



SUSTAINABILITY REPORT 2023

ABACUS

ABOUT THIS REPORT

This Annual Sustainability Report covers Abacus' Australian and New Zealand operations.

For questions and comments on our sustainability performance, contact enquiries@abacusgroup.com.au

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FY23 HIGHLIGHTS




NET ZERO TARGET OF 2030 SCOPE 1 & 2 GHG EMISSIONS

Board approved new target post balance date for office assets under Abacus Group ownership and control




EMISSIONS INTENSITY

34% reduction in scope 1 & 2 GHG emission intensity (compared to FY19)



WATER REDUCTION

12% reduction in water intensity (compared to FY19)




SOLAR ASSETS

62.5% of Self Storage assets have behind the meter solar



RESPONSIBLE PROCUREMENT

Modern Slavery questionnaire a requirement for new contractors




SUPPORTING OUR PEOPLE

Engagement score from employee survey

83%
ABACUS GROUP

82%
STORAGE KING



ENERGY AND WATER EFFICIENCY

4.7★
FY22: 4.7 STARS
Average NABERS rating

4.5★
FY22: 4.5 STARS
Average NABERS rating

MSCI ESG RATINGS

CCC B BB BBB A AA AAA

Rating action dated:
4 July 2023

Rated

SUSTAINALYTICS

Sustainalytics ESG
Risk Rating: Low Risk

MESSAGE FROM THE MANAGING DIRECTOR

Welcome to our FY23 sustainability report, highlighting progress and achievements we have made over the year.

As the sustainability environment around us continues to evolve we as a business have to evolve with it. This year we have focused on embedding sustainable practices across the Group. This has been driven by our Board, WHS and Sustainability Committee and our ESG working group, formed with employees across the business to further integrate and embed sustainability in our business and to create long term value for all our stakeholders.

We regularly review our practices, adapting them as necessary to meet emerging sustainability standards and best practices, while remaining focused on embedding sustainability into every aspect of our operations.

This ensures we are taking meaningful steps in achieving long term sustainable outcomes as an organisation.

Environment

The key areas of focus underpinning our commitment to the environment include eliminating scope 1 emissions through driving efficiencies and capex upgrades, annually investing in emissions offsets and pursuing Climate Active Carbon Neutral Certification for individual assets by 2030.

I'm pleased to report we have brought forward our commitment to achieve Net Zero scope 1 & 2 emissions, from our previous target of 2050 to 2030¹. We are confident this commitment will better position the Group's sustainability credentials and meet the increasing expectations of our stakeholders.

With a focus on our Net Zero target we are implementing improvement pathways across the business that align with our long-term sustainability strategy. We will continue to explore investment in innovative technologies and that reduce our environmental impact while enhancing overall efficiency. By doing so, we strive to create long term value for both our stakeholders and the environment.

Social

Our primary focus continues to be our people, centred on engagement, wellbeing and development.

We continually strive to improve our organisational capabilities and effectiveness. This was reflected in our recent Abacus employee pulse survey which pleasingly had an 83% overall engagement score. By embedding a range of initiatives designed to ensure a contemporary and future focused workplace culture we are ensuring we have motivated and capable people in place to deliver on our vision, strategy, and objectives.

Governance

Our governance framework is the cornerstone of our strategy, ensuring everything we do and impact on as a business is transparent, accountable, fair and equitable.

In line with this commitment, in the coming months the business will be working toward preparedness for implementation of the recently issued International Sustainability Standards and monitoring of the Australian Government's proposed roadmap for disclosure and assurance of the standards. These standards will further enhance our governance practices around ESG reporting and ensure we are integrating sustainable practices into our corporate decision making process.

We are firmly of the view that a continuous improvement strategy is the best way to meet and exceed our stakeholders expectations in this evolving space over the medium to longer term.



STEVEN SEWELL

Managing Director

¹ For office assets under Abacus Group ownership and control

ABOUT US

Abacus Group is a strong asset backed, annuity style business. The Group invests capital in assets that are forecast to drive long term total returns and securityholder value, with an investment objective to provide its investors with reliable asset backing, and increasing returns over the medium to longer term.

As at 30 June 2023 Abacus Property Group (ABP) was 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.

This report covers the activities as at 30 June 2023 across its Commercial and Self Storage portfolio.

Post balance date:

Effective 1 August 2023 Abacus Property Group was de-stapled to become Abacus Group and Abacus Storage King. The de-stapling allows for Abacus Storage King, a dedicated Self Storage operating platform and real estate investment group. Additionally, the de-stapling allows for a focused strategy for Abacus Group which will continue to own and manage a high quality eastern seaboard focused \$2.5 billion Commercial portfolio. The Abacus Group portfolio remains diversified by market, asset grade, asset lifecycle and customer profile. Abacus Group will also provide management services to Abacus Storage King.

The new entities comprise:

Abacus Group (ASX: ABG)
Abacus Storage King (ASX: ASK)

Please see p.59 of this report for details of the de-stapled entities.



OUR APPROACH

As responsible corporate citizens we understand the significance of addressing the environmental, social, and governance impacts of our business operations.

Our approach to sustainability is based on a well-defined strategy, closely aligned with our sustainability and environmental policy.

This strategy is designed to enhance business growth while acknowledging our responsibilities to all stakeholders and the environment.

Our sustainability strategy centres around four key pillars:

Environment: We are committed to minimizing our environmental footprint and conserving natural resources.

People and culture: We prioritize the well-being of our employees and cultivate a culture of responsibility and engagement.

Customer and community: We actively engage with our customers and the communities we serve, to understand their needs and contribute positively.

Governance and transparency: Our governance practices are marked by transparency and adherence to ethical standards.

This strategy not only aligns with our long-term business objectives but also ensures the creation of sustained value for all stakeholders.

In addition to these pillars, our guiding principles include responsible compliance with relevant legislation, collaborative efforts with suppliers to uphold environmental and human rights standards, and leveraging our influence to optimize sustainability outcomes, even in areas where we may not have direct control.

Overall, our approach to sustainability is focused on the long-term well-being of our stakeholders and the environment.



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
- 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 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.

PEER BENCHMARKING	INSIGHTS FROM EXTERNAL SOURCES
Ongoing review of sustainability reporting to ensure our material topics are aligned with our peers	<div>Our ongoing dialogue with a range of external sources provide additional insights into material issues for our business.</div> <div><ul style="list-style-type: none">Investor and ESG analyst feedbackRegulatory and legislative changesTenant feedback via engagement surveys and other sourcesParticipation in external events, working groups and forumsDiscussions with managing agent partners and other external stakeholders involved in the management of our assets</div>



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 and safety	Employees and contractors	Our material topic – Safety and wellness: Driving engagement
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 – Tenant engagement
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
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 reducing employee turnover rates. This includes employee training, development, diversity, and inclusion strategies	Employment Diversity & equal opportunity	Employees and contractors	Our material issues – Investing in people for business growth
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 Abacus annual financial report
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 throughout the report

ENGAGING WITH OUR STAKEHOLDERS

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
Securityholders, major securityholder and the investment community	We have a range of investors with diverse concerns. We aim to ensure that Abacus are trusted partners to investors, and that they are informed in a clear and transparent way of 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 require to manage and evaluate their investment in Abacus	We engage regularly with our investment community via access to the Investor Relations team for enquiries; 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. We also provide all available material for investors on our website
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">• Office tenants across our portfolio• Residential and commercial customers across our Storage King network• Shoppers and retailers in our shopping centres	We have ongoing dialogue throughout the tenant customer lifecycle including face to face meetings, phone calls and tenant customer surveys We engage regularly with Storage King customers through our digital platforms and through physical presence in every store 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 employee feedback surveys, a range of training forums, regular feedback and annual performance assessments, and knowledge sharing sessions all to support connection and collaboration
Non-executive board members	The Board has the responsibility for promoting the success of Abacus in a way which ensures that the interests of securityholders 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
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 working with our partners to leverage our balance sheet capacity and allow Abacus to access and manage a larger number of quality assets	We engage regularly with our 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 continually monitor updates from 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	We are committed to engaging with the communities in which our business operates, fostering positive relationships	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">• Supporting team members in philanthropic activities which includes both giving and volunteering initiatives• Provision of space at our retail centres to local charities, school groups; community groups and council Where we undertake development activities, in our commercial portfolio, 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



01

ENVIRONMENT



COMMERCIAL PORTFOLIO: ENVIRONMENT

Key achievements FY23

- Green Star: 5 Star Rating at Industry Lanes for Building Design and Construction
- Office Portfolio NABERS Energy Average: 4.7 stars (unchanged from 30 June 2022)
- Office Portfolio NABERS Water Average: 4.5 stars (unchanged from 30 June 2022)
- Commercial Portfolio Scope 1 and Scope 2 GHG Emissions Intensity Compared to FY19 baseline: 34% reduction
- Commercial Portfolio Water Intensity Compared to FY19 baseline: 12% reduction

Introduction

Abacus owns directly, and in conjunction with its partners, a diversified core investment portfolio of office, self storage and retail properties which drive long term total returns and maximise securityholder value.

Abacus believes it is important to understand and respond to the environmental, social and governance impacts of our business activities. Abacus believes integrating sustainability considerations into our investment decision-making and business operations is congruent with the responsibility we have to our stakeholders and is critical to us achieving our long-term commercial goals.

Abacus is committed to implementing sustainable practices in our investments, property management, development activities and workplaces. Abacus will use these practices to manage risks, create opportunities and strengthen our operations. Abacus applies an ethical approach to our business supported by our values of acting as one team, of being entrepreneurial, of acting responsibly, and being accountable.

