

Safe Sustainable Storage

Our business

We acquire, develop and operate real estate assets in European markets to enable a wide range of customers to store their goods in safe and secure locations. We also provide customers with a range of ancillary services including insurance, office space and a range of packaging materials.



3
countries



150
stores



6.47m
sq ft maximum
lettable area



650
colleagues

Safestore provides management services to, and holds a 20% equity stake in, a joint venture formed to acquire M3 Self Storage in August 2019.

Our aim

To be the no. 1 choice for self storage in each of the markets we operate.

Our purpose

To add stakeholder value by developing profitable and sustainable spaces that allows individuals, businesses and local communities to thrive.

Our people

Provide a great place to work

Our customers

Deliver a great customer experience and help customers live and grow sustainably

Our community

Benefit local communities

Our environment

Protect the planet from our activities – reduce waste and carbon emissions

Our values

Our values, created by our store teams, are the foundation of everything we do.

We love customers – we deliver much more than storage, we provide solutions that exceed our customers' expectations and we expect our people to show appreciation of our customers and their business.

We lead the way – we want people who talk with pride about Safestore, set themselves high standards and demonstrate passion for what they do.

We have great people – everyone has a key role to play within Safestore and we need people who show respect for everyone, no matter their position. Our people drive their own performance and are keen to learn from others.

We dare to be different – we want people that adapt to change and are willing to try new things. Part of daring to be different involves actively seeking feedback in order to develop new and existing skills.

We get it – we want people to be clear on our vision and goals and, in turn, know what part they play in achieving them. "We get it" is also about communicating in a clear, open and honest way to enable sound decision making.

Our sustainability strategy

Our material sustainability issues, as identified by internal and external stakeholder engagement (with colleagues, investors, customers, and local authorities) fall within four areas, which we call the "pillars" of our sustainability strategy: Our People, Our Customers, Our Community and Our Environment. Although these pillars do not fundamentally change, this year we have taken the decision to conduct a review of sustainability issues as they relate to our business to ensure we are focusing clearly on material areas and are aligned not only to our corporate goals but also the principles of the UN Global Compact. We have introduced new targets and key performance indicators ("KPIs") to better capture and report our performance across the business, which are also aligned with the UN Sustainable Development Goals ("SDGs") where

appropriate. In addition, following feedback from investors we have taken the decision to commence reporting in accordance with EPRA's (European Public Real Estate Association) latest recommendations: Best Practice Recommendations on Sustainability Reporting, sBPR, third version September 2017. These recommendations are also aligned with the latest Global Reporting Initiative ("GRI") standards. We intend to report sustainability indicators for the subset of the 28 EPRA sBPR performance measures that are relevant to our business. Once finalised, these indicators and supplemental information can be downloaded from the relevant section of our website: www.safestore.co.uk/corporate/investors/report-and-presentations

Sustainability *continued*

Sustainability governance

Sustainability is embedded into day-to-day responsibilities at Safestore and, accordingly, we have opted for a governance structure which reflects this. Two members of the Executive Management team co-chair a cross-functional sustainability group consisting of the functional leads responsible for each area of the business. This group reports on its activities directly to the plc Board.



Alignment to the UN Sustainable Development Goals

In September 2015, the United Nations Member States adopted 17 Sustainable Development Goals to provide a blueprint for peace and prosperity to be achieved by 2030. The SDGs or Global Goals are an urgent call to action for stakeholders in all countries to unite and address the environmental, economic and social imbalances that affect the world’s population and society.

These goals can only be achieved with the support of governments, businesses and individuals and, as the role businesses must play becomes clearer, the goals have developed into an increasingly important tool for assessing the impact of companies on society more comprehensively.

Our various stakeholders increasingly expect to see how we are contributing to the SDGs, specifically current/future colleagues, our customers and particularly investors.

We have taken the opportunity to align our material sustainability issues ourselves with a global movement where governments, businesses and individuals contribute to the ambition of achieving prosperity for everyone, whilst protecting our planet for future generations. Therefore, Safestore has now joined a growing number of global organisations who are committed to supporting the SDGs.

Earlier this year we engaged an external agency to help us develop a sustainability strategy to enable the advancement of the SDGs as part of a globally recognised plan to end poverty, fight inequality and combat climate change.

We reviewed the significance of each goal to our business, the importance of each goal to our stakeholders and assessed our ability to contribute to each goal. Following this materiality exercise, we have chosen to focus the bulk of our efforts in the priority areas where we can have a meaningful impact. These are:

- Goal 8: Decent work and economic growth
- Goal 12: Responsible consumption and production
- Goal 13: Climate action





We will also seek to progress towards specific aspects of the other SDGs where relevant to our business.

SUSTAINABLE DEVELOPMENT GOALS



Sustainability targets and KPIs

Below sets out the targets we have set ourselves in each of the four “pillar” areas. Starting this year we will measure progress against these targets.

Sustainability strategy “pillar”	Sustainable business goals	Corporate business goals	UN Sustainable Development Goals	Performance measures (KPIs)	Targets		
					2020	2022	
 Our people	The fairest places to work	A great place to work	5. Gender equality	Percentage of females applying for roles at Safestore	35%	40%	
				Mean gender pay gap	16%	14%	
	A safe working environment		8. Decent work and economic growth	Engagement score	Maintain score of over 80%		
				Number of reportable injuries (RIDDOR)	0%	0%	
	Investors in People	Maintain IIP Gold Accreditation					
 Our customers	Deliver a great customer experience	Storage provider of choice	8. Decent work and economic growth	Customer satisfaction score	>90%	>90%	
	Help customers live and grow sustainably						
 Our community	Benefit to local communities	Help local economies thrive	11. Sustainable cities and communities	Pro bono value of space occupied by local community groups	Opportunity led		
 Our environment	Improve use of natural resources	Achieve optimal operational efficiency	12. Responsible consumption and production	Eradicate single use plastic from the packaging of our merchandise in the UK	100%	100%	
	Reducing our waste			% construction waste diverted from landfill in the UK	97.5%	98%	
				% operations waste to landfill in the UK	2.1%	1.75%	
	Reducing our emissions		13. Climate action	7. Affordable and clean energy	% of renewables in owned store electricity in the UK	100%	100%
				Scope 1, 2, 3 emissions	4,427	3,917	
				Intensity (per m ²)	0.47	0.42	
				Emissions vs 2013 baseline (tonnes)	(43)%	(50)%	
			Emissions vs 2013 baseline (intensity)	(53)%	(58)%		

Sustainability *continued*

Our people



Target	Performance 2018/19
Engagement score	82%

We are extremely proud of achieving the Investors in People (“IIP”) Gold accreditation for 2018, which means we are one of the top employers of 14,000 organisations surveyed, across 75 countries. We were also a top ten finalist for the Gold Employer of the year 250+ award category.

What sets us apart is our culture of being friendly, supportive and showing a genuine interest in our colleagues and their development. Safestore is a place where colleagues love to work. We recognise the importance of workplace wellbeing, which is why promoting and supporting wellbeing at Safestore is at the heart of our long term people agenda.

We believe that there is a fundamental connection between happy, healthy and engaged colleagues and sustainable business performance. That is why, this year, we are setting out a clear wellbeing strategy, clarifying our goals for now and the future.



Positive environment

Colleague feedback

This year, we launched our “Make the Difference” people forum; a formal workforce advisory panel enabling us to consider wider stakeholder views and engage with our colleagues to understand their feedback.

The “Make the Difference” people forum also supports the Investors in People (“IIP”) framework, driving standards in key areas including “Empowering and involving people” and “Recognising and rewarding high performance”.

Our network of 15 “People Champions” from across the business volunteer to collect and understand the feedback of their peers. Our People Champions meet bi-annually to collate this feedback, which is presented to our senior leaders who go on to review at Board level. We drive change and continuous improvement in responding to the feedback we receive, making Safestore a great place to work for our colleagues.

Safestore responds to the feedback and communicates the outputs regularly through our internal communications channels and our network of People Champions.

Human rights

- Safestore is committed to respecting human rights and labour rights based on our values and the principles of the UN global compact.
- Our commitment to preventing modern slavery in our supply chain is outlined in our statement on slavery and human trafficking, which is available on our website.
- In 2018, we increased our modern slavery awareness by developing a specific e-learning module, which includes practical guidance on identifying the signs of modern slavery and human trafficking. We have made this training module compulsory for all new starters to complete within the first ten days of joining us and all existing colleagues have completed refresher training.
- In 2018, we updated our supplier contractual processes to include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children. We expect our suppliers to hold their own suppliers to the same high standards.

