S&P Global
Sustainable1

Lok'nStore Operational Footprint

Financial Year 2022-23

Credits

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1. INTRODUCTION

Lok'nStore Group plc engaged S&P Global Sustainable1 to review its reporting of environmental impacts for the financial year 2022-23, which comprised August 2022-July 2023. The UK government requires all quoted companies to report on their greenhouse gas (GHG) emissions as part of their annual director's report under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013. Lok'nStore's GHG reporting for FY 2022-23 is in alignment with these government guidelines. In addition, the company's environmental reporting is consistent with the *Government Guidelines, Environmental Key Performance Indicators: Reporting Guidelines for UK Business 2006.*

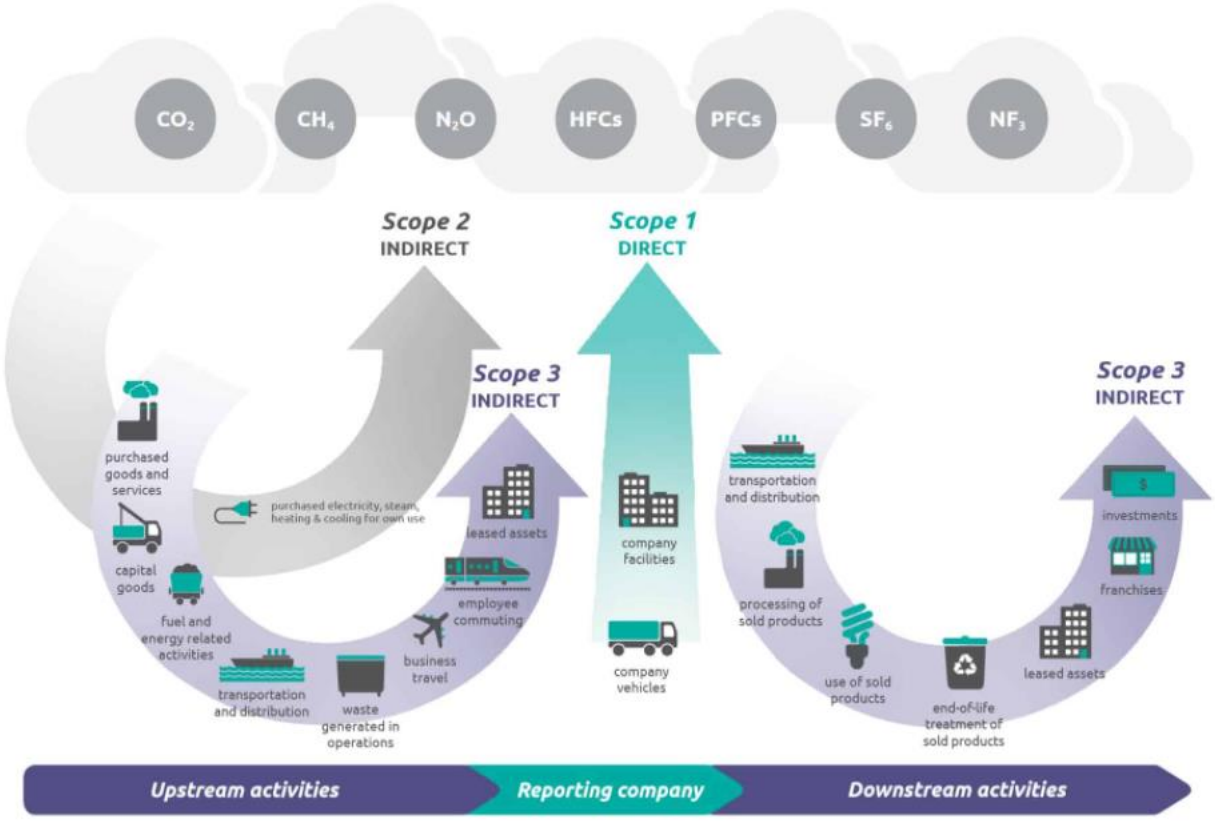
2. PROJECT SCOPE

Lok'nStore assessed and disclosed environmental impacts for all its owned facilities. Environmental indicators covered include:

- GHG emissions - Scope 1 and 2 (see Exhibit 1 below),
- Water consumption, and,
- Waste generation.