Green Star: 5 Star rating for building design and construction

Our vision for Industry Lanes was to create an enriching working environment, with a strong sustainability focus for our customers. The internationally recognised GBCA Green Star rating system was a minimum requirement for our design team to target and we were pleased to achieve our 5 star rating for building design and construction in FY23. Achieving this rating, has almost certainly contributed positively to our commercial risks (successful lease up) by giving us a competitive edge in the leasing environment, and contributing to lower ongoing operating costs ensuring we can maximise returns and future-proof our asset. This certification demonstrates our ongoing leadership in environmental stewardship and social responsibility across our portfolio.

Sustainability targets

Our Board approved public sustainability targets are continually reviewed for the purpose of monitoring our performance. The progress indicators demonstrate we are either trending towards or achieving above the current public sustainability targets.

Our Office portfolio is rated annually under 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.

TRACKING OUR PROGRESS



¹ Commercial assets (office and retail) under operational control
² Office portfolio
³ Office assets under Abacus Group ownership and control





COMMERCIAL PORTFOLIO: RESPONSIBLE RESOURCE MANGEMENT

Energy efficiency

Energy is essential to operating safe and comfortable properties. It is a significant operational cost and traditionally has been linked with greenhouse gas emissions. We support a transition to the efficient use of renewable energy reducing demand on energy infrastructure, reducing bills and overall environmental impact.

Water efficiency

Growth in our cities and the changing climate increases demand on water supplies. Using water efficiently reduces operating costs and demand on water systems while also avoiding further environmental impact of water withdrawal from natural systems.

Water intensity targets (L/sqm/annum) are monitored for each property and ratings conducted annually where the NABERS Water benchmark is available. Water performance targets are agreed with the operations teams annually focussed on continuous improvement.

Materials and waste

Materials to build and maintain properties are sourced from nature where extraction, refining, production and disposal of finite resources results in destruction and pollution of natural environments. Our aim is to avoid these impacts by keeping materials in use and designing our waste in line with circular economy principles.

Our FY23 progress

- monitoring of agreed energy and water intensity targets
- conducting NABERS water and energy ratings annually
- continued use of Envizi to collate data ensuring efficiency in monitoring performance
- ongoing management of operational waste at the office and retail level, to maximise material recovery and effective recycling with an aim to eliminate waste to landfill

KEY PERFORMANCE INDICATOR	FY23	FY22	FY21	FY20	FY19	FY18
ENERGY CONSUMPTION						
Stationary energy – Natural gas (GJ)	15,264	15,978	19,974	27,267	33,075	26,509
Stationary energy – Diesel (GJ)	0	0	19	71	0	47
Total energy consumption – Fuels (GJ)	15,264	15,978	19,993	27,338	33,075	26,556
Energy produced (GJ)	939	2,159	1,402	2,791	3,515	N/A
Energy consumption – Electricity (GJ)	60,402	63,538	65,783	73,622	88,668	91,807
Total energy consumption (GJ)	76,605	81,675	87,178	103,751	125,258	118,363
Energy use per square metre of lettable area (MJ/m ²) ¹	315	333	332	395	443	382
EMISSIONS						
Carbon emissions (scope 1) associated with energy consumed (t CO ₂ -e)	1,640	1,758	2,116	2,499	2,655	2,072
Carbon emissions (scope 2) associated with energy consumed (t CO ₂ -e)	10,897	12,662	13,694	15,671	19,187	19,526
Carbon emissions (scope 3) associated with energy, water, waste and corporate travel (t CO ₂ -e)	2,174	1,829	3,974	6,460	9,008	N/A
Water consumption						
Water consumption (KL)	170,821	155,661	166,560	204,090	232,485	217,144

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).
¹ Commercial assets under Abacus Groups operation control

Future priorities

- Introduce waste tracking system”Bintracker” to increase waste volume visibility and continue to improve diversion of waste to recycling
- Review of standard lease to include, where possible, clauses to address energy, water and waste efficiency
- Annual detailed review and allocation of capital for continued improvement in building efficiencies
- Continued roll out of smart metering systems, BMS upgrades and additional building analytics to drive performance

COMMERCIAL PORTFOLIO: CLIMATE RELATED RISKS AND OPPORTUNITIES

Key achievements in FY23

- Implementation of a revised Net Zero target from 2050 to 2030 for Scope 1 and Scope 2 office assets under Abacus Group ownership and control
- Completed review of all assets across the Group for climate related risks. More favorable insurance renewal was achieved due to having undertaken natural catastrophe modeling across the portfolio so that we can demonstrate the limited risk based on available data

REVISED SUSTAINABILITY STRATEGY - Net Zero target of 2030 - Scope 1 & 2¹

A revised environmental sustainability strategy was approved by the Abacus Group Board in July 2023.

In summary, the revised strategy comprises:

- new Net Zero target of 2030 (Scope 1 & 2)
- adoption of new governance protocols and management systems, and
- improving integration and reporting across the Group and sectors

The area of environmental sustainability is experiencing rapid change causing increasing pressures to meet revised contemporary standards and stakeholder expectations in a competitive landscape. This coupled with the continually evolving nature of an asset based portfolio we are of the view that fixed targets are not a meaningful like-for-like measure of our progress and we will be moving towards a measure of continual improvement going forward across all our current targets.

Energy and NET ZERO emissions

Abacus aims to achieve Net Zero Emissions on or before 2030¹ through a combination of energy efficiency, enewable energy sourcing, elimination of emissions and emissions offsetting.

- Energy efficiency is managed under our energy management system
- Our energy plan optimises onsite solar with grid supplied renewable electricity and will also respond to demand management opportunities to manage peak demand and technology for energy storage
- The energy plan also takes into account electrification of transport and the demand for charging infrastructure at our properties
- CAPEX plans for each asset will include allowances for electrification of gas appliances at end of life, or before where reductions in operational costs can be achieved
- CAPEX specifications include a requirement for refrigerants with zero, or low, global warming potential
- An emissions offset strategy supports NET ZERO by compensating for residual emissions that prove difficult to eliminate in the near term, such as refrigerants and waste
- Procurement guidelines include a preference for carbon neutral products and services encouraging decarbonisation of the supply chain
- Tenants are supported in managing energy, choosing renewable energy sources and avoiding fossil energy appliances

The approach to managing our portfolio:

- Eliminating Scope 1 emissions, the direct on-site emissions from combustion of gas, and refrigerant release
- Avoiding Scope 2 emissions by using renewable electricity generated both onsite and offsite, delivered via the grid network

- Reducing and offsetting remaining relevant Scope 3 emissions. These emissions occur upstream and downstream in the value chain of our organisation and are selected using relevance criteria such as scale of emissions, level of control and degree of risk

Climate change resilience

Abacus' properties are exposed to a wide variety of climatic conditions being widely distributed across the country. We know the climate is changing bringing more intensive weather events, higher summer temperatures, more intensive rainfall and sea level change.

In October 2022 Aon analysed all of our commercial and storage properties (including those managed and insured by third parties/ other brokers) across Australia and New Zealand through their Combined Hazard Information Platform (CHIP). CHIP provides data analysis at an individual building level across flooding, bushfires, hail, storms, tropical cyclones, earthquakes, tsunami and property based crime. Data in CHIP is updated annually. For specific assets considered higher risk, climate model scenarios can be run to assess potential risk in the future.

At a high level, the results of the analysis are positive with only a small number of properties being classified as high risk across one of more of the criteria. Our portfolio is also well diversified across the country with minimal exposure to North Queensland (where insurance coverage can be limited due to cyclone risk) and the highest value properties are located in CBD locations (where the risk is generally lower).

Ensuring that our properties are resilient to future climate conditions protects the value of our most important assets.

Throughout maintenance and lifecycle CAPEX works we will specify that these works should take into account the expected climate conditions at end of the building/system life to avoid building damage.

Biodiversity

We recognise that biodiversity in the natural environment is in steep decline as a result of man made climate change, pollution and the direct impacts of resource extraction.

The direct impact of our assets is limited although the indirect impact is extensive when the full value chain of suppliers and customers is considered.

We've determined that our best response is to focus on the material environmental impacts described in this report. Reducing our energy use, switching to renewable energy, managing water and materials responsibly reduces our contribution to broader environmental damage.

Where we invest in emissions offsets our focus will be on high integrity nature based offsets that contribute to restoring natural forest and habitat.

Future priorities

- Look to address Scope 3 emission in the future when tenants are better supported with advancements in reporting tools, supply and cost of Greenpower, and other measures that support voluntary emission reporting
- Continued integration of property resilience evaluations into routine asset reviews taking into account the local environment of each building and the range of climate conditions that are expected in the lifecycle expectations of the building
- Introduction of Climate Active Carbon Neutral certification with at least one asset complete for FY 24 with a view to rolling out the program across the portfolio in following years to meet our 2030 Net Zero commitment

¹ For officer assets under Abacus Group ownership and control

SELF STORAGE: ENVIRONMENT

Key achievements in FY23

- Solar pv roll out ongoing with 70 operating installations with 1,619 kw generation capacity
- LED lightning upgrades now in 95% of the Abacus owned stores
- Solar battery trial commenced at Storage King Dandenong South

Self storage as an asset class

Self storage facilities, as an asset class, offer inherent advantages in terms of energy efficiency compared to other real estate classes.

Research and industry studies have consistently demonstrated that self storage facilities have relatively low energy consumption when compared to sectors such as commercial office buildings, retail spaces, or industrial warehouses.

Unlike buildings that require continuous heating, cooling, or extensive lighting for occupants or merchandise, self storage units generally operate in a manner that minimizes energy demand. The predominantly passive and unoccupied nature of self storage spaces, coupled with efficient insulation and design practices, contribute to their reduced energy requirements.

Additionally, the absence of extensive mechanical systems and the limited need for active climate control further contribute to the low energy intensity of self storage assets.



