slavery working group and other industry experts.</li><li>• Continue the efforts of the Abacus Modern Slavery Working Group comprising senior members of Risk &amp; Compliance, Operations and Asset Services, by seeking upskilling opportunities and continual collaboration both internally and externally.</li></ul>
<b>Training and Awareness</b>	Mandating modern slavery compliance training to all Abacus and Storage King employees and prepare for key supplier training to commence in FY24.
<b>Supplier Due Diligence</b>	<p>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.</p> <p>Ongoing supplier due diligence with a focus on:</p> <ul style="list-style-type: none"><li>• increasing the number of invited suppliers utilising our existing risk methodology;</li><li>• increasing participation rates and working with suppliers to improve supplier responses; and</li><li>• continue the verification of existing high risk suppliers.</li></ul>
<b>Procedural Review</b>	Conduct mid-year review of all modern slavery procedures.
<b>Centralised procurement and Supplier Prequalification</b>	<ul style="list-style-type: none"><li>• Continue to build a centralised procurement team for key goods and services.</li><li>• Ensuring key suppliers complete a modern slavery assessment as part of the procurement and onboarding process.</li></ul>
<b>Remediation</b>	The Abacus Modern Slavery Working Group will oversee the collection of modern slavery assessments and monitor the responses, and where necessary implement a remediation process.

## CONSULTATION WITH OUR CONTROLLED ENTITIES

Abacus is committed to developing and maintaining a robust, group-wide response to modern slavery. Abacus developed this statement in consultation with each of its controlled entities and consulted across the Group through the Abacus Modern Slavery Working Group, which is comprised of key members of management from across the business. The consultation process involved consideration of how modern slavery risks vary across the group, implementation of a group-wide risk assessment process, agreement on an action plan for the next reporting period and consultation about the contents of this statement.





ABACUS MODERN SLAVERY STATEMENT 2023

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