Exhibit 1 below summarizes an organization's sources of GHG emissions, across Scope 1 (direct emissions), Scope 2 (indirect emissions, primarily purchased electricity), and Scope 3 (indirect emissions from upstream suppliers and downstream customers).

EXHIBIT 1: SCOPE OF VALUE CHAIN GHG EMISSIONS FOOTPRINT



Source: WRI (2015) GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

3. KEY FINDINGS

S&P Global Sustainable1 reviewed Lok'nStore's environmental data for FY 2022-23 and its calculated impacts to validate the company's reporting and identify necessary corrections. Exhibit 2 below relates the key findings for environmental impacts and their trends (Further details for these metrics are available in Exhibit 11).

EXHIBIT 2: KEY FINDINGS FOR ENVIRONMENTAL IMPACT METRICS, FY 2022-23

Operational GHG Emissions (Scope 1 & 2):

Performance Highlights	Y-O-Y Trend	
	FY2022-23	FY2021-22
Direct Emissions 8% decrease in total direct emissions: From 89.4 (FY2021-22) to 81.9 metric tons CO_2e (FY 2022-23)	↓	↑
Operational GHG Emissions Intensity 27% decrease in GHG emission intensity: From 4.14 to 3.03 tCO_2e per million (£m) revenue	↓	↑

Direct (Scope 1) GHG Emissions:

Performance Highlights	Y-O-Y Trend	
	FY2022-23	FY2021-22
Emissions from Natural Gas Consumption 39% decrease in GHG emission intensity - From 1.64 to 1.00 metric tons CO_2e per £m revenue. Reflects active movement away from Natural Gas for heating.	↓	↓
Emissions from Owned Transportation 19% decrease in GHG emission intensity from vans (diesel) and cars (diesel and petrol) - From 2.50 to 2.03 metric tons CO_2e per £m revenue	↓	↑

Indirect (Scope 2) GHG Emissions:

Performance Highlights	Y-O-Y Trend	
	FY2022-23	FY2021-22
Scope 2 Emissions 100% electricity derived from renewable feed stocks, hence Zero emission.	↔	↔
Electricity Usage 23% decrease in total electricity intensity at all sites: From 152 to 117 MWh per £m revenue	↓	↑

Renewable Energy Generation:

Performance Highlights	Y-O-Y Trend	
	FY2022-23	FY2021-22
PV Generated Electricity 20% increase in PV generated electricity: From 463 to 557 MWh	↑	↑
Portion of PV Generated Electricity Used at Site 88% of the total PV generated electricity was used at the sites	↔	↑
Proportion of total electricity needs provided on site with PV is 16% of the total electricity need	↑	↑

Water Consumption:

Performance Highlights	Y-O-Y Trend	
	FY2022-23	FY2021-22
Water Consumption 19% decrease in water consumption: From 5,771 to 4,686 m^3	↓	↓
Water Intensity 35% decrease in water intensity: From 267 to 173 m^3 per £m revenue	↓	↓

Waste Generation (Landfilled):

Performance Highlights	Y-O-Y Trend	
	FY2022-23	FY2021-22
Volume of Waste to Landfill 6% decrease in office waste sent to landfill: From 73 to 69 metric tons	↓	↓
Landfill Waste Intensity 25% decrease in landfill waste intensity: From 3.39 to 2.53 metric tons per £m revenue	↓	↓

Waste Recycling:

Performance Highlights	Y-O-Y Trend	
	FY2022-23	FY2021-22
Volume of Recycled Waste 23% decrease in volume of waste recycled: From 76 to 58 metric tons	↓	↓
Waste Recycling Intensity 38% decrease in waste recycling intensity: From 3.50 to 2.16 metric tons per £m revenue	↓	↓

Total Waste Generation:

Performance Highlights	Y-O-Y Trend	
	FY2022-23	FY2021-22
Total Volume of Waste 15% decrease in total waste: From 149 (FY2021-22) to 127 metric tons (FY2022-23)	↓	↓
Total Waste Intensity 32% decrease in landfill waste intensity: From 6.89 to 4.69 metric tons per £m revenue	↓	↓