SELF STORAGE: RESPONSIBLE RESOURCE MANAGEMENT

Key achievements FY23

- We entered into a new meter agreement with 20% green energy provisions in NSW, VIC and QLD and 25% in ACT
- Commenced collation of environmental data to help inform our reduction strategy

Our FY23 progress

Procurement

We continue to streamline our approach to energy procurement, with single source options considered in the majority of Australia and New Zealand to benefit from simplified procurement and buying power.

Smart meters have been included as standard since 2020 in Australia, we've been aiming to roll-in any facility applicable to ensure our reporting and billing is as consistent as possible.

Recording

During the year we focused our approach to building a carbon register to enable accurate recording and benchmarking for the portfolio.

This work is intended to form the baseline data set for external auditing, enabling us to benchmark performance and measure improvements in a quantitative methodology.

We have commenced the collection of relevant environmental data from company trading stores:

- Electricity – Consumption from Grid, Generation Exported, Generation Internal Use
- Water – Potable Water Consumption
- Waste – Waste to Landfill, Mixed Recycling< Paper/ Cardboard Recycling

Water

Self storage facilities consume a relatively low amount of potable water. Each facility provides one or two bathroom facilities for staff and customers. New sites have been installed with dual flush cisterns and low flow tap fittings.

To further reduce our consumption of water, we are planting our gardens with drought resistant native vegetation to minimise the reliance on watering.

We have commenced the collection of water consumption data for all metered sites and are investigating the viability of installing meters at unmetered sites.

Waste

Our storage facilities utilise bulk waste bins, separated between waste to landfill and paper/cardboard recycling. A major source of paper/cardboard recycling waste is generated by our business customers disposing of packaging material. We in turn endeavour to source the boxes we sell to customers at our sites from recycled material.

Our sites do not generate significant waste to landfill from our internal operations, rather the waste is predominantly redundant items when customers vacate units.

We have commenced the process of measuring all of our waste sent to landfill and to recycling, so that we can set meaningful reduction targets into the future.

Waste initiatives

Storage King recently introduced a paperless sign-up process for new customers. Customers either rent storage remotely via the internet or telephone and documents are exchanged electronically. For those customers that prefer to sign-up in person at our site, our staff will utilise a handheld tablet to enter the customers' details and allow customers to rent storage without generating any paper. This initiative will significantly reduce recycling at store level with all customer agreements stored in a secure cloud-based environment.

We have also introduced an e-recyclable service, which allows customers to box up any electrical or electronic equipment and return to our site for collection for recycling.

Self Storage energy consumption – Key performance indicators

KEY PERFORMANCE INDICATOR	FY23
FUELS	
Stationary energy - Natural gas (GJ)	457
Stationary energy - Diesel (GJ)	-
Total fuels ¹ (GJ)	457
ELECTRICITY	
Energy consumed - Grid supplied (GJ)	21,408
Energy consumed - Own generation (GJ)	-
Energy exported - Own generation (GJ)	(572)
Net electricity	20,836
Total energy consumption (GJ)	21,293
Energy use per square metre lettable area (MJ/m ²)	-
EMISSIONS	
Carbon emissions (t CO ₂ -e)	3,540

Self Storage energy consumption

KEY PERFORMANCE INDICATORS	ACT	NSW	QLD	SA	VIC	WA	AUS	NZ	TOTAL
ELECTRICITY									
Energy consumed - Grid supplied (kWh)	291,469	1,859,677	997,861	58,278	1,103,376	499,552	4,810,213	1,136,555	5,946,768
Energy consumed - Grid supplied (GJ)	1,049	6,695	3,592	210	3,972	1,798	17,317	4,092	21,408
Energy consumed - Own generation (kWh) ²	-	-	-	-	-	-	-	-	-
Energy consumed - Own generation (GJ)	-	-	-	-	-	-	-	-	-
NLA (m2)	51,982	176,228	102,690	10,370	111,873	59,021	512,164	78,985	591,149
Energy use per square metre lettable area (MJ/m2)	20.19	37.99	34.98	20.23	35.51	30.47	33.81	51.80	36.21
Energy exported - Own generation (kWh)	(19,511)	-	(70,188)	-	(3,364)	(65,965)	(159,028)	-	(159,028)
Energy exported - Own generation (GJ)	(70)	-	(253)	-	(12)	(237)	(572)	-	(572)
Net electricity (kWh)	271,958	1,859,677	927,673	58,278	1,100,012	433,587	4,651,185	1,136,555	5,787,740
Net electricity (GJ)	979	6,695	3,339	210	3,960	1,561	16,744	4,092	20,836
EMISSIONS									
Grid emissions factors	0.73	0.73	0.73	0.25	0.85	0.51	-	0.12	-
Carbon emissions (t CO ₂ -e)	198	1,357	677	14	935	221	3,402	136	3,540

¹ Excludes fuel used in company owned vehicles. Fuel used in trucks and vans by our customers will fall into Scope 3 emissions, which is out of scope for Storage King for this reporting period
² Internal consumption from rooftop PV systems is not consistently measured across the portfolio, this is something we hope to rectify for future reporting periods

Future priorities

- Continue to investigate options for further energy efficiencies
- Continued collation of environmental data from company trading stores for electricity, water and waste



SELF STORAGE CLIMATE RELATED RISKS AND OPPORTUNITITES

Key achievements FY23

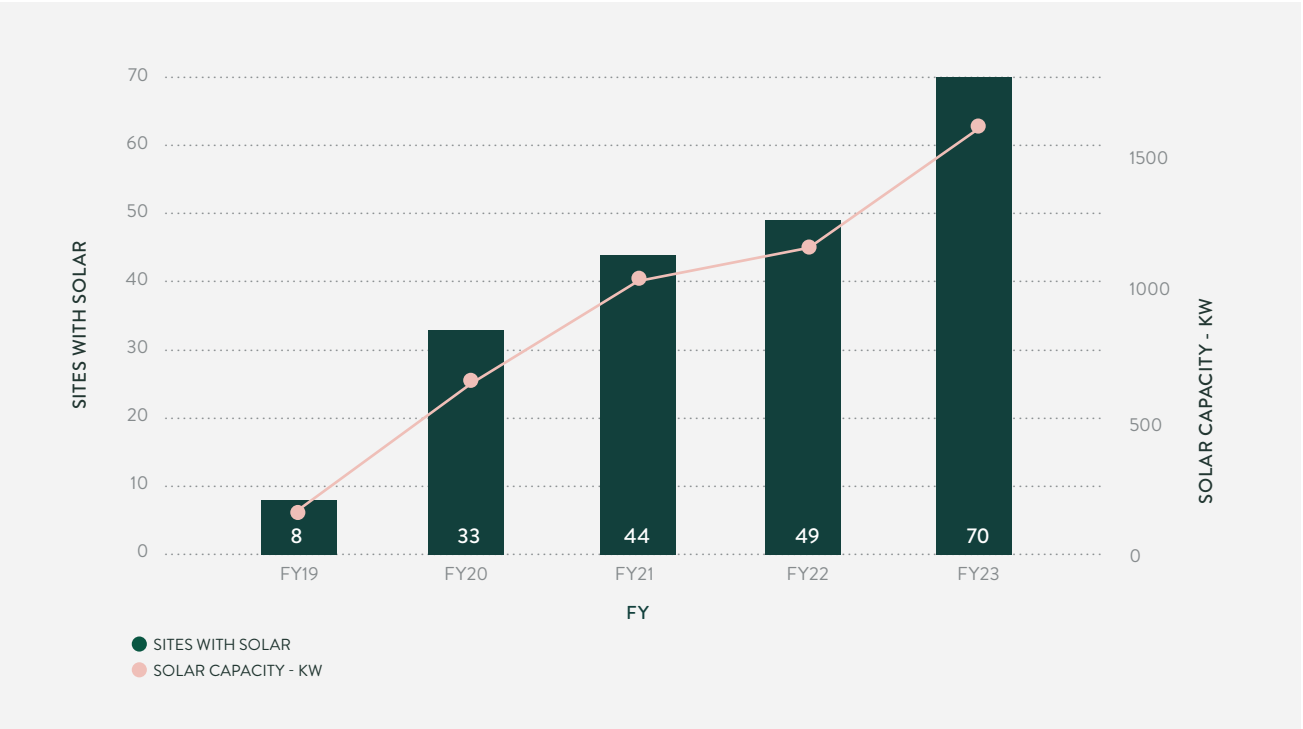
- 15 new solar photovoltaic installations on existing facilities that met our internal return on investment criteria
- 4 sites were new developments: Prestons, Gregory Hills, Epping and Deagon
- 2 new site acquisitions that had pre-existing roof-top solar installations: Mulgrave and Loganholme

Solar

During the period we have continued to invest in behind the meter solar to offset store consumption. As of June 23 we have increased coverage to 62.5% of the portfolio.

In the pipeline there are further installations planned across the network, either underway or predicated on infrastructure upgrades which we anticipate will occur during FY24 to yield further benefit.

Sites with solar and solar capacity - KW by FY





LED lighting

We continue to review and upgrade LED Lighting and associated systems across the self storage portfolio. All facilities are now built with LED lighting and purpose designed sensor equipment to minimise energy usage, but we still regularly review older facilities and new acquisitions.

We now have 95% of the portfolio on LED/partial LED systems and have systematically worked through these on a standalone basis, or included upgrades as part of our Retail Refresh program to enhance facility longevity.

Battery trial

We are trialling the use of battery technology to capture and store surplus electricity produced from our rooftop solar PV installation at our Dandenong South facility.

If successful, we will look to retrofit similar battery systems at our other facilities with existing rooftop solar PV installations and incorporate into new system designs.