Positive environment *continued*

General Data Protection Regulation (“GDPR”)

- Observing data privacy laws is something we take extremely seriously. GDPR came into force on 25 May 2018, designed to modernise laws that protect our personal information.
- To ensure Safestore is compliant, we have worked hard on introducing robust new policies, including our IT policy and data privacy policies, conducting data impact assessments, carrying out data audits and introducing regular and systematic monitoring. We also want to ensure everyone at Safestore understands the new regulations so have provided comprehensive online GDPR training to all colleagues, a website for reference materials and tools, and updated our induction programme to make GDPR training compulsory for all new starters.

Employment security and responsible workforce restructuring

- We value our colleagues as individuals and understand that people may have other commitments outside of work. We therefore welcome and consider all requests for flexible and at-home working to encourage a healthy work/life balance.
- Safestore recognises that security of employment is important to colleagues and therefore every effort is made to avoid termination of employment due to redundancy and to provide continuity of employment, wherever practicable.
- Where it becomes necessary to reduce team numbers, whether for economic or other reasons, including where jobs become redundant as a result of restructuring or reorganisation, it is Safestore’s policy to try to minimise the effect on those concerned. Careful consideration is given to all alternative employment possibilities and outplacement support is offered to all those affected by redundancy.
- We are pleased that there have been no large-scale redundancies or significant job cuts this year.
- In order to ensure that our colleagues have financial stability and security, we strive to use permanent contracts wherever possible and practicable. We do not use zero-hours contracts anywhere within the organisation. The percentage of our colleagues on permanent contracts on 1 April 2019 was 99.6%.

Health and safety

At Safestore the wellbeing of our colleagues is of paramount concern. We are committed to continuing to manage risk and to anticipate new health and safety challenges in order to ensure a healthy and safe environment for our people, customers, suppliers and contractors. Safestore continuously strives to meet and, wherever possible, exceed best practice through:

- Regular and robust health and safety checks across our portfolio.
- Regular independent audits of sites, performed by our external health and safety consultants on a rolling programme, to ensure that procedures are followed and that appropriate standards are maintained.
- Ensuring all colleagues understand their responsibility for health and safety at Safestore. If a site is highlighted as falling below our health and safety standards, colleagues on site are urgently targeted to make the required improvements.
- Comprehensive compulsory health and safety training programmes, accessible to all relevant colleagues.
- Regular Health and Safety Committee meetings take place to review issues, processes, policy and actions. The Health and Safety Committee minutes are shared with both our Risk and Audit Committees.
- Accident reports to identify, prevent and mitigate against potential risks managed using our online incident reporting systems. All reports are reviewed by the Health and Safety Committee to consider what preventative measures can be implemented.

There were no fatal injuries, notices or prosecutions during year ended 31 October 2019 in any part of Safestore operations.

Group health and safety statistics

Customer, contractor and visitor health and safety

Summary:

- 26 minor injuries were recorded over the past year, none of which were reportable under RIDDOR.
- 2 minor injuries recorded to contractors and 24 to customers. No injuries recorded to visitors.
- Injuries were recorded as 14 minor cuts, 10 bumps and bruises and 2 strains mainly relating to customers handling their goods.

Year ended 31 October	2017	2018	2019
Number of stores	134	146	150
Customer, contractor and visitor movements	132,468	137,882	143,651
Number of minor injuries	36	46	26
Number of reportable injuries (RIDDOR)*	0	0	0
RIDDOR per 100,000 CCV movements	0.0	0.0	0.0

Colleague health and safety

Summary:

- 24 minor injuries were recorded over the past year, all cuts and bruises.
- No injuries were reportable under RIDDOR.

Year ended 31 October	2017	2018	2019
Average number of colleagues	600	650	650
Number of minor injuries	13	5	24
Number of reportable injuries (RIDDOR)*	1	1	0
AIIR** per 100,000 colleagues	205	202	0

* RIDDOR = Reporting of Injuries, Diseases and Dangerous Occurrences

** Annual injury incident rate = the number of reportable injuries ÷ average number of colleagues (x100,000)



Sustainability *continued*

Great lifestyle choices

This year, we have focused on offering simple, practical wellbeing initiatives, to make it easier for our colleagues to lead healthier and happier lives.

- We have further promoted our Employee Assistance Programme (“EAP”) which provides our colleagues with expert guidance and support on everyday matters, whenever they need it.
- We continue to work closely with our occupational health provider who helps with appropriate support, guidance and recommendations for our colleagues regarding health concerns, including mental health. We are increasingly using the service to provide private counselling for colleagues in crisis, who require immediate support.
- We offer colleagues the opportunity to join our private healthcare scheme, enabling them to have access to private treatment whenever they need to use it.
- We have invested in further mediation training and all of our HR Advisers are now CIWM accredited mediators. This is enabling us to change the way we manage conflict in the workplace, encouraging open and honest communication through facilitated discussions and mediation sessions. Our new conflict resolution policy is being phased in and will replace our grievance policy entirely in 2020.
- This year we launched our ‘My Wellbeing’ internal website, to provide our colleagues with access to a broad range of wellbeing messages, self-help tools, offers and promotions to enable them to make informed choices around healthy eating, exercise, mental health and financial wellbeing.
- In addition to our ‘My Wellbeing’ webpage, we have also communicated a number of wellbeing incentives, events and offers, using our internal platform Yapster. We believe good wellbeing communications will promote and embed a positive and supportive working environment.



The training and development of our store and customer-facing colleagues is an essential part of our daily routines. In 2019, we delivered a further 30,000 hours of training through face-to-face sessions and via our internally developed online learning tool; this equates to over 46 hours per colleague.

All new recruits to the business benefit from enhanced induction and training tools which have been developed in-house and enable us to quickly identify high potential individuals and increase their speed to competency. They receive individual performance targets within four weeks of joining the business and are placed on the “pay-for-skills” programme which allows accelerated basic pay increases dependent on success in demonstrating specific and defined skills. The key target of our programme, to ensure that close to 100% of our Store Manager appointments are from within the business via our Store Manager Development programme, remains and we are pleased with our progress to date.



Our Store Manager Development programme demonstrates the effectiveness of our learning tools. In a spirit of constant improvement our content and delivery process is dynamically enhanced through our 360 degree feedback process utilising the learnings from not only the candidates but also from our training store managers and senior business leaders. This allows our people to be trained with the knowledge and skills to sell effectively in today’s market place. It also offers the opportunity to gain a nationally recognised qualification from either the Institute of Leadership and Management (“ILM”) or the Chartered Management Institute (“CMI”) utilising the Apprenticeship Levy.

We are also utilising the Levy to support the development of Head Office colleagues. Currently we have individuals working towards their professional qualification.

Personal growth and education

Learning and development

In line with Safestore’s wellbeing strategy, we have continued to focus on personal growth and education of our colleagues throughout 2019.

Our enthusiastic, well-trained and customer-centric sales team remains a key differentiator and a strength of our business.

We are committed to growing and rewarding our people and tailor our development, reward and recognition programmes to this end. Our IIP recognised coaching programme, launched in 2018, had a 2019 upgrade to reflect the increase in the calibre and performance of our teams and was well received by our colleagues in January 2019. The QUEST sales framework “masterclass” also received its 2019 build to reflect the elevated performance of 2018 and target our high expectations of 2019. The programme was rolled out in May in preparation for the 3rd and 4th quarter season.



“What sets us apart is our culture of being friendly, supportive and showing a genuine interest in our colleagues and their development.”



Personal growth and education *continued*

Financial wellbeing

Our workplace pension is provided by Scottish Widows, one of the UK's leading workplace pension providers. We are pleased to offer eligible colleagues the opportunity to make their pension contributions through a salary sacrifice arrangement, recognised as the most tax-efficient way of making pension contributions.

This year, we announced that we will run the Sharesave scheme annually, meaning all colleagues have an opportunity to join a new scheme each year (up to a total contribution amount of £500 per month). This will enable more of our colleagues to share in our success.

In August, we opened entry into our 2019 Sharesave scheme, attracting 93 brand new members. In addition, 53 colleagues who are members of existing schemes also enrolled onto the new 2019 scheme. This means almost half of our colleagues now share in our success by being a member of at least one of our Sharesave schemes.



Active leaders and engaged teams

Leadership

Role model leadership and high levels of trust are key strengths at Safestore, recognised as part of our Gold IIP Accreditation in 2018. In our 2019 pulse survey, we are delighted to have maintained those high standards, proven by a leadership engagement score of over 80%.

