

Abacus Property Group

Modern Slavery Statement

For the year ended 30 June 2021

Seven Mandatory Criteria	Page	Reference Abacus Modern Slavery Statement
Identify the reporting entity	01	→ Reporting Entity
Describe the reporting entity's structure, operations and supply chains	02 04	→ Our Structure Operations and Supply Chains → Our Modern Slavery Risks
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	04	→ Our Modern Slavery Risks
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	06 11	→ Actions to Assess and Address Modern Slavery Risk → Case Study – Production and Distribution of Solar Panels
Describe how the reporting entity assesses the effectiveness of these actions	10 12	→ Remediation Processes → Continuous improvement and Effectiveness Assessment
Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement).	13	→ Consultation with Abacus Controlled Entities
Provide any other relevant information	10	→ COVID-19 Impacts <small>In addition to the mandatory criteria Abacus has included a paragraph on the impact of COVID-19 on our supply chains which is in line with the Australian Border Force (ABF) Guidance released in May 2020</small>

Reporting Entity

This is a joint modern slavery statement prepared by Abacus Group Holdings Limited ACN 080 604 619 ('AGHL') as the Reporting Entity on behalf of the entities comprising Abacus Property Group in accordance with the mandatory criteria for modern slavery statements in section 16 of the Modern Slavery Act 2018

(Cth) (Act). Abacus Property Group comprises Abacus Group Holdings Limited ACN 080 604 619 ('AGHL') and its controlled entities, Abacus Trust ARSN 096 572 128 ('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, Abacus Storage Property Trust ARSN 111 629 559 ('ASPT') and its controlled entities and Abacus Storage Operations Limited ACN 112 457 075 ('ASOL') and its controlled entities (together 'Abacus'). The registered office of Abacus is at Level 34, 264-278 George Street, Sydney NSW 2000.

Approach

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.

This statement sets our approach to identify and address 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 2021.

Our Structure, Operations and Supply Chains

The principal activities of Abacus during the year were investment in Commercial (Office and Retail) and Self Storage properties, along with commercial and self storage developments. 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.

Located in a single corporate office in Sydney, Australia, Abacus is listed on the Australian Stock Exchange and is included in the S&P/ASX 200 Index and the FTSE EPRA NAREIT Global Real Estate Index Series.

Abacus is comprised of Abacus Group Holdings Limited (the nominated parent entity), Abacus Group Projects Limited and Abacus Storage Operations Limited, Abacus Trust, Abacus Income Trust and Abacus Storage Property Trust. The shares and units in these entities are stapled together and trade as one security in ABP.

Abacus Property Group was listed on the ASX in November 2002. Abacus does not have any labour hire agreements in place and at 30 June 2021 Abacus employed 74 employees in Australia and Storage King Corporate Holdings Pty Ltd ACN 625 434 335 (Storage King), a controlled entity of ASPT and ASOL, employed 342 employees in Australia and 58 employees in New Zealand.

Abacus has a diverse supply chain which includes;



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

Proforma¹ balance sheet allocation

June 2021

4.3 billion of Total Assets²

Commercial 2.1 billion	49%	Self Storage 2.0 billion	48%
Office	1.581m	Established ³	874m
Retail	478m	Stabilising ⁴	754m
		Other ⁵	384m

June 2020

3.3 billion of Total Assets²

Commercial 1.7 billion	55%	Self Storage 1.2 billion	39%
Office	1.493m	Established ³	722m
Retail	198m	Stabilising ⁴	294m
Other ⁵	37m	Other ⁵	191m

1. Includes post balance date transactions.
 2. Includes investments in cash and other assets and Residential assets of \$116 million in FY21 and \$183 million in FY20 not pictured above.
 3. Established portfolio: 52 mature stores open at 1 July 2019.
 4. Stabilising portfolio: 44 stores owned or exchanged as at 18 August 2021. 22 stores owned at 30 June 2020.
 5. Includes Storage King, developments and other Self Storage investments.