Case study: ACT portfolio

A like for like comparison of our ACT portfolio is a good example of low level improvements to LED lighting, updating timers and increased energy efficiency measures. FY23 saw minor reduction in energy cost, even against the prevailing cost increases in energy prices and additional NLA added.

Future priorities

We are well underway with several initiatives to progress the sustainable agenda throughout the business:

- Solar: further increases in installation of behind the meter solar to offset on-site consumption reducing electricity drawn from the grid and a step towards self-reliance
- Reduction: through investment and upgrade of end of life and inefficient equipment across the network via multiple opportunities; LED lighting, Water Heaters, Office Equipment and Air Conditioning
- Procurement: improved procurement of energy to achieve efficiencies and enable access to green energy
- Recording: building a carbon register to capture energy usage and carbon impact of energy sources utilised through business operations



02

SOCIAL

SAFETY AND WELLNESS: DRIVING ENGAGEMENT

Key achievements in FY23

- Key focus on lifting risk management standards across the business including through effective stakeholder management and influence
- Embedding the use of software systems implemented last financial year, enhancing our overall operational efficiency, analytics, and risk control measures
- Improved practices and business capability to drive innovative risk control solutions
- Develop a strategic plan for all operational businesses
- Storage King - reduction in total recordable injury frequency rate from 38.6 to 14.0

Introduction

At Abacus we continue our pursuit of excellence to cultivate environments where the health and safety of our people, tenants and customers is managed as the highest priority. Throughout the year, our dedication to continuous improvement, diligent execution of focused programs aimed at enhancing risk management performance and our dedication to safety has resulted in no serious incidents and ensured that we uphold the high standards of safety, security, and productivity across our assets.

Our FY23 progress

Focus on key risks, elevating safety through collaboration

At the heart of our approach lies the conviction that collaboration is the cornerstone of success, especially when managing risk. Through increased monitoring of key risk controls and fostering meaningful stakeholder collaboration, we have significantly elevated the oversight of safety compliance and management across all tiers of our business operations. This effort encompassed:

- Forming close partnerships with partnering agencies to ensure asset compliance, real-time incident reporting and escalation, along with establishing forums for reviewing portfolio trends

- The implementation of a 'SafeTea' series, is starting to raise awareness about psychosocial factors by offering guidance to managers in engaging adeptly with their teams to mitigate potential risks

Digital platform for operational excellence

This year we have successfully implemented a new digital platform for incident management within our commercial portfolio resulting in enhanced analytics. This technological upgrade has elevated our capabilities in identifying and mitigating potential risks more effectively.

Furthermore, we have introduced a vendor management system enforcing standards for both WHS and Modern Slavery compliance for all contractors. This platform has not only streamlined operations but also increased compliance visibility.

Strengthening business practices

As part of our ongoing commitment to growth, we have continued to refine and strengthen our business practices. This year we have made significant strides in this direction, focusing on strategic initiatives lifting business capability, thereby enhancing our overall safety framework. These initiatives included:

- Process mapping, engaging with key stakeholders to ensure risk and appropriate controls are understood and are relevant to the way we work
- Partnering with external consultants to facilitate a workshop and training sessions on contractor management and Officer Due Diligence
- Initiating the process of revising our WHS systems to align with ISO45001 with a particular focus on a critical risk framework
- A renewed focus on assurance measures taken across all our business operations



Safety and wellness at Storage King

In our Storage King business we recognise that continuous improvement is pivotal to the success of the business.

Our resolute dedication lies in consistently identifying new opportunities to elevate the health and safety of both our valued staff and customers.

In FY23 an internal audit was undertaken on Storage King's WHS management system prompting corrective actions to refine contractor management processes and to enhance the current systems approach. A strategic plan was devised which led to the formation of a cross-functional working group entrusted with the execution of this strategic plan.

Over the past half-year, the group has made substantial progress in formulating a range of strategic initiatives that have been successfully integrated into the business. These initiatives encompass:

- A comprehensive overhaul of contractor management processes, featuring the implementation of a software system designed to streamline vendor prequalification
- The introduction of a series of Safe Work Practices (work instructions) that emphasize critical business risks and existing controls, with a specific focus on chemical usage, ladder safety, pallet jacks, and forklifts
- Elevating safety training standards that concentrate on aspects such as incident reporting and escalation, forklift operation, contractor engagement, fire and evacuation procedures, and adherence to safe work practices

- A concerted effort to enhance business reporting throughout all levels of the organization
- While our attention remains on preventative measures, we have also streamlined injury management and early intervention systems, resulting in significant reductions in the total recordable injury frequency rates from 38.6 to 14.0

By diligently evaluating the businesses safety performance and exhibiting agility in implementing necessary solutions and control initiatives, the way has been paved for ongoing enhancements in safety standards. Management remain committed to prioritizing safety throughout our organisation increasing resources to bolster our safety management efforts.

Future priorities

Looking ahead in FY24 we will build upon the year's achievements with our goal to:

- Complete the revision of WHS system for Abacus and make similar enhancements in Storage King
- Embed performance enhancing processes leading to a higher capability
- Continue our attention with our key stakeholders to implement improved risk management initiatives



INVESTING IN PEOPLE FOR BUSINESS GROWTH

ABACUS

Key achievements in FY23

- 83% employee engagement score
- 95% of Abacus team members are proud to be associated with Abacus
- 418 team member volunteer hours for community causes
- 76/100 overall performance score from customer satisfaction survey

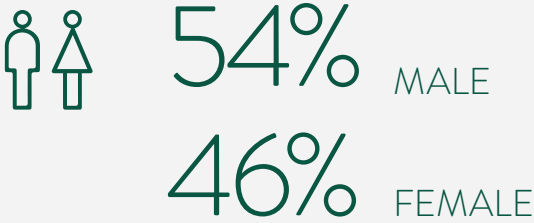
Our approach

Throughout FY23, we continued to focus on embedding and enhancing a range of initiatives designed to ensure a contemporary and future focused workplace culture with capabilities in place to deliver on our vision, strategy, and objectives.

Our approach ensures the ongoing success of the Group by progressing leading practice initiatives, building organizational capabilities and effectiveness.

Our people

GENDER SPLIT



PAID PARENTAL LEAVE POLICY

-
- 14 weeks for the primary carer
 - continued superannuation contributions during the unpaid period of parental leave
 - 2 weeks for the secondary carer

OUR DIVERSE ABACUS TEAM

-
- 19 Languages spoken
 - 20 Countries of origin
 - Multigenerational workforce with a range of experience

INTERNAL PROMOTIONS

-
- 7 3 Male, 4 Female promoted to Senior Management positions

WOMEN IN SENIOR MANAGEMENT POSITIONS



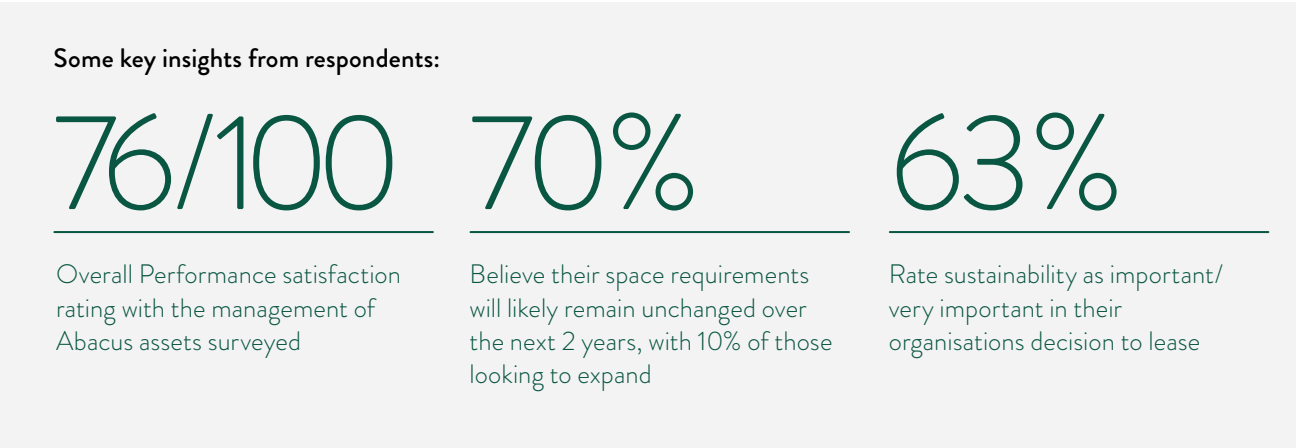
Our FY23 progress

INITIATIVE	PROGRESS	
Culture and engagement	The successful relocation of our head office	This has elevated our employee and visitor experience through more collaborative spaces and an improved working environment 89% of our team members feel that our workspace supports collaboration and productivity across teams
	Seeking ongoing team member feedback	This is done formally and informally, to continually refine and uplift the employee experience With a high participation rate of 96%, the Abacus pulse survey was conducted in June 2023 and strong favourable results in each category were obtained
	Embedding our Internal Communications Strategy	The purpose of which was to engage our team members through in person and online connection and collaboration 81% of team members feel change is communicated well at Abacus
	Recognising the role of the physical office environment	We see the working environment as critical productivity centres where our team members can collaborate and connect in person We also continue to support flexibility and remote working for our team members to achieve a work life rhythm. Enhanced technology supports this approach
Diversity and inclusion	Respect@Work training	Respect@Work training sessions delivered to educate our team members on key changes to legislation Developed and launched a standalone sexual harassment policy reinforcing zero tolerance to sexual harassment in the workplace
Organisational capability and development	The Abacus Learning and Development framework – investing in internal capability	Launch of organisational wide Learning and Development program, to develop team member capability at all levels Delivery of change resilience training to support relocation and business change activity
Wellbeing and community	Team Member Benefits	Undertook a strategic review of Abacus employee benefits offering to support wellbeing, employee engagement and attraction
	Community engagement and giving initiatives	Team members nominated and selected charitable causes for us to focus our support on for FY23 Dollar matching provided to Abacus team fund raising and sponsorship of corporate partner charity initiatives we operate in

Tenant engagement

At the end of FY23, tenants across 9 of 11 properties under our operational control were surveyed as part of a Customer Satisfaction survey. This is the first tenant feedback survey completed post Covid-19 disruptions to workplaces.