Our focus on our people agenda has supported a shift in recent years to a structure and culture that rewards and recognises great leadership, and provides the skills, tools and time to dedicate to our teams.

This has been achieved through maintaining good colleague-manager ratios; for example, no Regional Manager has more than eleven stores and each Store Manager has a team of just three to four people. This allows managers to get to know their colleagues personally, understand their motivations and, alongside the coaching culture, this is enabling us to maximise our productivity through motivated and engaged teams.

Our colleagues see the Company's leadership as authentic and living the values and behaviours every day.

Values and behaviours

Our values, created by our people, form a core part of each element of the employee life cycle. We test prospective colleagues' affinity to our values, and continue to assess against them bi-annually. Our culture has been built on the values; these are core to the way our business is run and our decisions are made.

We are empowered to do the right thing, not necessarily the easiest. This enables us to feel comfortable challenging behaviours that are not in line with our values.

Equality, diversity and inclusion

We are delighted to have launched a brand new equality, diversity and inclusion policy. We are committed to providing an inclusive workplace, encouraging and welcoming diversity with a zero tolerance of harassment and discrimination. Our behaviours should always meet and aim to exceed the demands of the Equality Act 2010. We want to continue to enjoy working in a culture free from discrimination and harassment, enabling all colleagues to achieve their full potential. We strongly believe diverse teams perform better. This year we have continued to:

- be committed to equality of opportunity in all our employment practices, policies and procedures. No colleague or potential colleague will receive less favourable treatment due to any of the following protected characteristics: age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage or civil partnership, pregnancy or maternity;
- give full and fair consideration to all applications for employment by disabled persons, which are assessed in accordance with their particular skills and abilities. The Group does all that is practicable to meet its responsibilities towards the training and employment of disabled people, and to ensure that training, career development and promotion opportunities are available to all colleagues;
- be an equal opportunities employer maintaining a workforce reflective of the uniqueness of the communities within which we operate;
- nurture the talents of our people and the benefit they bring to our varying business functions through a clearly defined and transparent performance framework;
- take all reasonable steps to employ, train and promote colleagues on the basis of their experience, abilities and qualifications;
- maintain an active succession planning strategy that considers the ability of internal colleagues before recruiting externally and ensuring that the criteria for selecting colleagues for training opportunities is non-discriminatory. These are based upon the individual's merits, abilities and needs, business needs, and the availability of appropriate training and development opportunities. All colleagues participate in the appraisal process and there is positive encouragement to discuss development and training needs and opportunities. Safestore made 17 internal promotions this year; and
- encourage our colleagues to achieve and maintain satisfactory standards of conduct, ensuring all are treated fairly and consistently, through an inclusive disciplinary policy and procedure.

**“You won't find lots
of Values posters here. They are
in our heads and our hearts.”**

Sustainability *continued*

We are committed to providing a working environment free from harassment and bullying and ensuring all colleagues are treated, and treat others, with dignity and respect. Our bullying and harassment policy sets out our clear expectations in this area.

In addition, we have:

- Launched a new e-learning workshop, Equality and Diversity, delivered to every colleague at Safestore, covering the following key areas:
 - equality and diversity;
 - types of discrimination;
 - harassment and bullying; and
 - equality legislation.
- Launched a new development programme for our operational leaders. The “Leading through Inclusion and Diversity” programme supports our leaders to recognise and celebrate diversity and to lead our diverse teams to success.
- Introduced gender-balanced shortlisting for senior roles.

Our Code of Conduct provides guidance and support to conduct our business ethically and to comply with the law, which is vital to our success. The Code of Conduct applies to all individuals working for Safestore Group irrespective of their status, level or grade. During the year we have updated our policies on anti-corruption and bribery, gifts, tips and hospitality which support and uphold our zero tolerance position on bribery. This year the Group has also reviewed its whistleblowing (“Speak Out”) policy for the reporting of inappropriate conduct, including contact details for the Group’s external auditor. These updated policies were shared with all colleagues through our internal communication channels.

Gender equality

The ratio of male to female colleagues at 31 October 2019 is outlined in the table below. Further analysis of our gender pay gap can also be found in the 2018 gender pay gap report on our website. The report also sets out a range of actions we are taking to help close the gap.

Group gender split at 31 October 2019

	Male	Female
Board Directors	5	2
Senior Managers (excluding Directors)	7	1
All colleagues	444	184

Our customers

Target	Performance 2018/19
Maintain 90%+ satisfaction scores in each market	<p>UK: 95% Feefo/ 94% Trustpilot</p> <p>France: 93% Trustpilot</p>

Sustainable growth of our business relies not only on our bottom line, but also on fulfilling our promise to our customers. We focus on factors like customer satisfaction and repeat business.

We continue with our focus on improving our service by gauging customer satisfaction using our website, third party tools and social media. This information helps us to develop offers and services as well as resolving issues at store level. We are aware how customer feedback and testimonials play a part in the buying process and therefore our customer feedback, whether it is good or bad, informs us if we need to do things better and has proven invaluable to us over the years.

Listening to our customers

We conducted a survey of our UK business customers in the first half of the financial year. Our objective was to gain some quantitative and qualitative data on a number of areas to both better understand the benefit self storage provides businesses and to ensure we understand our customers better and their relationship with us.

We appointed the research team at Savills to compile a survey which involved all of our UK stores and we received an excellent result with nearly 800 business customers responding to the survey. The survey, which was anonymous, provided us with important information about the type and size of business using Safestore, why they use self storage and the number of people who visit the store and how often.

We also gave all those completing the survey the opportunity to provide us with feedback about their experience of using self storage and we gained some excellent insights into business customer attitudes.

The survey demonstrates that Safestore provides important space for business customers, predominantly micro and small-to-medium sized enterprises. The flexibility of the space and the terms offered enables businesses to test out new ideas, to succeed or fail, and to expand or contract. This function is crucial for a dynamic economy and thriving local communities. The results of the survey show that the space is important to a significant majority of businesses, many of which would be adversely affected were it not available.

We continue to seek customer feedback through Feefo, the online review platform which guarantees 100% genuine feedback. Feefo polls real Safestore customers about their experiences meaning that feedback is a true representation of consumer opinion. All of our stores across the country receive feedback which means customers can view the ratings for each individual store.

“The survey demonstrates that Safestore provide important space for business customers, predominantly micro and small-medium sized enterprises.”

Our customers *continued*

Listening to our customers *continued*

In 2019, Safestore achieved a customer service rating of 95% based on UK customers who rated their experience as “Excellent” or “Good”. Having achieved this service level online, in store and on the phone, Safestore was again recognised with a “Gold Trusted Merchant” award – given to businesses achieving over 95% – for the sixth year running.

This award is based purely on the interactions with verified and genuine customers and as such the accreditation is a true reflection of our commitment to providing outstanding service.

In addition to using Feefo, Safestore now invites customers to leave a review of their service on a number of review platforms, including Google and Trustpilot. This way, wherever customers look for trust and reputational signals about Safestore, they will see an impartial view of our excellent customer satisfaction.

The service we provide is professional, efficient and helpful to make the self storage process as easy and straightforward as possible. We aim to exceed our customers’ expectations from initial enquiry through to move in. Each customer receives tailored information relating to their purchase and has a dedicated person to guide them through their buying journey and beyond.

Trustpilot is a popular, well recognised and authoritative third party review platform and this year we are delighted that Safestore has achieved a Trustpilot TrustScore of 4.7 out of 5 in the UK. We are committed to delivering an excellent customer experience and our independent customer feedback shows a high level of customer satisfaction at 94% from 1,296 reviews.

Une Pièce en Plus also continues to use Trustpilot to obtain independent customer reviews. In 2019, 460 reviews have been collected with 93% of customers rating their service experience as “Excellent” or “Great” resulting in a TrustScore of 4.6 out of 5.

We are proud to be recognised for delivering exceptional customer service and we see this as a great achievement and a testament to the hard work of our colleagues in store.

As part of our ongoing commitment to serve our customers better and offer the best customer experience online, within the last year we successfully piloted and integrated LiveChat as part of our digital offering. The option of having on-screen conversations to provide instant support and quick answers for website visitors has proved popular with those who prefer this method to a phone or even email conversation.

LiveChat customers appreciate the immediacy and lack of stress and it has become an additional and efficient sales tool for Safestore. Customer satisfaction via this channel is high as customers appreciate the individualised attention and interaction from the customer service agent.



