

Abacus Property Group

SUSTAINABILITY REPORT 2017

About this report

This annual Sustainability Report for the year ended 30 June 2017 forms part of Abacus Property Group's FY17 reporting suite.

This Report covers Abacus' Australian and New Zealand operations excluding Abacus Hospitality Fund. This Report has been prepared in accordance with the Global Reporting Initiative's (GRI) Standards: Core option.

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

MANAGING
DIRECTOR'S
MESSAGE

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Managing Director's message

**Welcome to our FY17
Sustainability Report,
highlighting our progress
and achievements over
the year.**

Abacus has evolved from a single asset syndicator into one of Australia's leading diversified real estate groups with almost \$2.4bn of total assets. As we have grown, we have improved our systems to ensure that our stakeholders have access to information in a consistent format to understand our approach to sustainability.

We take our reporting responsibilities seriously and we are proud of the improvements we have implemented along the way. This is our fourth year providing sustainability insights to you and importantly its our first providing a report prepared in accordance with the relevant GRI Standards. This report highlights our commitment to a range of topics including our environmental and financial management, engagement with our stakeholders, including our employees, tenants and the communities in which we operate and our governance and risk frameworks.

Pleasingly, we continued to make progress on reducing our greenhouse gas emissions, energy use and water consumption with a highlight being a 14% reduction in energy intensity. In FY18 we plan to continue working towards our FY19 target of reducing energy consumption and emissions across our portfolio.

In FY17 we improved our Work, Health and Safety (WHS) training across the Group while also seeing a marked reduction of the severity rate of incidents to 1.2. A continued monitoring and further reduction of this rate is a key priority in FY18 via improved disclosure and reporting from partners throughout the Abacus supply chain.

Our corporate philanthropic committee had its first year of operations in FY17 and its creation helped integrate the Abacus community into the wider communities in which we operate. We are looking at further integrating our community partnerships into everything we do and in FY18 we are hoping to increase the participation rate of employees that contribute towards our community partnerships.

Finally, we have made improvements to our Diversity and Inclusion Policy with the intention of continuing the strong improvements across the Group to further enhance our commitment to workplace diversity and inclusion. A key priority for FY18 is to engage with a number of proactive gender diversity programs to improve opportunities for females within the property sector and Abacus, including increasing the number of females on the board and participation in the Property Council of Australia's 100 Women in Property.

With our new and enhanced sustainability reporting system, we have set strong commitments for FY18 and beyond, which we believe reflect our ever changing and dynamic portfolio.



Frank Wolf,
Managing Director

IMAGE: Dr Frank Wolf,
Managing Director

About us

Abacus Property Group (Abacus), established in 1996, is a leading diversified Australian Real Estate Investment Trust that specialises in investing in core plus real estate opportunities across Australia and New Zealand. The Group has been listed on the Australian Securities Exchange since 2002 and is included in the S&P/ASX 200 index.

Abacus seeks to take advantage of value-adding opportunities to drive long-term total returns. Through the acquisition, re-development, refurbishment, repositioning and re-leasing of our assets, we pursue transformational events that will drive an asset's value and maximise securityholder returns.

Abacus has two integrated property business units built upon core expertise in accessing properties/ assets and projects and their active management to realise their full potential. Our flat corporate structure and business model supports strong synergies across our businesses and contributes to the overall success of the businesses.



ADELAIDE



Retail



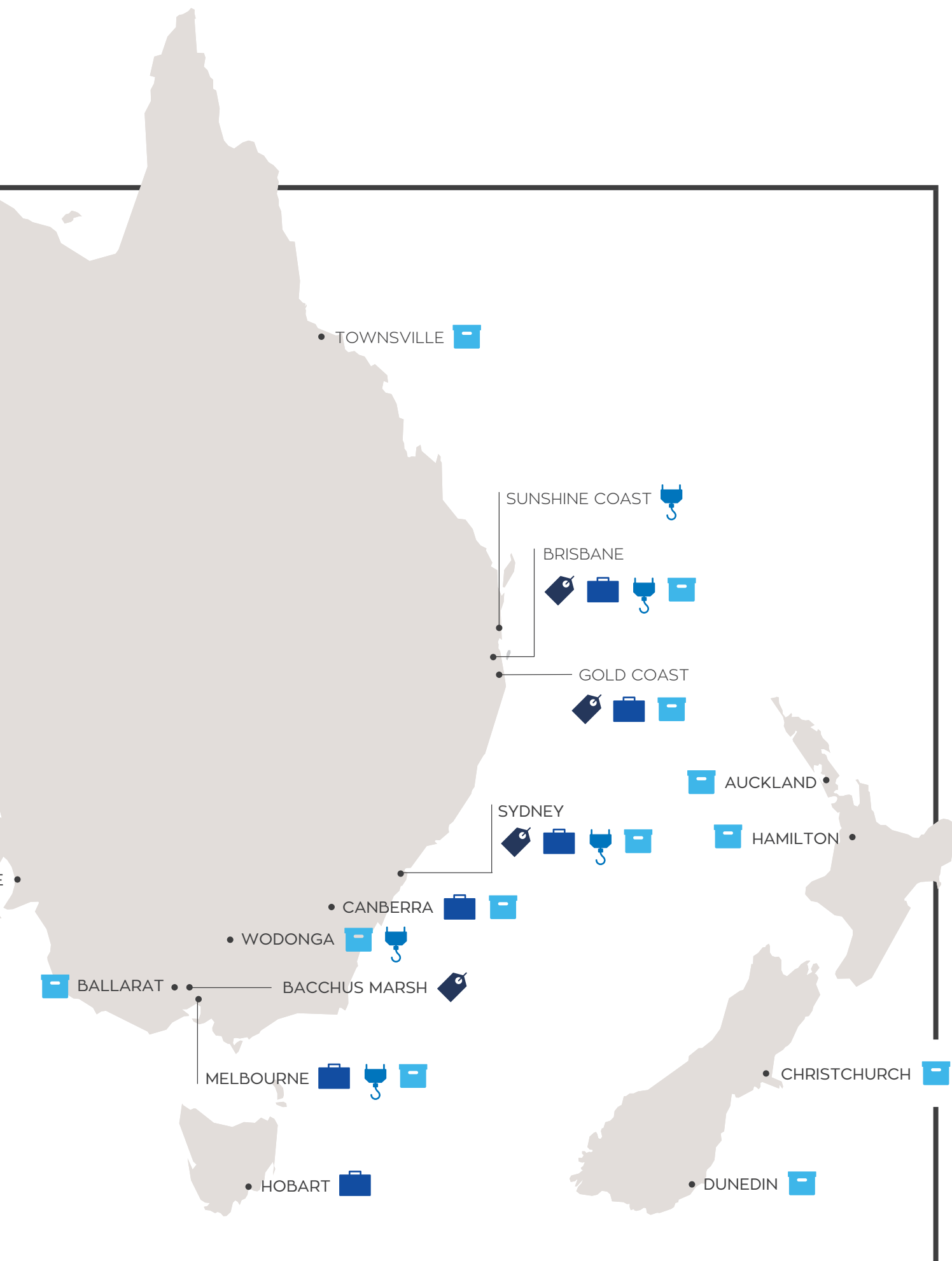
Office



Industrial



Storage



FY17 at a glance

90.5% occupancy over
investment portfolio

**This is our first Global Reporting
Initiative Sustainability Report
prepared in accordance with the
GRI Standards: Core option**

100%

compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations



14% reduction in Energy Intensity
(energy use per square metre of gross lettable area) since FY16

16% reduction

IN EMPLOYEE TURNOVER



SEVERITY RATE (AVERAGE TIME LOST PER OCCURRENCE OF INJURY/DISEASE) DECREASED FROM

1.5% in FY16 to 1.2% in FY17

Our approach

SUSTAINABILITY AND ENVIRONMENTAL POLICY

At Abacus, our approach to sustainability is underpinned by our Sustainability and Environmental Policy, which is focused on supporting growth across the business by recognising that we have responsibilities to all our stakeholders and the environment in which we operate.

This approach is aligned to six guiding principles that are at the core of what we do:



Ongoing communication with our stakeholders on environmental, social and governance issues.



Facilitating the identification and implementation of environmental, social and governance legislative requirements as well as ongoing compliance with relevant legislation and regulation.



Incorporating environmental issues in our decision-making processes on a case-by-case basis.



