

# Sustainability

## Our sustainability strategy

Our material sustainability issues, as identified by internal and external stakeholder engagement (with colleagues, investors, customers, and partners), 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, we periodically review our activities to ensure we are focusing clearly on material areas and are aligned with not only our corporate goals but also the principles of the UN Global Compact. We track progress against medium term targets set in 2019 using appropriate key performance indicators ("KPIs").

We report in accordance with the European Public Real Estate Association's ("EPRA's") latest recommendations: EPRA Sustainability Best Practices Recommendations ("sBPR"), third version September 2017. These recommendations are also aligned with the latest Global Reporting Initiative ("GRI") standards.

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/](http://www.safestore.co.uk/corporate/investors/report-and-presentations/).



In recognition of the strides made in our sustainability disclosures, Safestore has been given a Silver rating in the 2022 EPRA Sustainability BPR awards. In addition, the Global ESG Benchmark for Real Assets ("GRESB") has once again awarded Safestore an 'A' rating in its 2022 Public Disclosures assessment and MSCI has awarded Safestore its second-highest rating of 'AA' for ESG.

## Sustainability highlights

<b>40%</b>	<b>proportion of female applications reached for the first time</b>
<b>4.5+</b>	<b>customer satisfaction in all markets</b>
<b>100%</b>	<b>of 2021 stores powered by renewable electricity by 31 October 2022</b>
<b>27</b>	<b>gas appliances removed from UK stores</b>
<b>-11%</b>	<b>market-based GHG emissions</b>
<b>-12.4%</b>	<b>GHG intensity</b>

## Our purpose

To add stakeholder value by developing profitable and sustainable spaces that allow 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; managing risks to our business from climate change

## Our values

Our values, created by our store teams, are the foundation of everything we do  
See **page 53** for more details



**We love customers**



**We lead the way**



**We have great people**



**We dare to be different**



**We get it**

## Alignment to the UN Sustainable Development Goals

As a Group, we have continued to align our sustainability priorities with the United Nations Sustainable Development Goals (“SDGs”) so that our actions can contribute to a greater collective impact. By striving to achieve our business goals, we will help solve a large set of societal challenges ranging from climate change to decent work and economic growth, and responsible consumption and production.

The SDGs or Global Goals are a call to action for stakeholders across all nations 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.

Our stakeholders increasingly expect us to demonstrate how we are contributing to the SDGs, specifically our investors, our customers and our current and prospective colleagues. Safestore is now one of a growing number of global organisations which are committed to supporting the SDGs and we continue to focus the bulk of our efforts in the priority areas where we can have meaningful impact.



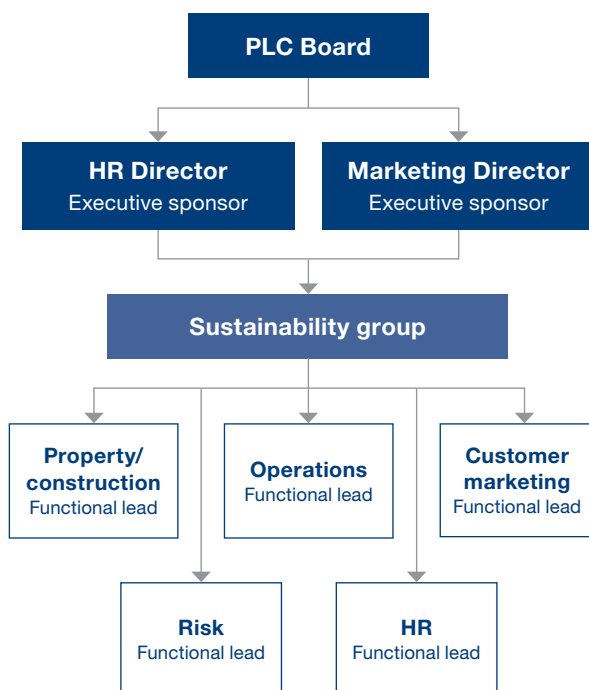
These are:

- Goal 8: Decent work and economic growth
- Goal 11: Sustainable cities and communities
- 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.

## Sustainability governance

Sustainability is embedded into the 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 Board.



## Our suppliers

We realise that our suppliers play an important role in our business, and we expect them to act ethically, and share in our commitments to maintain sustainable business practices using the SDGs as a shared framework for defining the way we work together (SDG 17: Partnership for the Goals, which refers to the need for collaboration in pursuit of all the goals by the year 2030).



In 2021, we were proud to have been awarded the highest rating of five stars by Support the Goals, a global initiative that rates and recognises businesses that support the United Nations Global Goals. This rating is awarded to businesses which are publicly engaging suppliers in their efforts towards reaching the Global Goals.

Given that a significant amount of our environmental impact comes from our third party suppliers, we have worked hard to ensure a consistent evaluation of our supply chain in relation to internationally recognised Environmental, Social, and Governance (“ESG”) standards. From our uniform providers and point of sale print and fulfilment to our merchandise partners and more, we have taken steps to co-ordinate, collaborate and convene with our suppliers and business associates as we work together towards achieving the SDGs most relevant to our business.

Our focus remains on:

- creating decent workplaces and treating our colleagues fairly and with respect
- conducting business lawfully, ethically, and with integrity
- responsible sourcing, consumption, and production










As we are only as strong as our weakest supplier, our intention is to continue to demonstrate our commitment, actions and progress towards the SDGs, and encourage our suppliers to work towards achieving similar goals.

# Sustainability *continued*

## Alignment to the UN Sustainable Development Goals *continued*

### Sustainability targets and KPIs

The table below outlines the targets we set ourselves in each of the four ‘pillar’ areas. We are pleased to have met the majority of the 2022 targets set in 2019 and our near term focus now shifts to the 2025 targets. In light of our plan to achieve operational Net Zero according to the market-based method for Scope 2, and the acquisition of store portfolios in the Benelux, the 2025 emissions targets have been revised this year.

Sustainability strategy ‘pillar’	Sustainable business goals	Corporate business goals	UN Sustainable Development Goals	Performance measures (“KPIs”)	Targets	
					2022	2025
 <b>Our people</b>	The fairest places to work	A great place to work		Percentage of females applying for roles at Safestore	40%	42%
	A safe working environment			Engagement score	Maintain score >80%	
				Number of reportable injuries (RIDDOR)	Zero	Zero
Investors in People	n/a	Maintain IIP Platinum				
 <b>Our customers</b>	Deliver a great customer experience	Storage provider of choice		Customer satisfaction score	>4.5	>4.5
	Help customers live and grow sustainably					
 <b>Our community</b>	Benefit to local communities	Help local economies thrive		Pro bono value of space occupied by local community groups	Opportunity led	Opportunity led
 <b>Our environment</b>	Reduce our waste	Achieve optimal operational efficiency		% of construction waste diverted from landfill in the UK	98%	99%
				% of operations waste to landfill	1.75%	1%
	Reduce our emissions			% of renewables in owned store electricity (Group)	100%	100%
				Abs. operational GHG emissions (tonnes CO <sub>2</sub> e)	3,917 (LB)	3,400 (LB) 1,014 (MB)
			Operational GHG emissions, MB vs 2021	(25%)*	(20%)	
			Operational GHG intensity (kg CO <sub>2</sub> e/sq m <sup>2</sup> )	4.5 (LB)	3.5 (LB) 0.93 (MB)	
			Total emissions vs 2013 baseline – LB	(50%)	n/a	
Emissions intensity vs 2013 – LB	(58%)	n/a				

**Key:**  
● Target achieved    ● Target nearly achieved    ● Target not met

**Note:**  
 \* MB emissions 25% lower for UK, France, and Spain vs 2021.

## Our people

**Target**

**Engagement score**  
Maintain score >80%

**Performance 2021/22**

✓ **90%**



## INVESTORS IN PEOPLE®

We invest in people Platinum

We know our people as individuals, and show respect for each other, enabling everyone to have a voice so that they can bring their full, unique selves to work.

Our leaders are role models who build high trust. We recognise that great people management takes time and therefore we have kept colleague-to-manager ratios low to enable our leaders to invest their time in our people.

We have built an environment where it's natural for us to give regular, honest feedback and to coach in the moment. And formally, we go beyond mandatory training to promote life-enhancing learning where everyone can continually evolve.

We are exceptionally proud to have been awarded the prestigious Investors in People ("IIP") Platinum accreditation. We also made the final top ten shortlist for the Platinum Employer of the Year (250+) category in The Investors in People Awards 2021. We see our colleagues as an asset, and we understand that it's our people who truly make the difference.

We endeavour to operate employment practices that support SDG 3 (Good health and wellbeing), SDG 8 (Decent work and economic growth) and SDG 10 (Reduced inequalities) through building, improving, and maintaining safe and secure working environments and advocating a diverse and inclusive workforce, free from harassment and victimisation. Our Wellbeing Strategy and People Principles documents further expand on how we seek to achieve this.



More details about the progress we have made in each section of our wellbeing strategy can be found on pages 51 to 53.

# Sustainability *continued*

## Our people *continued*

### Equality, diversity, and inclusion

We are committed to providing an inclusive workplace, encouraging, and welcoming diversity with zero tolerance of harassment and discrimination. More detail can be found in our People Principles document (online in the Governance section).

Our strong wellbeing foundation has enabled us to develop a strategy setting out our approach to further support diversity and inclusion at Safestore.

We are proud of Safestore's diverse workforce; in our 2021 IIP survey, 89% of colleagues agreed that Safestore values and respects individual differences. Our new Diversity and Inclusion Strategy is about embedding and continuing the important work we've already done to enable all our colleagues to feel confident to bring their full unique selves to work.

**Colleague journey.** This is about ensuring our culture is friendly and welcoming to all. We want people to be themselves at work, and initiatives such as our Values and Behaviours framework, health, and wellbeing support from day one, and improving the accessibility of our learning and development opportunities support our culture.

## Safestore Diversity and Inclusion Strategy



### Purpose

Enable colleagues to feel confident to bring their full unique selves to work

<p><b>Colleague journey</b></p> <p>Provide an inclusive onboarding experience so colleagues feel welcome from day one</p> <p>Integrate inclusion into culture through our behaviours and policies</p> <p>Ensure learning and development opportunities are accessible for all</p>	<p><b>Colleague data and analytics</b></p> <p>Improve data quality to understand our workforce diversity</p> <p>Invest in data development and analytics</p> <p>Use diversity data to inform positive action</p>	<p><b>Positive action</b></p> <p>Target recruitment at under-represented groups</p> <p>Introduce targeted colleague support networks and mentoring schemes</p> <p>Enable community affinity groups</p> <p>Continue awareness-raising activities and communications</p>	<p><b>Leadership and management</b></p> <p>Equip and educate leaders to encourage and welcome diversity</p> <p>Actively remove bias</p> <p>Create a safe space for open and inclusive discussion</p>
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**Colleague data and analytics.** In 2022 we have continued to collect ethnicity data to better understand the ethnic mix of our workforce. To date, over 70% of UK colleagues have volunteered their ethnicity data. This data indicates that 31% of Safestore colleagues belong to a Black, Asian, Mixed or other ethnic group, compared with 18.3% of people who make up this group in the UK (2021 census data).