The results reflect the current landscape in the needs of our tenants and use of commercial property space and will inform our longer-term business plans, sustainability strategy and service offering to uplift our customer value proposition.



Future priorities

The ongoing engagement, wellbeing and development of our people is a key priority for Abacus. A high-performing and motivated workforce has a direct relationship to performance and business success.

Building on the initiatives implemented as part of the Abacus People and Culture strategy, our key priorities for FY24 include:

- Culture and engagement: Continue to build on the Internal Communications Strategy to connect team members and support collaboration and productivity
- Diversity and inclusion:
 - Delivery of ‘Creating Respectful Workplaces’ training, and continue to sustain psychologically safe, inclusive work environments
 - Establishment of Gender Equality, Diversity, and Inclusion (GEDI) committee to identify and progress impactful initiatives

- Organisational capability and development:
 - Continued delivery of organisational Learning and Development program
 - Review of strategic capabilities at functional and organisational level
 - Enable development of environment, Social and Governance multi-year strategy
- Wellbeing and community: Launch and implement team member discounts program to alleviate cost of living pressures
- Tenant engagement: In-depth review of FY23 Customer Satisfaction Results and initiatives implemented to address priority areas







Key achievements in FY23

- Launch and implementation of a new talent acquisition system to attract, onboard and retain high quality candidates
- Strategic review of employee benefits portfolio and identification of top priorities for FY24

- Storage King continued to support various community initiatives by raising and donating over \$100,000 towards community causes

Our people


GENDER SPLIT



51% MALE


49% FEMALE

EMPLOYEE ENGAGEMENT SCORE FY23




82%

EMPLOYEES PROUD TO BE ASSOCIATED WITH SK BRAND



93%


INTERNAL PROMOTIONS



30

16 FEMALE
14 MALE

WOMEN IN SENIOR MANAGEMENT POSITIONS



24%



Our FY23 progress

INITIATIVE	PROGRESS
Diversity and inclusion	<p>The diversity of our team mirrors the diversity of our customers and the communities we operate in. In FY23, we have achieved the following:</p> <ul style="list-style-type: none">• Held our first 'women in leadership' breakfast event• This generated insights on how we can continue to support inclusion in our stores• Delivered Respect@work training sessions on legislation changes• Reduction of the gender pay gap by 1.4% from FY21/22 in Storage King Management
Culture and engagement	<ul style="list-style-type: none">• Relocated to North Sydney to a space co-designed with employees, with more space and opportunities for teams to connect and collaborate• 93% of employees took part in the Storage King Employee Engagement Pulse survey¹, to give feedback on a range of areas• Learning and networking opportunities at regional workshops, and at our Annual Conference, which had the highest number of attendees in 2023
Organisational capability and development	<ul style="list-style-type: none">• Continued upskilling of our employees on customer service, sales skills, and store performance capability• Developed and launched an annual training program• Launch of SK performance and reward program for our operations leadership and group support services teams
Talent attraction and retention	<ul style="list-style-type: none">• FY23 saw the launch of a new applicant tracking system. By leveraging technology we support managers to find the right people, with the right skills, at the right time• New targeted advertising collateral across job and social platforms drives brand awareness and attraction of quality candidates and an uplift in our Seek score to 4.2 stars• Developed and introduced an Employee Referral Program
Wellbeing and benefits	<ul style="list-style-type: none">• Continued to promote our Employee Wellbeing Program with a focus on proactive management of mental health and wellbeing• Partnership with Medibank to offer a corporate discount on health insurance for our Australian employees
Community	<p>Community engagement initiatives continue to foster connections with the local communities we operate in. Above are some of the causes and organisations we are proud to work with and support</p>

¹ Only non-store operations roles have been invited to take part in the survey to date. Plans to seek feedback from the wider SK organisation are under review



Future priorities

We understand that supporting our teams and creating a great place to work directly correlates with operational effectiveness, strong trading results and satisfied customers.

Our key priorities for FY24 include:

- Diversity and Inclusion:
 - Companywide gender pay analysis across Australia and New Zealand
 - Representation of female leaders in senior management positions
 - Review and enhancement of parental leave policy
 - Culture and Engagement:
 - Proposed expansion of our employee engagement survey to obtain feedback from Store employees
 - Launch of an employee recognition platform
- Organisational Capability and Development:
 - Build leadership capability through active management and ownership of individual personal and professional development
 - Implementation of a Storage King leadership program for current and future leaders
 - Talent Attraction and Retention:
 - Implement our Talent Attraction and Acquisition strategy and enhance our Employee Value Proposition
 - Develop a career pathway program for all employees to understand potential career opportunities
 - Wellbeing and Benefits:
 - Strategic review of employee benefits and identify priorities
 - Promote our employee discount and reward program to bring daily cost of living savings to our team

The background is a dark teal color with a subtle texture. On the left side, there is a vertical line representing the spine of a book. On the right side, there is a white curved line that starts from the top right corner and curves downwards towards the bottom right corner.

03

GOVERNANCE


ABACUS GROUP GOVERNANCE STRUCTURE

Our robust governance policies and procedures provide the framework for managing sustainability across the business. 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

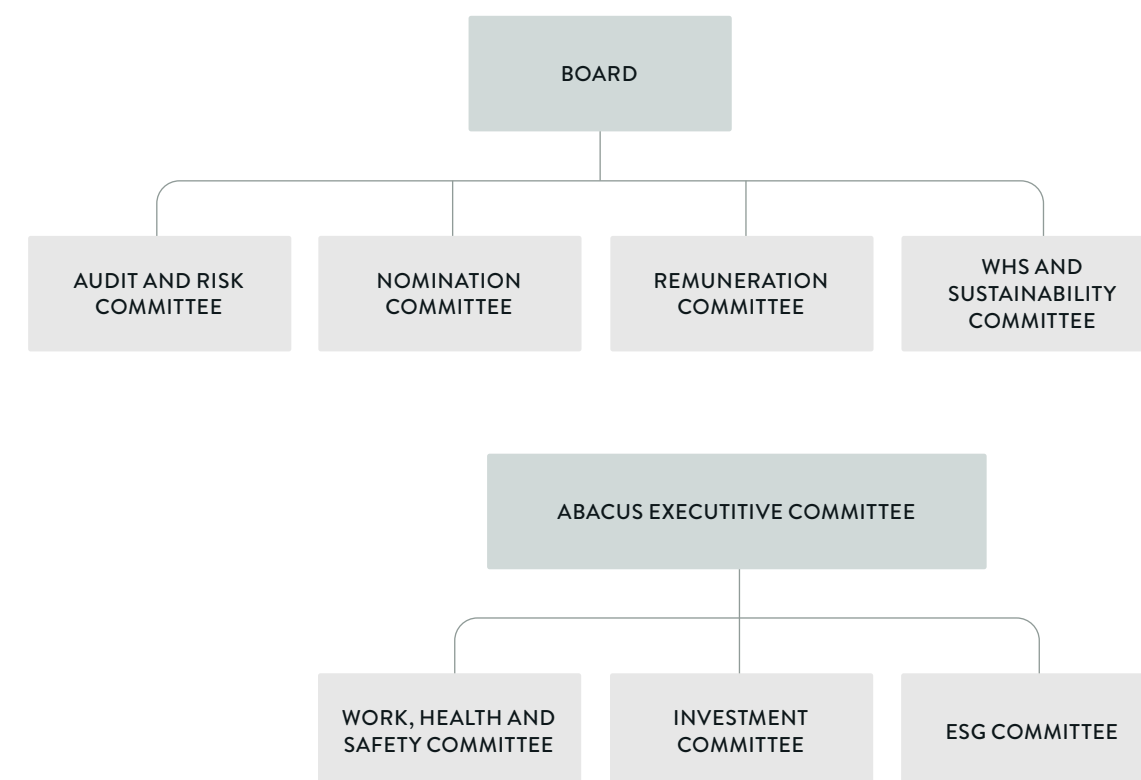
our operations in a manner that ensures risks are identified, assessed, and appropriately managed in order to promote investor confidence and to meet stakeholder expectations.

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.

 Abacus Group Board and Committee Charters and our full suite of publicly available policies can be found [here](#)



OUR CORPORATE GOVERNANCE FRAMEWORK

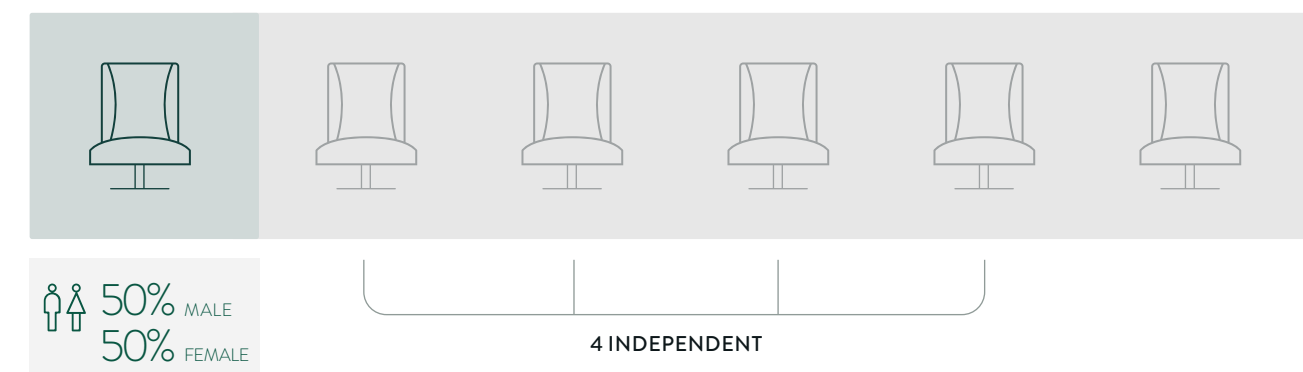



Our ESG working group was formed with employees across the business to further integrate and embed sustainability in the business

OUR BOARD COMPOSITION

1 EXECUTIVE DIRECTOR

5 NON-EXECUTIVE DIRECTORS



 For details on the post balance date de-stapling structure see p.6 of this report. Further details can be found in our [Abacus Group Corporate Governance Statement](#) and [Abacus Storage King Corporate Governance Statement](#) on our website.

