

Safestore Holdings plc

Basis of reporting 2023: environmental data

Introduction

1. Energy and carbon reporting

Description

We report on our greenhouse gas (GHG) emissions at Group level for scope 1, scope 2 and selected aspects of scope 3 (“operational emissions”). We report market-based and location-based emissions. Our energy consumption and greenhouse gas emissions relate to the activities of Safestore Group for the reporting period 1st of September to 31st August, as required by 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 SECR Regulations’). We have committed to achieving operational Net Zero by the end of 2035 with interim milestone targets in place for 2025 and 2028. Details of our commitment and associated transition plan, and the KPIs below can be found in the sustainability section of our annual report or on our corporate website at:

<https://www.safestore.co.uk/corporate/sustainability/our-environment.aspx>

Business Area

Reporting includes emissions from all Group markets - the UK, France, Spain, and as of May 2022, Netherlands, and Belgium.

General methodology and emission factors

The disclosures are compiled using Environmental Reporting Guidelines including Streamlined Energy and Carbon Reporting Guidance and Greenhouse Gas Protocol methodology for compiling GHG data and, for UK energy consumption and emissions, included the following material GHGs: CO₂, N₂O and CH₄. 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 CO₂e factors provided by the International Energy Agency (“IEA”) for emissions associated with electricity T&D loss and Carbon Footprint Emission Factors March 2023 edition for grid electricity both for location based and residual fuel mix for market based.

The Group has not participated in any GHG trades and as such total emissions are reported as according to requirements of the GHG protocol.

An ownership plus operational control approach has been used to define the GHG emissions boundary. Any locations which fall within Group operational control (excluding locations managed on behalf of minority interests) which open or close will have the relevant consumption and emissions calculated for the reporting year. The Group currently does not lease any assets whose consumption and associated emissions are excluded from reporting.

Scopes included:

- Scope 1 emissions: gas consumption and business mileage in company petrol & diesel vehicles
- Scope 2 emissions: electricity consumption and electric and plug-in hybrid electric vehicles (EV/PHEV). The Group does not currently purchase steam, district heat or cooling.
- Scope 3 emissions: electricity transmission and distribution, waste from operations, purchased water and business travel

The Group has chosen to report selected scope 3 categories which are material to its operations and over which it has direct operational control and influence. Scope 3 emissions which relate to ongoing operations (water, waste, electricity transmission and distribution and business travel) are measured and actively managed. Upstream Scope 3 relating to purchased goods, capital expenditure are not currently reported but we are actively engaging 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.

⁴Assurance

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Downstream scope 3 emissions (primarily customer journeys to our stores) are likely to be material, however we are not currently able to measure or report these. We contend that collecting and reporting this data would not be an appropriate use of time or resources given that emissions will naturally abate over time as the consumer vehicle fleet and electricity grid decarbonises in each of our markets.

All primary data is from 1 September to 31 August, covering the same reporting period as previous years (differs from financial reporting period which runs 1 November to 31 October). Where electricity, gas or water consumption data are not available or incomplete, consumption is estimated based on a combination of pro-rata methods as per Environmental Reporting Guidelines including:

1. direct comparison using a corresponding period for the previous year
2. pro-rata extrapolation from known reliable data for a given store (accounting for seasonality factor for gas consumption)
3. As a last resort, we use average consumption per unit area of the stores where we have reliable data

Approximately 3% of gas, 1% of electricity and 12% of water consumption was estimated for 2023.

Floor area is derived from architectural plans using CAD software and industry guidelines and includes customer storage units and common areas. For locations where floor area is not known, an assumption is made using a ratio of maximum lettable area to total floor area of the known estate. For 2023, 22% of floor area has been assumed according to this method.

Calculation methodology: Energy consumption, floor area and intensity ratios

Description	Methodology	Scope/ Exclusion	Unit of reporting
Total energy consumption	Electricity and gas consumption data is calculated through a combination of billing and invoices of metered usage. Estimates are used, based on reference sites, if no data is available for the site. For transport energy consumption, data is calculated through a combination of fuel type and mileage. Conversion to kWh has been calculated using the 2023 conversion factors provided by Department of Business, Energy and Industrial Strategy	Energy associated with all Group stores, and most tenanted offices, owned and operated fleet and employee own vehicles used for business has been included. Energy use by office tenants who arrange their own utility provision are not included. Excludes energy use of buildings owned by an entity which is not a member of the Group, but in which a member of the Group has a minority interest.	MWh
Total floor area	Floor area is derived from architectural plans and includes storage units and common areas. For locations where floor area is not known, an assumption is made using a ratio of maximum lettable area to total floor area of the known estate. The area for locations which traded part of the year for which consumption data is reported (1 Sept to 31 August) is included on a pro-rata basis to ensure a fair calculation of intensity.	Total floor area for Group locations which operated in full or partially during the reporting year. Excludes buildings owned by an entity which is not a member of the Group, but in which a member of the Group has a minority interest.	m ² ft ²

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Calculation methodology: Energy consumption, floor area and intensity ratios cont.