Our Modern Slavery Risks

Approach

Recognising that modern slavery risk is a complex and challenging process which will evolve over time, annually a supplier risk assessment process is completed. The Risk Assessment processes assesses each business area, identifies high risk areas within continuing operations and considers modern slavery attributes in line with social risk categories. This process aligns with our continuous improvement approach to develop and embed knowledge about our current supply chains over time.

High risk categories within our continuing operations and supply chain were determined through application of The Methodology for the Development of Social Risk Ratings for the Property Council of Australia's Supplier Pre-selection Platform prepared by an external consultant. The methodology

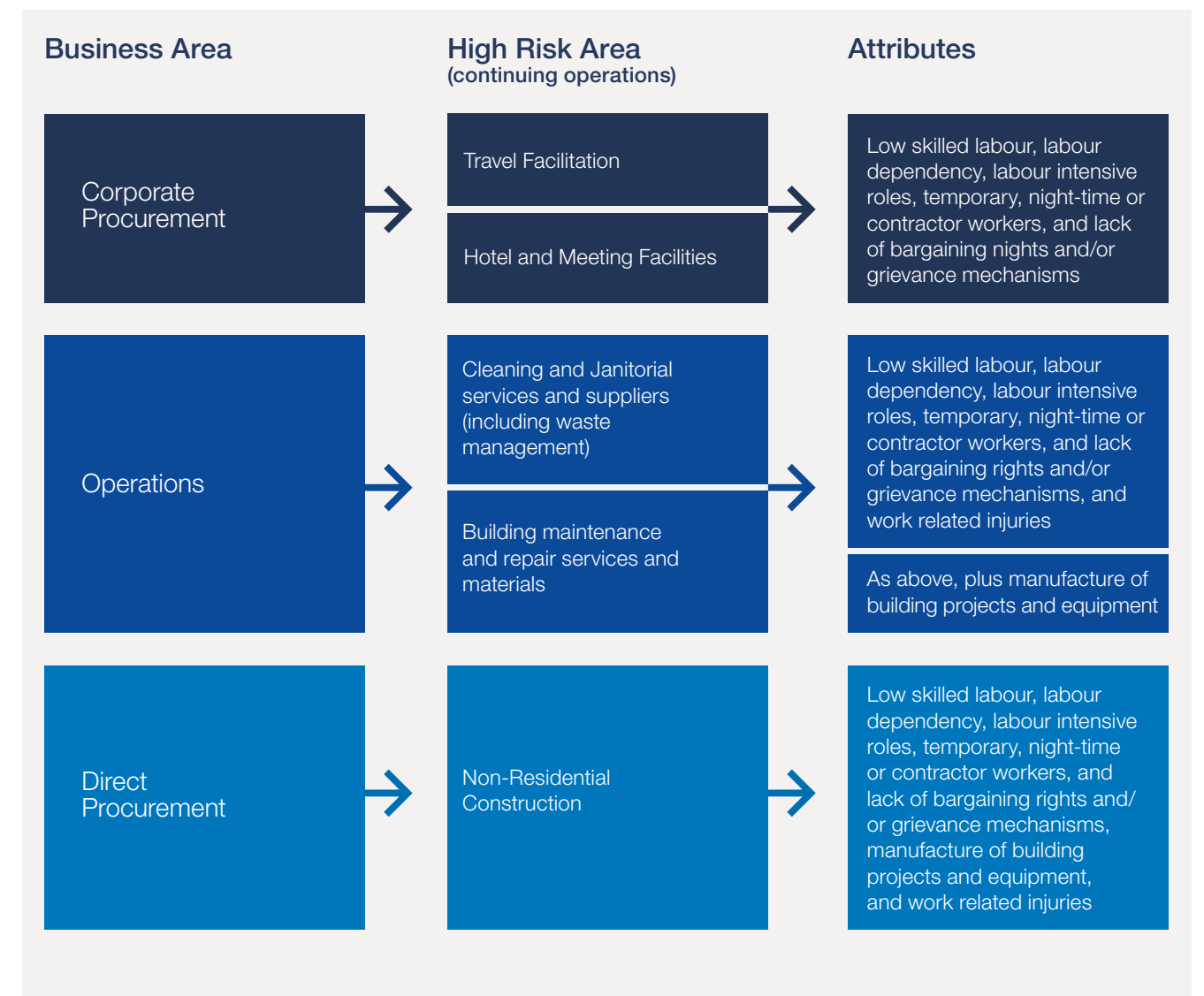
prepared a data set to determine social risk ratings that are most relevant to modern slavery issues present in key procurement categories relevant to Property Council of Australia members and used a life cycle assessment to conclude where modern slavery is most likely to be found in organisations and supply chains. The methodology selected five social risk categories being labour rights and decent work, health and safety, human rights, governance and community infrastructure to prepare a social hot spot database to indicate the likelihood of an issue occurring in different industries and countries. Further within the social risk categories impacts relating to modern slavery such as child labour, forced labour, excessive working time, safe working conditions, exploitation of migrant labour, and general human rights and governance were assessed.