RISK AND COMPLIANCE THE CORNERSTONE OF GOVERNANCE

Key achievements in FY23

- Abacus and Storage King have successfully operationalised its Risk Management Framework to improve governance over risk and compliance management. This will ensure an efficient and transparent picture of how risks and compliance obligations are managed through the performance, testing, and monitoring of control measures
- Abacus and Storage King have successfully embedded its Governance, Risk and Compliance system into each business to ensure a consistent approach, single source of truth, and effective oversight of risk and compliance obligations

Abacus' Risk Management Framework involves different tools and techniques to identify, assess, monitor and report on risk and compliance, with a dedicated Risk and Compliance team in place to provide independent oversight.

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.

RISK MANAGEMENT FRAMEWORK



Our FY23 progress

Across the Abacus and Storage King risk, compliance and control context we have been able to successfully develop our risk management maturity with the following aspect now in place.

RISK REGISTER



118 RISKS ACTIVELY MONITORED

CONTROL FRAMEWORK



284 controls designed
and operated

OBLIGATIONS



108 obligations documented
with controls and
arrangements monitored

KEY RISK INDICATORS



63 KRIs MONITORED

INCIDENT MANAGEMENT



INCIDENT REPORTING SYSTEM IN PLACE

RISK APPETITE STATEMENT



RISK APPETITE STATEMENT

articulating approved tolerances
for risk categories

LINE 2 ASSURANCE

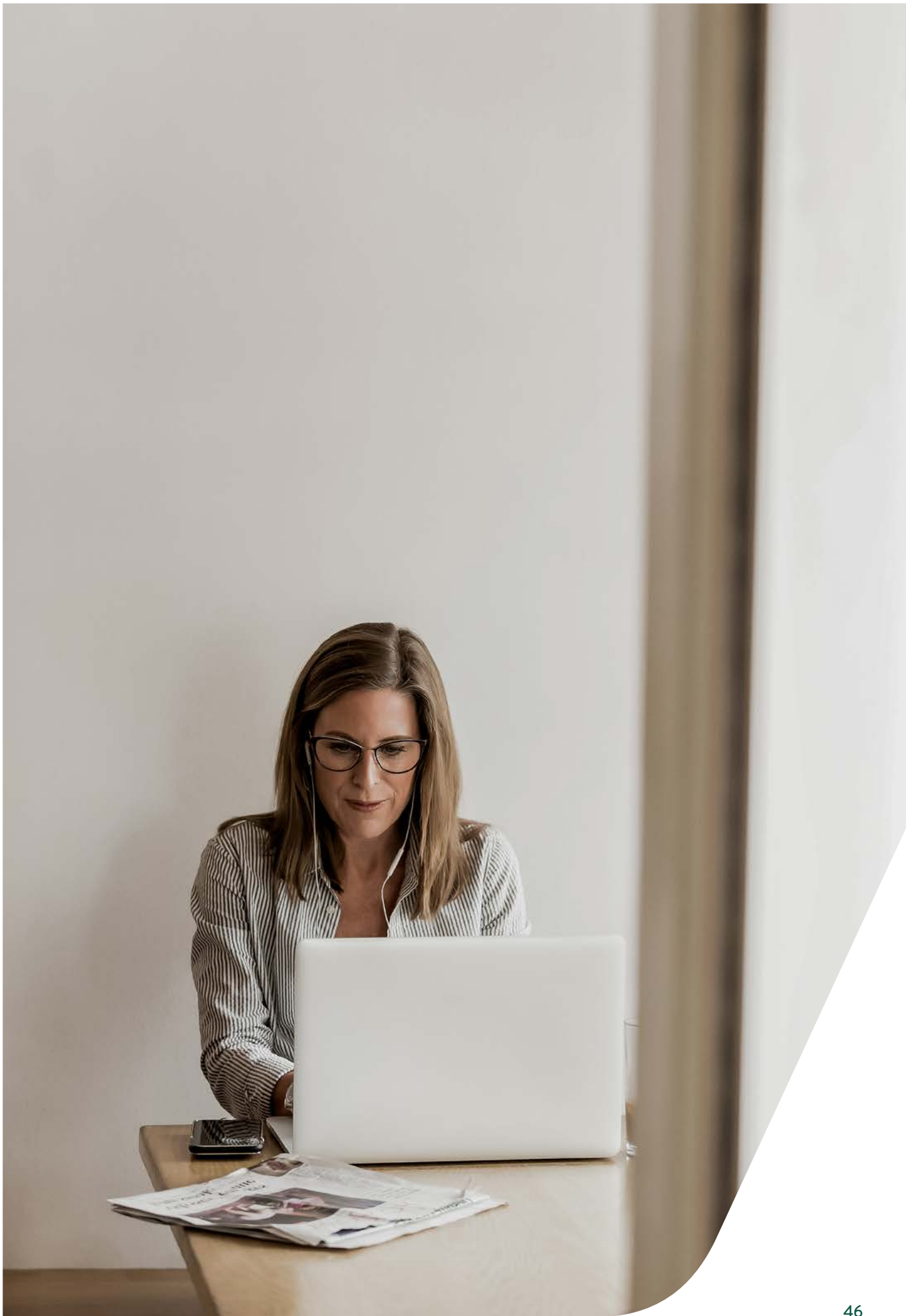


ASSURANCE PROGRAM
that reviews and tests the adequacy
of controls and risk management

POLICY FRAMEWORK

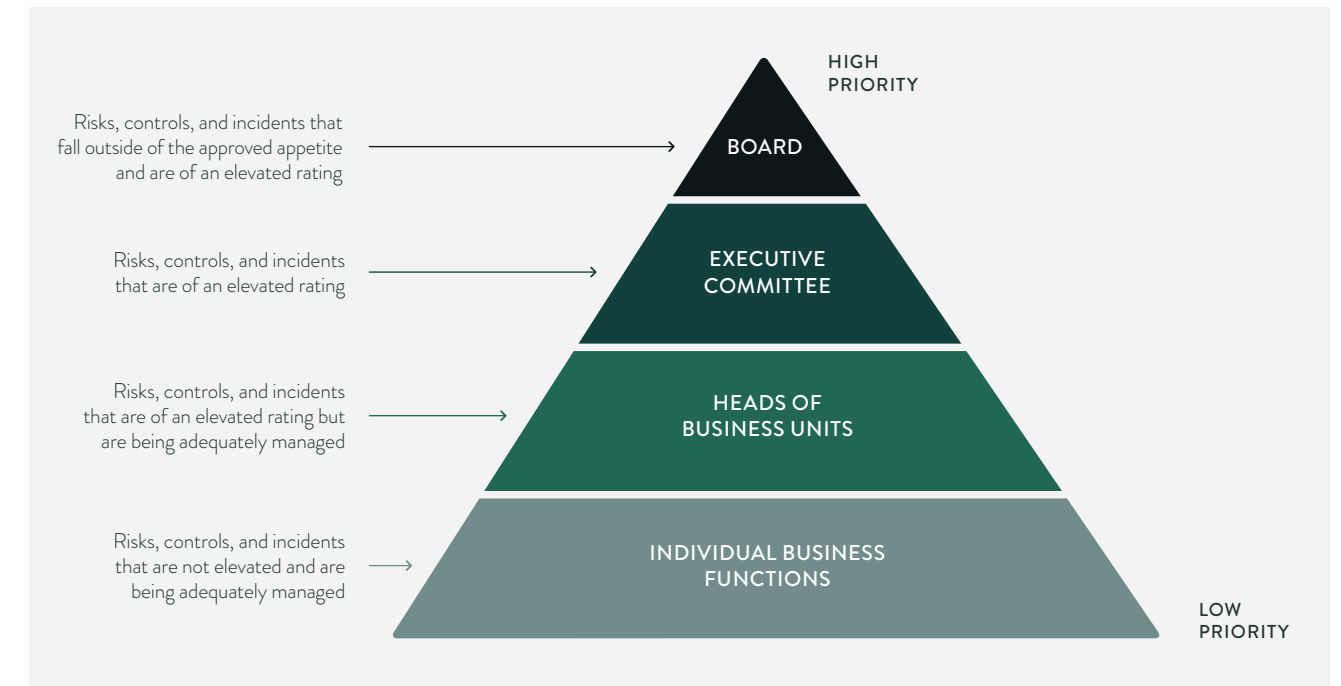


POLICY FRAMEWORK
in place and actively monitored
and managed



Implementing a clear escalation plan is crucial to successful risk management

Abacus has in place within its Risk Management Framework an escalation plan to ensure that risks are escalated based on their materiality against its approved appetite.



Cyber risk management

Abacus is fully aware of the changing risk landscape for cyber risk, and so is continuing to deliver action items for improving its cyber risk maturity, which will strengthen cyber security governance in line with industry best practice.