Our community

Target	Performance 2018/19
Provision of free/discounted space and additional support to high impact local community groups	14,039 sq ft worth £434,771

The nature of our business means that we do have an impact on those around us and, for this reason, we endeavour to be considerate and respectful of local residents, their homes and environments as well as local businesses and charities. We strive to ensure that we develop and maintain partnerships with local charities as we seek to be an integral and trusted part of our communities across the UK.

By taking this approach we can ensure that Safestore colleagues are able to participate with and influence how we develop our sustainability strategy for the future, whilst delivering maximum stakeholder value.

As a Group, Safestore endeavours to work closely with charities within the local communities in which our stores operate. We do this through a range of collaborative partnerships with a variety of different charities.

Our partnerships with local and national charities mean we can support causes that are important to our colleagues, customers and communities. This enables us to address issues such as rising homelessness, enhance social mobility and create opportunities for people living in the communities where we’re based.

Safestore is committed to being a responsible business in how we contribute to our local communities.

With 122 stores across the UK we continually:

- provide fundraising support to existing and new local charity partners;
- offer free or discounted storage space for charities within our local communities through our “charity room in every store” scheme;
- actively seek out practical and creative solutions by working with and supporting a number of charitable causes; and
- leverage social media and our blog platform to promote our charity partners and raise awareness of their cause.

During the year, the space occupied by local charities in 184 units across 101 stores was 14,039 sq ft and worth £434,771 (FY2018: £312,275). Our aim is to have at least one charity room in every store.

We regularly monitor the free and discounted space occupied by charities ensuring that the partnerships are running smoothly. In addition, our colleagues maintain ongoing relationships with the charities and we continually review the scheme to ensure that it continues to be beneficial for all involved.



Sustainability *continued*

Hands On London



Safestore has been supporting Hands On London's "Wrap Up London" campaign for the past seven years.

The charity, which promotes community-based volunteering, organises the annual campaign encouraging Londoners to donate any unwanted coats ahead of the winter season. The "Wrap Up London" campaign has collected 137,980 coats since it launched.

In November 2018, we provided storage space at four London stores to facilitate the sorting, storage and distribution of 27,627 coats to over 100 charities, homeless shelters, refugees, vulnerable women and children's centres.

The rapidly growing annual campaign also added additional collection locations as part of a plan to expand nationwide. "Wrap Up London" worked with Human Appeal to run the coat drive in Manchester for a third year and a second year in the cities of Birmingham and Glasgow.

Safestore's involvement included:

- providing storage space across four stores in London, six stores in Greater Manchester and one each in Birmingham and Glasgow;
- provision of 3,936 sq ft of storage space enabling 1,299 "Wrap Up" campaign volunteers to spend over 4,375 hours sorting and packing up coats for distribution;
- the stores acting as a drop-off point beyond the campaign week and received numerous donations from other businesses and the general public;
- several members of our Head Office and colleagues in store joined in with volunteers to help at London tube station collection points including Kings Cross, Waterloo and Liverpool Street; and
- using our internal and external communications platforms to raise awareness of the "Wrap Up London" cause and inspiring our colleagues to get involved.

Jon Meech, CEO, Hands on London, said:

"2018 is the eighth year that Hands On London has joined in partnership with Safestore in support of the annual Wrap Up campaign which aims to deliver warm coats to those most in need across the country. This year, we collected nearly 36,000 across London, Birmingham, Manchester and Glasgow and with Safestore's help we've been able to reach more vulnerable people than ever.

"The large provision of storage space across the UK has meant that our teams were able to store, sort and pack up the donations which can then be easily distributed to change the lives of thousands. It just goes to show that by working together we can achieve more and make a massive difference to others."

Bloody Good Period



As part of our continued efforts to support charities with free and discounted storage space, Safestore is pleased to be able to assist Bloody Good Period, a UK charity that works to end a lack of access to menstrual supplies due to financial constraints by giving these products to those who can't afford them, and providing long term education to those less likely to access it.

The charity was the first project in the period poverty movement to focus on the needs of refugee and asylum seeking women, whilst also disrupting the industry and the way people talk about menstruation.

We have provided the organisation with free and discounted storage for nearly three years providing them with the space needed to help their team of steady volunteers sort and pack items ready for distribution.

We've seen them grow from strength to strength as contributions from the general public pour in regularly each week at the storage centre who accept donations on the charity's behalf. In addition, having flexible storage space enables the charity to expand easily as it grows removing the logistical pressures and allowing them to focus on what really matters.

Gabby Edlin, CEO and Founder, Bloody Good Period, said:

"On behalf of Bloody Good Period, I'd like to thank Safestore for their provision of free and discounted storage space as it has been invaluable in helping us achieve our goal of ending period poverty. The staff at Alexandra Palace go out of their way to help us out and are always kind and friendly! As a charity, we have experienced massive growth, and the flexibility and ease of being able to increase our space over time has meant that we're able to receive, sort and pack thousands of donations each week."

Our community *continued*

Local charity support

Making a difference to the communities in which we operate through partnerships with charities and not-for-profit organisations is an integral part of our sustainability strategy. We provide financial support to local and national charities and encourage our colleagues to get involved in fundraising and volunteering.

We believe it is important for our colleagues to recognise how our activities can have an impact on those around us, and projects like these can inspire and encourage them to get involved and provide some hands-on help where it matters.

Our property team joined UC Build (our construction management partner) to work with Sutton Nature Conservation Volunteers and the biodiversity team on a project to improve disabled user access to the Sutton Ecology Centre. The team used their skills to make some improvements to the paths approaching the pond's bridge as well as carrying out some habitat management tasks. Without their help, areas of the gardens would not have been accessible to all of the groups who would benefit from them.

As part of our continuing work in the Carshalton area, the construction management team held site visits and talks with the local building college. The students were shown around the site and given a talk on the brickwork by our contractor Titan Brickwork.

David Penniston, Property Director, Safestore, said:

"We are delighted to have been able to contribute to the local community and support Sutton Ecology Centre and Carshalton College. We look forward to the opening of our new store in Carshalton early in 2020 and playing an active role in the local community for many years to come."

Andy Robinson, Construction Manager, Safestore, said:

"With every new store development, we will continue to consider how best we can support local initiatives in the community."



We also support our colleagues who work as a team and with others to bring communities together, whilst supporting causes and charities local to them. We continue to support the raising of valuable funds for national charity initiatives such as Christmas Jumper Day, Red Nose Day and Macmillan Coffee Morning raising over £500.

In addition to our fundraising and voluntary activities, we continue to support individuals and local charities with free and discounted storage space through our "charity room in every store" scheme which also enables us to assist others in response to disasters. For example, we were able to offer one month of free storage to those affected by the Whaley Bridge dam collapse in Derbyshire so they could securely store their belongings during a difficult time.

Our policy of offering free and discounted storage space has enabled a diverse range of local charities to focus on their core activities without the added cost of storing donations and archives.

One such example is the charity British Limbless Ex-Service Men's Association ("Blesma" – The Limbless Veterans). They provide emotional, financial and practical support for serving and former military personnel who have lost their limbs or use of their limbs, eyes or eyesight – they aim to enable those they help to live fulfilling, independent and active lives.

We are delighted to be able to help this worthy cause with discounted equipment storage for the charity's specially adapted ski equipment and ski bikes when they are not in use for the winter sport season. In addition, as part of its digital offering, Safestore donated £500 worth of online banner advertising enabling 192k impressions to potentially increase web traffic and ultimately donations to the charity.






Jess March, Activities Manager, Blesma, said:

"We're very thankful to Safestore for their support with safe and secure storage space. As a charity, we try to save costs wherever we can to ensure the money we raise is used to directly help us serve ex-Service men and women who have lost limbs, or lost the use of limbs or eyes, to rebuild their lives. Safestore's charity rate means we can now expand our resources and, in turn, help out more veterans for the duration of their lives."

Sustainability *continued*

Our environment

Target	Performance 2018/19
Remove single use plastic from merchandise range	 Complete
Reduce freshwater usage by 5% in UK stores	 Complete, above target - 8.2% reduction
UK owned stores to be switched to renewable electricity by 2020	 Complete – ahead of schedule
Reduce store waste to landfill by 50% by 2025 vs 16/17 level	On track – 22.9% reduction YoY, landfill down to 2.3% of total waste (2.9% in 2017)
Reduce carbon emission by 50% of 2012/13 baseline by 2022 (2018 store portfolio)	On track – total emissions 39% below baseline despite portfolio growth, intensity 50% below

Our responsibilities

Safestore takes sustainability very seriously and supports actions which are taken to reduce the impact of man-made greenhouse gases that are affecting our environment. Many of the decisions we have taken over the last twelve months align with the aims of the UN Sustainable Development Goals: from promise to practice. This section relates to Climate Action and Responsible Consumption and Production, two of the three priority goals to which we believe Safestore can make a meaningful contribution.

