

SAFESTORE HOLDINGS PLC
TAX POLICY – INTERNAL DOCUMENT
UPDATED – JULY 2022

1. Introduction

This document presents the strategic tax objectives for Safestore Holdings plc and its subsidiaries (“Safestore” or “the Group”).

The Group’s primary objective from a tax perspective is to be compliant with all tax legislation requirements. This includes making timely and accurate returns based on the Group’s economic activities which reflect Safestore’s fiscal obligations to Governments, whilst applying all legislative concessions and reliefs in the manner intended.

Safestore strives to minimise its total tax liability within the framework of legislative reliefs but does not take an aggressive stance in its interpretation of tax legislation. Its policy is to operate both within the letter and spirit of the law at all times.

Safestore does not use artificial tax avoidance schemes or tax havens to reduce the Group’s tax liabilities. As a result of acquisitions or for reasons of regulatory or commercial rationale the Group contains a subsidiary incorporated in Luxembourg.

The systems, processes and controls which support the delivery of the strategic tax objectives are regularly reviewed and documented.

Our approach to tax has been published in accordance with paragraph 16(2), Schedule 19 of the Finance Act 2016, and relates to our accounting periods ended 31 October 2022 and 31 October 2023.

1.1 Scope

The tax strategy and strategic objectives are intended to apply to the Group.

The strategy applies to:

- REIT compliance;
- Corporate income taxes;
- Indirect taxes (VAT, IPT, Stamp Taxes);
- Employment taxes;
- Other relevant tax matters.

1.2 Ownership and approval

The tax strategy is prepared and revised by the CFO, in conjunction with the Group Tax Manager and is approved by the Board. Overall execution of the strategy is within the remit of the Board, with operational responsibility delegated to the CFO.

The strategy applies to all Group staff that have a responsibility for tax compliance.

It will be reviewed and amended as necessary on an annual basis, taking into account changes to the Group’s structure or how it does business.

2. Tax strategy and strategic objectives

2.1 Strategic principles

The Group operates self storage centres in the UK, France, Netherlands, Spain and Belgium. The Group manages its assets with a view to long-term rental growth and capital appreciation. Tax is a consequence of the activities the Group undertakes.

2.2 Tax strategy and attitude to tax risk

The Group's tax strategy is compliance orientated; its strategy is to account for tax on an accurate and timely basis and meet all compliance and reporting obligations applicable to each territory in which it operates or otherwise has a taxable presence.

We operate in a low risk manner, aggressive tax planning that is not aligned with our economic and commercial priorities is not part of our strategy.

Central to our tax policy is the maintenance and development of strong and constructive working relationships with HMRC and other tax authorities based on trust and cooperation. As a consequence Safestore strives to be regarded as a low risk and responsible taxpayer.

We strive to maintain open and constructive relationships with the tax authorities in UK and other jurisdictions in which our self storage businesses operate, with a view to identifying and solving issues promptly wherever possible.

Where disputes arise with tax authorities in areas of doubt, or where legal interpretations differ, then we aim to tackle the matter promptly and resolve it in a responsible manner.

Safestore achieved "Low Risk" status with HMRC in 2020. It is our objective to maintain "Low Risk" status in future. From FY22 Safestore's UK group of companies will be subject to the Senior Accounting Officer (SAO) regime, an integral component of HMRC's risk assessment process.

3. Governance and resources

The tax strategy is delivered by our tax operating model (the internal systems, processes and controls for processing information effectively for tax purposes, together with the staff we employ in the business with responsibility for tax compliance and the external advisers we engage to support them). Our tax operating model is underpinned by accounting processes and mitigating controls to ensure that we remain tax compliant.

Compliance with the ongoing conditions imposed by the UK REIT tax legislation is monitored monthly and tested quarterly with formal reporting prior to the consideration of the bi-annual dividend payments.

The Safestore Audit Committee, which is made up of independent non-executive directors, is responsible for overseeing our policies on tax and reviews our tax strategy every six months via regular assessments of tax risks/exposures. The Committee receives an annual report on the management of the Group's tax affairs, with any major issues arising in the intervening period brought to their attention at the half year stage separately.

3.1 Roles and responsibilities

Andy Jones, CFO, is responsible for ensuring the Group's compliance with the Tax Policy.

The CFO has overall responsibility for the execution of the strategy. However, on a day to day basis, preparation of information and returns together with payments of tax are handled by the Group Tax Manager and finance teams in UK and local geographies:

	UK	France	Spain	Benelux
REIT compliance	Group Tax Manager	N/A	N/A	N/A
Corporate income taxes	Group Tax Manager	FR Finance Director	ES Finance Director	Group Tax Manager
Indirect taxes (VAT, Stamp taxes)	Group Tax Manager	FR Finance Director	ES Finance Director	Group Tax Manager
Employment taxes	Group Payroll	FR Finance Director	ES Finance Director	Group Payroll
Other relevant tax matters	Group Tax Manager	FR Finance Director	ES Finance Director	Group Tax Manager

3.2 Risk identification and management

The tax risk identification and management process is documented in the Risk and Internal Control document.

Risk and controls are reviewed on a six-monthly basis and are reported on to the Audit Committee and the Board as part of overall reporting of risk and controls. At each review, tax risks included in the Group risk register are considered and amended as appropriate.

Items to be reported to the Board by the CFO:

- Significant tax risks;
- REIT compliance;
- Changes in legislation which are likely to have a significant impact on the Group;
- Major commercial transactions which have a significant tax impact. Generally, this will relate to acquisitions, developments and disposals which are subject to a formal reporting process to the Board by the Property Director, to include input on tax matters from the CFO and Group Tax Manager:-
- Tax audits and litigation.

3.3 Training

Members of staff responsible for tax compliance activities are encouraged to undertake relevant training and undertake appropriate Continuing Professional Development (CPD) where necessary on an ongoing basis, in order to perform their duties effectively at all times.

3.4 Professional advisers

Where necessary, appropriate professional advice will be sought in respect of significant tax issues or queries regarding day to day tax compliance and the items referred to in 3.2 above.

Professional opinion is required from reputable independent external advisers on any matters where the amount of tax involved is significant and the tax treatment materially uncertain.

3.5 Change management

The Group Tax Manager is responsible for monitoring changes in tax legislation and providing timely updates to the CFO, business departments and individuals responsible for tax compliance activities.

Changes to tax legislation which affect the Group are discussed with the Group's tax advisors on an ongoing basis. These are then considered in the risks review noted in 3.2 above.

3.6 Document retention

Records and documents used to review REIT compliance, tax returns and other relevant tax calculations or positions will be retained for at least the period required by the Finance Act (generally 6 years from the end of the accounting period).

Name and position: ANDY JONES (CFO)
For Safestore Holdings plc
Date: 8 August 2022