4. DETAILED FINDINGS

a. Operational Greenhouse Gas Emissions

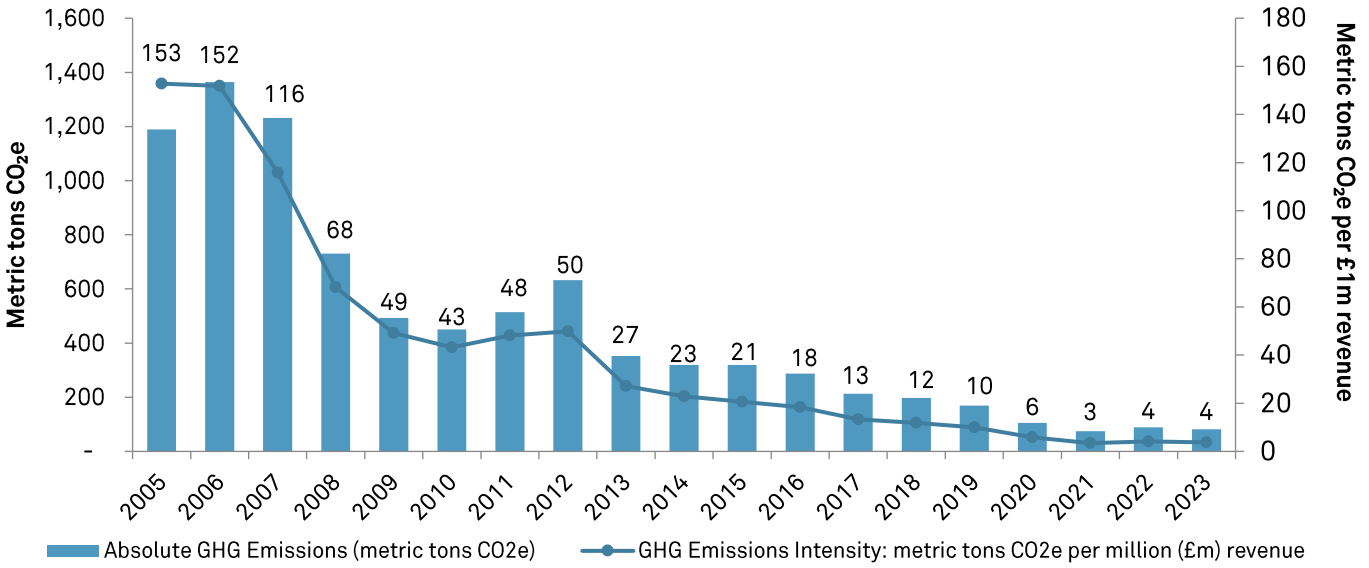
During FY2022-23, Lok'nStore operational GHG emissions - direct and indirect emissions - decreased by 8%, to 82 tCO_2e from 89 tCO_2e the previous financial year.

- The change was mainly explained by a significant decrease in annual natural gas consumption. Indeed, emissions from natural gas consumption decreased from 1.64 to 1.00 metric tons CO_2e per £m revenue - a 39% reduction in GHG intensity - during the FY2022-23 as compared to the previous reporting period.
- In essence, absolute natural gas consumption decreased by 24% from FY2021-22. An active movement away from Natural Gas is currently under way at Lok'nStore to take full advantage of its 100% renewable electricity supply, more specifically through electric boilers for heating purposes.

Normalizing the operational emissions by annual revenue allows intensity comparisons to be made year-on-year. Lok'nStore recorded a 27% lower emission intensity of 3.03 tCO_2e per £m in FY2022-23 as compared to 4.14 tCO_2e per £m in FY2021-22.

Since the company began reporting in 2005, GHG emissions have decreased by 93% from 1,189 tCO_2e. When normalized by annual revenue, Lok'nStore emissions intensity has decreased by 98% since 2005. Exhibit 3 below displays the absolute emissions and intensity values between 2005 and 2023.