Safestore aims to minimise the impact of our business operations on the environment, both directly and through our sourcing activities.

In the context of climate change, we strive to respond to all aspects that have an impact on our products and services. We have produced a comprehensive strategy to minimise our overall impact on the environment.

Sustainable construction

At Safestore, we care about the impact of our construction activities on the environment and seek to minimise noise and nuisance by following best practice.

Our construction team follows sustainable construction principles and, whenever practical, we use materials that have a recycled content or are selected from sustainable sources.

The amount of waste and energy usage is monitored on each of our sites to identify potential efficiencies for introduction on future building projects.

Our stores are designed to provide a safe, secure home for our customers' possessions and we build them with all our key stakeholders in mind: our customers, our investors and the environment.

Standards in construction

BREEAM

Building Research Establishment Environmental Assessment Methodology ("BREEAM").

BREEAM certification is a local planning requirement for some of our new stores, especially those in areas of high-density urban environments. The methodology assesses impacts and opportunities for enhancing the design and construction environmental aspects.

The certification includes a review of new store energy, sustainable building materials, water efficiency, waste recycling and ecology. The review also includes social aspects of the building life including its resource management, health, wellbeing, modes of transport and pollution reduction.

Our latest new store development in Carshalton has an "Excellent" pre-construction BREEAM rating which places it highest in the areas of land use and ecology, transport, waste, pollution and energy efficiency.

Regardless of whether a site is BREEAM certified we are committed to a minimum standard on all our new store developments of pre-construction BREEAM "Very Good".







Considerate Constructors Scheme ("CCS")

The Considerate Constructors Scheme is a non-profit-making independent organisation founded in 1997 by the construction industry to improve standards. Construction sites, companies and suppliers voluntarily register with the scheme and agree to abide by the Code of Considerate Practice, designed to encourage best practice beyond statutory requirements.

The scheme is concerned about any area of construction activity that may have a direct or indirect impact on the image of the industry as a whole. The main areas of concern fall into three categories: the general public, the workforce and the environment.

At Safestore, all of our new store developments are registered with the Considerate Constructors Scheme with a target score of 36 points for both the shell construction and fitting out of the facility. Our current crop of new store developments have exceeded our target and recently achieved scores of 38, 40 and 42.

2018/2019 highlights

 LED lighting has been installed in 100% of our stores.	 Our renewable energy supply for electricity has increased to 100% in UK owned stores.	 We have reduced waste diverted to landfill by 22.9%.
 Our electricity usage has decreased by 11.7% as a Group.	 Emissions per sq ft have been reduced by 16.3%.	 Our water usage has been reduced by 10.6% as a Group.

Carshalton Wrythe Lane case study

Lavender – gas holder – self storage

In early 2020, Safestore will open its 46th store within London at Wrythe Lane Carshalton. Our construction team are not afraid of a challenge and this site was certainly going to be that, just to get it ready for the new development.

There has been a gas holder on the Wrythe Lane site since approximately 1860, prior to which the area was farmland, predominantly for the cultivation of lavender.

By 1875 there were three single lift, vertically guided, telescopic gas holders (or gasometers as they were originally known) on the site, but by 1894 the site was no longer operational, presumably due to the decline in the use of gas for lighting, thanks to the recent invention of, somewhat safer, electricity.

By the 1930s however, following a government sponsored campaign, with the assistance of Mrs Beeton (an English journalist, editor and writer), gas use was on the increase again; this time for cooking. In 1933 the original three gas holders were demolished, to be replaced by a single, much larger, more efficient gas holder.

Both designs of gas holder relied upon water to make the seal, which stopped the gas escaping and kept it under suitable pressure for the supply pipes to function. It was recorded at the time of the first demolition that the below ground tanks from the old gasometers remained filled with water and were found to be teeming with pond life including newts and a 10-inch Golden Carp.

The new water sealed spiral guided telescopic gas holder was constructed by Henry Hemmings Ltd, to a developed design first patented in 1887 by Gadd & Mason of Manchester. It was 42 million in diameter, and comprised three lifts, rising to contain a capacity of 4 million cubic metres of gas. Approximately 880 tonnes of steel were used in the construction, and the water seal consisted of 3.5 million gallons of water.

Safestore took ownership of the site in November 2018 and received planning consent for a new 15,000 sq ft store around the same time.

The gas holder had lain dormant for many years, and the demolition contractor estimated the remaining water in the holder to be around 10,000 cubic metres. At a discharge rate of 97 cubic metres per day, it took around six weeks for the liquid to be drained prior to commencement of the dismantling of the steel structure.

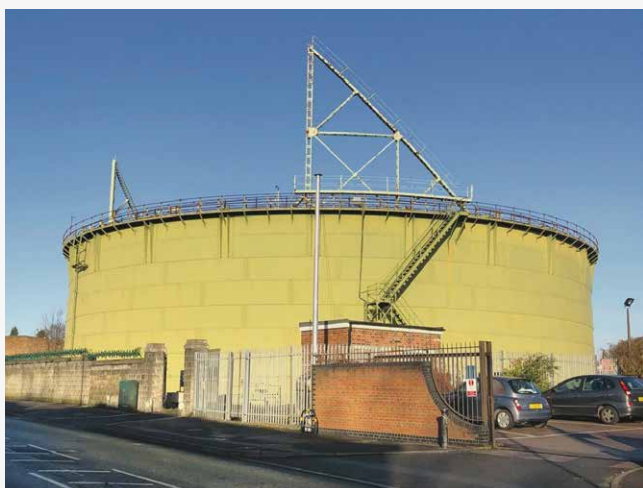
The demolition method statement explains that the first task, once the gas holder was confirmed as empty, was to make an access hole in the side, to allow tracked excavators fitted with demolition shears to enter.

The crown plate (roof lid) was cut and lowered in sections into the gas holder, followed by sections of wall being cut into strips, which were then bent inwards before being broken down into smaller parts.

This process was repeated for all three tiers of the gas holder, with ancillary structural and mechanical items being dealt with in sequence. The dismantling of the gas holder took a full ten weeks to complete, after which the original ground slab was broken out and crushed for use on site to backfill any created voids and stockpiled for use in the construction project.

All steel material recovered from site was sent for recycling, and much of the other material, such as timber or brick, was either recycled or sent for energy recovery.

From farmland used for the cultivation of lavender to a gas holder and now a self storage facility. The next chapter in the life of Wrythe Lane has well and truly begun.



The last gas holder, just prior to demolition



During the final stages of demolition

Sustainability *continued*

Our environment *continued*

Safestore standards

At Safestore, we have been developing and constructing new stores for the last 17 years and have always found that what makes long term commercial sense is largely aligned to sound sustainable practices.

We have a long-standing commitment to a range of inbuilt features and believe that these contribute to making us an attractive, safe and long term sustainable investment for our investor community and a pleasant environment to work and store for our customers and colleagues.

The configuration of an individual store may change from time to time or from location to location; however, all our stores are built to similar standards and we are committed to implementing the right solution for the environment we build in.

Safestore commitments from 2019/20 onwards are:

Best practice – internal/ external expectation	Safestore commitment	Applicability
BREEAM	Equivalent to “Very Good”	Across all new build stores
BREEAM	Very Good/Excellent	Where part of local planning
SUDS	Included	Across all new build stores
Solar PV	Roof-mounted PV	Where part of local planning
CCS	Score 36 or higher	All new stores
Ecology	Protect existing and improve biodiversity	Across all new build stores
Energy	Efficient LED lighting with built in motion sensors	Across all existing and new stores
Security	Operate safe and secure facility	Across all existing and new stores
EPC	Rated C or higher	All new stores

Construction resources and waste

Construction material: recycled content

At Safestore, we follow sustainable construction principles and, whenever practical, materials are recycled or selected from sustainable sources; typically, the construction of one of our stores may include the following:

Building material	% of build cost	% recycled content
Steel (main frame)	4 – 5%	Minimum 56%
Concrete	3 – 4%	29% – 37%
Cladding (walls and roof)	7 – 9%	3% but Kingspan target improvement using recycled bottles by 2030
Particle board (mezzanine floors)	2%	85%
Brick and block walls	3 – 5%	9% – 55%
Glazing	2%	Glass 25%, aluminium frames 60%
Hardcore (piling mat)	1%	100%

Waste and recycling

Construction projects are always going to generate waste. At Safestore, we carefully monitor our new store construction waste and ensure that on every site all waste is separated into specific skips and recycled where possible.