Managing our buildings efficiently to conserve the use of limited natural resources



Supporting and developing our employees to use their skills and expertise to respond to the sustainability challenges



Maintaining a safety-aware culture ensuring proper standards of workplace health and safety for our employees and other key stakeholders visiting, or working, at our properties

Governance

Abacus recognises that risk management, including environmental, social and governance risks, is the responsibility of everyone within the Group and hence is integrated into our day to day operations as well as within decision making processes.

Our robust governance policies and procedures provide the framework for managing sustainability across the business. Further information on our governance and risk processes, including with respect to our approach for managing sustainability risks; is discussed within 'Our Material Issues – Governance and Risk'.

Commitments

We will work towards implementing these commitments over time:



Adopting sustainable design practices in our asset improvement and development projects where appropriate

Pursuing cost effective and efficient use of energy, water and waste reduction

Developing and implementing baseline measures to monitor and benchmark the sustainability performance of our assets

COMMITMENTS

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

Identifying, managing and monitoring potential risks and opportunities presented by environmental risks across our portfolio

DEFINING OUR MATERIAL ISSUES

At Abacus, we report on those issues that are significant to our business and our stakeholders, as aligned to the GRI Standards reporting framework. The content of our FY17 Sustainability Report has been shaped by our materiality assessment undertaken during the reporting period. This process

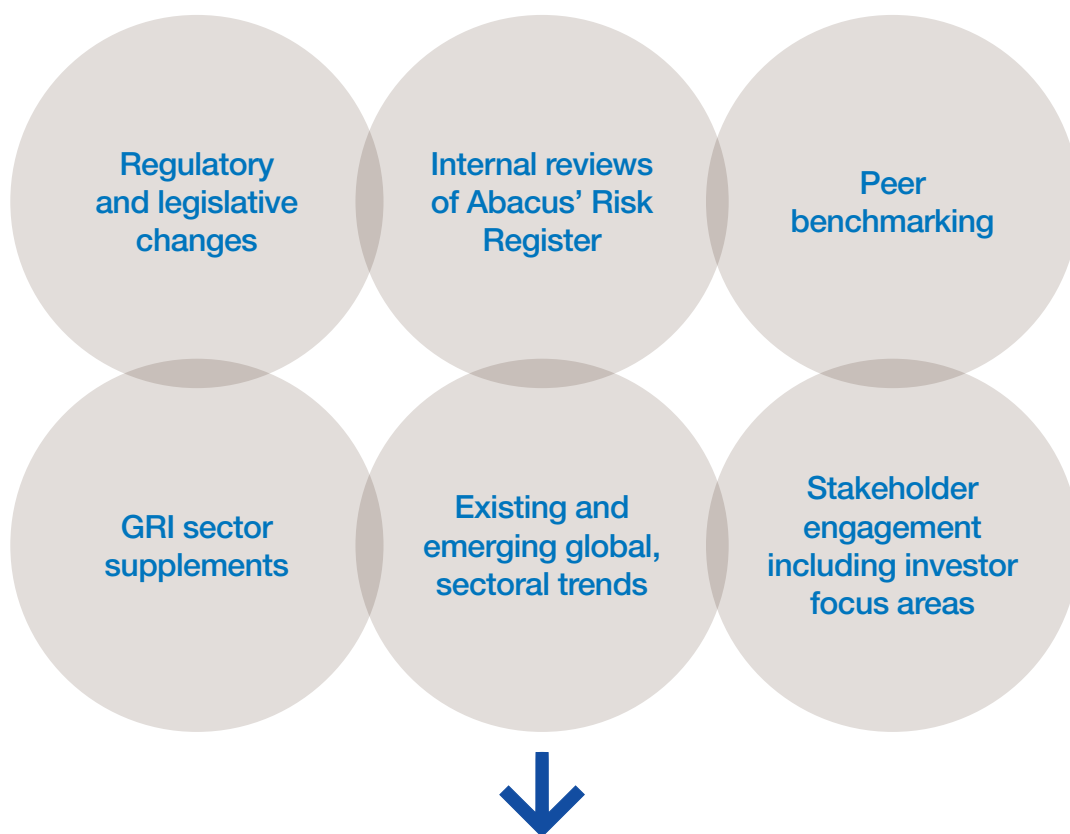
helps us identify, understand and prioritise the sustainability issues that are material to both Abacus and our stakeholders. We intend to review the relevance of these issues on an annual basis to ensure Abacus is well positioned to respond to shifting stakeholder and business priorities. In previous years, we have consistently reported on environmental, safety and diversity themes. We note

that the results of our materiality assessment confirm the relevance of these themes and we will continue to build on this in FY18.

To determine our material issues, we undertook a process of identification, prioritisation and validation through a number of workshops with senior and executive management:

Step 1: Identification

We identified the issues that could impact Abacus and our stakeholders. An initial list of material issues was collated using a range of inputs including:



Step 2: Prioritisation

A materiality workshop was held with a cross section of Abacus' employees to identify additional issues, and each issue was prioritised by rating its significance to our stakeholders and potential impact to Abacus.

Step 3: Validation

Following the materiality workshop, the material issues were socialised with the wider Group to confirm results.

We have prioritised the material issues by considering the significance of Abacus' economic, environmental, and social impacts and influence on the assessments and decisions of our stakeholders. The table below outlines our material issues against corresponding GRI Material Issues, where it is appropriate. We have also indicated for each

issue whether the primary impact occurs internally or externally to our business, and listed the section of the report where we have discussed each issue in further detail including our management approach.

| MATERIAL ISSUE | DEFINITION | GRI MATERIAL ISSUE | KEY STAKEHOLDERS IMPACTED | RELEVANT SECTION IN THIS REPORT |
|--|--|---|--|---|
| Health and safety of our people and customers | Relates to policy and management systems to ensure the health and safety of employees, contractors and customers | Occupational Health & Safety | <ul style="list-style-type: none"> – Employees and contractors – Customers including tenants | Our Material Issues – Health and safety of our people and customers |
| Tenant attraction and retention | Relates to the ability to attract and retain tenants as a result of high levels of tenant satisfaction due to the value for money of the physical infrastructure coupled with the quality of service received | Organisation-specific | <ul style="list-style-type: none"> – Customers including tenants – Securityholders and investment community | Our Material Issues – Tenant attraction and retention |
| Governance and risk | Relates to compliance with relevant legal requirements and regulations, governance structure and composition of the organisation | Compliance; Environmental Compliance; Anti-corruption | <ul style="list-style-type: none"> – Government and regulators | Our Material Issues – Governance and risk |
| Responsible resource management | Consideration of the risks, opportunities and impacts of energy use, emissions and water use | Energy; Emissions; Water | <ul style="list-style-type: none"> – Community – Securityholders and investment community – Customers including tenants | Our Material Issues – Responsible resource management |
| Employee engagement and motivation | Relates to investment in motivation strategies to ensure employee satisfaction and contribution, while also managing employee turnover rates. This includes employee training, development, diversity and inclusion strategies | Employment Diversity & equal opportunity | <ul style="list-style-type: none"> – Employees and contractors | Our Material Issues – Employee engagement and motivation |
| Financial performance and market volatility | Consideration of broader economic, social and governance principles in the context of financial performance and the investment process | Economic Performance | <ul style="list-style-type: none"> – Employees and contractors – Customers including tenants – Community – Government and regulators – Securityholders and investment community | Our Material Issues – Financial performance and market volatility |
| Stakeholder engagement | Two way engagement with stakeholders to understand their expectations and key concerns | Captured under General Standard Disclosure – Stakeholder Engagement | <ul style="list-style-type: none"> – Employees and contractors – Securityholders and investment community | Our Approach – Engaging with our stakeholders |

ENGAGING WITH OUR STAKEHOLDERS

Why this is important to Abacus?

At Abacus, we regard stakeholder engagement as fundamental in the process of understanding the breadth of our impacts both within our business and across our value chain. We are committed to engaging openly, honestly and at regular intervals to understand the expectations and concerns of our stakeholders. The importance of our commitment is reflected in the results of our materiality assessment, with stakeholder engagement rated as of high importance to our stakeholders and business.

We define our stakeholders as Abacus securityholders, investors in Abacus investment products and entities or individuals who have rights under Australian law and we have committed to ongoing communication with our stakeholders on environmental, social and governance issues.

