

SUSTAINABILITY REPORT

For Abacus, sustainability means considering environmental, social and governance risks and opportunities in our business operations, from our investment decision-making process to our asset management and development activities and any asset realisations.

THE ENVIRONMENT

This is the first year that Abacus has systematically measured the environmental footprint from its operations and management. We intend to compare our key performance indicators over time to help us manage and reduce our consumption of natural resources.

Abacus is well positioned to improve the environmental sustainability of our buildings through efficient property

management and development and upgrade of buildings which incorporate more efficient plant and equipment. The responsible management of our buildings will also contribute to capital appreciation of those buildings over time.

Our key performance indicators for environmental sustainability are set out in the table below. Total energy use is a measure of electricity, gas and diesel consumed in the management of our

properties. Energy intensity identifies the energy use for each square metre of gross lettable area. We have similarly measured our water usage and water intensity at our managed properties. Carbon emissions combine direct emissions from gas and diesel consumed for base building services (scope 1) and indirect emissions from electricity consumed (scope 2).

KEY PERFORMANCE INDICATORS

ENVIRONMENTAL MEASURE	KEY PERFORMANCE INDICATOR	YEAR ENDED 30 JUNE
Total Energy Use	Energy use from electricity, gas and diesel (GJ)	144,886 GJ
Energy Intensity	Energy use per square metre of Gross lettable area (MJ/m ²)	571 MJ/m ²
Total Water Use	Water consumption (KL)	254,685 KL
Water intensity	Water use per square metre of Gross Lettable Area (KL/m ²)	1.0 KL/m ²
Carbon Emissions	Carbon emissions (scope 1 and scope 2) associated with energy consumed (Tonnes CO ₂ e)	26,091 tCO ₂ e

Key performance indicators are measured for properties under our operational control as defined in the National Greenhouse and Energy Reporting Act 2007 where Abacus has the authority to introduce and implement any or all of operating policies, health and safety policies or environmental policies for the property.

The NABERS rating is a tool that we use that assists in the identification of properties that could benefit from energy efficiency capital improvements which in turn may improve the prospects for leasing vacant space or renewing leases with tenants who may otherwise have vacated. This is an important metric but it is not appropriate to evaluate Abacus from a sustainability perspective on the basis of NABERS ratings. The core plus nature of our business is to acquire and manage

properties that may present lower than average ratings specifically to exploit the opportunity to upgrade and enhance assets and ultimately enhance capital values.

NABERS ratings are not required or appropriate for all the managed properties in our portfolio.

The properties that we currently report on under the NGERS legislation are:

PROPERTY	NABERS ENERGY	NABERS WATER
8 Station Street, Wollongong, NSW	3.5	4.0
32 Walker Street, North Sydney, NSW	3.0	n/a
14 Martin Place, Sydney, NSW	2.5	2.0
50 - 52 Pirrama Road Wharf 10, Pyrmont, NSW	3.0	n/a
169 Varsity Parade, Varsity Lakes, QLD	2.5	n/a
1 Bellvue Drive, Varsity Lakes, QLD	0.0	n/a
35 Boundary Street, Brisbane, QLD	2.5	n/a
51 Allara Street, Canberra, ACT	5.0	4.5
91 King William Street, Adelaide, SA	4.0	n/a
484 St Kilda Road, Melbourne, VIC	3.0	n/a

THE WORKPLACE

Social issues of potential material implication to Abacus' business encompass a wide range of areas including health and safety, human capital management and human rights. For Abacus, the most material social issues are workplace health and safety.

Health and safety is important for all businesses, and Abacus has a Workplace Health and Safety Policy to ensure we provide a safe environment for all employees and others accessing our owned and managed properties.

Our Board Charter, Code of Conduct, Diversity Policy, Audit and Risk Policy, Risk Management Framework and Employee Handbook demonstrate our commitment to human capital management.