We are currently diverting 97% of all of our construction waste away from landfill, an improvement of 2% from 2016. Our aspiration is to increase this to 99% by 2025.

From 2019/20, we will also be looking to reduce the use of single non-recyclable plastics coming on to our construction sites in the form of material packaging. Working with our partners and suppliers, we aim to cut usage by 50% next year, rising to 75% in 2020/21 and a total ban in 2021/22.

Health and safety

Our health and safety record is excellent. All of our new store schemes are registered with the Considerate Constructors Scheme and we are constantly challenging our teams to exceed minimum standards. Safestore has a robust health and safety policy and we are very proud of our record in achieving very low incident levels compared with our peer group. For the year, the number of reportable incidents on our construction sites was zero.

Consultation process

Our stores are designed to provide a safe, secure home for our customers’ possessions and we build them with all our key stakeholders in mind: our customers, our investors and the environment. As part of the town planning process, we consult widely amongst the community and those most likely to be affected by the development.

Our suppliers

2019 saw a change in our requirements from potential partners and suppliers in relation to our ongoing tender process. All suppliers that have been renewed in the last twelve months are required to be aligned with our modern slavery, anti-bribery and GDPR policies.

Our merchandise

Packaging beyond today

Safestore is proud to state that from November 2019 our sourced merchandise packaging will no longer contain single use or non-biodegradable plastics purchased from our suppliers. We have allowed an extended time for existing stock in stores to be sold.

The benefits of our merchandise range are:

- Our void fill is potato starch and cellulose fibres and is 100% biodegradable. It is compostable (EN13432) and independently proven to offer better all-round protection than polystyrene loose fill.
- Our boxes are made from 100% recycled card and are 100% recyclable. We continue to uphold our “box for life promise” to our customers ensuring our boxes are recycled in a responsible way.
- Our cord has been changed from a Nylon-based product to a sisal rope. Sisal rope is a hard natural fibre, sunlight resistant and biodegradable.
- Our bubble wrap is biodegradable and 100% recyclable. It is treated with raw materials which do not contain heavy metals.
- We have removed single use plastic outer packaging from our moving blankets, bubble wrap and padlocks.

These changes will save 1.5 tonnes of plastic per annum being sent to landfill or general waste. This contributes to substantially reducing our waste generation through prevention.

We continue to work closely with our suppliers to help minimise our carbon footprint by reducing delivery mileage with products delivered from local depots.

Our merchandise supplier collects our empty pallets from stores whilst carrying out deliveries therefore reducing the amount of visits needed. The pallets will then be re-used to palletise and deliver other goods, or recycled.

Our environment *continued*

Our uniforms

First impressions

We ensure that our colleagues' uniforms are made by suppliers with ethical and environmental principles. Our supplier processes are based on the ethical trade initiative and on the International Register of Certificated Auditors ("IRCA") who audit and inspect their factories. They have continued to improve compliance and train their employees on environmental issues which we fully endorse.

The principles based on the Ethical Trade Initiative are:

- employment is freely chosen;
- freedom of association and the right to collective bargaining are respected;
- working conditions are safe and hygienic;
- child labour shall not be used;
- living wages are paid;
- working hours are not excessive;
- no discrimination is practised;
- regular employment is provided; and
- no harsh or inhumane treatment is allowed.

Electricity

What powers us?

Last year saw us make a significant impact on our environmental footprint with the implementation of our energy sourcing programme. From October 2018 we changed to 100% renewable energy sources in 114 of our UK owned stores which equates to a 5,218 tonnes CO₂ reduction to our overall carbon footprint. We are delighted to say that we have committed to renewable energy for the next four years. This adds to the significant change we have already made and continued reduction of our carbon footprint.



Alltwalis Wind Farm – South Wales



Andershaw Wind Farm – South Lanarkshire, Scotland

The electricity for our UK owned portfolio is supplied by two wind farms: Alltwalis, which is located in South Wales and consists of ten turbines with the capacity to generate 23 MW; and Andershaw, which is located in South Lanarkshire in Scotland and consists of eleven turbines with the capacity to generate 36.3 MW.

The successful installation of the LEDs in all our UK stores has resulted in a reduction of 458 tonnes in CO₂ in the last year. Safestore are proud to show year-on-year reductions proving our commitment to our set goals.

Safestore continues to monitor technology and any viable solutions for the future.

Energy Savings Opportunity Scheme ("ESOS") Phase 2

ESOS is a mandatory energy assessment scheme for organisations in the UK which is carried out by an independent company.

The facility assessments have already been completed and we have achieved 100% regulatory compliance and a notable 81% in Management Commitment. We will be incorporating the outputs and recommendations of the assessment into our energy reduction initiative planning for 2019/20 and beyond.

Lighting our stores

Safestore has for the past 18 months been implementing our LED lighting project in all UK stores. All of our communal and staff areas are 100% completed in all UK stores and this has resulted in over 27,000 lights being changed from fluorescent lights to light emitting diodes ("LEDs"). This has had a significant positive impact on our CO₂ emissions reducing them by 458 tonnes last year alone. The CO₂ emissions calculation will be further enhanced due to the annualisation of the stores completed during 2019.

We decided to engage with a leading global manufacturer to deliver a Safestore branded luminaire which now provides occupancy-only based lighting, lighting only the aisles where movement is detected. This bespoke light gives our customers the added lighting they require, how and when they need it. The lighting that has been installed has a high lumen output focusing all of the light in the required area. As an example of this a typical 15 Watt fluorescent lamp has a lumen output of 810 lumen, whereas our new Safestore branded light has an output of 1600 lumens.

Together with the initial CO₂ saving indicated above, the additional benefits of our LED project include having the lighting under a seven-year warranty period which removes often unnecessary maintenance journeys to our stores. Additional benefits in the summer months result in reduced heat gains from reception lighting – this will have the ongoing benefit of reduced demand on air conditioning. Finally, LED installation has removed the need for the collection and disposal of spent fluorescent tubes via a WEEE compliant waste collection, further reducing the environmental impact of lighting our facilities.

Like-for-Like usage

	Last year	This year	% change
Electricity (MWh)	17,090.3	15,048.8	(11.9)

Gas

What fuels us?

Gas is only used in 38% of our UK stores and we continue look at opportunities to reduce our consumption and remove gas wherever possible. All new build facilities do not have gas and are electrically heated in the limited areas of store where heating is required.

Like-for-Like usage

	Last year	This year	% change
Gas (MWh)	4,127.7	3,912.0	(5.2)

Sustainability *continued*

Water

What hydrates us?

As a company we consume very low volumes of water but strive to further minimise our consumption wherever possible through the installation of efficient water fixtures and fittings.

We trialled a water efficiency programme at our Head Office as a larger user of water. We monitored the usage over twelve months and have seen a 62% reduction in usage. A specialist water use contractor has been engaged to offer expert advice on key changes we can implement to reduce water wastage.

Like-for-Like usage

	Last year	This year	% change
Water (cubic metres)	60,839	54,596	(10.3)

Safestore has partnered with "Refill" which is an award-winning campaign designed to help reduce plastic pollution by making it easy for the general public to refill reusable water bottles instead of buying new plastic ones. "Refill" uses an App to show all the relevant locations throughout the UK where this service is available for free. We are proud to display their badge in 113 of our facilities across the UK to support the tremendous work they are doing.



Point of sale ("POS")

Safestore has started an overhaul of its POS and it has already stopped supplying stores with plastic posters. The new posters in all of our facilities are a correx alternative which are polypropylene and 100% recyclable. These are weather resistant and long lasting and therefore will reduce the amount of times they are replaced. This will see a reduction in our waste stream from POS.



Waste

Reduce, Reuse, Recycle

Safestore has embarked on a journey to help its customers and colleagues understand that small changes we can make will reduce our plastic and landfill waste. We launched our "Plastic Free July" campaign which included educating colleagues on how long items can take to decompose and what alternatives there are at an affordable price.

We asked them how they might reduce their plastic use in their daily life, from their commute to work, their break time habits and during their working day. We also had a competition in which we encouraged our colleagues to show what changes they had made and the positive impact they are making.

Our waste efficiency plan is now in full effect and we have surveyed 60% of our facilities. Actions from the surveys included increasing recycling capacity and decreasing the amount of general waste collections.

Safestore continues its stance on reducing waste by producing a 22.9% reduction in landfill, the lowest it has been in four years.

The "Every Can Counts" initiative relating to the recycling of aluminium and tin cans continues to operate within the Company this year ensuring that any suitable waste cans are recycled.