Description	Methodology	Scope/ Exclusion	Unit of reporting
Intensity ratio (energy consumption)	Total energy consumption (converted to MWh) divided by total floor area (per 1000 ft ² and 1000 m ²). Floor area and energy consumption data will include all properties which operated in full or partially during the reporting year. The area for locations which traded part of the year included on a pro-rata basis to ensure alignment with consumption	Includes consumption resulting from all owned and operated parts of the business.	MWh/ 1000 m ² MWh / 1000 ft ²
Intensity ratio (operational emissions) ^Δ	The Group's Operational Carbon Emission intensity in line with the market-based approach of the Greenhouse Gas Protocol, measured as kilogram CO ₂ -equivalent divided by square meters of floor area of premises of the Group and reported to two decimal points. For the purposes of this definition, "Operational Carbon Emission" means scope 1, 2 and 3 emissions which relate to ongoing operations of the Group that include, as a minimum, water, waste, electricity transmission and distribution from Properties of the Group, and business travel." Floor area and emissions data will include all properties which operated in full or partially during the reporting year. The area for locations which traded part of the year included on a pro-rata basis to ensure alignment with consumption	Includes emissions resulting from all owned and operated parts of the business. Excludes emissions from buildings owned by an entity which is not a member of the Group, but in which a member of the Group has a minority interest.	tCO ₂ e/1,000 m ² (or KgCO ₂ e/ m ²) tCO ₂ e/1,000 ft ² (or KgCO ₂ e/ ft ²)

Calculation methodology: Scopes 1 & 2. Unit of reporting: Tonnes CO₂e

Description	Methodology	Scope/ Exclusion
Absolute location-based GHG emissions	GHG emissions based on our scope 1 and scope 2 data sources (listed below) using a location-based method which reflects the average emissions intensity of grids on which energy consumption occurs. Conversion for this data has been calculated using the BEIS 2023 emissions factors the UK and equivalent or overseas electricity conversion factors	Includes emissions resulting from all owned and operated parts of the business.
Absolute market-based GHG emissions	GHG emissions based on our scope 1 and scope 2 data sources (listed below) using a market-based method which reflects emissions from electricity that companies have selected. Where our electricity suppliers have provided auditable Renewable Energy Guarantees of Origin (REGO) certificates showing our purchases are 100% renewable we have applied a zero emissions factor, in line with the latest GHG scope 2 guidance. Where we have not received this assurance, the Association of Issuing Bodies (AIB) residual mix emissions factors for the relevant country have been used to calculate our emissions. Market-based emissions calculated since reporting year 2020 for comparison over time.	Includes emissions resulting from all owned and operated parts of the business.

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Calculation methodology: Scopes 1 & 2. Unit of reporting: Tonnes CO₂e cont.

Description	Methodology	Scope/ Exclusion
<p>Scope 1- Emissions from combustion of fuel</p>	<p>Fuel consumption calculated based on actual usage: Diesel and petrol - based on mileage recorded on internal tracking system for expenses claims. Note that hybrid vehicle mileage is apportioned into scope 1 and scope 2 emissions according to appropriate conversion factors.</p> <p>Gas - based on meter readings. Where estimations are required, this is done based on average site consumption per unit floor area of reference sites.</p>	<p>Includes emissions resulting from all owned and operated parts of the business. Emission sources:</p> <ul style="list-style-type: none"> - Business mileage in company-owned, leased and employee vehicles (although emissions from non-company vehicles are not direct, these are reported together in Scope 1 for simplicity as they are a small proportion of overall mileage) - Onsite combustion for heating including tenant consumption with exception of locations where tenant arranges own utility provision.
<p>Scope 2 - Emissions from purchase of electricity</p>	<p>Electricity usage is based on supplier billing, typically reported monthly but does vary by site and country. Where estimation may be required, this is done based on average of previous months data or floor area and average site consumption per unit floor area depending on the nature of the missing data. Where our electricity suppliers have provided auditable Renewable Energy Guarantees of Origin (REGO) certificates showing our delivered electricity is 100% renewable, the latest GHG scope 2 guidance allows us to apply a zero emissions factor to their supply. Where we have not received this assurance, the AIB residual mix emissions factors for the relevant country have been used to calculate our emissions.</p> <p>Market-based emissions calculated since reporting year 2020 for comparison over time.</p>	<p>Includes emissions resulting from all owned and operated parts of the business including tenant consumption with exception of some locations where tenant arranges own utility provision.</p> <p>Emissions are based on total purchases and exclude any exported excess from installed solar photovoltaic systems.</p>