We are really proud of the ethnic diversity of our colleagues. We want to collect more people data to further understand our diverse communities such as the LGBTQ+ and neurodiverse communities, to inform even more beneficial and tangible action.

**Positive action.** This is about recruiting from under-represented groups, and building campaigns and opportunities for networks to meet, be listened to and feel supported.

For example, we have improved our female applicant percentage and refreshed our careers website to ensure it is representative. Our awareness-raising activity on our internal communications platform, Yapster, such as our 'Christmas Around the World' and International Women's Day campaigns have generated lots of energy and engagement.

**Leadership and management.** This is about how we support our leaders to encourage and welcome diversity. For example, we have introduced an updated equality, diversity and inclusion e-Learning module which was completed by all colleagues in 2022 and is now part of the induction for all new colleagues joining Safestore.

We want Safestore to be a safe space for discussion and curiosity to enable colleagues at all levels to continually learn from each other.

### Gender equality

The ratio of male to female colleagues at Safestore is outlined in the table below. Further analysis of our gender pay gap can be found in the 2021 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 2022

	Male	Female
Board Directors	5	3
Executive Committee and direct reports	34	9
All colleagues (excl. NEDs)	478	267



## Positive environment

### Colleague engagement

We believe that engaged colleagues, who feel valued by our business, are the foundation of our customer-focused culture.

Our 'Make the Difference' people forum, launched in 2018, is a formal workforce advisory panel, which enables frequent opportunities for us to hear and respond to our colleagues.

Our network of 15 'People Champions' collate questions and feedback from their peers across the business and put them to members of the Executive Committee.

Our people forum provides a listening culture, enabling high levels of consultation. Innovation and ideas now come from every level.

We drive change and continuous improvement in responding to the feedback we receive, via our internal communication channels and back through our network of People Champions.

Recently, our People Champions have helped us to continue our awareness-raising activities and communication through a selection of a broad range of topics for discussion on Yapster, our internal social media platform. The aim is to appreciate our diversity, by recognising and celebrating festivals and events, as well as individuals, and to create a safe space for sharing and discussion. In addition, we use Yapster to highlight local successes and recognition between stores and regions with strong links made to Safestore's alignment to the SDGs.

### Health and safety

Safestore 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 required to make improvements
- comprehensive compulsory health and safety training programmes for all colleagues
- regular Health and Safety Committee meetings to review issues, processes, policies, 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 the year ended 31 October 2022 in any part of Safestore operations.

### Group health and safety statistics

#### Customer, contractor, and visitor ("CCV") health and safety Summary:

- 38 minor injuries were recorded over the past year, none of which were reportable under RIDDOR\*.
- 3 minor injuries were recorded to contractors and 35 to customers. No injuries were recorded to visitors.
- Injuries were recorded as 29 minor cuts, 7 bumps and bruises and 2 strains mainly relating to customers handling their goods.

Year ended 31 October	2020	2021	2022
Number of stores	155	161	179
Customer, contractor, and visitor movements	120,995	206,871	242,559
Number of minor injuries	36	46	38
Number of reportable injuries (RIDDOR)	0	0	1
RIDDOR per 100,000 CCV movements	0.0	0.0	0.4

#### Colleague health and safety

##### Summary:

- 26 minor injuries were recorded over the past year.
- No accident/incident was reportable under RIDDOR\*.

Year ended 31 October	2020	2021	2022
Number of colleagues	658	648	751
Number of minor injuries	21	19	26
Number of reportable injuries (RIDDOR)	2	1	0
AIIR** per 100,000 colleagues	303	154	0

#### Notes

\* 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*

## Our people *continued*



### Great lifestyle choices

We focus on offering simple, practical wellbeing initiatives, to support our colleagues to lead healthier and happier lives. We recognise that it is more important than ever for our colleagues to take care of themselves and their loved ones.

- Our new cash plan, provided by Medicash, provides colleagues with everyday reassurance on their health and wellbeing from top to toe, inside and out, from GP appointments to skin health checks and physiotherapy to counselling services.
- We have further promoted our Employee Assistance Programme (“EAP”) and other external support organisations such as Mind and Mental Health UK, providing our colleagues with expert guidance and support on everyday matters whenever they need it.
- We continue to work closely with our occupational health provider including provision of private counselling for colleagues in crisis requiring immediate support.
- We have increased the voucher limit on our popular Cycle to Work scheme.
- In addition to our ‘My Wellbeing’ webpage (our internal wellbeing resource hub), we have also communicated a number of wellbeing events and offers using our internal platform, Yapster. We believe good wellbeing communications promote and embed our positive and supportive working environment.

**Health and wellbeing initiatives are being given more attention and people are positive about the commitment to wellbeing.**

**Matthew Filbee,  
IIP Practitioner**



### Personal growth and education

#### Learning and development

At Safestore, we have a strong focus on learning and development for all our colleagues, with a genuine commitment to building a culture of developing talent.

**The overall culture of the organisation very much projects the message that learning and development are valuable.**

**Matthew Filbee,  
IIP Practitioner**

We use innovative methods of learning as well as traditional routes, with lots of support from our managers at all levels. The survey revealed that 93% of respondents knew how Safestore invests in learning and development. In 2022, we delivered over 30,000 hours of training.

All learning is evaluated, with skills development and practice gained through on-the-job supervision, regular coaching sessions, module sign-off, observation, feedback, and overall evaluation of how effective a programme of learning has been.

Across the Group, there are plenty of opportunities to put skills and knowledge into practice, with colleagues being given extra responsibilities to enable this to happen.

Our leaders understand the importance of succession planning. Talent management is sophisticated and transparent, with performance management channelled through our Values and Behaviours framework, to identify and support high potential individuals.

In the UK, both our Sales Consultant and Store Manager Development programmes continue to grow and upskill our colleagues. Everyone has the opportunity to discuss and agree their learning and development pathways with their line manager, and this is executed effectively. In our latest IIP survey, 88% of respondents stated that they have opportunities to learn at work.

We were also delighted that our Store Manager Development programme, now in its sixth year, has a record of 18 new participants for 2022. Funded by the Apprenticeship Levy this programme provides the opportunity to complete a Level 3 Management and Leadership apprenticeship, with the additional opportunity to complete an Institute of Leadership and Management (“ILM”) qualification.

In addition, all nine participants of our Senior Leadership Development programme (“LEAD Academy”) successfully completed their Level 5 Management and Leadership apprenticeship; six of those participants were awarded Distinctions.

Furthermore, we have re-launched our Graduate Programme, with our first intake commencing in October 2022, providing an opportunity for newly qualified graduates to build their skill set and experience, resulting in a career with Safestore.

### Financial wellbeing

We understand that the current cost of living crisis is having a significant impact on personal finances. As part of Safestore's wider wellbeing strategy, we are committed to doing what we can to ensure the financial wellbeing of our colleagues.

- During the Covid-19 pandemic, we enhanced Company sick pay ("CSP") to alleviate the financial burden. We have taken the decision to make this enhancement permanent and all colleagues are now entitled to CSP from day one of employment.
- We applied our annual pay increase to all eligible colleagues a month early in March.
- We made exceptional payments totalling £1,000 to every colleague: £500 in December 2021 as a thank you for their contribution during the pandemic; and a further £500 cost of living payment in October 2022 to ease financial hardship over the winter period.
- We launched a 'benefits portal' on our intranet, creating a one-stop-shop for all colleagues to access information about which benefits are available to them and how to access them. Following feedback through our 'Make the Difference' people forum, we introduced an annual uniform allowance for all store colleagues.

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.

In August, we opened entry into our 2022 Sharesave scheme, and are delighted that 48% of our colleagues now share in our success by being a member of at least one of our Sharesave schemes. This is further evidence of high levels of colleague engagement across the business.



## Active leaders and engaged teams

### Leadership

Our leaders bring out the best in our colleagues, motivating them to work together to achieve our shared goals and objectives.

We achieve this by keeping colleague-to-manager ratios low, enabling our leaders to invest time in encouraging and engaging our colleagues, forming genuine connections with their teams. This is evidenced by the exceptionally high leadership engagement score of 90%, achieved in our IIP survey.

Our active leaders are energetic and passionate, engaging in honest, open communication to connect with their colleagues. Our coaching culture encourages two-way feedback supporting both personal and professional growth, which is formalised through the setting of clear goals and expectations, reviewed bi-annually.



**Many people said how much they love working at Safestore and the pride in the service delivered came across loud and clear. Everyone described a friendly, supportive place to work.**

**Matthew Filbee,**  
IIP Practitioner

### Values and Behaviours

Our values are authentic, having been created by our colleagues. They are core to the employment life cycle and bring consistency to our culture. Our leaders have high values alignment enabling us to make the right decisions and maintain morale at all times, and this has been proven especially during the pandemic.

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.



**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 businesses.



**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 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.



# Sustainability *continued*

## Our customers

### Target

# 4.5

Maintain 4.5+ satisfaction scores in each market

### Performance 2021/22

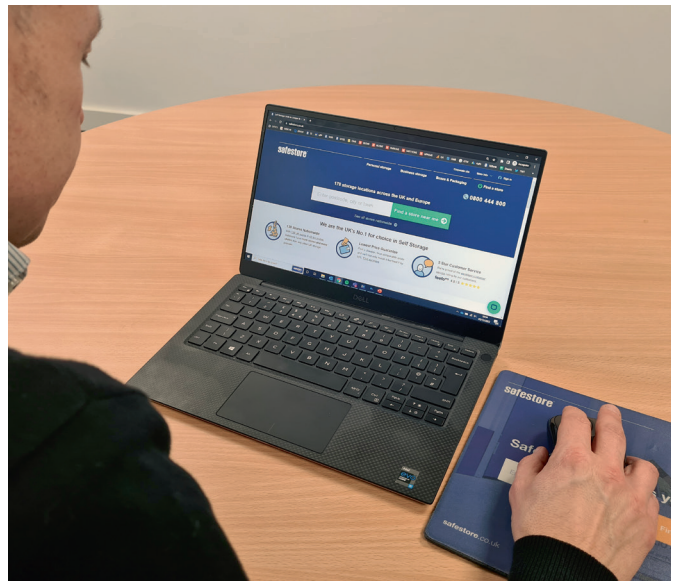
✓ UK: **4.7** Feefo and **4.8** Trustpilot

✓ France: **4.6** Trustpilot

✓ Spain: **4.7** Google

✓ Belgium: **4.7** Feefo

✓ The Netherlands: **4.9** Trustpilot



### Listening to and engaging with our customers

As a Group, we serve many customers across the UK and Europe through face-to-face communication in store, directly through our Customer Support Centre, and online via our website, email, and social media channels, as well as through our LiveChat service. By offering these different channels, our customers can get in touch with us through their preferred mode of communication.

We believe in providing a great customer service, and responding positively to our customers' ever-changing needs, expectations and behaviours. We are always keen to hear from our customers to maintain the high standards of service that we pride ourselves on. We invest in customer service training, tools, coaching and evaluation to provide a service that is professional, efficient, and helpful.