EXHIBIT 3: COMBINED DIRECT AND INDIRECT OPERATIONAL GHG EMISSIONS, FY2005-23

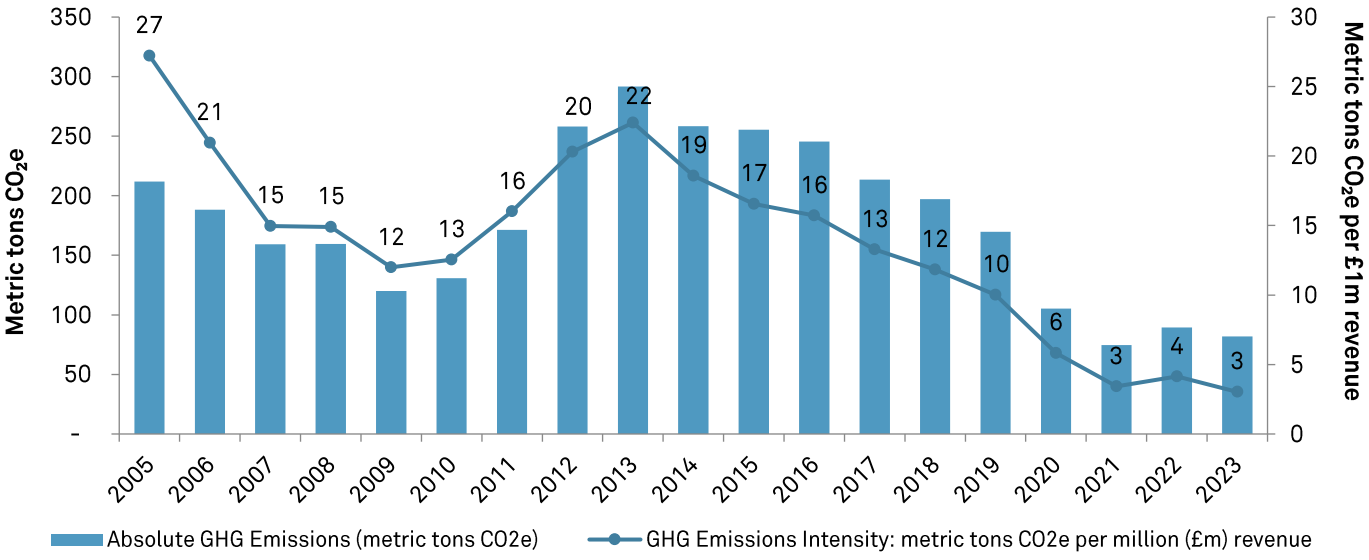


b. Direct (Scope 1) GHG Emissions

One component of GHG emissions from organizational operations are direct (or Scope 1) emissions derived from natural gas consumption, owned transportation, and similar activities. During FY2022-23, Lok'nStore's Scope 1 emissions decreased by 8% to 82 tCO_2e from 89 tCO_2e reported in the previous financial year.

Comparing the intensity of GHG emissions normalized by revenue, FY2022-23 emissions increased by 27% to 3.03 tCO_2e per £m, from 4.14 tCO_2e per £m during FY2021-22, as shown in Exhibit 4.