Our stakeholders include employees and contractors, securityholders and the investment community, customers including tenants, government and regulators. The table below contains the key mechanisms for engagement in FY17.

Engagement has helped us gain a good understanding of the views and expectations of our stakeholders, and the risks and opportunities these create – both now and in the future.

On an annual basis we complete a materiality assessment which is informed by management information collected during the year from the stakeholder engagement process. This is outlined in the following section and includes a summary of the concerns and interests for various stakeholder groups.



To further support this process, we offer a dedicated point of contact for each stakeholder group where feedback is collated and reviewed. Each contact reviews key points raised by stakeholder groups and these issues feed into the materiality assessment performed on an annual basis.

IMAGE: LUMINARY residential development, Hawthorn VIC

| OUR STAKEHOLDERS | WHY IS THIS IMPORTANT? | MODES OF ENGAGEMENT |
|--|--|--|
| Employees and contractors | We have a strong commitment to our people and focus on providing a safe, healthy and productive work environment. We understand that creating a diverse and inclusive environment is essential to attracting and maintaining talent. | <ul style="list-style-type: none"> – Post results staff presentations – Access to training and further education opportunities – Performance development planning and succession planning – Contractors engagement including prequalification |
| Securityholders and the investment community | Given our diversified business, we have a range of investors with diverse interests. We ensure that trade in Abacus securities takes place in an efficient and informed manner through commitment to continuous disclosure rules and commitment to ensuring accurate and timely communications with securityholders. | <ul style="list-style-type: none"> – Our Investor Relations team is available for all investment enquires. We keep investors informed of Group performance on a consistent basis via investor briefings on our strategy and financial results – Compliance with Abacus' Continuous Disclosure and Securityholder Communication Policy and the ASX Listing Rules – Annual General Meeting – ASX Announcements – Property roadshows – meeting with investors locally, regionally and internationally – Face to face meetings |
| Customers including tenants | We encourage two way communication with our customers, including tenants. | <ul style="list-style-type: none"> – Regular updates and interaction with property agents to understand tenant needs and trends in the marketplace – Regular face to face meetings and phone calls with tenants |
| Government and regulators | We acknowledge that political and regulatory changes can affect our business. We are committed to compliance with applicable Australian Law. | <ul style="list-style-type: none"> – Active member in industry associations including Property Council of Australia, Australian Property Institute, Financial Services Institute of Australasia, Governance Institute of Australia – Dedicated legal and compliance teams |
| Community | We know that our properties are built in communities and that there is an essential need for community engagement. | <ul style="list-style-type: none"> – Corporate Philanthropic Committee – Provision of free space at our retail centres to community groups – Donation matching – Support for employee charitable undertakings |

FY17 priorities and performance

| FY17 PRIORITIES | STATUS | FY17 PERFORMANCE |
|--|--------|--|
| Deliver an improved Sustainability Report that incorporates the GRI Standards: Core option | ✓ | Informed by our consultation with stakeholders, our inaugural Sustainability Report "in accordance" with the GRI Standards: Core option was produced. |
| Improve engagement between employees and senior management | ✓ | Abacus held a number of group meetings which allowed employees to engage with the Managing Director and be updated on the Group. Over 90% of staff attended a meeting with the Managing Director during the year. We also have continual training programs which meets the requirements of individual employees. |

Future priorities

- Obtain feedback from stakeholders on the inaugural Sustainability Report to inform future Sustainability Reports
- Expand our employee engagement to encompass an employee engagement survey
- Investigate enhancements we can make to tenant engagement

✓ Achieved

⚙ In progress

HEALTH & SAFETY
OF OUR PEOPLE AND
CUSTOMERS

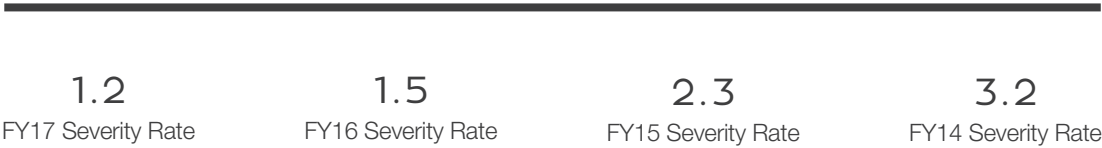
Why is this Material Issue
important

At Abacus, the health and safety of our people and those affected by our undertaking are of high importance to us. We consciously recognise the fundamental right that each member of staff and visitors to any of our workplaces are entitled to return home in the same condition that they originally arrived in. Through the application of our WHS principles, we are committed to provide, so far as reasonably practicable, a safe and healthy working environment for all employees, contractors, customers and visitors.

Our WHS vision is simple:

"We aim to achieve zero harm in the workplace through the application of risk management principles, effective stakeholder engagement, and continuously improving our systems of work and organizational practice to empower all staff to work safely".

Over recent years, significant work has been completed portfolio-wide to ensure all assets comply with the relevant state/territory requirement and to improve the assets operationally. Stemming from this process we have established a comprehensive risk profile for our operations as well as defined "minimum" and "optimum" operating standards as relevant to the asset or workplace lifecycle.



Severity rate is the average time lost per occurrence of injury/disease.

Our material
issues

Our approach to managing

Our FY15-FY20 WHS Strategic Plan provides a planned and quantifiable approach for the management of WHS across Abacus' operations. This year, our primary risk profile remains mostly unchanged. Our key WHS risk areas are organic in source and are primarily the result of:

- A large specialised labour base
- Complex consortia and structures in asset management
- A diverse portfolio and geographic composition
- Assets with large public areas or significant interface with other parties
- An evolving industrial and statutory landscape

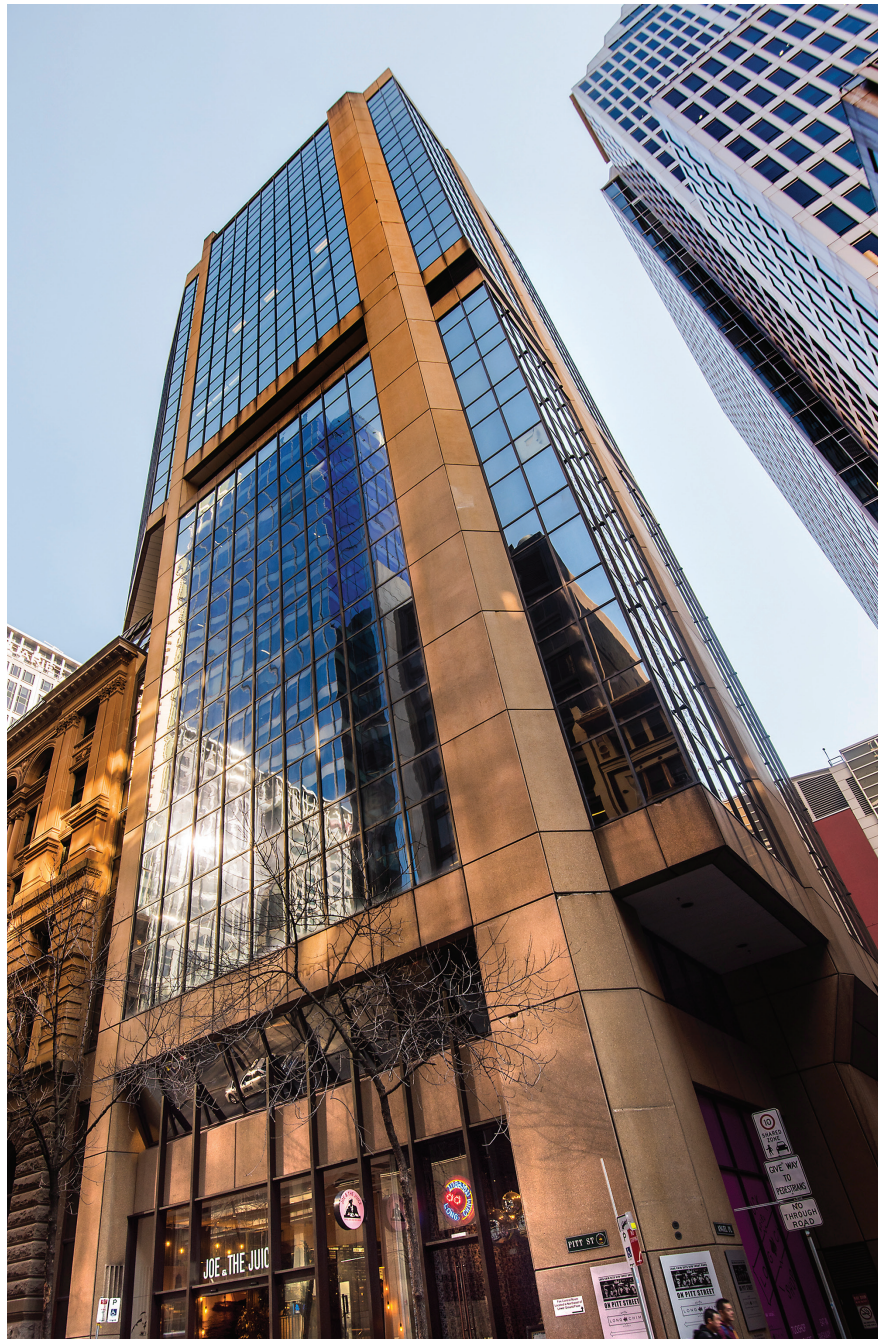
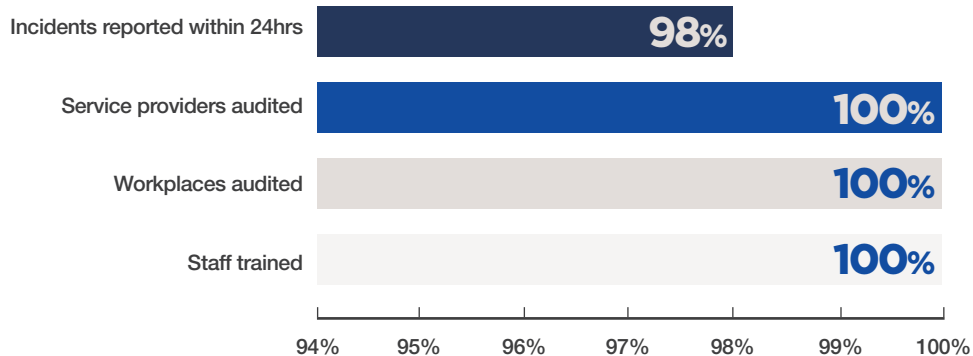