Our aim is to exceed our customers' expectations from initial enquiry through to move-in, and this is evident through the way our colleagues handle customer enquiries, claims, and issues. For this reason, we collect, monitor, review, and respond to customer feedback collected on our website, third party platforms, and social media, to gauge customer satisfaction, raise service standards, and manage our brand reputation online.

We aim to communicate with customers and prospects in a creative and consistent way across the various communication channels. We see our social media channels on Facebook, Twitter, Instagram, and LinkedIn as a 'shop window' to our brand that can help to reach new audiences, both in the UK and Europe. These channels are also helpful to gauge customer feedback and public sentiment, and thus we regularly monitor them, responding to any comments and enquiries. We frequently post content to our social media channels such as tips and advice for homeowners and businesses, profiles of charity organisations we support, recruitment opportunities within the Group, any sustainable or green business initiatives, and links to our blog pages as well as regular Facebook advertising across the Group.

### Delivering a great customer experience

Our core business is to provide well-located, accessible, safe, and secure storage sites operated by colleagues who are experts in the self storage business. We endeavour to make each customer touchpoint as stress-free as possible, for example by:

- the use of SafePay links giving customers the ability to pay by direct debit or to pay invoices online
- accepting deliveries on our customers' behalf where delivery drivers can take items direct to store saving indirectly on customer travel time, cost, and associated carbon emissions

- offering our customers three types of contracts giving them the opportunity to choose the one which best suits their needs

### Our website – a user-centric re-structure

Our industry-leading multilingual and dynamic website continues to play an important part of the enquiry mix with enhanced search engine performance, optimisation for mobile devices, and bespoke management of rich website content.

As most of our enquiries are generated online, we continue to work to provide the customer with an even clearer, more efficient onsite experience. Consequently, we have acknowledged the importance of answering user queries with well-positioned and relevant information as soon as they arrive at the website. This has been at the heart of the initiative. By using analytical data and re-structuring the page format, we can see the content most in-demand which has enabled us to help users locate key information about our stores and the storage offering.

### Website technical performance

60% of our web visitors start their journey with a storage related search on Google so we've also focused our rebuild of the 129 Safestore UK pages with specific guidance from Google. For example, we have technically improved the pages to ensure they are quicker to load on slower internet and mobile connections. This is following ongoing recommendations from Google as to improve user experience and strengthen positions in Google search results. We also aim to continue making pages simpler to read and easily accessible by users on the whole range of mobile devices.

The new store pages are in a test phase and will be released to non-UK markets early in 2023.

### Helping our customers to live and grow sustainably

We also remain focused on delivering against our sustainability agenda by encouraging our customers to make more sustainable choices. This is in addition to making a positive social and economic contribution to our communities, and reducing the environmental impact of our operations. We want to support our customers with products and solutions that help improve their lives such as:

- digital contracts, offering both convenience and a 16% reduction in the number of pages printed this year versus last (equal to a reduction of 528,236 pages or over 1,000 reams of paper)

- Refill, a scheme available in 122 Safestore stores across the UK offering free tap water to make it easy for the public to refill reusable water bottles instead of buying new plastic ones
- provision of sustainably packaged merchandise and eco-friendly box products
- cardboard recycling for some customers

#### Customer reviews

We have retained Feefo, an independent review and insight platform, to collect real-time and 100% genuine feedback from our customers. Our stores in the UK receive regular feedback allowing customers to view reviews and ratings. In 2022, Safestore UK achieved a customer service rating of 4.7 with 94% rating their experience as 'Excellent' or 'Good'.

Safestore UK also won the Feefo Platinum Trusted Service award for the fourth year running – an award that is given to businesses that have achieved Gold standard for three consecutive years. This independent mark of excellence recognises businesses for delivering exceptional experiences, as rated by real customers. It is a highly valued award and as all reviews are verified as genuine, the accreditation is a true reflection of Safestore's commitment to delivering the best service possible.

In addition to using Feefo, our customers are able to leave reviews on a number of other platforms, including Google and Trustpilot. As a result, wherever customers look for trust and reputational signals about Safestore, they will see an impartial view of our excellent customer satisfaction.

Trustpilot is a well-recognised and authoritative third party review platform and this year, Safestore has maintained a TrustScore of 4.8 out of 5 in the UK from 2,349 reviews, illustrating our experience in delivering a high level of customer service.

Une Pièce en Plus also continues to use Trustpilot to obtain independent customer reviews. During the year, Une Pièce en Plus maintained a TrustScore service rating of 4.6 with 90% of customers rating their service experience as 'Excellent' or 'Great'. Additionally, in Spain, OhMyBox! achieved a 4.7 out of 5 rating for customer feedback collected from Google Reviews. In Belgium, our customer service was rated 4.7 out of 5 on Feefo, whilst we achieved a high scoring 4.9 out of 5 on Trustpilot in the Netherlands.

We are pleased that our colleagues across all markets continue to be recognised for their hard work in delivering a consistently high level of customer service.



## Our community

### Target

**Provision of free/discounted space and additional support to high impact local community groups**

Opportunity led

### Performance 2021/22

**18,903 sq ft** provided

**£727,356** worth

Safestore is committed to making a positive contribution within the local communities around our stores. We are keen to deliver long term benefits to society and the local economy consistent with our alignment with SDG 11 (Sustainable cities and communities). Moreover, we are committed to being a brand that our current and prospective colleagues are proud to work for as well as one that our customers can trust.

We continue to do this by:

- developing brownfield sites
- actively engaging with local communities when we establish a new store
- identifying and implementing greener approaches in the way we build and operate our stores
- helping charities and communities to make better use of limited space
- creating and sustaining local employment opportunities directly and indirectly through the many small and medium-sized enterprises which use our space

We aim to create long-standing relationships with charities and organisations that drive positive change within our local communities. We know that we can build trust by operating responsibly and partnering with local and national charities which means that we can support causes that are important to our colleagues, customers and communities. This enables us to address issues such as rising homelessness, enhancing social mobility and creating opportunities for people living and working in the local area.

In 127 stores across the UK we continue to:

- provide fundraising support to existing and new local charity partners
- offer free or discounted storage space to 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
- 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 222 units across 103 stores was 18,903 sq ft and worth £727,356 (FY2021: £636,945). Our aspiration 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, we encourage our colleagues to maintain relationships with the charities we support and we continually review the scheme to ensure that it is beneficial for all involved.

## Sustainability *continued*



### Our community *continued*

#### HandsOn London

For the eleventh year in a row, Safestore UK teamed up with the WrapUp London campaign to support their annual coat drive to help those in need during the winter of 2021.

More than 23,700 coats were collected during the campaign, which began in early November and ran through December. Coats were distributed to the homeless, refugee families, the elderly, those fleeing domestic violence, and others living in crisis through a network of over 100 London charities and community groups.

Several Safestore UK centres were used as local drop-off points for the public due to ongoing Covid-19 restrictions at the time. Our colleagues also offered their support by marketing the campaign via social media, donating their own coats, and offering extra storage space to facilitate the sorting, distribution and packing of the coat donations.

Since the campaign was launched in 2010, volunteers have collected, sorted, and distributed a total of 197,245 winter coats which has made a real positive difference in the lives of the city's most vulnerable people.

Over the years, and in partnership with WrapUp London, Human Appeal and Rotary Club International, the campaign has extended outside of London to 18 other collections in major towns and cities across the UK including Glasgow, Manchester, Birmingham, Bath, Bristol, Leicester, and Cardiff.

This year, Safestore's involvement included:

- providing storage space across 15 stores in London, six stores in Greater Manchester, two in Birmingham, and one each in Bristol, Glasgow, Leicester, and Bath
- provision of 5,908 sq ft of storage space enabling 913 campaign volunteers to spend 3,924 hours sorting and packing up coats for distribution whilst maintaining social distancing
- the stores acting as drop-off points beyond the campaign period and receiving numerous donations from other businesses, community organisations and the general public
- using our internal and external communications platforms to raise awareness of the WrapUp London cause and inspiring our colleagues to get involved locally

66

Jon Meech, CEO, HandsOn London, said:

**With the country lurching from one crisis to the next, our work with the poor, needy and vulnerable has never been more critical. From people losing their jobs following the Covid-19 pandemic or becoming homeless, to those being forced to flee domestic abuse or war-torn countries, the desperate need for warm coats and jackets for all ages keeps growing.**

Now at over ten years old, WrapUp London has become one of the largest winter volunteering campaigns in the city. Whilst it's tough that this is still required after all this time, it's been amazing to see just what can be achieved when people are willing to volunteer their time and efforts. Sadly, the number of people living in challenging circumstances in the city is rising, and now more than ever as we face a cost of living crisis, donations from the public are required to help those in need.

We, alongside our partners Human Appeal and Rotary Club International, are eternally grateful to Safestore for the donation of storage space for the WrapUp campaign now held nationwide. This has meant that coat collections can take place across multiple locations in the UK, and our volunteers also have the space to sort and package up the donations received so we can ensure they get to the right place. Safestore's support has enabled the collection and distribution of over 197,000 warm coats to date. It's been great to work with Safestore and we look forward to continuing our partnership for years to come."



66

Gem Porter, Founder of Streets Kitchen, said:

The team at Streets Kitchen is grateful to Safestore for supplying much needed free storage space. The space means that we can continue to take in donations from our supporters allowing us to better care for those in need in the local area.

The last few years have been challenging, particularly for those living on the streets, and our services are needed more than ever as we head towards a cost of living crisis. This free space means that we can divert the funds we would have spent on storage to be used in other areas which make the most difference to the vulnerable people we serve."

### Local charity support

Making a difference to the communities within which we operate, through partnerships with charities and not-for-profit organisations, is an integral part of our sustainability strategy. These partnerships are a source of pride for our store colleagues and drive ongoing engagement with our purpose. In order to achieve this, we provide financial support to local and national charities, and encourage our colleagues to get involved in fundraising and volunteering.

Our Head Office colleagues were able to collate boxes of groceries and treats at Christmas time which were donated to a local foodbank during a lockdown period. We believe it is important for our colleagues to recognise how our activities can have an impact on those around us and it is our hope that any volunteering and fundraising opportunities would inspire and encourage them to get involved and provide hands-on help where it matters.

The provision of free and discounted storage space has helped our charity partners provide immediate support to people facing challenges in our local communities. These include charities supporting the homeless, families struggling with food poverty, and organisations offering mental health services. We are continuing to work collaboratively with our colleagues in store locally as we support our charity partners in helping the communities in the areas within which we operate.

Streets Kitchen is a UK-based grassroots organisation working to support the homeless community with food outreach programmes, distributing clothing to those in need, and connecting those who want to help with those who need help. Safestore currently provide Streets Kitchen with free storage space enabling the charity, which is run and organised by volunteers, to continue its invaluable work in the London area.

Safestore holds a charitable fund with Quartet Community Foundation, dedicated to supporting local organisations that help people in need in Bristol, Bath and North East Somerset, North Somerset and South Gloucestershire. Between April 2021 and March 2022 Quartet awarded over £4.8 million in grants to 888 local charitable organisations, with a third of the funding spent on improving people's mental health and wellbeing, and a quarter on increasing people's access to vital services.

A key part of the work last year, in the aftermath of the pandemic, has been to strengthen the voluntary sector organisations which have played a crucial role in supporting the most vulnerable in our communities.