Abacus completed an internal risk assessment to apply The Methodology for the Development of Social Risk Ratings for the Property Council of Australia's Supplier Pre-selection Platform to our supply chain. This risk assessment identified five high risk areas (refer diagram below) within our continuing operations and ongoing supply chain.

The FY21 Abacus supplier risk assessment was approved by the internal Management Sustainability Committee as part of ongoing management consultation.

Modern Slavery Risk Map

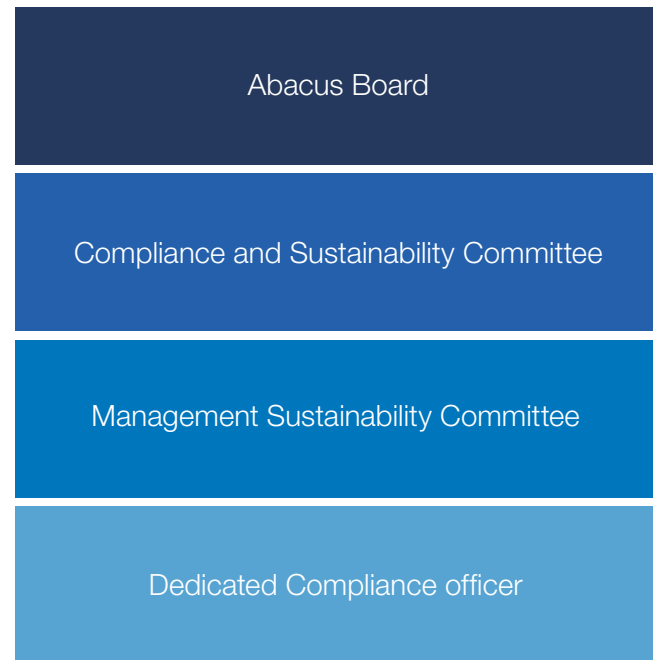
The diagram below maps critical areas of modern slavery within the key business units of the Abacus supply chain including the risk factors and attributes associated with each high risk. Key business units identified consider the Abacus supply chain which includes builders and contractors on our development projects, managing agents and operational contractors on our property portfolio and operational contractors and third-party relationships within our Storage King business.



Actions to Assess and Address Modern Slavery Risk

Governance

Our approach to modern slavery is underpinned by a Board led governance structure to ensure stakeholder interests are promoted and protected. In addition to a clear governance structure, key members of management meet quarterly to review modern slavery progress and updates via a Management Sustainability Committee.



Further information on our structure and operations can be found at our website www.abacusproperty.com.au and within our suite of policies and annual reports including our FY21 Annual Financial Report and FY21 Sustainability Report. Key policies which were approved by the Board and are available on our website include:

- Human Rights Policy
- Whistleblowing Policy
- Supplier Code of Conduct
- Diversity and Inclusion Policy
- Sustainability and Environmental Policy
- Work Health and Safety Policy
- Fraud, Anti-Bribery and Corruption Policy

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 and we are committed to ensuring high standards in our operations and throughout our supply chain.

Respecting and proactively promoting human rights is an integral part of our business and forms a key component of our sustainability commitment which is outlined in our Supplier Code of Conduct and Human Rights Policy.