EXHIBIT 4: DIRECT OPERATIONAL GREENHOUSE GAS EMISSIONS, FY2005-23

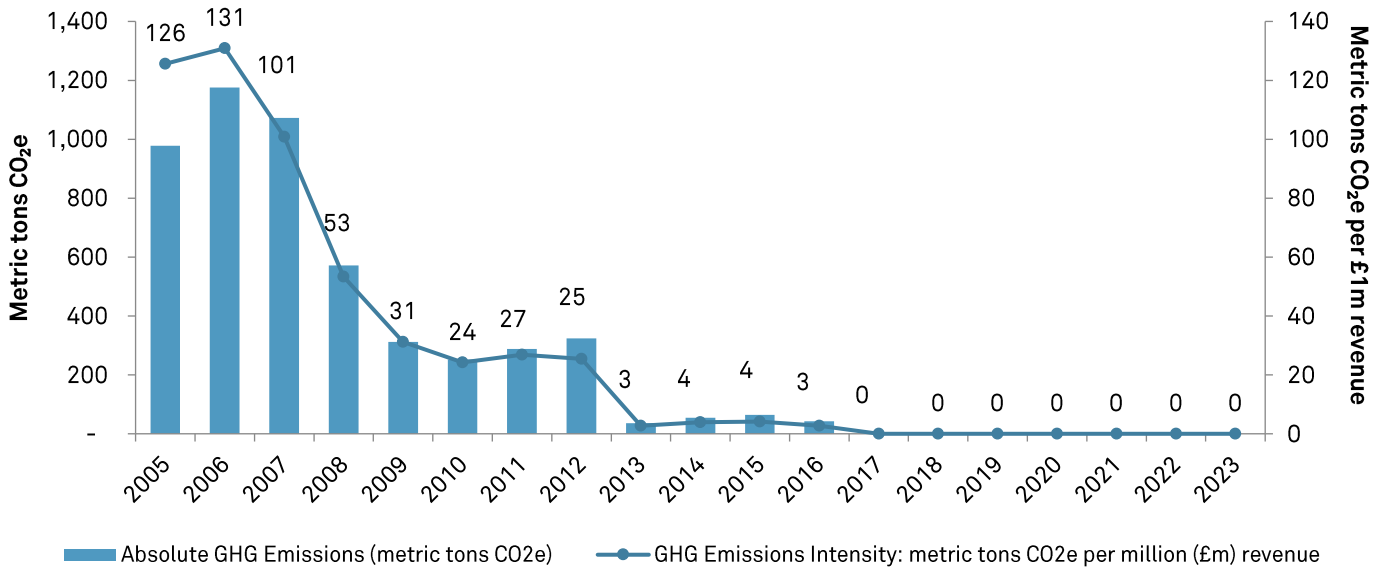


c. Indirect (Scope 2) GHG Emissions

A second component of GHG emissions related to organizational operations are indirect (or Scope 2) emissions primarily from the consumption of purchased electricity. Electricity consumed by Lok'nStore is derived from renewable resources through the following two means: purchases from vendors and on-site PV electricity generation.

The GHG emissions from electricity generated through renewable resources are considered to be zero (0 tCO_2e). As a result, Lok'nStore's Scope 2 emissions intensity remains 0 tCO_2e per £m of revenue for FY2022-23. This is the seventh consecutive year for Lok'nStore to achieve zero Scope 2 GHG emissions.

EXHIBIT 5: INDIRECT OPERATIONAL GREENHOUSE GAS EMISSIONS, FY2005-23



d. Renewable Energy Generation

Lok'nStore has prioritized installing solar photovoltaic panels in many of its facilities. Lok'nStore facilities produced 557 MWh of PV electricity, which is 20% more than the PV electricity produced in the previous reporting period, 463 MWh. The increase in generation is due to the installation of new solar photovoltaics panels in 2 Lok'nStore sites (i.e., Bedford and Peterborough).

The continued use of PV generated electricity helped Lok'nStore in avoiding ~115 tCO_2e of GHG emissions, based on the UK grid average emission factor for FY 2022-23. Out of the total 557 MWh of PV electricity produced, we estimated that 490.7 MWh were used at Lok'nStore sites which accounts for 88% of the total generated electricity, while the proportion of generation that was exported i.e., 66.7 MWh accounted for 12% of the total.

Exhibit 6 shows the overall electricity generation from on-site PV systems at each facility. Exhibit 7 provides the proportion of building needs supplied by PV. Exhibit 8 provides details of total PV generated over years. The company's elimination of any GHG footprint from electricity consumption at its facilities and export of clean energy to the national grid demonstrate its success.

EXHIBIT 6: LOK'NSTORE PHOTOVOLTAIC ELECTRICITY GENERATED, BY FACILITY, FY2022-23

LOK'NSTORE FACILITY	FY2022-23 PV GENERATED (MWh)	FY2021-22 PV GENERATED (MWh)	CHANGE (%)
Lok'nStore Bristol	49.5	47.7	+4%
Lok'nStore Gillingham	52.6	51.0	+3%
Lok'nStore Maidenhead	49.6	35.4	+40%
Lok'nStore Poole	48.4	43.1	+12%
Lok'nStore Reading	39.9	47.8	-17%
Lok'nStore Southampton	36.6	39.5	-7%
Lok'nStore Wellingborough	48.0	46.5	+3%
Lok'nStore Salford	43.1	31.7	+36%
Lok'nStore Ipswich	41.0	42.9	-4%
Lok'nStore Leicester	47.7	48.8	-2%
Lok'nStore Stevenage	33.1	20.0	+65%
Lok'nStore Warrington	41.9	8.3	+403%
LoknStore Bedford (NEW)	24.5	-	N/A
Lok'nStore Peterborough (NEW)	1.5	-	N/A
Total	**557.4**	**462.6**	**+20%**
Avoided GHG Emissions (tCO_2e) Applying National Standard Mix	*115.4*	*89.5*	*+29%*