### Construction and the community

We strive to minimise any negative impact of our business operations on our local communities as well as on our environment. We register all our new store developments with the Considerate Constructors Scheme, and we engage with our immediate neighbours on all projects by sending out regular newsletters about what we are doing or if we have any noisy work planned that may create a nuisance.

When we tender for various construction projects, we always look to give local companies the opportunity to tender for the various construction packages.

In the summer of 2022, Safestore joined forces with construction partner UC Build to sponsor the Great Merton Mencap Art Competition, an accessible competition for children, young people, and adults with a learning disability. After a public exhibition, the winner's artwork in each category was printed onto greetings cards and sold to the public to raise funds for Merton Mencap.

In the run up to our new Morden store opening, we established the location as a drop-off point for members of the public to drop off groceries and other essentials for a local foodbank providing emergency food and support to people in crisis.

It is our ongoing commitment to ensure that we act responsibly and ethically wherever we construct our storage sites across all the markets in which we operate.

# Sustainability *continued*

## Our environment

### Target

# 100%

UK owned stores powered by 100% renewable electricity

### Reduce

UK store waste to landfill by 50% by 2025 vs 2016/17 level

### Improve

construction waste diversion from landfill to 98%

### Reduce

carbon emissions by 50% of 2012/13 baseline by 2022 (2018 store portfolio)

### Performance 2021/22

✓ **100%**  
Completed

✓ **1.7%**

On track – we have achieved 100% diversion from landfill for UK operational waste since May 2022

✓ **98.5%**

On track – 98.5% diversion of construction waste from landfill

✓ **54%**

On track – total emissions 54% below baseline despite 50% portfolio growth; intensity 70% below

In this section, we explain how we are reducing our impact on the planet through ongoing improvements in construction standards and our store operations. We also include our Task Force on Climate-related Financial Disclosures (“TCFD”) through which we seek to understand and manage the potential risks (and opportunities) to our business associated from a changing environment.

### Our net zero commitment

We are pleased to share our commitment to become an operationally net zero Group by 2035. This commitment covers Scope 1 and 2 emissions plus Scope 3 emissions, which relate to ongoing operations (water, waste, electricity, transmission and distribution, and business travel).

We aim to achieve this through a combination of consumption reduction initiatives as outlined later in this section such as phasing out of gas heating in the UK portfolio, and ensuring all energy consumed is self-generated (where viable) or purchased from certified renewable sources.

We also intend to work with our construction partners to understand the baseline of embodied carbon in our new developments and explore ways of reducing this where viable. Our sustainable construction standards (see below) already seek to maximise the use of recycled material and minimise waste whilst building to Building Research Establishment Environmental Assessment Methodology (“BREEAM”) ‘Very Good’ standards. Based on research by the London Energy Transformation Initiative (“LETI”) redevelopment projects have an embodied carbon footprint of approximately 50% of new-build developments. As such, the Group’s flexible model is likely to generate less embodied carbon than operators which develop new build structures exclusively.



### Safe, sustainable construction

Safestore is committed to ensuring our buildings are constructed responsibly and their ongoing operation has a minimal impact on local communities and the environment. This is how we can make a meaningful contribution towards achieving SDG 12 (Responsible consumption and production) and SDG 13 (Climate action).

- Our construction teams in the UK and across Europe follow sustainable construction principles and, wherever practicable, we use materials that have recycled content or are from sustainable sources.
- We monitor the waste and energy usage on every site and introduce efficiencies identified into future building projects.
- We design our stores to provide a safe, secure home for our customers’ possessions and we build them with consideration given to our people, our customers, our communities, our investors, and the environment.
- 50% of our last twelve new store openings have been conversions of existing buildings. Our Bow store, which opened in December 2021, was also a converted building and our new store in Wigan will also be a conversion.

### Building Research Establishment Environmental Assessment Methodology (“BREEAM”)

BREEAM certification is a local planning requirement for some of our new stores. The methodology assesses impact and opportunity for enhancing the environmental aspects of design and construction.

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 resource management, health, wellbeing, modes of transport and pollution reduction.

Regardless of whether a site is BREEAM certified, we are committed to build to a minimum standard of BREEAM ‘Very Good’ on all of our new store developments.

## 2021/22 highlights



### REGO

All electricity used in UK owned stores is renewable and backed by REGO certification



### 21.6%

reduction of our year-on-year UK operational waste production



### 27

UK stores now have gas use removed, reducing overall usage year-on-year by 37%



### 100%

of our UK operational waste has been diverted from landfill since May 2022



### 3

plug-in hybrid electric cars have been purchased to replace one diesel and two petrol vehicles this year

### Safestore construction standards

We have a long-standing commitment to providing both a long term sustainable investment and a pleasant and safe environment for our customers and colleagues.

Our stores are built or converted to achieve similarly high standards; however, the configuration of an individual store may vary.

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	Where part of local planning
Sustainable drainage systems	Included	Across all new build stores
Solar photovoltaic	Roof-mounted photovoltaic	Where part of local planning
Considerate Constructors Scheme	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
Energy Performance Certificate	Rated B or higher	All new stores

### Construction material: recycled content

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%

### Construction waste and recycling

We carefully monitor our new store construction waste and ensure we separate waste for recycling where possible.

In the UK, we are already diverting 98.5% of our construction waste away from landfill, ahead of our target of 2025. Across Europe, in Holland and Spain, we aim to meet and exceed legislative targets.

Across our new store projects this year, we are committed to recycling or recovering 100% of all soft and hard plastics. We continue to work with our suppliers to minimise plastic packaging arriving on site and to cut its usage over the coming years. We aim to remove all such products from our sites by 2030.

### Considerate Constructors Scheme

In the UK construction sites, companies and suppliers voluntarily register with the Considerate Constructors Scheme ("CCS") and agree to abide by the Code of Considerate Practice, designed to encourage best practice beyond statutory requirements.

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

We register all our new UK store developments with the CCS setting a target score of 36 points for both the shell construction and fitting out of the facility with our construction management partners.

Our new store in Morden scored an average of 42 out of 45 over the course of its two visits putting it in the top bracket of scoring. The inspector highlighted all areas of the inspections as 'Excellent' which highlights the exceptional effort and commitment that our construction team makes in raising standards of our new store developments.

### Construction health and safety

Our health and safety record is excellent. We register all of our new store schemes with the CCS and we are constantly challenging our colleagues to exceed minimum standards. Safestore has a robust health and safety policy, and we have very low incident levels compared with our peers. This year, the number of reportable incidents on our construction sites was zero.

### Consultation process

We build our stores with our key stakeholders in mind. As part of the town planning process, we consult widely amongst the community and those most likely to be affected by any development.

# Sustainability *continued*



## Our environment *continued*



### Safe, sustainable operations

#### Merchandise

Our 100% recycled and recyclable boxes are available across the UK, Belgium, the Netherlands, and Spain. We continue to offer our ‘box for life promise’, ensuring our boxes can be recycled in a responsible way.

The use of fully recycled papers across our range, including boxes, has resulted in the equivalent of 624 trees being saved from felling this year.

In addition, Safestore is committed to ensuring our merchandise packaging contains no single-use or non-biodegradable plastics.

Working with our suppliers we endeavour to minimise the carbon footprint of deliveries with items despatched from local depots and distribution centres, including one in the Netherlands for European distribution.

#### Uniform

Our uniform supplier processes are accredited by the International Register of Certificated Auditors (“IRCA”) which audits and inspects their factories. In addition, their processes are compliant with the Ethical Trading Initiative (“ETI”).

#### Electricity

We continue to make progress towards our environmental targets through efficiency initiatives and transitions to renewable electricity across the portfolio.

We are contracted to the supply of REGO certified renewable energy in the UK until the end of next year and committed to continuing thereafter.

The electricity for our UK owned portfolio is supplied by multiple renewable sources. The two largest contributors are Kilbraur Wind Farm and Cullisse Wind Farm which are both located in Scotland.

#### Like-for-like usage (UK)

	Last year	This year	% change
Electricity (MWh)	11,063	11,943	8%

We have seen an incremental increase in electricity usage as our heating solutions are changed from gas to high efficiency electric solutions. Following the removal of coronavirus restrictions, we reinstated the use of electric hand dryers in our stores. We continue to monitor advances in technology and any viable solutions for the future to reduce our electricity usage.

#### Voltage optimisation

Voltage optimisation is a transformer-based technology which optimises incoming supply from the national grid to match the voltage required by equipment at an organisation’s premises. Optimising voltage reduces commercial energy use and costs as well as lowering carbon emissions.

During September 2022, we installed voltage optimisation at our largest location, the Battersea Park store and Business Centre. The return on investment for Battersea will be calculated after twelve months, with a predicted decrease in electricity demand and a more stable supply to the critical infrastructure at the site. We also plan to install this at our Liverpool facility, which also features a storage centre co-located with a business centre.

#### Gas

In 2020 we committed to eliminating gas usage by 2030 from our UK stores; this was done by installing high output low energy electric heaters, which are more efficient than water radiators with timed starting, reducing consumption and demand on electricity.

At the end of October 2022, we eliminated gas usage in 27 stores. We will work towards our 2030 target by removing gas in at least an additional five stores per year as laid out in our net zero plan.

The benefits of removing gas from our stores are wide ranging and include:

- a reduction in the CO<sub>2</sub> output attributed to Safestore
- lower maintenance costs as electric heating systems are more reliable
- no requirement for carbon monoxide testing
- protection from the inevitable material price rises with the upcoming ban on gas boilers in new homes in 2025

This has resulted in a year-on-year reduction in total gas usage in the UK by 37%.

#### Like-for-like usage (UK)

	Last year	This year	% change
Gas (MWh)	3,649	2,300	(37%)

## Water

Our stores consume very low volumes of water, and we strive to further minimise our consumption of water wherever possible through the installation of efficiency schemes such as flow rate restrictors and aerators.

### Like-for-like usage (UK)

	Last year	This year	% change
Water (cubic metres)	35,963	41,570	15.6%

Whilst we have registered an increase in water consumption on a like-for-like basis, this can be attributed to a leak on the incoming water supply pipe at our Winchester site. Safestore carried out urgent remedial works once this was established; the leak was responsible for c.6,429m<sup>3</sup> of the above 'usage'. Without this leak, Safestore would have seen an overall reduction in water usage.

### Operational waste

We changed our waste service partner in mid-April 2022 following a review of our waste production and a subsequent tender exercise in the UK. With our new supplier, we have implemented scheduled services ensuring 100% diversion from landfill for all operational waste, resulting in:

- overall reduction in total waste of 21.6% year-on-year 278.72 tonnes
- full year average of 96.59% diversion from landfill with 100% achieved since the start of May 2022

We will continue to review the scale and impact of operational waste in the UK and other territories, working to minimise the footprint of Safestore's operational waste disposal.

### Like-for-like usage (UK)

	Last year	This year	% change
Waste to landfill (tonnes)	43	37	14.0%

As our new supplier is able to support us in maximising diversion from landfill, we expect to achieve zero operational waste to landfill from next year in the UK with options for other territories under review.