IMAGE: 14 Martin Place, Sydney NSW

Health and Safety Performance Highlights



In FY17, key opportunities for improvement were considered in line with industry and regulatory trends.

We focused on the following initiatives:

Migration to an enhanced Contractor Management System:

Abacus has a responsibility to ensure that all workers are adequately resourced to manage health and safety. Since migrating to the new online system, all service providers have been subject to comprehensive audits including reviews of their WHS management systems, compliance with Abacus' WHS standards, as well as observation of works at site level.

Expansion of Risk Management System:

Customisation of licenced software enabling recording,

investigation, interrogation, and actioning of risk and compliance matters across the portfolio. Upgrade to software also permits access from any internet-connected device for real-time action.

WHS training: Abacus delivered training focused on encouraging our people to report WHS incidents across all of Abacus' operations. All operational employees were captured in this training program involving 622 training hours on-the-job. With the appropriate tools and training in WHS reporting, our workers have the knowledge and tools to communicate any hazards, near misses and incidents.

FY17 priorities and performance

| FY17 PRIORITIES | STATUS | FY17 PERFORMANCE |
|--|--------|---|
| Decreased Abacus' annual severity rate | ✓ | Abacus' severity rate decreased from 1.5 in 2016 to 1.2 in FY17. This was due to a positive reporting culture, increased and on-time reporting permitted the early intervention halting injury exacerbation |
| Improved safety incident reporting culture across Abacus' operations | ✓ | Improved culture of incident reporting Incident reporting increased by 26% compared to prior year |
| Review of Abacus' WHS management system standards | ✓ | Review of WHS Standards within the Abacus WHS Management System completed |

Future priorities

- Further ongoing monitoring and improvement in line with the FY15-FY20 WHS Strategic Plan
- Wider focus upon our supply chain, improved disclosure and reporting from partners in supply chain
- Implementation of site-based technology to assist in contractor and visitor management

✓ Achieved

⚙ In progress

TENANT ATTRACTION & RETENTION

Why is this Material Issue important

At Abacus, the core of our strategy is to create value through tenant attraction and retention. We understand that tenant attraction and retention contributes to:

- Sustainable cash flow for security holder distributions
- Reduced cost of leasing fees and new tenant incentives
- Higher recovery of outgoings
- Reduced vacancy losses
- Improved valuations where vacancy is reduced and /or the calibre of tenant is improved
- Lower turnover of tenants generally means lower costs of refurbishment

Tenants are constantly evolving in terms of how they use space and their expectations of property. Because of this, each property is subject to an investment review at the time of acquisition. At acquisition, Abacus considers the lease up required of the building and determines what strategies will be applied to achieve a better outcome. This may range from a combination of refurbishment (floors, bathrooms, foyer, end of trip facilities), improving environmental standards, upgrade of mechanical services and changes to marketing approach, subdivision of floors, fitted out suites, resetting rental rates/ increased incentive. These strategies are all aimed at increasing the attraction of our properties to existing and potential tenants.

Our approach to managing

This year, the Executive team conducted a strategic review of all our assets including mapping key priorities and actions for each asset. A key point covered included potential opportunities to improve resource efficiency.

We strive to offer well maintained, well located Australian property for our tenants. Capital works are undertaken to maintain or improve the value of assets and ultimately, to attract or retain tenants.

Our 90.5% occupancy rate demonstrates a strong demand for well located assets, particularly within the CBD office sector.

We aim to retain tenants where possible through timely responses to requests.

Across our portfolio, various strategies are employed to attract and retain tenants. This reflects our diversified portfolio and active management of each property. We commit to taking advantage of our specialist knowledge and market decisions to develop our assets. Some highlights in our FY17 property portfolio include:



51 ALLARA STREET, CANBERRA
(Abacus share 100%)

- Refurbished this building to retain a Commonwealth Government tenant. As a result, this building is now 5 star NABERS rating.
- Facilitated the development and construction of a 50 place childcare centre and exclusive use by tenants.

Book value:
\$50 – \$60m

Cap rate:
7.75%

WALE:
4.0 years

Lettable area:
13,255 sqm

Site area:
3,973 sqm

Major tenant:
Department
of Environment



32 WALKER STREET, NORTH SYDNEY
(Abacus share 25%)

- Maintained high occupancy by renewing leases with existing tenants, allowing tenants to expand or contract their space as business demands changed.
- Developed open and flexible relationships with tenants. For example, a tenant wanted to stay in the building but did not need a whole floor. We identified another tenant to take a part of the floor, thus minimising costs for both the tenant and landlord. We have also allowed tenants to vacate early when their circumstances change, provided a new tenant is secured.

Book value:
\$0 – \$20m

Cap rate:
6.50%

WALE:
2.6 years

Lettable area:
6,520 sqm

Site area:
601 sqm

Major tenant:
Toll Holdings, Kamrak
and Kelly Partners



BACCHUS MARSH VILLAGE SHOPPING CENTRE, BACCHUS MARSH, VICTORIA (Abacus share 100%)

- Acquisition strategy evolved around a major refurbishment and utilisation plan with the centre suffering from a lack of capital expenditure while the site also provided surplus land for development.
- We acquired the property in 2013 and have subsequently delivered on the expansion and refurbishment program through adding over 1,000sqm of additional NLA of new and expanded tenancies. The refurbishment was welcomed by existing tenancies while also providing a strong attraction to new national tenants.

Book value:
\$60 – \$70m

Cap rate:
6.50%

WALE:
7.5 years

Lettable area:
16,148 sqm

Site area:
42,550 sqm

Major tenant:
Coles, ALDI and Target Country



WORLD TRADE CENTRE, MELBOURNE (Abacus share 17.5%)

- Major French firm with strong covenant renewed over 8,500sqm, provided the we undertook refurbishment work on its tenancy and provided an incentive to allow tenant to upgrade.
- We previously upgraded the mechanical and fire services to improve tenant experience and reduce outgoings. In addition, we provided ‘churn’ space to allow the orderly progression of fit out.