ABACUS GUIDING PRINCIPLES INCLUDE:

The expectation that our team members, contractors, sub-contractors, consultants and suppliers will conduct business in a safe, responsible and equitable manner and in compliance with all applicable laws, regulations and standards

Our team members, customers, suppliers and investors being treated fairly and respectfully

Diversity and inclusion, which is about our commitment to ensure collective perspectives are valued and respected, with the objective of enhancing informed judgment and high-quality decision making. Diversity includes, but is not limited to, gender, age, ethnicity, sexual orientation, religious and cultural background

The right to just and fair remuneration

The fundamental right of all workers and those affected by our undertaking to a safe and healthy working environment

Allowing freedom of association and collective bargaining

THESE COMMITMENTS ARE UPHELD ON AN ONGOING BASIS BY:

Ongoing engagement, education and awareness with team members and our supply chain

Developing and implementing a Supplier Code of Conduct

Incorporating human rights into purchasing decisions and adhering to Abacus' Human Rights Policy

Conducting human rights and modern slavery due diligence into our supply chains on an ongoing basis and ensuring our supply chains are, as far as we are aware, free from modern slavery; and

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

Industry Collaboration Through a Single Online Platform

Recognising that systemic risks in our supply chain cannot be solved in isolation, we place high value on collaborating with our industry peers to collectively understand and manage the risk of modern slavery across our direct and indirect supply chain. Abacus is a founding member of the Property Council of Australia's Modern Slavery working group, which has fifteen founding members who are working alongside peers in the industry to develop a supplier due diligence platform. This collaboration allows leading Property Council of Australia members to engage, assess and report on their supply chain networks more easily through a platform managed by Informed365 which collects, compares and collates information on suppliers, to inform year-on-year progress. In FY21 the group of fifteen founding members grew to thirty seven participating organisations with nearly 4,500 suppliers engaged within the platform.

The platform collects, compares and shares data on all suppliers to ensure consistency across the

industry, streamlines the reporting process for businesses involved, reduces the reporting burden, and makes it easier for suppliers to share information with the leading property organisations they select. Suppliers are invited to register and enter information about actions they are taking to assess and address modern slavery. The platform is free for suppliers to register, access and use, and assessment information is updated each year following a prompt, so that they can record improvements over time. This is important to encourage participation from suppliers and improve supply chain transparency. Data can then be accessed by Property Council members through the platform's dashboard to enable better evaluation, decision-making and reporting.

Supply chains through Australia's property and construction industry are complex, with many suppliers working in different capacities for multiple organisations at the same time, and so the group is supported by Better Sydney for subject matter expertise and project management, and the Supply Chain Sustainability School for educational resources, with Informed365 providing technical platform expertise.

Supplier Engagement and Education

The supplier portal promotes industry collaboration and allows Abacus to request each of our identified high risk suppliers complete a questionnaire to gain insights and transparency into our supply chain to support informed decision-making around supply chain management. The key purpose of the platform is to reduce administrative burden on suppliers, shared suppliers and platform members; encourage industry wide supplier education and minimise cost for suppliers; and improve transparency across the industry for platform partners and suppliers. Additionally, suppliers gain access to relevant free online educational resources within every section of the platform, and they can measure progress in their actions and responses year on year. Rolling out a uniform platform across the industry is focused on improving reporting efficiency to encourage greater supply chain transparency.

FY21 Initiatives

FY21 Initiatives completed to enhance how we address modern slavery risks across our supply chain included:

	INITIATIVE	STATUS	COMMENTS
Risk Assessment	Annual risk assessment of our supply chain and methodology to assess suppliers across our highest risk categories and to continue developing our supply chain knowledge and to improve our understanding of supplier responses	✓	The FY21 Abacus supplier risk assessment was approved by the internal Management Sustainability Committee as part of ongoing management consultation
Industry Collaboration	Continue industry participation and collaboration through the Property Council of Australia's Modern Slavery Working Group	✓ ☀	Recognising that systemic risks in our supply chain cannot be solved in isolation, we place high value on collaborating with our industry peers to collectively understand and manage the risk of modern slavery across our direct and indirect supply chain. Abacus is a founding member of the Property Council of Australia's Modern Slavery working group which allows members to engage, assess and report on their supply chain networks more easily through a single online platform (Informed365) which collects, compares and collates information on suppliers, to inform year-on-year progress Industry collaboration with the Property Council of Australia's Modern Slavery Working Group will continue in FY22 and beyond
Supplier Due Diligence - suppliers	Ongoing supplier due diligence utilising the Informed365 supplier engagement portal with a focus on; – inclusion of suppliers from the newly acquired Storage King operating platform (as of 30 November 2021); – increasing the number of invited suppliers utilising our existing risk assessment methodology; and – increasing participation rates and working with suppliers to improve supplier responses	✓ ☀	Following the acquisition of 100 per cent of the shares of Storage King on 30 November 2020 a review of Storage King operational suppliers through consultation with key members of Storage King management was completed and high risk storage king operational suppliers were included within the FY21 risk assessment methodology In FY20 in two phases through the platform Abacus invited 56 ongoing key suppliers across our high risk categories to disclose their labour management practices via the single online platform. In FY21 Abacus invited a further 39 suppliers (being Abacus and Storage King high risk suppliers) bringing the total number of suppliers who complete annual questionnaires within the single online platform to 95 Processes to improve ongoing participation rates in the platform have been documented and are reported to the Management Sustainability Committee and Compliance and Sustainability Committee. As at 30 June 2021 81 per cent (77 of 95 invited suppliers) have completed the online questionnaire
Supplier Due Diligence - Verification	Commence verification of existing high risk suppliers within the single online platform	✓	In FY21 the Property Council of Australia's Modern Slavery working group worked with Informed365 and Bureau Veritas to undertake independent, third-party reviews of the assessment responses provided by suppliers which will assist with supplier engagement, help identify strengths and weaknesses across shared supply chains, and provide material for Continuous Improvement Pathways for suppliers. In FY21 Abacus selected 5 high risk suppliers to be reviewed. No exceptions were noted under the Bureau Veritas review
Remediation	Continue to work with key stakeholders to progress our group-wide response to modern slavery with a focus on prevention, mitigation and remediation in contracts and processes to incorporate human rights and modern slavery	☀	A management Remediation and Response Committee was formed in June 2021 in response to reports into potential Forced Labour issues and production and distribution of solar panels. Further information is available on page 11
Training	Annual refresher training for all Abacus employees and roll out of additional modern slavery training to key team members	✓ ☀	Annual refresher training was delivered to all Abacus employees in May 2021. Key Storage King team members completed modern slavery training as part of their risk and compliance onboarding As part of our commitment to training high risk suppliers (such as cleaning and janitorial staff) were provided with a series of modern slavery posters which are placed in back of house areas on site

✓ Achieved ☀ Ongoing and evolving commitment ○ Not progressed

Remediation Processes

Trust and Transparency

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

Abacus has chosen 'Your Call' to partner with, in order to enhance the integrity and transparency of our operations and to allow team members and our customers to confidentially and anonymously report in the event of misconduct in line with our Supplier Code of Conduct and Whistle-Blowing Policy and procedures.

The Compliance Manager will be notified immediately in the event that a breach of human rights or modern slavery is found in our supply chain and Abacus will form a response committee, as appropriate in line with the requirements of our Human Rights Policy.

COVID-19 Impacts

Vulnerability of workers and the impact on worldwide suppliers during the COVID-19 pandemic has been highlighted as an increased risk and it has been recognised that key suppliers such as cleaners and security contractors are under increased pressures in their ongoing response to the COVID-19 pandemic. We have maintained ongoing engagement with our managing agents and suppliers through regular correspondence, meetings, reporting and project updates and will continue to work with our managing agents and suppliers as the pandemic progresses.

In response to the COVID-19 pandemic all employee training was enhanced to increase awareness of the vulnerability of workers in Abacus supply chains. The training included a reminder to all employees to discuss any suspicion of modern slavery in our supply chains with the Compliance Manager to ensure appropriate prevention, mitigation, remediation and other action is taken.