## Energy Savings Opportunity Scheme ("ESOS") Phase 2

Safestore UK remains 100% compliant following the ESOS assessment in 2019 and is working towards completing Phase 3 due in 2023.

## Minimum Energy Efficiency Standards ("MEES")

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 prohibit landlords from letting a property with an EPC rating of below E unless an exemption applies. This is relevant to our UK locations with lettable offices.

The prohibition has applied to new tenancies for residential properties since 1 April 2020 and will apply to commercial properties from 1 April 2023. This will be extended to landlords continuing to let properties that fall below the required EPC rating. It is currently unlawful for landlords to grant a new tenancy of commercial property with an EPC rating of 'F' or 'G'. This applies to both new leases and renewals (unless an exemption applies, and the landlord has registered that exemption). MEES does not apply to lettings of six months or less, or to lettings of 99 years or more. From April 2027, the minimum standard will rise to a 'C' rating as an interim step to a minimum standard of 'B' from 1 April 2030.

Safestore identified 38 locations (storage centres which include lettable offices) where we would have the requirement to have a MEES energy performance survey conducted.

Since 2021/22, these stores have been surveyed by external independent assessors and the findings are that the majority are already compliant with the 2027 requirements of a 'C' rating. Just seven properties were identified as needing improvements to meet the 2027 standard, and we are confident that this can be achieved with modest capital investment. The readiness of the portfolio for the 2027 standard is a consequence of the work undertaken to date in the form of LED lighting upgrades, window and insulation enhancements, and the recent drive to install high efficiency electric heating.





## Sustainability *continued*

### Our environment *continued*

#### Task Force on Climate-related Financial Disclosures (“TCFD”)

We are committed to implementing the relevant recommendations of the TCFD, providing our stakeholders and investors with insight into the key climate-related risks and opportunities that are relevant to our business, and how these are identified and managed. We report against the eleven recommendations of the TCFD in this year’s disclosures.

#### Governance

Our Chief Executive has overall responsibility for climate-related risks and opportunities. Day-to-day management of climate-related issues is carried out by our Sustainability Group and is co-chaired by two members of the Executive Management team (see sustainability governance section). The Group meets quarterly and is the forum for determining our sustainability strategy, reviewing performance, identifying emerging sustainability issues, and determining their materiality for reporting and escalation via the Group risk management process.

The Board has oversight of climate-related risk via the Group risk management process. The Board takes climate issues into consideration during the investment appraisal process where it scrutinises major investments including acquisition, development and refurbishment plans which may include climate-related aspects of design. Ongoing risk identification and management are through the relevant functional teams, for example through proposed or actual response to changes in regulation such as the Minimum Energy Efficiency Standards (“MEES”) in the UK.

Our commitment to address climate-related risks is embedded across the business, through a carbon intensity KPI. The performance against this KPI is linked to executive remuneration, aiming to incentivise progress against carbon emissions reduction targets. The Board reviews progress on carbon reduction alongside other strategic initiatives annually as part of the annual targets and remuneration cycle.

#### Risk management

The Sustainability Group is responsible for identifying general climate-related risks that are managed by the Board via our corporate risk management process (see the Audit Committee report for details of our approach to risk management). In addition, the Property function is responsible for identifying risks specific to new development projects as part of the investment appraisal process. The Sustainability Group has conducted workshops incorporating inputs from internal and external experts and climate model data to explore the relevance and potential financial impact of the six risk themes identified in the TCFD framework over the short (to 2030), medium (to 2050), and long (beyond 2050) term.

These themes remain under review, particularly the physical risks to the Group portfolio as we expand into new markets, climate models evolve, and governments and municipal authorities develop their own mitigation strategies.

The completed climate-related risk register is reviewed and approved by the Audit Committee during the financial year such that the significance of climate-related risks is considered in relation to risks identified in the standard risk management process. This ensures the management of climate-related risks is integrated into the Group’s overall risk management framework. The climate-related register is reviewed annually to incorporate ongoing refinement and quantification of risks and to ensure the register reflects any material changes in the operating environment and business strategy. Once identified, further details related to each key risk and opportunity, such as a quantification of the financial impact, the appropriate strategic response and cost of response and the variance of key risks in relation to climate-related scenarios, are developed where possible. These details help to determine the materiality of each risk and, alongside the impact assessment outlined above, this allows the Group to prioritise resources in managing the most material climate-related impacts, determine the best management response or highlight areas requiring further investigation.

An example of day-to-day management of risks would be the incorporation of mitigations for high exposure sites into construction designs before submission for planning approval.

#### Strategy

Our business is exposed to both risk and opportunity from climate change primarily as a consequence of owning and operating real estate assets in the UK and Western Europe. We seek to understand and mitigate the physical and financial risks that could be material to the business. Our analysis currently focuses on the UK which accounts for most of the Group property portfolio by value and floor area. These findings can likely be generalised for Northern European markets which will experience similar physical consequences.

Climate-related risks and opportunities are assessed over multiple time horizons because we expect that transitional risks are likely to be ‘front-loaded’ as the international community attempts to meet the goal of keeping warming to 1.5 degrees Celsius or below. Physical risks to our assets are likely to increase over time, particularly if the global economy does not decarbonise at the rate required to keep warming below the target level. Accordingly, we assess climate-related risks and opportunities over the short (to 2030), medium (to 2050) and long (beyond 2050) term. Risks were deemed to be low impact where the potential annual EBITDA impact is estimated to be below £100k, and high impact where either the potential EBITDA impact is greater than £150k, or a balance sheet (valuation) impact would exceed £20 million (1% of property valuation).

The assessment of resilience of the business, specifically the asset portfolio, was guided by a range of scenarios published by external agencies, such as the UK Met Office UKCP18, and looked at both physical and transitional risks under two climate warming scenarios: one within 1.5 to 2.0 degrees Celsius (RCP 2.6); and one up to 4.0 degrees Celsius (RCP 8.5).

Risk type	Description	Potential impact	Timeframe
<b>Physical risks</b>			
<b>Chronic</b>	Physical disruption as a result of longer term shifts in climate patterns (e.g. sustained higher temperatures or rainfall) that may cause sea level rise or chronic heat waves	Low	Medium–long
<b>Acute</b>	Primarily flooding risks (Northern Europe markets) triggered by changes in frequency of extreme rainfall events (based on mm/day thresholds) which are projected to increase in all warming scenarios, especially in summer and late autumn. Costs that may be incurred for the few stores exposed include mitigation capex, operational disruption, physical repairs, clean-up, insurance premia increases, and reduced customer demand as a result of reputational damage	Medium	Medium–long
<b>Transition risks</b>			
<b>Policy and legal</b>			
Regulation relating to stricter environmental standards	Increased stringency of building and planning requirements in support of national net zero targets. Local authorities will seek to use planning systems to deliver progress against climate goals which will impact on build specification and associated costs. MEES standards also increasing for commercial lettings (office locations only) which will drive upgrade expenditure	Medium	Short
Climate change litigation	Claims brought by stakeholders (e.g. investors, public interest organisations) perhaps due to failure to mitigate impacts of climate change, failure to adapt, or the insufficiency of disclosure around material financial risks	Low	Medium
Reporting obligations	Additional reporting burden on carbon emissions, including Scope 3	Low	Short
<b>Technology</b>			
Electric vehicles	To deliver net zero targets, electric vehicle use will increase and drive demand for charging point infrastructure for customers and colleagues. May be mandated by some local authorities as part of planning process. This will impact capital budgets for new builds and retrofits. However, this could also be a revenue opportunity in high traffic locations with an appropriate commercial arrangement	Low	Short
<b>Market</b>			
Valuation of properties with lower efficiency rating	Risk of valuation impairment of assets with low efficiency ratings. Only heated areas of storage facilities are rated – these can usually be cost-effectively improved	Low	Medium
Supply chain resilience/cost of materials	Risk to development costs due to demand versus supply of key materials such as insulation and cost of inputs which may incur carbon premium (steel and cement)	Medium	Short–medium
Cost and availability of capital	Risk of downgrading/cost premium as ESG considerations are incorporated into credit ratings and other lender/investor screening	Low	Short
<b>Reputation</b>			
Stakeholder risk	Increasing public awareness of and appetite to tackle climate change could create reputational risk if there is failure to reduce operational and embodied carbon. This could manifest in delays to planning processes	Low	Short–medium
Employee risk	As colleagues become increasingly engaged with climate change issues, perceived failure to make progress on decarbonisation could impact talent recruitment and retention	Low	Short–medium

We expect some physical climate-related risks to have an impact on our business. Specifically, the impact of more frequent intense precipitation events is deemed as relevant in the medium to long term. We also expect the transition to a low carbon economy poses some limited financial risks in the short term as we respond to changes in regulation and incur costs associated with decarbonising our building development and operations. However, there may also be opportunities that arise from the transition as well as the physical impacts of extreme weather.

Regardless of the scenario we believe the Group and its assets have limited exposure and vulnerability to climate-related risk and accordingly there are limited implications for its strategy and financial plans in its current markets. The Group will therefore continue to grow its portfolio, assessing each investment for climate risk in addition to financial considerations and making necessary physical and financial allowances for mitigations where appropriate as it already does today. The Group will continue to work with local authorities and its development partners to ensure any new buildings and conversions are built to a high operating efficiency standard that meets current and likely future regulations and supports the Group's effort to achieve net zero emissions from its operations.

# Sustainability *continued*

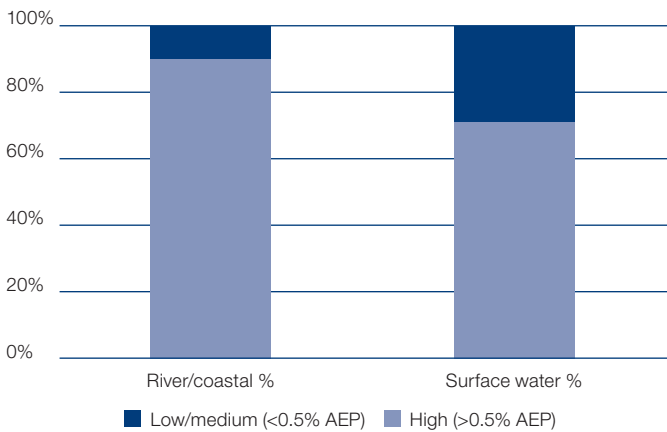
## Our environment *continued*

### Physical risks

The primary physical risk to our business relates to the increasing likelihood of extreme weather events (particularly intense precipitation and flooding). Based on current data, our insurer's flood assessment at the last renewal indicates that 91% of the Safestore portfolio by floor area (90% by insured value) has little to no exposure to river/coastal flood risk (the chance of a flooding event occurring annually is less than 0.5%). This corresponds to just twelve current locations in the UK with an elevated risk. There is a slightly higher exposure to surface water flood risk - 71% of floor area and value is in stores with less than 0.5% Annual Exceedance Probability.

Accordingly, overall the portfolio has low exposure to acute flooding risk, and whilst the frequency of extreme precipitation events is projected to increase in all warming scenarios, the number of medium and high impact rainfall days (defined by the UK Met Office's National Severe Weather Warning Service as 24 hour precipitation thresholds in mm/day which are designed to be used for identifying prolonged rainfall which may lead to flooding) are still projected to be relatively rare events<sup>1</sup>.