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Calculation methodology: Scope 3. Unit of reporting: Tonnes CO₂e

Description	Methodology	Scope/ Exclusion
Fuel and energy related emissions: electricity transmission & distribution	The emissions associated with the transmission and distribution (T&D) of electricity used by the Group are reported in this category. Metered electricity consumption data is converted using the UK Government GHG Conversion Factors for company reporting (2023) and the IEA emission factors	As per energy consumption
Emissions from waste generated in operations	Waste generated from operations are calculated based on waste data from the company's operations (tonnage) including their respective waste disposal methods used. The waste tonnage is then multiplied by the appropriate UK Government GHG Conversion Factors for company reporting to calculate emissions	Includes emissions resulting from UK waste only. This may contain some non-operational (customer) waste but processes are in place to minimise this. Waste from EU countries is excluded as it is mostly non-operational (customer) waste
Emissions from purchased goods: water supply	Water used in operations are calculated based on metered data from all countries of the company's operations (m ³). For all countries, this is then multiplied by the appropriate UK Government GHG Conversion Factors for company reporting to calculate emissions	Includes emissions resulting from all owned and operated parts of the business
Emissions from business travel	Emission factors from the UK Government GHG Conversion Factors for company reporting are applied to the distance travelled or the fuel consumption reported (by transport type), in order to calculate the total emissions.	Includes emissions associated with: - Air and rail travel - Mileage in employee-owned and private hire vehicles in the UK

Recalculating base year emissions

According to the GHG Protocol, to “consistently track emissions over time, companies shall recalculate base year emissions when significant changes in company structure or inventory methodology occurs. In such cases, recalculating base year emissions is necessary to maintain consistency and enable meaningful comparisons of the inventory over time”.

When referencing the base year we mean the base year for any carbon related targets, for example our KPI's linked to our revolving credit facility (2021/22).

The Group has defined its recalculation policy as: Where any structural changes take place within the Group which has a significant impact on the base year emissions. E.g., transfer of ownership or control of emissions-generating activities or operations from one company to another, the base year will be recalculated. This will take place for the following activities:

- Mergers, acquisitions, and divestments
- Outsourcing and insourcing of emitting activities
- Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emissions data.
- Discovery of significant errors, or several cumulative errors, that are collectively significant.

We do not set a numerical threshold for significance but will consider the impact of the activities above and the need for recalculation on an annual basis.

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2. Energy Performance of new buildings

Description

The percentage of new builds, conversions of acquired buildings for the purposes of self-storage and redevelopment of existing self-storage buildings of the Group that have obtained an Energy Performance Certificate (“EPC”), or its equivalent in any jurisdiction of rating B or higher. The Group has committed that 80% of relevant buildings will achieve this threshold in 2023.

Note that "redevelopment" means the demolition or reconstruction of existing buildings or a full "fit-out" refurbishment of an existing building.

Calculation methodology: EPC ratings of new buildings. Unit of reporting: Percentage of relevant in-year openings.

Description	Methodology	Exclusions
% of new buildings achieving minimum EPC “B” ^Δ	<p>The relevant stores shall be those the Group confirms opening within the financial year in question in its public trading statements.</p> <p>EPC rating is deemed achieved when the Group has been advised by the relevant assessment body or individual assessor that it has met the criteria for the certificate (even if the delivery of the certificate is delayed beyond the end of the financial year). In the event a relevant building has not received confirmation of its rating before the date of reporting, this building will be omitted from the measure and included in the metric for the following reporting year.</p>	<p>Buildings owned by an entity which is not a member of the Group, but in which a member of the Group has a minority interest.</p> <p>Properties located in France as generally non-climate conditioned buildings are not subject to assessment.</p> <p>Does not include any maintenance, refurbishment, alteration, or similar works undertaken in the ordinary course of the Group's business.</p>

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