

Our purpose: To add stakeholder value by developing profitable and sustainable spaces that allow individuals, businesses and local communities to thrive

This section provides some insight into how we engage with our stakeholders. The Board appreciates the importance of effective stakeholder engagement and that stakeholders' views be considered in its decision-making.



Our formal Section 172(1) statement is set out on page 28, and provides examples of how Section 172 factors have been considered as part of the Board's decision making.

The principles underpinning Section 172 are not only considered at Board level, they are

part of our culture and are embedded in all that we do, and are strengthened by our Board setting the right tone from the top. The Company seeks to act fairly with its stakeholders and maintain its reputation for high standards of business and ethical conduct which contribute to Safestore's success in the long term. Pursuant to the Companies Act, this information is incorporated by cross reference in the governance report on pages 59 to 71.

Engaging with our stakeholders

Our stakeholder engagement processes enable the Board to understand what matters to our stakeholders and to inform decision making that leads to our high standards of business and ethical conduct and Safestore's success in the long term. Regular updates received by the Board are set out on page 63. Our key stakeholders, what matters to them and how we engage with them are outlined below.

Key stakeholders	What matters	How we engage	Read more about how we engage
 <p>Our people Our excellent, well-trained and highly motivated colleagues are fundamental to the success of our business.</p> <p>Our relationship with our colleagues is open and honest, and they are appropriately supported, developed and rewarded to be the best in all that they do.</p>	<p>To provide a great place to work, which means:</p> <ul style="list-style-type: none"> Fair pay and reward Health and wellbeing and a safe working environment Colleague engagement Open and honest communication Training and development and providing an opportunity for our colleagues to reach their full potential A diverse and inclusive workplace 	<ul style="list-style-type: none"> Our operational store-based approach driving our commercial difference Our "Make the Difference" people forum and our network of People Champions established in December 2018 Colleague survey, undertaken bi-annually, with results shared across the business and used to shape colleague engagement Investors in People ("IIP") accreditation assessed every three years Wellbeing strategy Internal communications and intranet platform Regular CEO briefings including result presentations Comprehensive learning and development tools Our internal social/business communication platform "Yapster" 	<p>Please see pages 39 to 44</p>
 <p>Our customers Fulfilling our promise to our customers storing with us, providing a great experience and high rates of customer satisfaction.</p>	<p>To deliver a great customer experience and help customers live and grow sustainably, which means:</p> <ul style="list-style-type: none"> Provision of safe and secure storage sites Well-located and accessible stores Expertise in providing self storage Flexible contractual arrangements 	<ul style="list-style-type: none"> Initial contact with all new customers to understand and meet our customers' requirements and expectations Seek customer feedback from all new customers Customer reviews are collected on our website, third party platforms and social media We serve our customers through face-to-face communication in store, directly through our Customer Support Centre, and online on our website, email and social media channels and through our LiveChat service 	<p>Please see pages 44 and 45</p>

Key stakeholders	What matters	How we engage	Read more about how we engage
 <p>Our shareholders and investors A strong and flexible capital structure is fundamental to our strategy. Many of our colleagues are shareholders.</p>	<p>To maximise long term value, which means:</p> <ul style="list-style-type: none"> • Sustainable current and future financial performance and returns • A clear strategy and business model • Strong leadership • Our reputation • Managing and reporting our ESG performance with clear and transparent disclosures 	<ul style="list-style-type: none"> • We maintain dialogue with the investment community through a comprehensive investor relations programme to ensure that our shareholders, investors, including investor bodies, and investor community, have a strong understanding of our strategy, performance and culture • Key shareholder publications include the Annual Report, the full year and half year results announcements and interim management statements • Our AGM provides an opportunity to interact with our shareholders • We report against EPRA's latest recommendations: Best Practice Recommendations on Sustainability Reporting 	<p>Please see pages 65 and 85</p>
 <p>Our partners We work with a wide range of partners, including our joint venture partner, Carlyle, our landlords at our leasehold sites, our contractors and suppliers of goods and services.</p>	<p>To build strong relationships, which means:</p> <ul style="list-style-type: none"> • Current and future financial performance • Operational excellence • Stable and long term relationships to ensure sustainable, high quality delivery for the benefit of all stakeholders • Clear communication, fair engagement and prompt payment • Corporate governance 	<ul style="list-style-type: none"> • Quarterly joint venture Board meetings and regular communication with our joint venture partner • Quarterly meetings with our construction management partner • Supplier forums held bi-annually, which facilitate an open exchange of feedback 	<p>Please see pages 47 to 50</p>
 <p>Our communities We strive to support the local communities in which we operate.</p>	<p>To benefit local communities, which means:</p> <ul style="list-style-type: none"> • Minimise the impact of our business operations on our environment and local communities • Minimise any local disruption caused by our business operations • Create local employment opportunities • Support community projects and provide support to local and national charities 	<ul style="list-style-type: none"> • Register all our new store developments with the Considerate Constructors Scheme • Report what we do in our annual Sustainability Report and on our website • Engage with our local communities through local charitable initiatives and colleague involvement in local fundraising and volunteering initiatives 	<p>Please see pages 45 to 47</p>
 <p>Our environment</p>	<p>To protect the planet from our activities, which means:</p> <ul style="list-style-type: none"> • Awareness of the environmental impact of our activities • Reduction of CO₂ emissions and energy and water consumption • Reducing waste, in particular plastic waste, and diverting waste from landfill • Sustainable development of new stores 	<ul style="list-style-type: none"> • Develop and implement various sustainability schemes across our sites • Engage with our colleagues to increase awareness and education • Align our material sustainability issues with the latest Global Reporting Initiative ("GRI") standards • BREEAM certification for our new stores • Register all of our new store developments with the Considerate Constructors Scheme 	<p>Please see pages 48 to 57</p>