### Flood risk of UK portfolio 2022 (% of insured value excl. customer goods)

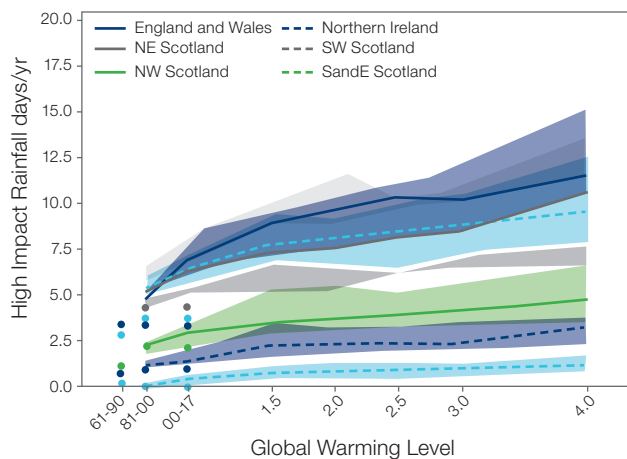
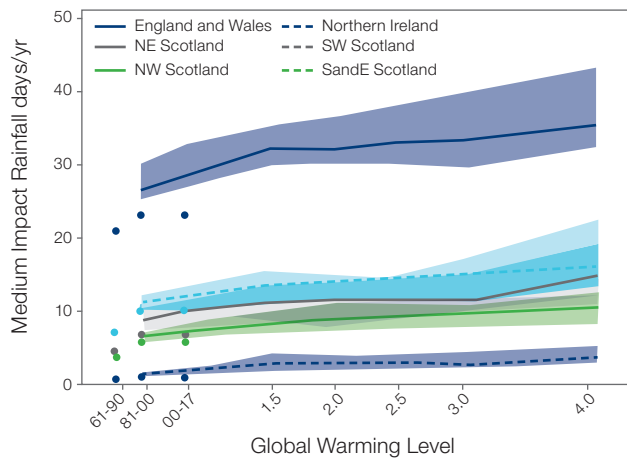
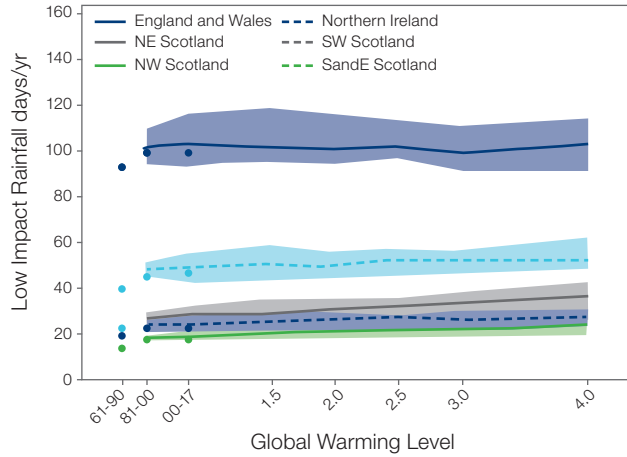


Research focused on the physical climate risk posed to Edinburgh's World Heritage sites<sup>2</sup> using the most recent granular climate models confirms this projection of extreme rainfall events and demonstrates the elevated risks are in the autumn and summer seasons specifically. Spring and winter events are rarely projected to exceed any impact threshold out to 2080 even in the low mitigation (RCP 8.5) scenario. This pattern is expected to be similar across the UK. This research implies that the probability of these extreme events will rise in autumn by 5-10% by 2040 and by 20-40% by 2080. The summer season shows the largest change, especially towards the end of the century, with probability close to 50% higher for a 1-in-200 year event, i.e. despite overall summer drying trends in the future, increases in the intensity of summer rainfall events are projected. It should be noted, however, that projections for rare events have a high degree of uncertainty, especially in the outer years of a projection period.

#### Notes

- Hanlon, H.M., Bernie, D., Carigi, G. et al. Future changes to high impact weather in the UK. *Climatic Change* 166, 50 (2021). <https://doi.org/10.1007/s10584-021-03100-5>.
- Shane O'Neill, Simon F.B. Tett, Kate Donovan. Extreme rainfall risk and climate change impact assessment for Edinburgh World Heritage sites, *Weather and Climate Extremes*, Volume 38, 2022.

### Projections of low, medium, and high impact rainfall days in the UK per year under different warming scenarios<sup>1</sup>





From prior experience, the main consequences of these intense precipitation events are clean-up, repairs and maintenance costs, and short term impact on asset availability (temporary closures preventing new move-ins). Costs are usually recovered from insurers so over time it is reasonable to expect insurance premia and flood-related excesses will increase if extreme events occur more frequently. There is also the longer term risk of lower occupancies in exposed stores – although customer goods are also insured to their declared value there is the possibility of a reputational impact. A reasonable assumption for the cost (P&L impact) of remediation after an extreme precipitation event is £100k per event regardless of the warming scenario.

It should be noted that where Safestore does invest in property in higher risk areas, risk mitigation measures are usually proactively deployed. As such, even in extreme weather scenarios the majority of the UK portfolio is not likely to be impacted from an ongoing operation, insurance risk premium or valuation basis. Mitigation measures (where deployed) should minimise disruption at higher risk sites and these locations may in fact experience increased demand from impacted local communities as they seek temporary storage for their belongings.

### Transitional risks

Our primary transition risks are policy and regulatory changes which may increase building specifications in an effort to meet net zero objectives. Local authorities will continue to use planning processes to deliver against their own objectives and policies such as Minimum Energy Efficiency Standards (“MEES”) will impact landlords in the residential and commercial sectors. Requirements for new projects to meet more stringent energy efficiency standards and include features such as solar photovoltaic panels and electric vehicle charging facilities will add to the capital costs of new developments; however, these would represent a small portion (1–2%) of a new development project and would be likely be recovered through lower ongoing operating costs over the lifetime of the building. A related market risk of carbon taxes on core building materials such as steel could have a larger impact; however, where possible, Safestore will convert existing structures and is therefore less exposed to these increases in cost and embodied carbon.

To ensure relevant UK assets meet MEES minimum standards by 2030 an estimated capital investment of £650k will be required. To ensure readiness with MEES, we identified UK locations with offices that would fall under the new regulations. We have conducted energy efficiency assessments on these locations. At 31 October 2022, 38 relevant UK stores have been assessed with seven properties requiring improvements before 2027 and a further fourteen requiring action by 2030. Should any of our facilities with offices be unable to cost effectively meet MEES standards by 2030, we would likely convert the office spaces into storage which does not have the same requirement.

### Opportunities

The transition to a low carbon economy is likely to present opportunities as well as risks. In general, businesses that build and operate sustainable facilities are well-positioned in a world where both local planning departments and end consumers are making decisions with climate change in mind. In addition, reducing the energy intensity of the business and reliance on gas is financially advantageous, particularly in an era of volatile energy prices. Removing gas-burning appliances from facilities also reduces associated fire and carbon monoxide exposure risk. However, it should be noted that the business is not an intensive user of energy (energy costs were 1.5% of revenue in FY2022) unlike other more intensive usage sectors, so the variability of power prices is not considered a significant risk. Nevertheless, it is likely that buildings with lower operating costs and carbon emissions intensity will attract a valuation premium and lower cost of funding. Sales of excess power generated from rooftop solar installations could over time become a revenue stream in addition to supporting decarbonisation in our communities and the wider economy.

Provision of electric vehicle charging facilities could deliver a customer benefit whilst also reducing associated Scope 1 (business travel) and Scope 3 emissions (customer travel to/from stores) and provide another ancillary revenue stream.

It should also be noted that well-positioned self storage facilities could be seen as adding ‘system resilience’ to supply chain disruptions and facilitating recovery post-extreme weather events via temporary storage of business or consumer goods.

# Sustainability *continued*

## Our environment *continued*

### Metrics and targets

To assess climate risk we internally record and monitor a range of construction and operational impact metrics such as development cost trends, unit availability (offline units) and damage claims relating to water damage. We also monitor and report our absolute and like-for-like energy consumption and greenhouse gas (“GHG”) emissions in line with the EPRA sBPR recommendations. In addition, we monitor our use of water, generation of waste including the proportion diverted to landfill and the emissions associated with business travel. These are disclosed in following sections of this report on pages 67 to 73. Supplementary data can be found on our corporate website, [www.safestore.co.uk/corporate](http://www.safestore.co.uk/corporate). Scope 3 emissions which relate to ongoing operations (water, waste, electricity transmission and distribution and business travel) are measured and actively managed. Scope 3 relating to purchased goods, capital expenditure and downstream use of our products (primarily customer journeys to our stores) are not measured but we actively engage with our suppliers to ensure these are being considered, for example, through consolidation of deliveries to our stores or the proportion of recycled material used in development projects.

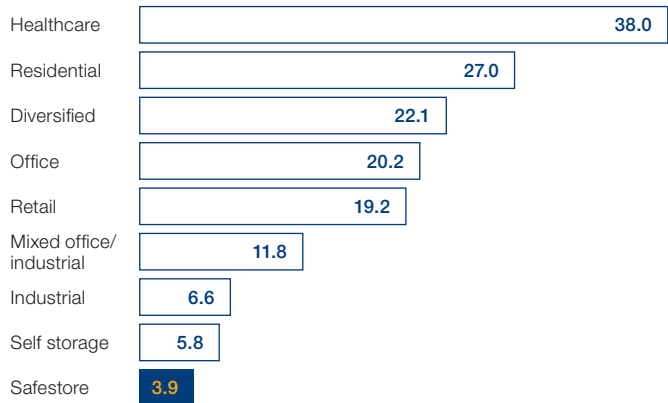
Through a range of energy efficiency initiatives and a switch to 100% renewable electricity, we have reduced our absolute carbon emissions versus 2013 baseline by 54%. This progress in absolute emissions reduction is despite a c.50% increase in portfolio floor space. As a result, emissions intensity is currently 70% below 2013 levels (calculated according to the location-based methodology) which is significantly ahead of the 2022 target of 58% below the 2013 baseline.

The self storage sector is not a significant consumer of energy when compared with other segments of the real estate landscape.

As a result, operational emissions intensity per unit of floor area tends to be far lower versus other real estate sectors. According to a 2021 report by KPMG and EPRA<sup>1</sup>, self storage generates the lowest greenhouse gas emissions intensity of all European real estate subsectors, with emissions per m<sup>2</sup> less than 30% of the European listed real estate average. Reflecting the considerable progress made on efficiency measures and waste reduction to date, Safestore’s emissions intensity (3.9 kg/m<sup>2</sup>) for that year is considerably lower (-32%) than the self storage subsector average.

Nevertheless, as part of our commitment to SDG 13 (Climate action) we have been working towards a previously set near term carbon reduction target to 2022 (see sustainability targets and KPIs). In addition, we have a commitment to work towards operational net zero by 2035. This commitment covers Scope 1 and 2 emissions plus Scope 3 emissions which relate to ongoing operations (water, waste, electricity transmission and distribution and business travel). We aim to achieve this through a combination of consumption reduction initiatives such as phasing out of gas heating in the portfolio and ensuring all energy consumed is self-generated (where viable) or purchased from certified renewable sources. Some residual emissions may require the purchase of carbon offsets from a credible scheme(s). We estimate that the roadmap to operational net zero will require a total investment of c.£3 million to 2035, with investments in later years subject to detailed business case evaluation.