Our actions in 2018

Last year's targets

This year's comments

Ensure the safe handling and disposal of waste products.

This has been a part of our efficiency plan.

Continue to deploy cardboard recycling facilities across our stores which is supported by our efficiency roll-out for waste.

Over the last twelve months, Safestore has decreased its total waste by 52 tonnes. This has been achieved by introducing more recycling availability on site and reducing the amount of general waste being generated. We believe that educating our colleagues and customers will not only improve lowering waste but also reduce the impact on the environment long term.

Reduce our energy usage through a range of initiatives.

With the successful replacement of fluorescent tubes to LED fittings in our stores we have reduced our electricity usage by 2,041.5 MWh which equates to 458 tonnes of CO₂ on a like-for-like basis.

Where possible we will look to use renewable energy sources.

Safestore has committed to a four-year renewable electricity contract for owned stores.

We will work with our suppliers to reduce our carbon footprint within our supply chains.

We have made significant changes with our suppliers and partners over the last twelve months to reduce the amounts of Safestore-specific deliveries and used companies that are already delivering in that area.

We will use eco-friendly solutions when building new stores and, as a minimum, build to the BREEAM "Very Good" standard or equivalent.

We have achieved the target we set last year, by reducing all single use plastics from the packaging of our merchandise.

This year we are going to revisit the packaging of our products to remove any plastic packaging which is not bio-degradable. This change will look to be implemented by the end of financial year 2019.

We have achieved the target set last year, by removing all single use plastics from the packaging of our merchandise.

Reduce our freshwater usage by 5% collectively for our UK stores.

We have achieved our target of reducing our water usage in our UK stores by 8.2% on a like-for-like basis.

We will work with suppliers and partners so deliveries can be made from local depots, thus reducing the cost of CO₂ emissions on transport.

This has been achieved by reducing our suppliers and also specially choosing companies which have delivery routes in our store locations.

Our environment *continued*

Our focus for 2019 – 2020

- Reviewing products we use with a view to switching to greener alternatives e.g. cleaning materials and stationery.
- To further reduce water consumption in our business centres (towards target 30% reduction by 2025).
- To decrease the amount of waste going to landfill by 10% (towards target 50% reduction vs 2016 baseline by 2025).
- Implement a range of initiatives to further reduce electricity consumption, particularly in larger sites such as Battersea and Liverpool.
- Remove (where appropriate) gas boilers in the estate or replace with newer, more efficient models.

Mandatory greenhouse gas (“GHG”) emissions reporting

This report was undertaken in accordance with the mandatory Greenhouse Gas (“GHG”) emissions reporting requirements outlined in the Companies Act for listed companies, which requires Safestore Holdings Plc (“Safestore”) to report on its Greenhouse Gas (“GHG”) emissions each financial year. This report contains our GHG disclosure for the 2018/19 financial year.

We have 122 stores in the UK and 28 stores in France. During the 2018/19 reporting period we purchased a new UK store at Heathrow; we also opened our Peterborough and Merry Hill stores, closed our Paddington Green and Leeds Central UK stores, and acquired one new French store in Pontoise. This report contains the following environmental data for all our stores which were operational at the beginning of the financial year: GHG emissions, electricity consumption, electricity transmission and distribution, gas consumption, water consumption, waste generation and business travel.

Methodology

Scope of analysis and data collection

Over 2018/19 we have collected primary data for all of our stores, including: building size (sq ft), electricity consumption (MWh), electricity transmission and distribution (MWh losses), gas consumption (MWh), water consumption (m³), waste generation (tonnes by waste disposal method) and business travel (mileage). We do not have any refrigerant leakage to report for any of our stores in the UK or France. All primary data used within this report is from 1 September 2018 to 31 August 2019, covering the same reporting period as last year. Where electricity, gas or water consumption data is not available or incomplete, we have estimated consumption based on the pro-rated average consumption per sq ft of lettable area of the stores where we have reliable data.

KPI selection and calculation

For the purposes of this report stationary energy use (electricity and gas consumption), water consumption, waste generation and business travel have been selected as the most appropriate key performance indicators (“KPIs”) for the Group. To ensure consistency in our reporting, particularly where there are differences between the UK and France, we are reporting all GHG emissions in units of CO₂e. We have used the 2019 GHG conversion factors published annually by Defra and BEIS with the exception of the French CO₂e conversion factors which are no longer published by Defra and BEIS. This is outlined in further detail at the end of this report.

GHG emissions scope

The Greenhouse Gas Protocol (“GHG Protocol”) differentiates between direct and indirect emissions using a classification system across three different scopes:

- **Scope 1 Emissions:** includes direct emissions from sources which Safestore owns or controls. This includes direct emissions from fuel combustion and industrial processes.
- **Scope 2 Emissions:** covers indirect emissions relating solely to the generation of purchased electricity that is consumed by the owned or controlled equipment or operations of Safestore.
- **Scope 3 Emissions:** covers other indirect emissions including third party-provided business travel.

GHG Emissions – Scopes included in this report

- **Scope 1 Emissions:** we are reporting our gas consumption and business mileage.
- **Scope 2 Emissions:** we are reporting our electricity consumption.
- **Scope 3 Emissions:** we are reporting our electricity transmission and distribution, waste generation and water consumption.

Group environmental performance

We recognise the importance of taking a proactive, strategic approach to environmental management and we aim to ensure that good environmental practices are applied throughout our stores, and that those working for or on behalf of Safestore are aware of the need to act responsibly and sustainably. Our most significant environmental impacts arise from the construction of new stores and the operational energy consumption of our existing stores.

Safestore is committed to the protection of the environment, prevention of pollution and to continually improving its environmental performance. We will comply with all relevant legislation and strive to exceed legal requirements where possible in order to avoid or minimise any potential environmental impacts.

The table overleaf displays our total Group performance for electricity consumption, gas consumption, water consumption, waste generation (recycling, landfill, energy from waste) and business travel against the previous year.

Sustainability *continued*

Emissions source	Units	2015/16 (Sept – Aug)	2016/17 (Sept – Aug)	2017/18 (Sept – Aug)	2018/19 (Sept – Aug)
Natural gas	MWh	1,887	2,349	4,358	4,136
Electricity	MWh	19,165	22,005	17,416	15,372
Purchased water	m ³	37,005	45,129	61,655	55,113
Recycling	tonnes	757	787	1,211	586
Landfill	tonnes	56	49	57	44
Energy from waste	tonnes	419	721	730	1,320
Business travel	miles	612,588	602,240	628,822	396,088

Group environmental performance – analysis

We have analysed the year-on-year change in our performance and provided commentary on our Group environmental performance, as below:

Gas performance

We are continually seeking opportunities to reduce energy consumption to the lowest practicable levels appropriate with the operational needs of the business and to satisfy the needs of our customers. We are phasing out the use of gas in our stores wherever possible, but some of our stores still consume low volumes of gas for heating in reception and office locations. At the design and construction stage we seek opportunities to design efficient low consuming working environments and are ensuring that all new stores are built and rely just on electricity.

Gas performance		2015/16	2016/17	2017/18*	2018/19**	% change
Year ended 31 August						
Gas use	MWh	1,887.9	2,349.3	4,358.3	4,136.2	(5.1)
Scope 1 Emissions	tCO ₂ e	347	434	801.8	760.4	(5.2)

Total gas consumption across all of our stores was 4,136.2 MWh, which is a 5.1% reduction compared with the previous financial year. This reduction can be attributed to our ongoing programme of replacing gas heating with electric heating within our existing stores.

* 2018 data has been recalculated to include acquired stores and to undertake estimations for three stores where consumption data was not available or incomplete.

** 2019 consumption data has been estimated for four stores where consumption data was not available or incomplete.

Electricity performance

We are continuing to identify opportunities to reduce electricity consumption across our stores. To support this, we have installed smart metres across 92% of our UK stores to enable us to better accurately monitor our electricity consumption and identify further opportunities to improve energy efficiency.

Recognising that our electricity consumption is predominantly derived from our lighting requirements we have completed a portfolio wide LED lighting upgrade programme, across all of our UK stores.

Electricity performance		2015/16	2016/17	2017/18*	2018/19**	% change
Year ended 31 August						
Electricity use	MWh	19,165.2	22,005.2	17,416.0	15,372.7	(11.7)
Scope 2 Emissions	tCO ₂ e	6,707.7	6,563.3	4,376.7	3,527.0	(19.4)
Scope 3 Emissions	tCO ₂ e	604.0	613.6	371.4	299.1	(19.5)

Total electricity consumption across all of our stores was 15,372.7 MWh which is a 11.7% year-on-year reduction in consumption. This saving demonstrates the significant positive impact the LED upgrade and PIR installation has had on reducing our consumption after a full year in operation. In addition, this demonstrates that we have been able to decrease our overall electricity use whilst maintaining our supply to customers.

