

Modern Slavery Statement

For the year ended 30 June 2020

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. 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.

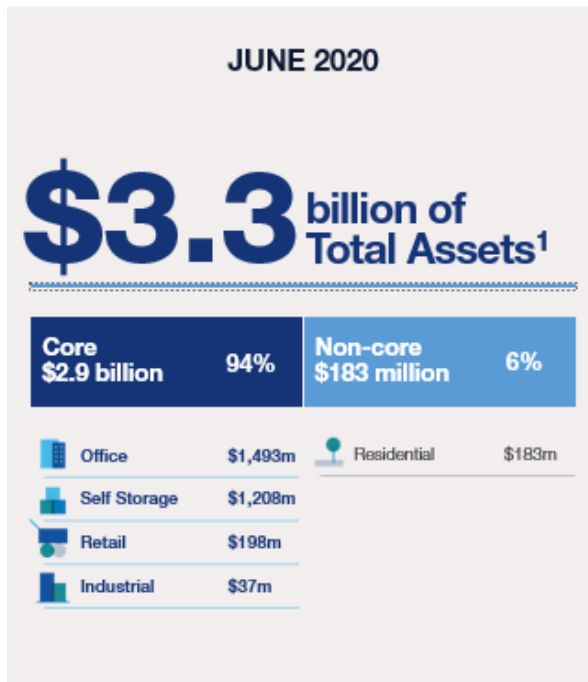
Abacus recognises that respecting and proactively promoting human rights is an integral part of our business and is a key component of our broader sustainability strategy. Abacus rejects all forms of modern slavery in our operations, supply chain and our business partnerships.

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 Australian Modern Slavery Act 2018 ('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 2020.



Structure and Operations



The principal activities of Abacus during the year included:

- investment in Commercial (Office and other) and Self Storage properties to derive rental and management and other fee income; and
- to a lesser degree, participation in property development to derive interest income.

The listed Abacus Property Group is a diversified property group that operates predominantly in Australia. It comprises AGHL, AT, AGPL, AIT, ASPT and ASOL and its securities trade on the Australian Securities Exchange (“ASX”) as ABP. Abacus was listed on the ASX in November 2002 and its market capitalisation was over \$1.8 billion as at 30 June 2020.

At 30 June 2020 Abacus employed 66 employees in Australia.

1. Includes investments in cash and other assets not pictured above

Our Supply Chain Risk

Abacus has a diverse supply chain which ranges from the builders and contractors on our development projects to managing agents and operational contractors on our property portfolio. 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.

High risk categories within our 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: 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 a final 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 within our continuing operations and ongoing supply chain and an additional one high risk area within our discontinued or phased out operations (being residential building construction).



High Risk Areas (continuing operations)



Each of the high risk areas identified have one or more of the following attributes present within their operations:

- labour dependency;
- low skilled labour;
- labour intensive role;
- use of temporary, night-time or contractor works;
- manufacture of building products and equipment which could result in unknowingly supporting modern slavery;
- prevalence of work related injuries; and
- lack of bargaining rights and/or grievance mechanisms.

FY20 Actions, Due Diligence and Remediation

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, working alongside peers in the industry to develop a supplier due diligence platform.

This collaboration allows members to assess and report on their supply chain networks more easily through the single online platform which collects, compares and shares data on all suppliers. This ensures 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. This data can then be accessed by Property Council members through the platform's dashboard to enable better evaluation, decision-making and reporting.

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 supplier 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.



In FY20 in two phases through the supplier platform Abacus invited 66 key suppliers across our high risk categories to disclose their labour management practices via the tool, allowing Abacus to deepen our understanding of modern slavery risk in our supply chain and identify areas for further supplier engagement. Initiatives completed to enhance how we address modern slavery risks across our supply chain included:

Initiatives	Status	FY20 Performance
Developed a methodology underpinned by a risk assessment of suppliers in order to undertake supply chain due diligence. The risk assessment identified 66 key suppliers across our highest risk categories who were asked to complete the supplier questionnaire.	✓	Achieved
Board approved Abacus' Human Rights Policy and Supplier Code of Conduct.	✓	Achieved
Dedicated compliance officer to assist team members in the event modern slavery or human rights breaches are suspected in our supply chain with clear incident response processes. The Head of Compliance and Risk 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.	✓	Achieved
Regular all employee communications to increase awareness of the requirements of the Act including delivery of online employee training and development of a Modern Slavery Reference Guide available to all team members.	✓	Achieved
In response to the COVID-19 pandemic all employee training was enhanced to increase awareness of the vulnerability of workers in Abacus supply chain (for example cleaning and security contractors).	✓	Achieved
Clarifying our expectations for suppliers by updating contractual documentation to include appropriate dispute resolution and other clauses and ensuring the consideration of modern slavery risk factors during the supplier selection process.	✓	Achieved
Formalisation of our governance processes with quarterly modern slavery reporting to our management sustainability committee and to the Board Compliance and Sustainability Committee.	✓	Achieved

COVID-19 Impacts

Vulnerability of workers 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 Head of Compliance and Risk to ensure appropriate prevention, mitigation, remediation and other action is taken.



Responsible Procurement

Our Approach

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.

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

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

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.

Governance

Our approach to modern slavery is underpinned by a clear governance structure to ensure stakeholder interests are promoted and protected. In addition to a clear Board governance structure quarterly key members of management meet 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 FY20 Annual Financial Report and FY20 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
- Work Health and Safety Policy
- Fraud, Anti-Bribery and Corruption Policy

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 Sustainability Management Committee. A key focus throughout FY21 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 FY21 priorities:

FY21 Priorities	
Risk Assessment	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ Continue industry participation and collaboration through the Property Council of Australia’s Modern Slavery working group.
Supplier Due Diligence	<ul style="list-style-type: none"> ▪ Ongoing supplier due diligence utilising the Informed365 supplier engagement portal with a focus on; <ul style="list-style-type: none"> - inclusion of suppliers from the newly acquired Storage King operating platform (as of 30 November 2020); - increasing the number of invited suppliers utilising our existing risk methodology; and - increasing participation rates and working with suppliers to improve supplier responses.
Remediation	<ul style="list-style-type: none"> ▪ 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.
Training	<ul style="list-style-type: none"> ▪ Annual refresher training for all Abacus employees and roll out of 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 Board.

This statement was reviewed by an independent lawyer and approved by the Abacus Property Group Board on 17 February 2021 in accordance with Section 16 of the Act.

Signed by

Steven Sewell

Managing Director

Partners



INFORMED 365