### GHG intensity (Scope 1 and 2) by REIT sector kg CO<sub>2</sub>e/m<sup>2</sup> per year (2020)<sup>1</sup>



**Note**

<sup>1</sup> KPMG/EPRA: Overview of real estate companies’ environmental performance, October 2021 (based on EPRA sBPR data sets for 88 listed companies).

## Strategy for operational net zero

We will achieve operational net zero by 2035, through:

### a) Reducing and optimising what we use

- Completion of lighting efficiency programme (external signage and customer unit lighting)
- Voltage optimisation at selected sites
- Decommissioning of gas appliances
- Installation of building management
- Systems for remote monitoring and power management (business case dependent)

### b) Using only zero carbon energy

- Installation of solar photovoltaic on new-build stores where viable
- Securing certificated green electricity through PPAs and/or ‘high quality’ tariffs
- Transition of company car fleet to PHEVs\* and BEVs\* and introducing charging points
- Retrofit of rooftop solar photovoltaic to selected stores (business case dependent)

**Total investment of c.£3m spread until 2035**

\* PHEV = Plug-in Hybrid Electric Vehicles; BEV = Battery Electric Vehicles.

## Mandatory greenhouse gas (“GHG”) emissions reporting (wholly owned stores only)



This report was undertaken in accordance with the mandatory greenhouse gas (“GHG”) emissions reporting requirements outlined under the Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013 (the “2013 Regulations”) and the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the “2018 Regulations”). This requires Safestore Holdings plc (“Safestore”) to produce a Streamlined Energy and Carbon Report. This report contains our GHG disclosure for the 2021/22 reporting period.

We have 130 stores in the UK, 29 stores in France, 9 stores in the Netherlands, 6 stores in Belgium, and 5 stores in Spain. During the 2021/22 reporting period we acquired a store in Christchurch (UK), opened a new store in Bow (London, UK). We also acquired 15 stores located across the Netherlands and Belgium in April.

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 2021/22 we have collected primary data for all of our stores, including: building size (sq ft), electricity consumption (MWh), electricity transmission and distribution (“T&D”) (MWh losses), gas consumption (MWh), water consumption (m<sup>3</sup>), 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, France, Spain, the Netherlands or Belgium. All primary data used within this report is from 1 September 2021 to 31 August 2022, 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 a combination of pro-rata methods as per Environmental reporting guidelines 2019 including:

- pro-rata extrapolation from known reliable data
- average consumption per sq ft of lettable area of the stores where we have reliable data
- direct comparison using a corresponding period

#### 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, France, Spain, the Netherlands, and Belgium, we are reporting all GHG emissions in units of tonnes of CO<sub>2</sub>e. We have used the 2022 GHG conversion factors published annually by the Department for Environment, Food and Rural Affairs (“Defra”) and Business, Energy and Industrial Strategy (“BEIS”)



with the exception of the French, Spanish, Dutch, and Belgian CO<sub>2</sub>e conversion factors associated with electricity consumption and T&D, which are no longer published by BEIS. These were sourced from the International Energy Agency (“IEA”) and Carbon Footprint country specific grid electricity factors.

### GHG emissions scope

The Greenhouse Gas Protocol (the “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, the prevention of pollution, and 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 following table displays our total Group performance for electricity, gas and water consumption, waste generation (recycling, landfill, Energy from Waste), and business travel against the previous years.

## Sustainability *continued*

### Mandatory greenhouse gas (“GHG”) emissions reporting (wholly owned stores only) *continued*

#### Breakdown of Consumption by source (2016–2022)

Emissions source	Units	2016/17 (Sep–Aug)	2017/18 (Sep–Aug)	2018/19 (Sep–Aug)	2019/20 (Sep–Aug)	2020/21 (Sep–Aug)	2021/22 (Sep–Aug)
Natural gas	MWh	2,349	4,358	4,136	3,572	3,686	<b>2,742</b>
Electricity	MWh	22,005	17,416	15,372	14,435	13,506	<b>14,755</b>
Purchased water	m <sup>3</sup>	45,129	61,655	55,113	43,372	47,503	<b>53,024</b>
Recycling	tonnes	787	1,211	586	1,448	1,487	<b>1,517</b>
Landfill	tonnes	49	57	44	58	57	<b>43</b>
Energy from Waste	tonnes	721	730	1,320	1,124	831	<b>696</b>
Business travel	miles	602,240	628,822	396,088	346,076	421,829	<b>469,324</b>

#### Breakdown of associated GHG emissions by source (2021/22)



#### 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. Some of our stores still consume low volumes of gas for heating in reception and office locations. We seek opportunities to design efficient, low consuming working environments, ensuring that all new stores are built to rely solely on electricity.

Year ended 31 August		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	% change
Gas use	MWh	2,349.3	4,358.3	4,136.2	3,572.0	3,685.5	<b>2,742.0</b>	<b>(25.6%)</b>
Scope 1 emissions	tCO <sub>2</sub> e	434.0	801.8	760.4	656.8	675.0	<b>500.5</b>	<b>(25.9%)</b>

Total gas consumption across all our stores was 2,742 MWh, which is a 25.6% decrease compared with the previous financial year.

##### Note

0.1% of the 2021 consumption data has been estimated for stores where consumption data was incomplete.

### Electricity performance

We are continuing to identify opportunities to reduce electricity consumption across our stores.

Recognising that our electricity consumption is predominantly due to our lighting requirements, we have completed a portfolio-wide LED lighting upgrade programme across all UK stores and are working on projects such as voltage optimisation to improve our efficiency.

Year ended 31 August		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	% change
Electricity use	MWh	22,005.2	17,416.0	15,373.0	14,435.0	13,506.0	14,755.0	9.2%
Scope 2 emissions (LB)	tCO <sub>2</sub> e	6,563.3	4,376.7	3,527.0	3,022.0	2,555.0	2,620.0	2.5%
Scope 2 emissions (MB)	tCO <sub>2</sub> e	Not reported	Not reported	Not reported	171.0	153.0	178.0	16.5%
Scope 3 emissions	tCO <sub>2</sub> e	613.6	371.4	299.0	261.0	228.0	237.0	3.8%

Total electricity consumption across all of our stores was 14,755 MWh which is a 9.2% increase in consumption compared to previous year.

### Water performance

Our stores consume very low volumes of water, and we strive to minimise our consumption of water wherever possible through the installation of efficiency schemes.

Year ended 31 August		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	% change
Water use	m <sup>3</sup>	45,129	61,655	55,113	43,372	47,503	53,024	11.6%
Scope 3 emissions	tCO <sub>2</sub> e	47.5	64.9	58.0	45.6	20.0	22.0	11.6%

Between September 2021 and August 2022, the total water consumption across all our stores was 53,024m<sup>3</sup>, which is an increase of 12% compared to the previous financial year.

### Waste performance

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

Year ended 31 August		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	% change
Waste – recycling	tonnes	787.7	1,211.2	585.6	1,447.9	1,487.5	1,517.0	2.0%
Waste – Energy from Waste	tonnes	721.6	730.0	1,320.5	1,124.1	831.1	696.0	(16.2%)
Waste – landfill	tonnes	49.2	57.3	44.2	57.7	56.5	46.0	(24.2%)
Scope 3 emissions	tCO <sub>2</sub> e	37.8	47.2	45.1	81.2	90.0	68.0	(9.7%)

In the last twelve months to August 2022, a total of 2,325 tonnes of waste has been generated (recycling, Energy from Waste and landfill) which is a decrease of 9.7% compared with the previous year.

Following the commencement of a new supplier contract in April 2022, we expect to achieve 100% diversion from landfill across our UK stores next year and continue to review our option in other territories to minimise the impact of our operational waste.

### Business travel performance

We report on our business mileage in both Company-owned and personal vehicles. We continue to promote public transport and car sharing where possible.

Year ended 31 August		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	% change
Business travel	miles	602,240	628,822	396,088	346,076	421,829	469,324	11.3%
Business travel	MWh	n/a	n/a	440.7	395.4	484.3	518.0	6.9%
Scope 1 emissions	tCO <sub>2</sub> e	168.5	175.6	108.8	96.4	117.7	124.0	5.7%

In our business we travelled 469,324 miles in the twelve months to 31 August 2022, resulting in an 11.3% increase compared with the previous year. Following the removal of travel restrictions we have seen travel return to pre-pandemic levels with the additional territories added to our portfolio contributing to the increase in business travel.

### Vehicle fleet

This year we have purchased three plug-in hybrid electric vehicles, replacing one diesel and two petrol cars.

As we continue to modernise our fleet, we are actively reducing our emissions and going forward, we are purchasing a minimum of plug-in hybrid vehicles. Longer term we are looking to replace our existing company car fleet with full electric cars subject to practicability and vehicle availability.



## Sustainability *continued*

### Mandatory greenhouse gas (“GHG”) emissions reporting (wholly owned stores only) *continued*

#### Group GHG performance (mandatory GHG reporting)

We have used the Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance<sup>1</sup> and Greenhouse Gas Protocol<sup>2</sup> methodology for compiling this GHG data and, for UK energy consumption and emissions, included the following material GHGs: CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub>. In accordance with the BEIS reporting guidelines and data conversion factors for GHG emissions, the equivalent reports on our France, Spain, the Netherlands, and Belgium properties used the CO<sub>2</sub>e factors provided by the International Energy Agency (“IEA”)<sup>3</sup> for emissions associated with electricity T&D loss and Carbon Footprint Emission Factors March 2022 edition for grid electricity both for location based and residual fuel mix for market based<sup>4</sup>. Our GHG emissions for 2021/22 covered 100% of gross floor space. The business travel miles reported cover Company owned or operated vehicles throughout the UK, Spain, the Netherlands, and Belgium travelling for business. No data associated with business travel has been provided for France.