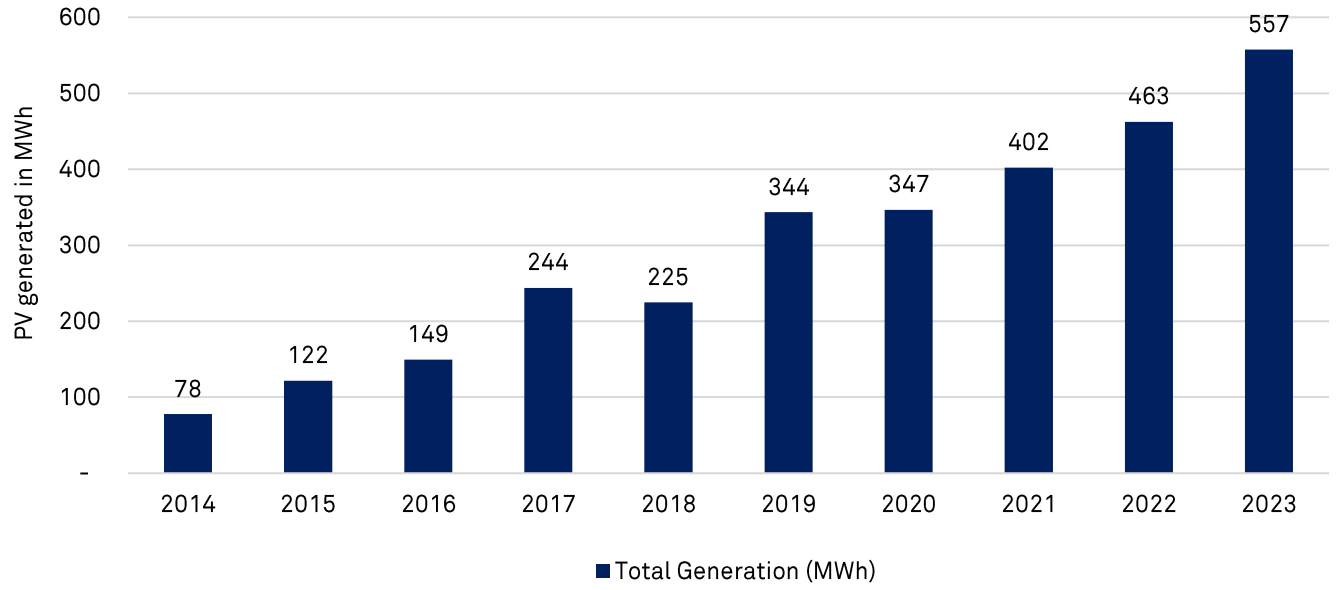
Note the avoided GHG emissions shows a 29% increase which is more than the increase in PV electricity generated, as the DEFRA UK Electricity CO_2e factor has increased by 7% from 0.193 kg CO_2e in 2022 to 0.205 kg CO_2e in the 2023 Update due to an increase in natural gas use in electricity generation and a decrease in renewable generation.

EXHIBIT 7: LOK'NSTORE PHOTOVOLTAIC ELECTRICITY PROVIDED ONSITE, BY FACILITY, FY2022-23

LOK'NSTORE FACILITY	PROPORTION OF BUILDING NEEDS SUPPLIED BY PV		
	FY2022-23 PV (%)	FY2021-22 PV (%)	CHANGE (%)
Lok'nStore Bristol	24.6%	23.4%	+5%
Lok'nStore Gillingham	30.4%	31.8%	-5%
Lok'nStore Maidenhead	30.8%	23.1%	+33%
Lok'nStore Poole	34.8%	29.9%	+16%
Lok'nStore Reading	19.3%	13.2%	+46%
Lok'nStore Southampton	10.1%	15.2%	-34%
Lok'nStore Wellingborough	33.5%	32.1%	+4%
Lok'nStore Salford*	22.9%	19.2%	+19%
Lok'nStore Ipswich*	22.0%	44.8%	-51%
Lok'nStore Leicester*	45.2%	23.1%	+95%
Lok'nStore Stevenage*	25.0%	27.8%	-10%
Lok'nStore Warrington*	13.5%	8.4%	+61%
LoknStore Bedford (NEW)*	27.2%	-	N/A
Lok'nStore Peterborough (NEW)*	60.9%	-	N/A
Total	**22.8%**	21.9%	**+4%**

* Modelled PV Electricity Export-to-Grid MWh based on Average Export Ratio from sites where data was available.