CASE STUDY

Production and Distribution of Solar Panels

Issue

In 2021 Abacus identified reports on the Customs Amendment (Banning Goods Produced By Uyghur Forced Labour) Bill 2020 (Bill) which bans the importation of goods made in whole or part by forced labour.

Abacus Approach

Abacus is developing its process in respect of the investigation into potential issues of forced labour and is focussing on the production and distribution of solar panels. In response to initial investigations and in line with the Modern Slavery Policy, a Remediation and Response Committee was formed in late June 2021. The Remediation and Response Committee is a subset of the internal Management Sustainability Committee and have agreed to the following responsibilities in relation to the potential identification of forced labour (with an initial focus on solar panels):

- Investigate and document manufacture of solar panels at all Abacus sites
- Consider future solar panel projects to understand existing contracts in place

- Document a road map to prevent, mitigate and remediate instances of forced labour

Abacus utilises a principal contractor or solar panel provider to procure solar panels and through initial discussion with providers Abacus recognises that it is possible that a proportion of solar panels installed on Abacus buildings are manufactured in factories within areas which are the focus of the Bill.

Recognising that the Remediation and Response Committee is a newly formed Committee, that forced labour is an industry-wide procurement issue which is under parliamentary review and that solar panels are procured indirectly from solar panel providers or principal contractors on developments Abacus has completed the following actions to date:

- Management identified four solar panel providers who are currently installing solar panels on Abacus buildings. Each of these providers was contacted and requested to complete a copy of the single online supplier platform questionnaire. At 30 June 2021 all solar panel providers have completed the questionnaire
- To ensure ongoing contractor awareness a letter was sent in July 2021 to all existing solar panel providers highlighting the forced labour issue within the Broad Daylight Report and to understand the steps each solar panel provider should take in response to the report

Continuous Improvement and Effectiveness Assessment

Continuous improvement and assessing our effectiveness is a key element of an effective response to modern slavery risks. Our methodology, risk assessment and supplier due diligence will be subject to ongoing reviews and includes quarterly reporting to the Board, Compliance and

Sustainability Committee, and internal Management Sustainability Committee. A key focus throughout FY22 will be our ability to demonstrate further development in key areas including training, due diligence processes, procurement and engagement with our suppliers. Recognising the global challenge

of addressing modern slavery and our obligations under the Act. Abacus will continue to incorporate human rights and supply chain due diligence into our business practices and commit to the following FY22 priorities:

FY22 PRIORITIES	
Remediation	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
Industry Collaboration	Continue industry participation and collaboration through the Property Council of Australia's Modern Slavery working group
Supplier Due Diligence - suppliers	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 methodology; and - increasing participation rates and working with suppliers to improve supplier responses
Supplier Due Diligence - Verification	Continue verification of existing high risk suppliers within the single online platform
Remediation	The Remediation and Response Committee will continue to assess and develop Abacus's response to the forced labour issues recognised within the parliamentary report on the Customs Amendment (Banning Goods Produced By Uyghur Forced Labour) Bill 2020 (Bill)
Training	Annual refresher training for all Abacus and key Storage King employees and roll out additional modern slavery training to key team members

Consultation with Abacus Controlled Entities

Abacus Property Group is committed to developing and maintaining a robust, group-wide response to modern slavery. Abacus Property Group developed this statement in consultation with each of the other reporting entities in the Abacus Property Group (these entities are identified under the heading "Reporting Entity") ("Abacus Subsidiary"). Abacus Property Group consulted with each Abacus Subsidiary through our group-wide Management Sustainability Committee which includes senior management representatives from each Abacus Subsidiary and met on a quarterly basis over the reporting period.

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 review of the statement text. This statement is approved by the Abacus Property Group Board.

This statement was reviewed by an independent lawyer and approved by the Abacus Property Group Board on 16 November 2021 in accordance with Section 16 of the Act.

Signed by



Steven Sewell,
Managing Director

Partners

INFORMED 365



be++er sydney
+ building + community + sustainability +

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