Book value:
\$10 – \$30m

Cap rate:
7.25%

WALE:
4.5 years

Lettable area:
49,896 sqm

Site area:
14,087 sqm

Major tenants:
Victoria Police, Thales

FY17 priorities and performance

| FY17 PRIORITIES | STATUS | FY17 PERFORMANCE |
|---|--------|---|
| Abacus aims to maintain a Weighted Average Lease Expiry (WALE) of at least 3 years over its commercial property portfolio | ✓ | 4.1 year WALE over Abacus' commercial property portfolio |
| Abacus aims to maintain an occupancy rate of at least 90% over its commercial property portfolio | ✓ | 90.5% occupancy rate across Abacus' commercial property portfolio |
| Abacus aims to renew leasing arrangements due for renewal that results in a mutually beneficial outcome for Abacus and other parties involved | ✓ | 41,963 total sqm of leases renewed |

Future priorities

- Targeting to maintain comparable WALE at or above 4.1 years across Abacus' commercial property portfolio
- Targeting to maintain occupancy at or above 90.0% across Abacus' commercial property portfolio
- Targeting to maintain occupancy at or above 85.0% across Abacus' self-storage portfolio
- Enhancement of end of trip facilities and other property upgrades at selected properties during FY18 as a means for further improving tenant engagement

 Achieved

 In progress

GOVERNANCE & RISK

Why is this Material Issue important for Abacus?

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.

Our approach to managing

Abacus' approach to the management of governance and risk matters is underpinned by our corporate governance framework which is aligned to the ASX Corporate Governance Council Principles of Good Corporate Governance. Further information on our compliance with the ASX Corporate Governance Council Principles of Good Corporate Governance is included in our FY17 Corporate Governance Report within our Annual Reporting Suite.

We strive to manage risks and opportunities across our business and within this framework, in a way that best addresses the long term prosperity of our stakeholders.

We believe that integrating sustainability issues into our investment decision making and business operations is congruent with the responsibility we have to our stakeholders. Our key charters and policies include:

- Code of Conduct
- Performance evaluation policy
- Business risk management policy
- Continuous disclosure and securityholder communication policy
- Trading policy
- Privacy policy

- Sustainability and Environmental Policy
- Diversity and inclusion policy
- Board Charter
- Nomination and Remuneration Committee Charter
- Audit and Risk Committee Charter

Our suite of publicly available policies are available at our Corporate Governance page on the Abacus property Group website at www.abacusproperty.com.au

Sustainability Governance

At Abacus, our sustainability commitment is a whole business responsibility. Sustainability governance extends from the Board down through to the Sustainability Management Committee, management and our employees. Our Sustainability Management Committee, with representation from Abacus' executives meets on a biannual basis and continues to play a significant role in ensuring that sustainability risks and opportunities are considered and managed in a proactive manner.

Sustainability and Environmental Policy

In July 2017, the Board approved the Sustainability and Environmental Policy that includes Abacus' key priorities and commitments. We refreshed our commitments, to include a stronger focus on the breadth of our sustainability reporting. Our refreshed Policy covers aspects such as stakeholder engagement, building efficiency and workplace health and safety.

Code of Conduct

Our Code of Conduct sets out the principles and ethical values we want to uphold. During FY17, we reviewed the Code of Conduct to reinforce the importance of sustainability related values and to further strengthen health and safety expectations for our employees.

ZERO

significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

ZERO

significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations

FY17 priorities and performance

| FY17 PRIORITIES | STATUS | FY17 PERFORMANCE |
|---|--------|---|
| Enhanced sustainability governance process | ✓ | The Sustainability Management Committee is responsible for monitoring and providing advice on our sustainability approach and strategy. Sustainability is discussed six monthly or more frequently as circumstances dictate. |
| Completion of the Nexus Payable Finance online invoice system process improvement project | ✓ | During FY17 Abacus introduced a single software solution Nexus payable which is an online paperless accounts payable system. The introduction of this system has improved the control environment surrounding our financial reporting and overall governance processes. |
| Key policy review | ✓ | Review and updating of the Sustainability and Environmental Policy, Code of Conduct and Diversity and Inclusion Policy was completed during FY17. Board approval provided in July 2017. |

Future priorities

- Review of the Breach Policy to include data breach response plans and process improvements for compliance with Mandatory Data Breach notification in February 2018
- Review of the Business Risk Management Policy, Risk Management Framework, The Compliance Plan and completion of enhanced risk reporting in line with ASIC Regulatory Guide 259 'Risk Management Systems of Responsible Entities'

✓ Achieved

⚙ In progress

RESPONSIBLE RESOURCE MANAGEMENT

Why is this Material Issue important

As the owner of a diversified property investment portfolio of office, self-storage, industrial and retail properties as well as a property developer, we acknowledge the built environment impacts on Australia's emissions and wider resource consumption profile. We recognise that we are well positioned to positively impact the resource consumption of our buildings through efficient property management and development and upgrade of buildings which

incorporate more efficient plant and equipment. We also recognise that responsible management of our buildings will also contribute to capital appreciation of those buildings over time.

Our approach to managing

When we invest in properties we seek to balance the short term and long term interest of our building strategies. Typically when a property is acquired a full assessment of the property is completed that may entail both functional upgrades and cosmetic changes.

A key way in which we manage this is monitoring energy and water consumption data across all properties which we have operational

control over. This process enables us to determine whether we are exceeding the reportable facility and corporate group thresholds under the National Greenhouse and Energy Reporting Act 2007 (NGER Act). We note that in the current year, consistent from prior years, we have not exceeded the reportable NGER thresholds. This process also allows us to assess consumption and upgrade mechanical services before lifecycle replacement (including control systems, air conditioning chillers, boilers, pumps and cooling towers), which in turn improve environmental and financial outcomes of our assets.

In FY17, we have continued to make progress on reducing our greenhouse gas emissions, energy use and water consumption. Key drivers for these reductions include the introduction of real time monitoring software to enable better management of resources in our buildings.

14%
REDUCTION
in energy intensity

8%
REDUCTION
in Scope 1 and Scope 2 emissions

6%
REDUCTION
in water consumption

Our office portfolio is also rated annually under the National Australian Built Environment Rating System (NABERS) for energy and water. Across the properties within our portfolio that are consistent in the last few years, we have made improvements in the NABERS ratings as highlighted in the table on the following page.

NABERS ratings across our properties from FY16-FY17

| PROPERTY | ENERGY FY17 | ENERGY FY16 | WATER FY17 | WATER FY16 |
|---------------------------------------|-------------|-------------|------------|------------|
| 21/27 Grant Street Port Macquarie NSW | 4.5 | 4.0 | 4.0 | 2.5 |
| 4 Martin Place Sydney NSW | 3.5 | 3.0 | 2.5 | 2.5 |
| 32 Walker Street Nth Sydney NSW | 4.0 | 3.5 | 0 | 0 |
| 14 Martin Place Sydney NSW | 3.5 | 3.5 | 2.5 | 3.0 |
| 201 Pacific Hwy St Leonard NSW | 3.5 | 3.0 | N/A | N/A |
| 12 Short Street Southport QLD | 0 | 0 | 5.0 | 4.5 |
| 1 Bellvue Drive Varsity Lakes QLD | Exempt | Exempt | Exempt | Exempt |
| 169 Varsity Parade Varsity Lakes QLD | 4.0 | 4.0 | 4.0 | 3.5 |
| 180 Queen Street Brisbane QLD | Exempt | Exempt | Exempt | Exempt |
| 33 Queen Street Brisbane QLD | 3.0 | 0 | 0 | 2.0 |
| 444 Queen Street Brisbane QLD | 1.5 | | N/A | |
| 324 Queen Street Brisbane QLD | 3.0 | | 3.5 | |
| 51 Allara Street Canberra ACT | 5.0 | 5.0 | 4.5 | 4.5 |
| 99 Bathurst Street Hobart TAS | 4.5 | 4.5 | N/A | N/A |
| 91 King William Street Adelaide SA | 4.5 | 4.0 | 2.5 | 2.5 |
| 710 Collins Street Melbourne Vic | Exempt | Exempt | Exempt | Exempt |



22 EDGEWORTH DAVID AVE, HORNSBY

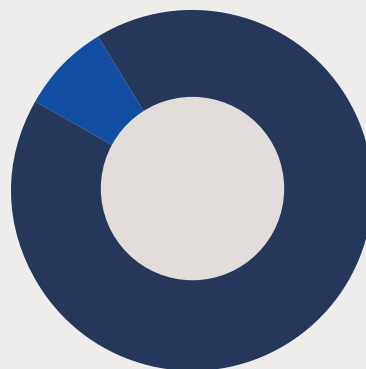
Car Park & Fire Stair Lighting Upgrade

Abacus sought an independent contractor to deliver lighting upgrades in 2017 across the property's car park and fire stair premises through the installation of intelligent LED lighting solutions.