Abacus has embarked on a program of work to address open items identified in improving governance, security, vigilance, and resilience of its systems, assets, networks, and data.

Activities include:

- The development of new controls to oversee the performance of critical aspects of cybersecurity
- Implementation of a governance framework that promotes a clear strategy, accountability, roles and responsibilities, and effective decision making
- Introduction of new cybersecurity solutions to support effective cyber risk management
- Design and operation of resilience strategies to prepare for and rehearse material cyber incidents

To date, Abacus has completed 74% of action items to improving cyber risk maturity.

Non-compliance with laws and regulations

To date, Abacus has not had any fines and /or non-monetary sanctions for non-compliance with laws and/or regulations in the social, environmental, and economic area.

Our commitment to honesty, integrity and trust

At Abacus we strive for a reputation for, and commitment to, honesty, integrity and trust.

Compliance training was delivered to all employees in May 2023, which focused on the fundamental areas of Abacus' obligations. The training was delivered tailored to the specific activities and operations at Abacus so to improve its relevance and understanding by all employees.

100% attendance was achieved by all Abacus employees, and all employees completed their annual attestation of compliance with the Code of Conduct.

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
- 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

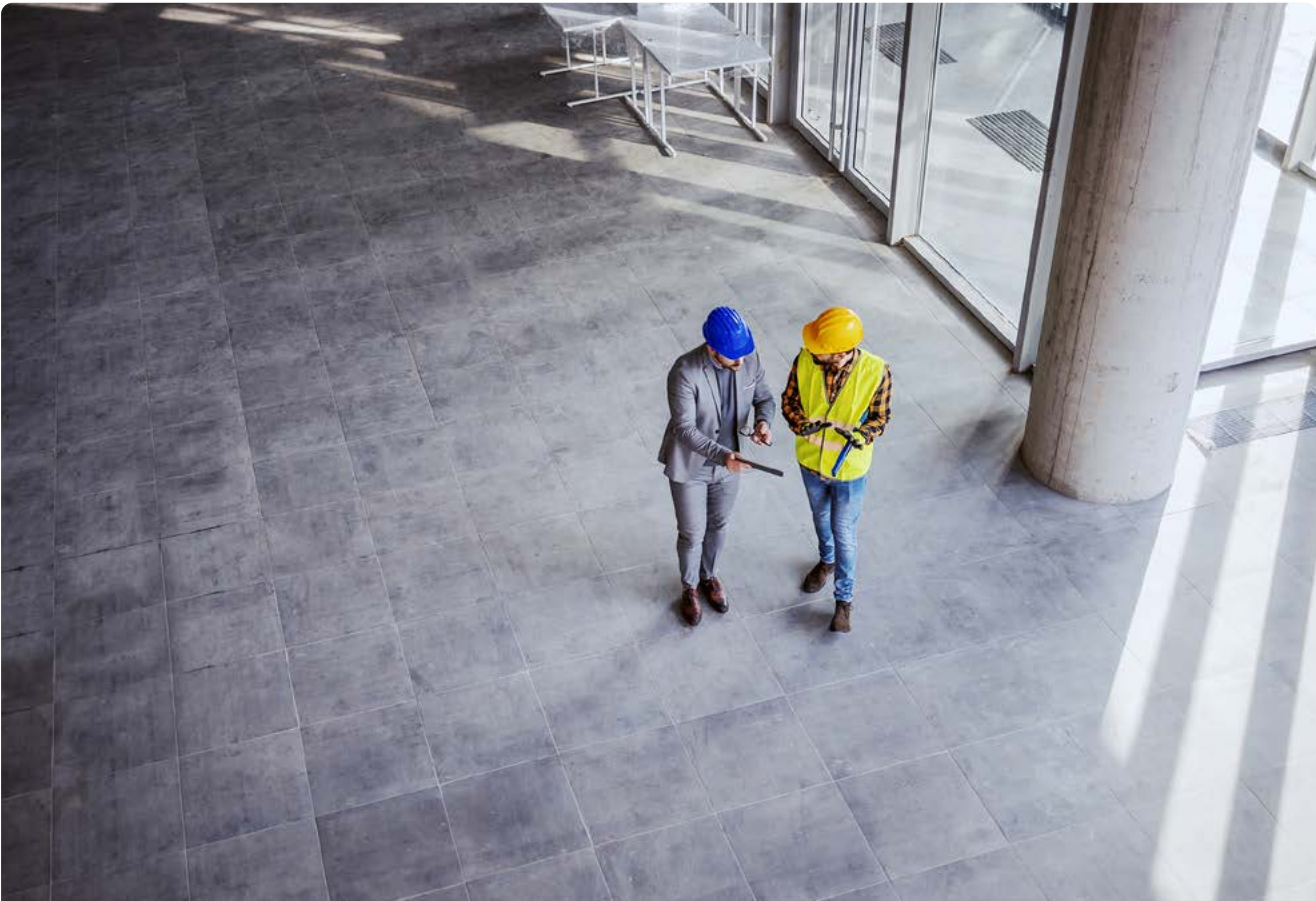
Key achievements in FY23

- Additional verification and further reviews conducted over high risk suppliers within our supply chain
- Integration of modern slavery questionnaire within our supplier onboarding process
- Expansion of the Abacus Modern Slavery Working Group with greater cross-functional collaboration

What is 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 such as the UN Guiding Principles on Business and Human Rights and our obligations under the Modern Slavery Act 2018 (Cth). Further information on our approach and guiding principles can be found in our latest Modern Slavery Statement here:

 [Modern Slavery Statement](#)



Our FY23 priorities

INITIATIVE		STATUS	COMMENTS
Collaboration	Continue industry participation and collaboration through the Property Council of Australia's Modern Slavery working group and other industry experts	✓ 🔄	Abacus is a founding member of the Property Council of Australia's Human Rights and Modern Slavery Working Group which meets monthly to discuss current and emerging issues around human rights and modern slavery
Modern slavery statement review	Working with the PCA's Modern Slavery Working Group, Abacus's Modern Slavery Working Group, and other industry experts to ensure this statement meets current standards	✓	Abacus is monitoring for any further guidance on 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
Training	Annual refresher training for all Abacus employees and roll out of additional modern slavery training to key team members	✓	An annual refresher on modern slavery was provided to all Abacus employees and the Storage King management team
Modern slavery working group	Continue the efforts of the Abacus Modern Slavery Working Group comprising senior members of Risk & Compliance, Operations, Asset Services and Legal, by seeking upskilling opportunities and continual collaboration both internally and externally	✓	The Abacus Modern Slavery Working Group meets monthly to discuss and track progress against key priorities, the content of the annual Statement and future initiatives. There is now greater representation from business operations across the Commercial and Self Storage teams
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 annual risk assessment of Abacus and Storage King supply chains and operations was completed in FY23. The annual risk assessment formally identified an additional high-risk area within our operations, being the security sector
Supplier due diligence and remediation	Ongoing supplier due diligence utilising the Informed365 supplier engagement portal with a focus on: <ul style="list-style-type: none">• increasing the number of invited suppliers utilising our existing risk assessment methodology; and• increasing participation rates and working with suppliers to improve supplier responses 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 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
Procedural review	Conduct mid-year review of all modern slavery procedures	✓	We reviewed our procurement processes, risk assessment processes, and governance processes in FY23. Of note, we reviewed the induction and onboarding procedures in our procurement processes to integrate an induction modern slavery questionnaire
Centralised procurement and supplier prequalification	Continue to build a centralised procurement team for key goods and services. Ensuring key suppliers complete a modern slavery assessment as part of the procurement and onboarding processes	🔄	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
Formal agreements	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

✓ ACHIEVED 🔄 ONGOING AND EVOLVING COMMITMENT ○ NOT PROGRESSED

Future priorities

Abacus will continue to incorporate human rights and supply chain due diligence into our business practices and focus on the following priorities:

- Annual risk assessment of our operations and supply chains and our methodology to assess suppliers across our highest risk categories to monitor changes in our risk profile
- Continue collaboration with and verification of high risk suppliers, leveraging existing supplier relationships
- Continue industry participation and collaboration through the Property Council of Australia's Modern Slavery working group as well as the internal Abacus Modern Slavery Working Group
- Further supplier reviews and deep dives in our procurement high risk categories to identify areas of improvement and opportunity
- Our FY23 Modern Slavery Statement will be released later in the year



GRI CONTENT INDEX

STATEMENT OF USE	Abacus Group has reported the information cited in this GRI content index for the period 1 July 2022 to 30 June 2023 with reference to the GRI Standards	
GRI 1 USED	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General disclosures 2021	2-1 Organizational details	p.6
	2-2 Entities included in the organization's sustainability reporting	p.6
	2-3 Reporting period, frequency and contact point	Inside cover
	2-6 Activities, value chain and other business relationships	p.6, p.48-49 Abacus Group Modern Slavery Statement
	2-7 Employees	p.6, p.52-58
	2-9 Governance structure and composition	p.42-43
	2-10 Nomination and selection of the highest governance body	p.42-43
	2-11 Chair of the highest governance body	p.43 Abacus Group Corporate Governance Statement
	2-12 Role of the highest governance body in overseeing the management of impacts	p.5, p.43 Abacus Group Corporate Governance Statement
	2-13 Delegation of responsibility for managing impacts	p.43, p.47
	2-14 Role of the highest governance body in sustainability reporting	p.43
	2-15 Conflicts of interest	Abacus Group Conflicts of Interest and Related Party Policy
	2-18 Evaluation of the performance of the highest governance body	Abacus Group Corporate Governance Statement
	2-19 Remuneration policies	Abacus Group annual financial report - remuneration report
	2-20 Process to determine remuneration	Abacus Group annual financial report - remuneration report
	2-22 Statement on sustainable development strategy	p.5
	2-23 Policy commitments	p.34, p.38, p.44-49 Abacus Group policies Abacus Group does not explicitly reference the precautionary approach in its risk management framework. Refer to p.44 for additional information on our risk management framework
	2-24 Embedding policy commitments	p.42-49 Abacus Group Modern Slavery Statement
	2-25 Processes to remediate negative impacts	p.30-31, p.48-49 Abacus Group Modern Slavery Statement
	2-26 Mechanisms for seeking advice and raising concerns	p.12-13, p.48-49 Abacus Group Modern Slavery Statement Abacus Group Whistleblower Policy
	2-27 Compliance with laws and regulations	p.47
	2-28 Membership associations	p.13
	2-29 Approach to stakeholder engagement	p.12-13
	2-30 Collective bargaining agreements	Zero employees on collective bargaining agreements