* 2018 data has been recalculated to include acquired stores and to undertake estimations for three stores where consumption data was not available or incomplete.

** 2019 consumption data has been estimated for two stores where consumption data was not available or incomplete.

Water performance

Our stores consume very low volumes of water and we strive to further minimise our consumption of water wherever possible through the installation of efficient water fixtures and fittings.

Water performance		2015/16	2016/17	2017/18*	2018/19**	% change
Year ended 31 August						
Water use	m ³	37,005	45,129	61,655	55,113	(10.6)
Scope 3 Emissions	tCO ₂ e	38.9	47.5	64.9	58.0	(10.6)

Between September 2018 and August 2019, the total water consumption across all of our stores was 55,113 m³, which is a decrease of 10.6% compared to the previous financial year. To this effect we have completed trials of water efficiency measures at our Head Office, which have yielded an overall reduction of 62% in water consumption during the financial year. These measures included installing flow restrictors on taps, flush counters for urinals and the use of water saving devices in our toilets.

We have also completed a Water Survey at our Liverpool and Battersea Business Centres, to identify further opportunities to install water saving devices at these sites and are currently investigating opportunities to roll out further water saving measures across our stores.

* 2018 data has been recalculated to include acquired stores and to undertake estimations for 31 stores where consumption data was not available or incomplete.

** 2019 consumption data has been estimated for 33 stores where consumption data was not available or incomplete.

Mandatory greenhouse gas (“GHG”) emissions reporting *continued*

Waste performance

We produce a relatively small amount of waste and we are seeking opportunities to further reduce or avoid the use of natural resources and minimise waste production by promoting recycling where possible. We continue to improve our waste segregation at our stores and are actively enhancing our recycling facilities to divert waste from landfill.

Waste performance		2015/16	2016/17	2017/18	2018/19	% change
Year ended 31 August						
Waste – Recycling	Tonnes	756.7	787.1	1,211.2	585.6	(51.7)
Waste – EfW	Tonnes	419.2	721.6	730.0	1,320.5	80.9
Waste – Landfill	Tonnes	56.0	49.2	57.3	44.2	(22.9)
Scope 3 Emissions	tCO ₂ e	35.8	37.8	47.2	45.1	(4.5)

In the last twelve months to August 2019, a total of 1,950.3 tonnes of waste has been generated which is a decrease of 2.4% compared with the previous year. The amount of waste going to landfill has decreased by 22.9%, with most now being diverted to Energy from Waste (“EfW”). The amount of waste sent to EfW has subsequently increased by 80.9% compared to the previous financial year; a result of changing supplier contracts for a number of our stores.

We are currently implementing a Waste Efficiency Programme across our portfolio to ensure that we have the correct facilities on site to enable our stores to minimise landfill waste and ensure that waste will be recycled where possible. During 2018/19 this involved the removal of the compactor at our Battersea Business Centre and replacement with a greater volume of recycling facilities. As part of our Waste Efficiency Programme, we are undertaking site audits to identify actions we can take to further improve our site waste segregation facilities.

Business travel performance

We report on our business travel, which includes vehicles owned by Safestore and business mileage. We shall continue to promote public transport and car sharing where possible.

Business travel performance		2015/16	2016/17	2017/18	2018/19	% change
Year ended 31 August						
Business travel	Miles	612,588	602,240	628,822	396,088	(37.0)
Scope 1 Emissions	tCO ₂ e	176.1	168.5	175.6	108.8	(38.1)

Business vehicles travelled 396,088 miles in the twelve months to 31 August 2018, resulting in a 37.0% decrease compared with the previous year. The emissions from our business travel have decreased by 38.1% as we have switched a number of our vehicles from diesel to petrol.

Group GHG performance (mandatory GHG reporting)

We have used the Defra and Greenhouse Gas Protocol methodology for compiling this GHG data and, for UK energy consumption and emissions, included the following material GHGs: CO₂, N₂O and CH₄. In accordance with the Defra reporting guidelines and data conversion factors for Greenhouse Gas emissions, the equivalent reports on Safestore’s French properties used the CO₂e factors provided by the Association of Issuing Bodies (“AIB”) and the International Energy Agency (“IEA”).

Our GHG emissions for 2018/19 covered 98.5% of floor space (data is not currently available for Heathrow, Merry Hill, Peterborough and Pontoise stores) and all of the UK vehicle fleet, both directly controlled and owner-driven vehicles (Company mileage only). Please note that the recycling tonnage for the French sites has been estimated for 2018/19. The average year-on-year change in recycling tonnage has been determined for the last four consecutive years for which there is accurate data available. The recycling tonnage for 2017/18 has been uplifted by this average (+5.3%) to calculate the estimated tonnage for 2018/19.

We used the following GHG emission conversion factors:

UK government GHG emission conversion factors for company reporting Standard set from 30/06/2018 to 30/06/2019

Scope	Emissions’ source	Unit	Conversion factors
1	Natural gas (gross CV)	kWh	0.18385
1	Business travel	Miles	0.27927
2	UK electricity grid supply	kWh	0.25560
2	France electricity grid supply*	kWh	0.04700
3	UK electricity transmission and distribution	kWh losses	0.02170
3	France electricity transmission and distribution	kWh losses	0.00382
3	Water supply	m ³	0.3440
3	Water treatment	m ³	0.7080
3	Commercial waste – Recycling	Tonnes	21.3538
3	Commercial waste – Energy from Waste	Tonnes	21.3538
3	Commercial waste – Landfill	Tonnes	99.7592

* The data for France has been produced using the Association of Issuing Bodies (“AIB”), European Residual Mixes 2018 and Production Mix conversion factor. (Note: Defra no longer provides overseas electricity generation conversion factors. The conversion factors are obtained directly from the “IEA”).

In accordance with the mandatory Greenhouse Gas (“GHG”) emissions reporting requirements outlined in the Companies Act for listed companies we have reported our GHG disclosure for 2018/19.

Sustainability *continued*

Mandatory GHG emissions reporting data

GHG emissions	Units	2015/16	2016/17	2017/18	2018/19	% change
Scope 1	tonnes CO ₂ e (UK and France)	524	602	977	869	(11.0)
Scope 2	tonnes CO ₂ e (UK and France)	6,708	6,563	4,376	3,527	(19.4)
Scope 3	tonnes CO ₂ e (UK and France)	679	699	483	402	(16.8)
Total GHG CO₂e	total tonnes CO₂e (UK and France)	7,911	7,864	5,836	4,798	(17.8)
GHG CO ₂ e intensity	tonnes CO ₂ e/floor space (thousand sq ft)	0.9	0.9	0.6	0.5	(16.7)
GHG CO ₂ e intensity	tonnes CO ₂ e/floor space (thousand sq m)	—	9.8	6.6	5.5	(16.7)

Group GHG performance (mandatory GHG reporting) analysis

Total GHG emissions for Scope 1, Scope 2 and Scope 3 for the twelve-month period to 31 August 2019 have decreased by 17.8% (or 1,038 tonnes CO₂e) to 4,798 tonnes CO₂e. Of the total GHG emissions Scope 1 accounts for 18.1%, Scope 2 accounts for 73.5% and Scope 3 accounts for 8.4%.

The reductions we have achieved in reducing electricity and gas consumption across our sites have translated into significant reductions in our GHG emissions. Our reduction activities completed during 2018/19 include the completion of LED lighting installation, along with additional smart metering. Our overall floor space has decreased marginally from 9,524,237 sq ft (2017/18) to 9,355,923 sq ft (2018/19), which has also attributed to the reduction in some of our emissions.

The reduction in our GHG emissions, particularly Scope 2 Emissions (purchased electricity) is also partially attributed to rebasing of the GHG conversion factors. The rebasing of GHG conversion factors has seen the GHG emissions conversion factor for electricity reduced by 9.7%. This reflects changes to the UK's energy mix during 2018/19 which saw a further reduction in the use of coal-powered electricity generation and increases in the generation of gas and renewables.

Our GHG emissions CO₂e intensity has decreased from 0.6 tonnes CO₂e per 1000 sq ft in 2017/18 to 0.5 tonnes CO₂e per 1000 sq ft in 2018/19, which is a decrease of 16.7%.