Our Section 172(1) statement

The Board has regard to the matters set out in Section 172(1) of the Companies Act 2006, when performing its duties under Section 172 to act in a way it considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters, when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by Section 172 factors.

The following provides examples of decisions taken by the Board during the year ended 31 October 2020 and how Section 172 factors have been considered as part of the Board's decision making. These examples also provide further insight into Safestore's corporate culture to act fairly and maintain its reputation for high standards of business and ethical conduct.

Covid-19

The impact of the Covid-19 pandemic has been fast moving and uncertain but the Directors consider that decisions have been made in the best long term interests of all the Company's stakeholders. Since the first national lockdowns the Company has maintained its strategic progress and its dividend policy, as explained on page 3 and pages 5 to 10. The Company's response has also been informed by stakeholders and proactive ongoing engagement as follows:

- **Our people:** Health, safety and wellbeing of our colleagues and customers were of paramount importance and since the first lockdown all sites were operated in accordance with UK government guidelines and providing a Covid-secure workplace. We consulted with our colleagues about managing risks associated with Covid-19, which included collaborating with them about key decisions we made during this time.

The decision was taken not to access the UK government's Covid-19 related support schemes including the job retention scheme. Our colleagues received full pay, irrespective of whether they were working reduced hours or were unable to work because they were self-isolating.

In October we awarded a one off bonus to recognise the 396 colleagues who worked in customer-facing roles throughout the lockdown period.

- **Our customers:** Demand for storage has continued throughout the pandemic, and our customers informed us that accessibility of our sites would be essential in managing their supply chains. To support our customers, all our sites in the UK, Paris, Barcelona and the Netherlands remained open or accessible during the first lockdowns, though receptions were closed and were operated in compliance with government legislation and guidance and the respective Safestore operational plans.
- **Our investors:** We communicated regularly with our investors throughout the pandemic. The 2020 AGM was held in the days before the UK national lockdown and shareholders were kept informed concerning the arrangements for our AGM, via our website. Market updates explaining the impact of the pandemic on business performance and operations were provided following the outcome of the 2020 AGM, within our half year announcement and Q3 and Q4 interim management statements.
- **Our partners:** We engaged and worked with our contractors to commence, or recommence, building construction works following the easing of the first national lockdown in the UK. This led to a comprehensive change to ways of working on construction sites, which were operated in compliance with the advice from the Construction Leadership Council and current best practice.
- We reassured suppliers and contractors that Safestore remained committed to its long term plans and re-arranged our minor works programme to provide work and cash flow for our smaller suppliers. We utilised our existing supply base to source additional personal protective equipment for stores and Head Office and landlords and suppliers were paid on time.
- **Our communities:** Engaged and worked closely with our charity partners to support them during this uncertain period.

These actions align with our culture and the high standards of business, ethical conduct and good governance we set ourselves. Indeed, it is indicative of the Safestore culture that our supportive colleagues adapted so successfully to new ways of working that there was little or no disruption to our store and Head Office operations.

Our investment decisions

In line with our strategy set out on pages 5 to 10 this year the Board has considered and approved investment opportunities to acquire new sites and asset management projects, corporate acquisitions including the FortBox group and OhMyBox! and increasing the Group's investment in our joint venture and its expansion into Belgium. These investments are explained more fully on pages 8 to 10.

In making investment decisions, the Board pays due regard to ensure that such decisions are consistent with the Group's strategy, comply with our disciplined and strict investment criteria and are in the interests of stakeholders over the long term. Such decisions take into account:

- **Our people:** Creating development opportunities for our colleagues.
- **Our customers:** Creating new sites and redeveloping existing sites to meet new and existing customer requirements.
- **Our investors:** Creating long term value and achieving long term sustainable success for the Group.
- **Our partners:** Ultimately, investment in our store portfolio provides long term work for our contractors and increased demand for our suppliers.
- **Our communities:** Providing benefits for the community in which we operate.
- **Our environment:** Developing sustainable spaces that minimise the impact of our business operations on our environment.