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material topics 2021	3-1 Process to determine material topics	p.10-11
	3-2 List of material topics	p.10-11
	3-3 Management of material topics	p.10-11
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Abacus Group annual financial statements
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p.18-19, p.24
	302-3 Energy intensity	p.18-19, p.24
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p.18-19, p.24
	305-2 Energy indirect (Scope 2) GHG emissions	p.18-19, p.24
	305-3 Other indirect (Scope 3) GHG emissions	p.18-19, p.24
	305-4 GHG emissions intensity	p.18-19, p.24
	305-5 Reduction of GHG emissions	p.18-19, p.24
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p.52-53, p.56-57
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	p.30-31
	403-9 Work-related injuries	p.58
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	p.43, p.52, p.56-57
	405-2 Ratio of basic salary and remuneration of women to men	p.54-55, p.56-57



DATA PACK

Abacus Group employee data

EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

KEY PERFORMANCE INDICATOR	FY23 PERFORMANCE		FY22 PERFORMANCE		FY21 PERFORMANCE		FY20 PERFORMANCE	
	Total females	Total males	Total females	Total males	Total females	Total males	Total females	Total males
Number of full time employees	37	47	32	44	20	36	18	36
Number of part time employees	4	1	9		8		10	
Number of temporary employees					2	1	1	1
Total number of employees	41	48	41	44	30	37	29	37

EMPLOYEE TURNOVER BY GENDER, AGE GROUP AND REGION

	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								
Female	13	32	15	42	7	24	3	11
Male	10	22	10	25	10	27	2	6
EMPLOYEE TURNOVER BY AGE GROUP								
Under 30 years old	1		2		7		3	
30-50 years old	18		17		5		1	
Over 50 years old	4		6		5		1	
EMPLOYEE TURNOVER BY REGION								
Australia	23	26	25	33	17	26	5	8

NEW STARTERS BY GENDER, BY AGE GROUP AND REGION

KEY PERFORMANCE INDICATOR	FY23 PERFORMANCE		FY22 PERFORMANCE		FY21 PERFORMANCE		FY20 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								
Female	15	37	25	70	8	27	2	7
Male	12	26	18	44	10	27	4	14
NEW EMPLOYEES BY AGE GROUP								
Under 30 years old	6		8		11		2	
30-50 years old	17		30		5		2	
Over 50 years old	4		5		2		2	
NEW EMPLOYEES BY REGION								
Australia	27	31	43	57	18	27	6	9

PERCENTAGE OF INDIVIDUALS WITHIN ABACUS' GOVERNANCE BODIES BY GENDER

	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 (%)
Board of directors	3	43	3	43	3	50	3	50
Audit and risk committee	1	25	1	25	2	50	2	50
People, performance committee	1	25	1	25	2	50	2	50
Work health safety and sustainability committee	3	100	3	100	3	100	3	100

PERCENTAGE OF INDIVIDUALS WITHIN ABACUS' GOVERNANCE BODIES BY AGE GROUP

	Total number	Percentage of total body (%)	Total number	Percentage of total body (%)	Total number	Percentage of total body (%)	Total number	Percentage of total body (%)
Under 30 years old								
30-50 years old			1	14	1	17	1	17
Over 50 years old	7	100	6	86	5	83	5	83





FEMALE SALARIES AS A RATIO OF MALE SALARIES

KEY PERFORMANCE INDICATOR	FY23 PERFORMANCE									FY22 PERFORMANCE								
	ALL			OPERATIONAL			SUPPORT			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	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									3							
Other executives and general managers	3	8	1.2							2	9	0.8						
Senior management	6	4	0.9							8	8			4		8	4	0.9
Other management	7	17		1	11	0.9	6	6	0.9	10	11		3	7	0.9	7	4	0.9
Professional and technical	25	16	1.0							4	5	1.1						
Administration and operations										17	8	1.2						
Total	41	48								41	44							

Storage King employee data

EMPLOYEES BY EMPLOYMENT TYPE AND GENDER				
KEY PERFORMANCE INDICATOR	FY23 PERFORMANCE		FY22 PERFORMANCE	
	Total females	Total males	Total females	Total males
Number of full time employees	145	193	134	178
Number of part time employees	91	54	90	40
Number of temporary employees	11	8	13	6
Total number of employees	247	255	237	224

EMPLOYEE TURNOVER BY GENDER, AGE GROUP AND REGION				
KEY PERFORMANCE INDICATOR	FY23 PERFORMANCE		FY22 PERFORMANCE	
	Total number	Rate (% of total workforce)	Total number	Rate (% of total workforce)
EMPLOYEE TURNOVER BY GENDER				
Female	95	39	74	34
Male	110	46	60	28
EMPLOYEE TURNOVER BY AGE				
Under 30 years old	55		39	
30-50 years old	91		66	
Over 50 years old	59		29	
EMPLOYEE TURNOVER BY REGION				
Australia	177	37	111	26
New Zealand	28	6	23	5

SK FEMALE SALARIES AS A RATIO OF MALE SALARIES

KEY PERFORMANCE INDICATOR	FY23 PERFORMANCE									FY22 PERFORMANCE								
	ALL			OPERATIONAL			SUPPORT			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	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 (including CEO) / general managers		4									4							
Senior management	10	31		7	18	1.0	3	13	1.0	9	24		7	17	0.9	2	7	0.8
Other management	77	86		76	83	1.0	1	3	1.0	65	91		63	87	1.0	2	4	0.8
Sales	108	80	0.9	108	80	0.9				120	67		120	67	1.0			
Labourers		4			4						5			5				
Support and specialist	21	22	1.0	10	10	1.0	11	12	1.2	12	7					12	7	1.1
Total	216	227		201	195		15	28		206	198							

Data excludes New Zealand

NEW STARTERS BY GENDER, AGE GROUP AND REGION				
KEY PERFORMANCE INDICATOR	FY23 PERFORMANCE		FY22 PERFORMANCE	
	Total number	Rate (% of total workforce)	Total number	Rate (% of total workforce)
NEW EMPLOYEES BY GENDER				
Female new starters	103	43	91	42
Male new starters	133	56	66	31
NEW EMPLOYEES BY AGE				
Under 30 years old	75		46	
30-50 years old	99		65	
Over 50 years old	62		46	
NEW EMPLOYEES BY REGION				
Australia	206	43	139	32
New Zealand	30	6	18	4



Work related injuries for all employees

	STORAGE KING		ABACUS			
	FY23	FY22	FY23	FY22	FY21	FY20
Number of safety and environmental training hours completed	182	134	3784	3258	4081	5150
Number of fatalities as a result of a work-related injury	0	0	0	0	0	0
Rate of fatalities as a result of a work-related injury*	0	0	0	0	0	0
Number of high consequence work related injuries (excluding fatalities)	0	0	0	0	0	0
Number of recordable work-related injuries	11	26	1	0	0	0
Rate of recordable work-related injuries*	14.0	38.6	5.7	0	0	0
Number of first aid incidents	15	21	5	0	0	0
Number of medically treated incidents	2	20	1	0	0	0
Number of lost-time incidents	9	6	0	0	0	0
Total employee hours worked	785,979	673,848	214,553	161,070	132,392	139,360
Standard employee hours worked	785,979	673,848	197,237	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 contractors

	STORAGE KING		ABACUS			
	FY23	FY22	FY23	FY22	FY21	FY20
Number of fatalities as a result of a work-related injury	0	0	0	0	0	0
Rate of fatalities as a result of a work-related injury	0	0	0	0	0	0
Number of high-consequence work related injuries (excluding fatalities)	0	0	0	0	0	0
Number of recordable work-related injuries	1	5	3	5	2	2
Number of medically treated incidents	1	1	3	3	8	8
Number of lost-time incidents	0	1	0	1	2	2

* Frequency rates are calculated per 1 000 000 work hours

GLOSSARY

TERM	MEANING
Employee turnover	Who leave the organisation voluntarily or due to dismissal, retirement or death in service
ESG	Environmental, Social and Governance
GBCA	Green Building Council of Australia
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
NABERS	National Australian Built Environment Rating System
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

As at 30 June 2023 Abacus Property Group (ASX: ABP) was 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.

Effective 1 August 2023 Abacus Property Group was de-stapled to become Abacus Group and Abacus Storage King the entities comprise:

Abacus Group (ASX: ABG):
Abacus Group Holdings Limited ACN 080 604 619, Abacus Funds Management Limited ACN 007 415 590 AFSL 227819 as Responsible Entity of Abacus Trust ARSN 096 572 128 and Abacus Income Trust ARSN 104 934 287, Abacus Group Projects Limited ACN 104 066 104

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

Abacus Storage King (ASX: ASK):
Abacus Storage Funds Management Limited ACN 108 324 834 ASFL 277357 as Responsible Entity of Abacus Storage Property Trust ARSN 111 629 559, Abacus Storage Operations Limited ACN 112 457 075.

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





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