#### Notes

- 1 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/850130/Env-reporting-guidance\\_inc\\_SECR\\_31March.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850130/Env-reporting-guidance_inc_SECR_31March.pdf)
- 2 <https://ghgprotocol.org/>
- 3 Source: IEA (2019) Emission Factors ([https://www.iea.org/t\\_c/termsandconditions/](https://www.iea.org/t_c/termsandconditions/))
- 4 Source: Carbon Footprint March 2022 Emission Factors ([https://www.carbonfootprint.com/docs/2022\\_03\\_emissions\\_factors\\_sources\\_for\\_2021\\_electricity\\_v11.pdf](https://www.carbonfootprint.com/docs/2022_03_emissions_factors_sources_for_2021_electricity_v11.pdf))

#### UK government GHG emission conversion factors for company reporting

##### Standard set for 2022 (this set covers the greatest proportion of the current GHG reporting year)

Source: BEIS 2022/Carbon Footprint/IEA

Scope	Emissions source	Unit	Conversion factors
1	Natural gas (gross CV)	kWh	0.18254
1	Business travel (petrol)	miles	0.27436
1	Business travel (diesel)	miles	0.27492
1	Business travel (plug-in hybrid)	miles	0.11007
2	UK electricity grid supply	kWh	0.19338
2	France electricity grid supply (LB)	kWh	0.05128
2	Spain electricity grid supply (LB)	kWh	0.17103
2	Belgium electricity grid supply (LB)	kWh	0.16189
2	The Netherlands electricity grid supply (LB)	kWh	0.37434
2	UK electricity grid supply (MB)	kWh	0.00000
2	France electricity grid supply (MB)	kWh	0.05852
2	Spain electricity grid supply (MB)	kWh	0.28653
2	Belgium electricity grid supply (MB)	kWh	0.20478
2	The Netherlands electricity grid supply (MB)	kWh	0.45172
3	UK electricity transmission and distribution	kWh	0.01769
3	France electricity transmission and distribution	kWh	0.00480
3	Spain electricity transmission and distribution	kWh	0.02730
3	Belgium electricity transmission and distribution	kWh	0.00660
3	The Netherlands electricity transmission and distribution	kWh	0.01740
3	Water supply	m <sup>3</sup>	0.14900
3	Water treatment	m <sup>3</sup>	0.27200
3	Commercial waste – recycling	tonnes	21.28019
3	Commercial waste – Energy from Waste	tonnes	21.28019
3	Commercial waste – landfill	tonnes	467.00838

#### Note

The conversion factors for electricity (both location based and market based) emission factors were sourced from Carbon Footprint country specific electricity grid GHG Emission Factors, residual mixes and production mix conversion factor. (Note: Defra no longer provides overseas electricity generation conversion factors. The conversion factors are obtained directly from the “IEA” 2019 for transmission and distribution losses.

### Streamlined Energy and Carbon Report (“SECR”) summary

In accordance with the Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013 (the “2013 Regulations”) and the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the “2018 Regulations”) we have reported our Streamlined Energy and Carbon Report disclosure for the previous year 2020/21 and the current year 2021/22.

UK – GHG emissions (tCO <sub>2</sub> e)	Units	2020/21	2021/22*
<b>Scope 1</b>	tonnes CO <sub>2</sub> e (UK)	786	<b>557</b>
<b>Scope 2 (LB)</b>	tonnes CO <sub>2</sub> e (UK)	2,437	<b>2,415</b>
<b>Scope 2 (MB)</b>	tonnes CO <sub>2</sub> e (UK)	12	<b>0</b>
<b>Scope 3</b>	tonnes CO <sub>2</sub> e (UK)	281.0	<b>279.8</b>
<b>Total GHG CO<sub>2</sub>e (LB)</b>	<b>total tonnes CO<sub>2</sub>e (UK)</b>	3,504	<b>3,252</b>
<b>Total GHG CO<sub>2</sub>e (MB)</b>	<b>total tonnes CO<sub>2</sub>e (UK)</b>	1,079	<b>837</b>
GHG CO <sub>2</sub> e intensity (LB)	tonnes CO <sub>2</sub> e/floor space (UK – thousand sq ft)	0.40	<b>0.38</b>
GHG CO <sub>2</sub> e intensity (LB)	tonnes CO <sub>2</sub> e/floor space (UK – thousand sq m)	4.50	<b>4.08</b>
GHG CO <sub>2</sub> e intensity (MB)	tonnes CO <sub>2</sub> e/floor space (UK – thousand sq ft)	0.13	<b>0.10</b>
GHG CO <sub>2</sub> e intensity (MB)	tonnes CO <sub>2</sub> e/floor space (UK – thousand sq m)	1.38	<b>1.05</b>

Europe – GHG emissions (tCO <sub>2</sub> e)	Units	2020/21	2021/22*
<b>Scope 1</b>	tonnes CO <sub>2</sub> e (Europe)	7	<b>68</b>
<b>Scope 2 (LB)</b>	tonnes CO <sub>2</sub> e (Europe)	118	<b>205</b>
<b>Scope 2 (MB)</b>	tonnes CO <sub>2</sub> e (Europe)	141	<b>178</b>
<b>Scope 3</b>	tonnes CO <sub>2</sub> e (Europe)	42	<b>48</b>
<b>Total GHG CO<sub>2</sub>e (LB)</b>	<b>total tonnes CO<sub>2</sub>e (Europe)</b>	167	<b>320</b>
<b>Total GHG CO<sub>2</sub>e (MB)</b>	<b>total tonnes CO<sub>2</sub>e (Europe)</b>	190	<b>293</b>
GHG CO <sub>2</sub> e intensity (LB)	tonnes CO <sub>2</sub> e/floor space (Europe – thousand sq ft)	0.08	<b>0.10</b>
GHG CO <sub>2</sub> e intensity (LB)	tonnes CO <sub>2</sub> e/floor space (Europe – thousand sq m)	0.82	<b>1.08</b>
GHG CO <sub>2</sub> e intensity (MB)	tonnes CO <sub>2</sub> e/floor space (Europe – thousand sq ft)	0.09	<b>0.09</b>
GHG CO <sub>2</sub> e intensity (MB)	tonnes CO <sub>2</sub> e/floor space (Europe – thousand sq m)	0.93	<b>0.99</b>

UK – underlying energy use (MWh)	Units	2020/21	2021/22*
<b>Scope 1</b>	MWh (UK)	4,133	<b>2,918</b>
<b>Scope 2</b>	MWh (UK)	11,476	<b>12,490</b>
<b>Total Scope 1 and 2</b>	<b>MWh (UK)</b>	15,609	<b>15,408</b>
MWh intensity	MWh/floor space (UK – thousand sq ft)	1.86	<b>1.80</b>
MWh intensity	MWh/floor space (UK – thousand sq m)	20.01	<b>19.34</b>

Europe – underlying energy use (MWh)	Units	2020/21	2021/22*
<b>Scope 1</b>	MWh (Europe)	37	<b>341</b>
<b>Scope 2</b>	MWh (Europe)	2,030	<b>2,266</b>
<b>Total Scope 1 and 2</b>	<b>MWh (Europe)</b>	2,067	<b>2,606</b>
MWh intensity	MWh/floor space (Europe – thousand sq ft)	0.94	<b>0.82</b>
MWh intensity	MWh/floor space (Europe – thousand sq m)	10.11	<b>8.80</b>

## Sustainability *continued*

### Mandatory greenhouse gas (“GHG”) emissions reporting (wholly owned stores only)

*continued*

#### Streamlined Energy and Carbon Report (“SECR”) summary *continued*

GHG emissions	Units	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22*	% change
Scope 1	tonnes CO <sub>2</sub> e (UK, Europe)	602	977	869	753	793	<b>625</b>	<b>(21.2%)</b>
Scope 2 (LB)	tonnes CO <sub>2</sub> e (UK, Europe)	6,563	4,376	3,527	3,022	2,555	<b>2,620</b>	<b>2.5%</b>
Scope 2 (MB)	tonnes CO <sub>2</sub> e (UK, Europe)	n/a	n/a	n/a	171	153	<b>178</b>	<b>16.5%</b>
Scope 3	tonnes CO <sub>2</sub> e (UK, Europe)	699	483	402	396	324	<b>327</b>	<b>1.1%</b>
Total GHG CO <sub>2</sub> e (LB)	total tonnes CO <sub>2</sub> e (UK, Europe)	7,864	5,836	4,798	4,171	3,671	<b>3,572</b>	<b>(2.7%)</b>
Total GHG CO <sub>2</sub> e (MB)	total tonnes CO <sub>2</sub> e (UK, Europe)	n/a	n/a	n/a	1,320	1,269	<b>1,130</b>	<b>(11.0%)</b>
GHG CO <sub>2</sub> e intensity	tonnes CO <sub>2</sub> e/floor space (thousand sq ft)	0.9	0.6	0.5	0.4	0.4	<b>0.3</b>	<b>(12.4%)</b>
GHG CO <sub>2</sub> e intensity	tonnes CO <sub>2</sub> e/floor space (thousand sq m)	—	9.8	6.6	4.9	3.7	<b>3.3</b>	<b>(12.4%)</b>
GHG CO <sub>2</sub> e intensity (MB)	tonnes CO <sub>2</sub> e/floor space (thousand sq ft)					0.12	<b>0.10</b>	<b>(19.8%)</b>
GHG CO <sub>2</sub> e intensity (MB)	tonnes CO <sub>2</sub> e/floor space (thousand sq m)					1.29	<b>1.03</b>	<b>(19.8%)</b>

Energy consumed	Units	2018/19	2019/20	2020/21	2021/22*	% change
Scope 1	MWh (UK, Europe)	4,577	3,967	4,170	<b>3,259</b>	<b>(21.8%)</b>
Scope 2	MWh (UK, Europe)	15,373	14,435	13,506	<b>14,755</b>	<b>9.2%</b>
Total Scope 1 and 2	total MWh (UK, Europe)	19,950	18,402	17,676	<b>18,015</b>	<b>1.9%</b>
MWh intensity	MWh/floor space (thousand sq ft)	1.99	1.76	1.67	<b>1.53</b>	<b>(8.2%)</b>
MWh intensity	MWh/floor space (thousand sq m)	21.46	18.95	17.95	<b>16.48</b>	<b>(8.2%)</b>

#### Note

\* The financial reporting year 2021/22 for Europe includes energy and emission figures for Belgium and the Netherlands which were acquired by Safestore in April 2022.

#### Energy efficiency narrative

Through a range of energy efficiency initiatives and a switch to 100% renewable electricity we have reduced our absolute energy use, with carbon emissions versus 2013 baseline reduced by 54%.

We have now been using renewable energy for three years. In our UK wholly owned stores, 100% of our electricity is from certified renewable energy sources. The electricity for our UK owned portfolio is supplied by multiple renewable sources. The two largest contributors are Kilbraur Wind Farm and Cullisse Wind Farm which are both located in Scotland.

Our overall electricity usage in the UK has increased year-on-year. This is largely an intended consequence of our ongoing effort to replace gas appliances with higher efficiency electric solution powered by renewable electricity. Accordingly, overall energy usage (and intensity of use per unit of floor area) in the UK is lower versus the prior year. In FY2022 we removed gas appliances from nine of our UK stores, bringing the total number of stores where gas has been removed to 27. We continue to benefit from our previously completed works on LED lighting with built in motion sensors across all existing and new stores. In FY2022, the lighting efficiency programme continued with a focus on upgrades to lighting in customer units.

We are continuing with our plans to remove gas boilers in remaining stores. As we switch to high efficiency electric heating solutions, we are also looking to minimise our usage of electricity through initiatives such as voltage optimisation at our largest sites. In FY2022, voltage optimisation technology was installed at Battersea Park and this will be deployed in other stores subject to the findings of this first installation.

#### Procurement of renewable energy

We are actively pursuing renewable energy within our purchasing decisions. During 2021/22, (128 stores across UK) 100% of our UK electricity consumption in our 117 wholly owned stores was purchased from Ofgem accredited renewable sources and is covered with associated renewable energy certificates. The energy sources that we use include onshore wind farms and solar fields. Our objective here is to help meet our sustainability goals and to reduce our market based GHG emissions.