Prior to the upgrade, the lighting within the car park consisted of fluorescent batten lighting with no controls operating 24/7.

Post upgrade, Chamaeleon light was inserted to operate on full light output when a presence is detected in the area, before gradually fading to standby light output.

As a result, 34,245 kWh pa of energy was saved.



92%

of energy saved

34,245 kWh pa
Energy Saved

\$21,448 Savings
over 10 years

FY17 priorities and performance

| FY17 PRIORITIES | STATUS | FY17 PERFORMANCE |
|---|--------|---|
| Improve the resource consumption efficiencies across our property portfolio through the selection of energy efficient infrastructure at the time of refurbishment | ✓ | Upgrade of mechanical service at World Trade Centre Melbourne, including new cooling towers, chillers and heating boilers. Upgrade of mechanical services at Oasis Shopping Centre Gold Coast |
| Reduce energy consumption and emissions across our portfolio to 5% below our FY16 baseline by FY19 | ✓ | Due to a combination of energy efficiency initiatives and sale of assets, we achieved a 21% reduction in Scope 1 emissions, and a 7% reduction in Scope 2 emissions with an overall 8% reduction in total emissions for FY17. |
| Implement a real time data portal at a selection of properties to enable us to monitor energy consumption in real time | ✓ | Real time monitoring software in our Martin Place Building has enabled better management of resources. We plan to continue this in future years. |

Future priorities

- Maintain or improve NABERS energy and water ratings
- Improve energy efficiency across our portfolio through the increased investment in LED lighting
- Continue working towards our 2019 target of reducing energy consumption and emissions across our portfolio to 5% below our 2016 baseline

✓ Achieved

⚙ In progress

FINANCIAL PERFORMANCE AND MARKET VOLATILITY

Why is this Material Issue important

At Abacus, we take advantage of value adding opportunities that drive long term total returns and maximise securityholder value. Our investment objective is to provide our investors with reliable and increasing returns.

Alongside increasing returns, we also recognise that investors are progressively aligning their investments with their personal values. These values can include a more holistic assessment of the positive and negative environmental, social, governance and ethical impacts associated with different investment options. Beyond the positive impacts, we know that our operating activities can have a negative impact and try to minimise this, wherever possible. Other

actions and impacts include:

- Disclosing responsible investment products which allows investors to make informed decisions regarding financial investment
- Improving high value assets which supports the growth of our cities
- Creating spaces which support productivity and lifestyle improvements for our tenants
- Supporting community development via charitable donations and community partnerships

Our approach to managing

Given the heightened market volatility in the Australian market, we note that strong investment demand and weak tenant demand in some commercial markets has impacted on our approach to managing our financial performance:

Effective financial management is achieved through the responsible management of our property portfolio. We integrate the above

economic conditions within day-to-day operations in the following ways:

- We recognise that tenant attraction and retention is significant and therefore this is identified as a material issue in this Report. Our approach to managing this issue is explored in *Our Material Issues – Tenant attraction and retention*.
- Gearing is maintained at a level which matches the property portfolio and economic conditions. This is reviewed regularly to ensure it is at appropriate levels for Abacus.
- We incorporate ESG issues into decision making processes. As part of the property acquisition due diligence process, Abacus engages experts to advise on any potential sustainability risks and factors these into the acquisition decision making process
- We make available relevant information to enable property investors and tenants to apply and integrate sustainability criteria into investment and lending decisions

FY17 priorities and performance

| FY17 PRIORITIES | STATUS | FY17 PERFORMANCE |
|---|--------|---|
| Deliver an increase in underlying profit | ✓ | 51% increase in Underlying Profit in FY17 |
| Maintain recurring underlying earnings levels to cover distributions to securityholders | ✓ | 100% of distributions were covered by recurring underlying profits |
| Deliver 2-3% growth in distributions per security | ✓ | FY17 distribution per securities were 3% higher than FY16 |
| Capital allocation – manage capital allocated between investment portfolio and residential development platform | ✓ | Increased capital exposure to investment portfolio by almost 7% Reduced capital exposure to residential developments by over 10% |
| Third party capital – continued attraction of third party capital to co-invest with Abacus | ✓ | Abacus created a number of new investment partnerships in FY17 acquiring over \$200 million of assets with investment partners Investec and Gaw Capital |

Future priorities

- Continue to maintain recurring earnings levels to support distribution growth
- Deliver distribution per security growth of 2-3% pa
- Manage exposure to residential developments
- Third party capital – continue to grow the third party capital platform of relationships and assets under management

✓ Achieved

⚙ In progress

EMPLOYEE ENGAGEMENT AND MOTIVATION

Why is this Material Issue important

Cultivating a collaborative and engaging environment that empowers people to contribute is critical to the delivery of our business goals. At Abacus, we empower our employees to take initiative and attract people who want to take on responsibility and make a difference. Our flat organisational structure and open door culture supports this and as a business, this allows us to adapt quickly, respond to change and innovate.

“We have a Can Do Culture here – we ask all our employees to think, innovate and utilise their strengths at work”

– Frank Wolf, Managing Director

Abacus recognises the benefits arising from employee and board diversity and creating an inclusive environment. Diversity includes, but is not limited to, gender, age, ethnicity, sexual preference, religious and cultural background. We know that diversity engenders a broader pool of high quality employees, improvement in employee retention and access to different perspectives. Diversity and inclusion at Abacus is about a commitment to equality and including all perspectives in decision making.

12% Reduction in turnover rate in FY17 compared to FY16

58% Percentage of Abacus employees participated in the FY17 Philanthropic Program Survey



Our approach to managing

We support the following initiatives:

- Learning and talent development. We encourage employee development and this includes access to internal and external training aligned to key responsibilities
- We encourage employees to share time and expertise in philanthropic activities
- Flexible work arrangements, where appropriate
- Performance feedback and reward
- Social events

For more information, please refer to the Abacus Diversity and Inclusion Policy – available online at our Corporate Governance page on the Abacus Property Group website at www.abacusproperty.com.au

IMAGE: Abacus employees enjoying a day volunteering at the Royal Institute for Deaf and Blind Children

Community Investment at Abacus

At Abacus, investing in the communities in which we operate is a core component of our culture and a key way in which we engage our employees. During the FY17 period, we conducted a philanthropic program survey across our employees to understand community activities of interest to them. The results, which now form our current philanthropic program, include staff team volunteer days, dollar for dollar matching on staff donation drives and corporate sponsorships with charitable organisations.

Key highlights from the FY17 period include:

- We entered into an arrangement with the Royal Institute for Deaf and Blind Children (RIDBC) recognising our shared values and culture. As part of this arrangement, our team of 18 volunteers assisted teachers, students and volunteers with the Open Day, Harmony Day and Family Day celebrations at the RIDBC. We look forward to collaborating further with RIDBC in FY18
- Abacus matched dollar for dollar on staff donations for the RACQ International Women's Day Fun Run, organised by the Mater Chicks in Pink, raising funds for breast cancer research. A total of \$2,310 was raised through donations by employees and Abacus

- Abacus supported the Hang it Up for Poverty event, organised by Knight Frank and Uniting Care, by providing free utilisation of vacant space at Westpac House

For the past two years, Abacus has averaged \$15,000 per annum in total community investment expenditure, with FY17 expenditure totalling \$11,550. Going forward, our Corporate Philanthropy Committee will be focused on increasing this level of investment and continuing to identify opportunities to engage in meaningful partnerships with not-for-profit organisations that meet our philanthropic program objectives.