WORK HEALTH AND SAFETY MANAGEMENT

Abacus strives, through effective consultation and a process of continuous improvement, to integrate safety and health into all aspects of our activities. We:

- have adopted a health and safety management system to systematically manage health and safety throughout all Abacus work environments
- set objectives and targets aimed at measuring our health and safety performance
- provide our staff and contractors with appropriate supervision and training to make them aware of and accept their responsibility to achieve a safe work environment
- have implemented a system that enables and encourages effective communication and consultation
- maintain procedures and practices that enable a systematic and effective approach to identifying, reporting, assessing and controlling risk
- allocate financial, human and physical resources to meet our commitments.

WORK HEALTH AND SAFETY PERFORMANCE

We aim to achieve zero harm in the workplace. Abacus recognises the fundamental right of all workers and those affected by our undertaking to a safe and healthy environment. Through the application of our workplace health and safety principles, we endeavour to provide a safe and healthy working environment for all our employees, contractors, customers and visitors.

During FY14 we recorded zero fatalities, disabling injuries, occupational illnesses or other reportable injuries. There were however a number of incidents:

- 12 employee lost time incidents resulting in 38 lost working days
- 4 medically treated injuries
- 5 high-potential near hits
- 1 contractor lost time injury resulting in 2 lost working days.

Activities into FY15 will see the further streamlining and integration of the health and safety management system with business and operational processes that have already delivered a number of significant outcomes and should provide further improvement in safety performance across the group.

OUR PEOPLE

We have a strong commitment to our people and focus on providing an engaging work environment that creates a foundation that supports their personal and business development. We encourage people to exercise their entrepreneurial spirit within the collaborative culture of Abacus to deliver the groups business goals. We actively encourage and support a diverse workforce where gender, age and ethnicity can contribute positively in the workplace. Gender diversity has been a key focus and we continue to implement initiatives to maximise opportunities for women across the business and in management, supporting flexible working arrangements and preventing harassment in the workplace.

Providing an encouraging environment that empowers people to grow and develop is critical to the delivery of our business goals. It is Abacus' policy that all staff receive appropriate training for their responsibilities. This includes introductory training for new staff, internal training seminars and suitable external training. The head of each department in Abacus is directly responsible for the training (initial and continuing) of the staff in their department.

On an annual basis, each responsible manager must complete a training plan for the next 12 months which covers their responsibilities. A training register is maintained and updated monthly for all staff.

All staff are subject to an annual appraisal process with the heads of each department. For executive staff this incorporates performance reviews against the achievement of defined key performance indicators. This process delivers transparency and facilitates discussion on an individual's goals and performance.

We recognise that as we expand the business through acquisitions and sales and the delivery of projects our workforce will evolve. In FY13 our total workforce turnover was 13%. The nature of our active management business can deliver a turnover in staff as assets and projects are completed.

WORKPLACE METRICS					
GENDER COMPOSITION	FEMALE NO.	%	MALE NO.	%	TOTAL NO.
Board	1	20	4	80	5
Workforce	25	45	30	55	55
Executive	1	13	7	87	8
Management	4	36	7	64	11

FEMALE SALARIES AS A PERCENTAGE OF MALE SALARIES			
	FEMALE NO.	MALE NO.	% OF MALE SALARY
Entry	5	1	101
Intermediate	3	2	103
Experienced	7	2	131
Specialist	5	11	100
Manager	4	3	85
Senior Manager	0	4	N/A
Executive	1	6	87
MD	0	1	N/A

FULL TIME / PART TIME					
	FEMALE NO.	%	MALE NO.	%	TOTAL NO.
Full time	20	42	28	58	48
Part time	5	71	2	29	7

PROPORTION OF FEMALES BY JOB LEVEL					
	FEMALE NO.	%	MALE NO.	%	TOTAL NO.
Entry	5	83	1	17	6
Intermediate	3	60	2	40	5
Experienced	7	78	2	22	9
Specialist	5	31	11	69	16
Manager	4	57	3	43	7
Senior Manager	0	0	4	100	4
Executive	1	14	6	86	7
MD	0	0	1	100	1