FY17 priorities and performance

| FY17 PRIORITIES | STATUS | FY17 PERFORMANCE |
|--|--------|--|
| Extended Diversity to include inclusivity | ✓ | Our 'Diversity and Inclusion Policy' was updated to reference 'inclusion'. |
| Set up a Corporate Philanthropic Committee | ✓ | The Corporate Philanthropic Committee was established this year and this has played a part in educating employees on the many ways they and the Group can contribute to the community through charitable donations and other activities. |

Future priorities

- Nomination and Remuneration Committee to review, approve and monitor key diversity and inclusion metrics including metrics which review governance, management representation, career progression, parental leave and recruitment
- Further embed Philanthropic Committee and improve participation rate from prior year including Board commitment to future philanthropic activities

✓ Achieved

⚙ In progress

GRI

index

| GRI STANDARD | DISCLOSURE | PAGE NUMBER(S) AND/OR URL(S) | OMISSION |
|------------------------------|---|--|--|
| | | | PART OMITTED AND EXPLANATION |
| General Disclosures | | | |
| GRI 102: General Disclosures | 102-1 Name of the organization | p.6 | |
| | 102-2 Activities, brands, products, and services | p.6 | |
| | 102-3 Location of headquarters | p.6 | |
| | 102-4 Location of operations | p.6 | |
| | 102-5 Ownership and legal form | p.6 | |
| | 102-6 Markets served | p.6 | |
| | 102-7 Scale of the organization | p.6 | |
| | 102-8 Information on employees and other workers | pp.30, 38-41 | |
| | 102-9 Supply chain | Abacus is committed to buying and hiring local based contractors whenever possible, we believe that working with local suppliers and contractors reduce transport resources use and costs. | |
| | 102-10 Significant changes to the organization and its supply chain | No significant changes. | |
| | 102-11 Precautionary Principle or approach | N/A | Abacus does not explicitly reference the precautionary approach in it's risk management framework. In day to day operations we employ sound risk management practices in line with Australian Risk Management Standard AS/NZ 4360:2004 |
| | 102-12 External initiatives | Property Council of Australia | |
| | 102-13 Membership of associations | p.13 | |
| | Strategy | | |
| | 102-14 Statement from senior decision-maker | p.4 | |
| | Ethics and integrity | | |
| | 102-16 Values, principles, standards, and norms of behaviour | p.18 | |
| | Governance | | |
| | 102-18 Governance structure | p.18 | |

| GRI STANDARD | DISCLOSURE | PAGE NUMBER(S) AND/OR URL(S) | OMISSION |
|------------------------------|---|--|---|
| | | | PART OMITTED AND EXPLANATION |
| GRI 101: Foundation 2016 | | | |
| General Disclosures | | | |
| GRI 102: General Disclosures | 102-40 List of stakeholder groups | p.15 | |
| | 102-41 Collective bargaining agreements | Zero employees on collective bargaining agreements | |
| | 102-42 Identifying and selecting stakeholders | p.14 | |
| | 102-43 Approach to stakeholder engagement | p.14 | |
| | 102-44 Key topics and concerns raised | p.12-13 | |
| | Reporting practice | | |
| | 102-45 Entities included in the consolidated financial statements | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) | |
| | 102-46 Defining report content and topic Boundaries | p.13 | |
| | 102-47 List of material topics | p.13 | |
| | 102-48 Restatements of information | N/A | No restatements of information from previous reporting periods. |
| | 102-49 Changes in reporting | N/A | This is the first year that Abacus has reported material topics and topic boundaries. |
| | 102-50 Reporting period | p.1 | |
| | 102-51 Date of most recent report | p.1 | |
| | 102-52 Reporting cycle | p.1 | |
| | 102-53 Contact point for questions regarding the report | p.1 | |
| | 102-54 Claims of reporting in accordance with the GRI Standards | p.1 | |
| | 102-55 GRI content index | pp.32-33 | |
| | 102-56 External assurance | N/A | We have not sought external assurances over the content of this report. |

Performance metrics

We have reported our performance against indicators that are strategically relevant to our business. Where available, historical comparisons are included to show trends in our performance over time

Health and Safety of our people and customers

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE |
|---|------------------|
| Management Approach | |
| Explanation of the material topic and its Boundary | pp.16-18 |
| The management approach and its components | pp.16-18 |
| Evaluation of the management approach | pp.16-18 |
| Topic Specific Disclosures | |
| 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | pp.34-35 |

Injury frequency rates related to employees

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | | FY16 PERFORMANCE |
|--|------------------|--------|------------------|
| | Male | Female | All Genders |
| Total standard employee hours worked | 103,625 | 82,119 | 181,792 |
| Total overtime hours worked | 0 | 0 | 0 |
| Number of lost-time injuries | 0 | 0 | 1 |
| Lost time injury frequency rate | 0 | 0 | 0 |
| Number of injuries requiring medical treatment | 0 | 0 | 1 |
| Medical treatment injury frequency rate | 0 | 0 | 0 |
| Number of first aid injuries | 0 | 0 | 2 |
| Injury frequency rate | 0.036 | 0 | 0.043 |
| Number of occupational diseases | 0 | 0 | 0 |
| Occupational disease rate | 0 | 0 | 0 |
| Number of lost days | 0 | 0 | 1 |
| Lost day rate | 0 | 0 | 0.01 |

Injury frequency rates related to employees continued

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | | FY16 PERFORMANCE |
|-----------------------------------|------------------|--------|------------------|
| | Male | Female | All Genders |
| Number of work-related fatalities | 0 | 0 | 0 |

Health and safety FY16 data is not broken down by gender because of system changes

Omission of data as related to injury frequency rates related to employees including number of absentee incidents and absentee rate due to an existing non-disclosure agreement

Injury frequency rates related to contractors

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | | FY16 PERFORMANCE |
|--|------------------|--------|------------------|
| | Male | Female | All Genders |
| Number of lost-time injuries (Australia) | 1 | 5 | 15 |
| Number of lost-time injuries (New Zealand) | 0 | 0 | 0 |
| Number of injuries requiring medical treatment (Australia) | 2 | 2 | 15 |
| Number of injuries requiring medical treatment (New Zealand) | 0 | 0 | 0 |
| Number of first aid injuries (Australia) | 14 | 40 | 78 |
| Number of first aid injuries (New Zealand) | 2 | 3 | 6 |
| Number of work-related fatalities (Australia) | 0 | 0 | 0 |
| Number of work-related fatalities (New Zealand) | 0 | 0 | 0 |

Health and safety FY16 data is not broken down by gender because of system changes

Omission of data as related to injury frequency rates related to contractors (Australia and New Zealand) including total hours worked, lost injury frequency rate, medical treatment injury rate, first aid injury frequency rate due to an existing non-disclosure agreement

Tenant attraction and retention

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE |
|--|------------------|
| Management Approach | |
| Explanation of the material topic and its Boundary | p.19 |
| The management approach and its components | pp.20-22 |
| Evaluation of the management approach | pp.20-22 |

Governance and risk

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE |
|--|------------------|
| Management Approach | |
| Explanation of the material topic and its Boundary | pp.22-23 |
| The management approach and its components | pp.22-24 |
| Evaluation of the management approach | pp.22-24 |
| Topic Specific Disclosures | |
| 419-1 Non-compliance with laws and regulations in the social and economic area | p.36 |
| 307-1 Non-compliance with environmental laws and regulations | p.36 |

Non compliance with laws and regulations

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | FY16 PERFORMANCE |
|--|------------------|------------------|
| Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. | Nil | Nil |
| Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. | Nil | Nil |

Responsible resource management

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE |
|--|------------------|
| Management Approach | |
| Explanation of the material topic and its Boundary | p.25 |
| The management approach and its components | pp.25-28 |
| Evaluation of the management approach | pp.25-28 |
| Topic Specific Disclosures | |
| 302-1 – Energy consumption within the organisation | p.37 |
| 302-3 – Energy intensity | p.37 |
| 303-1 – Water withdrawal by source | p.37 |
| 305-1 – Direct (Scope 1) GHG emissions | p.37 |
| 305-2 – Energy indirect (Scope 2) GHG emissions | p.37 |

Energy consumption

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | FY16 PERFORMANCE |
|---------------------------------------|------------------|------------------|
| Energy use from Fuels (GJ) | | |
| Stationary energy – Natural Gas | 23,395 | 42,478 |
| Stationary energy – Diesel | 3,338 | 0 |
| Stationary energy – LPG | 0 | 208 |
| Total Energy Consumption – Fuels (GJ) | 26,733 | 42,686 |
| Energy consumption – Electricity (GJ) | 112,659 | 116,119 |
| Total energy consumption (GJ) | 139,392 | 158,805 |

Energy intensity

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | FY16 PERFORMANCE |
|--|------------------|------------------|
| Energy use per square metre of gross lettable area (MJ/m(2)) | 401 | 466 |

Emissions

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | FY16 PERFORMANCE |
|--|------------------|------------------|
| Carbon emissions (scope 1) associated with energy consumed (t CO(2)-e) | 2,103 | 2,656 |
| Carbon emissions (scope 2) associated with energy consumed (t CO(2)-e) | 24,194 | 25,978 |
| Carbon emissions (scope 1 and scope 2) associated with energy consumed (t CO(2)-e) | 26,297 | 28,634 |

Water Consumption

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | FY16 PERFORMANCE |
|---------------------------|------------------|------------------|
| Water consumption (KL) | 244,475 | 261,298 |

As stated in the Sustainability and Environmental Policy, 'pursuing cost effective and efficient use of energy, water and waste reduction' forms one of Abacus' sustainability commitments. This year 'waste' was not assessed as a material topic but will be considered during our annual materiality assessment.

Employee engagement and motivation

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE |
|--|------------------|
| Management Approach | |
| Explanation of the material topic and its Boundary | pp.30-31 |
| The management approach and its components | pp.30-31 |
| Evaluation of the management approach | pp.30-31 |
| Topic Specific Disclosures | |
| 401-1 – New employee hires and employee turnover | p.39 |
| 405-1 – Diversity of governance bodies and employees | p.40 |
| 405-2 – Ratio of basic salary and remuneration of women to men | p.41 |

Employees by employment type and gender

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | | FY16 PERFORMANCE | |
|----------------------------------|------------------|-----------|------------------|-----------|
| | Female | Male | Female | Male |
| Number of full time employees | 35 | 41 | 44 | 33 |
| Number of part time employees | 5 | 4 | 5 | 4 |
| Number of temporary employees | 2 | 8 | 2 | 8 |
| Total number of employees | 42 | 53 | 51 | 45 |

Employee turnover by gender, age group and region

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | | FY16 PERFORMANCE | |
|--|------------------|----------|------------------|----------|
| | Total Number | Rate (%) | Total Number | Rate (%) |
| Employee turnover by gender | | | | |
| Female | 3 | 7% | 11 | 24% |
| Male | 3 | 7% | 9 | 22% |
| Employee turnover by age group* | | | | |
| Under 30 years old | 1 | – | 5 | – |
| 30-50 years old | 5 | – | 13 | – |
| Over 50 years old | 0 | – | 2 | – |
| Employee turnover by region | | | | |
| Australia | 6 | 4% | 20 | 16% |

New starters by gender and age

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | | FY16 PERFORMANCE | |
|--|------------------|-----------------------------|------------------|-----------------------------|
| | Number | Rate (% of total workforce) | Number | Rate (% of total workforce) |
| Employee new starters by gender | | | | |
| Female | 11 | 28% | 5 | 10% |
| Male | 8 | 18% | 3 | 8% |
| Employee turnover by age group* | | | | |
| Under 30 years old | 10 | – | 3 | – |
| 30-50 years old | 7 | – | 5 | – |
| Over 50 years old | 2 | – | 0 | – |
| Employee turnover by region | | | | |
| Australia | 19 | 22% | 8 | 9% |

While the number of terminations and new starters have been disclosed by age group, the respective rates for employee turnover by age group and employee new starters by age group have not been disclosed as workforce data is not captured by age group.

Percentage of individuals within Abacus' governance bodies by gender

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | | FY16 PERFORMANCE | |
|---------------------------------------|-------------------|------------------------------|-------------------|------------------------------|
| | Number of females | Percentage of total body (%) | Number of females | Percentage of total body (%) |
| Board of Directors | 1 | 17% | 1 | 17% |
| Audit and Risk Committee | 0 | 0 | 0 | 0 |
| Nomination and Remuneration Committee | 1 | 33% | 1 | 33% |
| Compliance Committee | 1 | 33% | 1 | 25% |

Percentage of individuals within Abacus' governance bodies by age group

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | | FY16 PERFORMANCE | |
|---------------------------|------------------|------------------------------|------------------|------------------------------|
| | Total number | Percentage of total body (%) | Total number | Percentage of total body (%) |
| Under 30 years old | 0 | 0% | 0 | 0% |
| 30-50 years old | 0 | 0 | 0 | 0 |
| Over 50 years old | 6 | 100% | 6 | 100% |

This data is based on the WEGA reporting period
1 April 2016 to 31 March 2017

Female salaries as a percentage of male salaries / Number across divisions

| | 2017 | | | 2016 | | |
|-----------------------------------|------------|-----------|--------------------------------|------------|-----------|--------------------------------|
| | Female No. | Male No. | % female salary to male salary | Female No. | Male No. | % female salary to male salary |
| CEO/Head of Business in Australia | 0 | 1 | N/A | 0 | 1 | N/A |
| Key management personnel | 0 | 4 | N/A | 1 | 5 | 75% |
| Other executives/General managers | 1 | 3 | 90% | 0 | 2 | N/A |
| Senior managers | 1 | 7 | 94% | 1 | 6 | 103% |
| Other managers | 5 | 6 | 84% | 3 | 6 | 82% |
| Professionals | 12 | 13 | 104% | 12 | 13 | 106% |
| Technicians and trade | 0 | 6 | N/A | 10 | 1 | 102% |
| Community and personal service | 0 | 0 | N/A | 0 | 0 | N/A |
| Clerical and administrative | 20 | 4 | 111% | 21 | 4 | 103% |
| Sales | 3 | 1 | 154% | 3 | 0 | N/A |
| Machinery operators and drivers | 0 | 8 | N/A | 0 | 7 | N/A |
| Labourers | 0 | 0 | N/A | 0 | 0 | N/A |
| Others | 0 | 0 | N/A | 0 | 0 | N/A |
| Total | 42 | 53 | N/A | 51 | 45 | N/A |

Salaries based on 'Annualised average full time equity total remuneration'.

Financial performance and market volatility

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE |
|---|------------------|
| Management Approach | |
| Explanation of the material topic and its Boundary | p.28 |
| The management approach and its components | pp.28-29 |
| Evaluation of the management approach | pp.28-29 |
| Topic Specific Disclosures | |
| 201-1 Direct economic value generated and distributed | p.42 |

Direct economic value generated and distributed

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE | FY16 PERFORMANCE |
|--|--|--|
| Direct economic value generated: Revenues (\$) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) |
| Direct economic value distributed | | |
| Operating costs (\$) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) |
| Employee wages and benefits (\$) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) |
| Payments to providers of capital (\$) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) |
| Payments to government by country (\$) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) |
| Community investments (\$) | 11,550 | 25,123 |
| Economic value retained (\$) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) | Abacus Property Group Annual Financial Report 2017 – Notes to the Financial Statements (p40) |

Stakeholder engagement

| KEY PERFORMANCE INDICATOR | FY17 PERFORMANCE |
|--|------------------|
| Management Approach | |
| Explanation of the material topic and its Boundary | p.14 |
| The management approach and its components | pp.14-15 |
| Evaluation of the management approach | pp.14-15 |

Glossary

| TERM | MEANING |
|------------------------------------|---|
| Absentee Rate | Measure of actual absentee days lost, expressed as a percentage of total days scheduled to be worked by workers for the same period |
| Boundary | Description of where the impacts occur for a material topic, and the organisation's involvement with those impacts |
| EBIT | Earnings Before Interest and Tax |
| Employee Turnover | Employees who leave the organisation voluntarily or due to dismissal, retirement or death in service |
| Environmental laws and regulations | Laws and regulations related to all types of environmental issues applicable to the organisation |
| ESG | Environmental, Social and Governance |
| 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 |
| Lost Day | Time ('days') that cannot be worked (and are thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational disease or accident |
| NDA | Non Disclosure Agreement |
| NGER | National Greenhouse and Energy Reporting Act 2007 |
| Scope 1 emissions | GHG emissions from sources that are owned or controlled by an organisation |
| Scope 2 emissions | GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organisation |
| Severity Rate | Severity rate is the average time lost per occurrence of injury/disease |
| NABERS | National Australian Built Environment Rating System |
| WALE | Weighted Average Lease Expiry |



Abacus Property Group

Level 34 Australia Square
264-278 George Street
Sydney NSW 2000

T +61 2 9253 8600

F +61 2 9253 8616

E enquiries@abacusproperty.com.au

www.abacusproperty.com.au