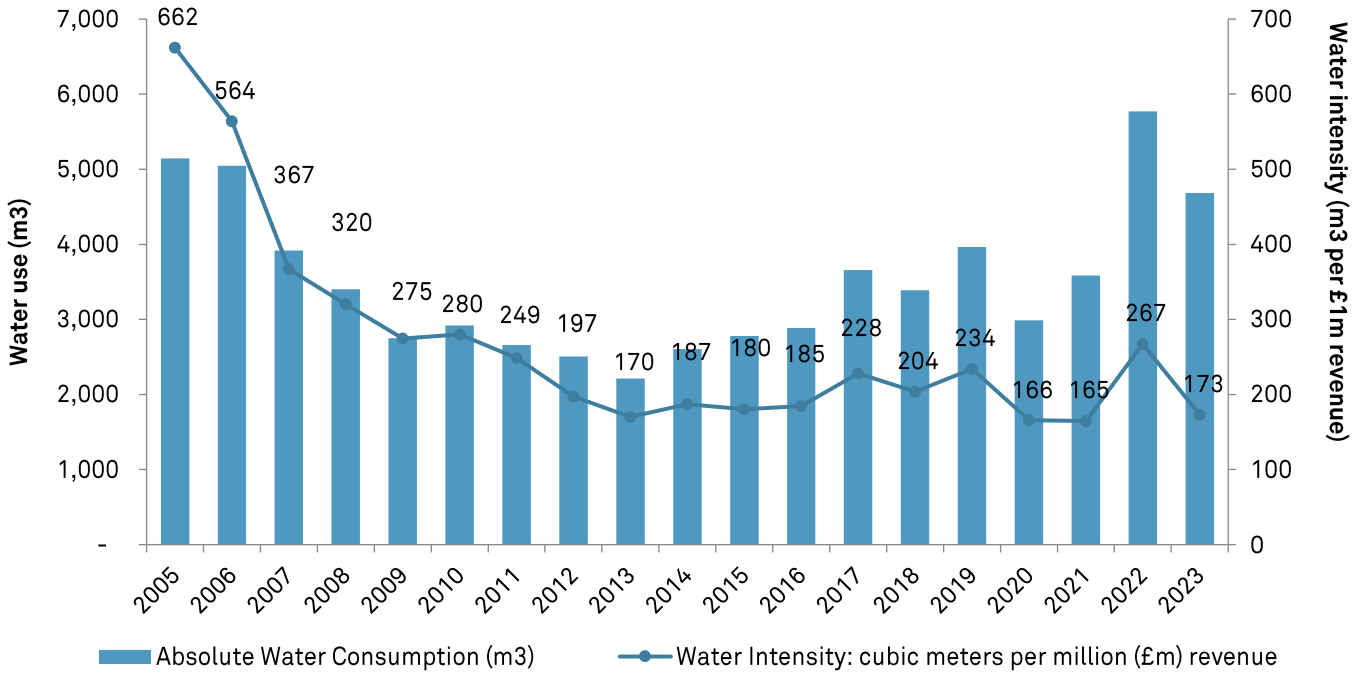
EXHIBIT 8: TOTAL PV GENERATION, FY2014-23



e. Water Consumption

In FY2022-23, absolute water use was 4,686 cubic meters (m^3), a decrease of 19% from 2021-22 during which the consumption was 5,771 cubic meters (m^3). Water use intensity, normalized by revenue decreased by 35% to 173 m^3 per £m from 267 m^3 per £m the previous year. Since 2005, both absolute water consumption and water use intensity have decreased by 9% and 74% respectively. Exhibit 9 features the values for water use.

EXHIBIT 9: WATER USE, FY2005-23



f. Waste Generation and Recycling

Absolute waste to landfill has decreased by 92% compared to 2005. During FY2022-23, normalized total waste intensity decreased by 32% to 4.7 metric tons per £m from 6.9 metric tons per £m in the previous reporting period. During FY2022-23, total waste generated has decreased by 15% to 127 metric tons from 149 metric tons during FY2021-22. The total waste includes the following categories of wastes:

- Landfill waste
- Incinerated waste
- Recycled waste

The decrease in waste generated is a cumulative result of the following:

- A decrease of 6% in total landfilled waste generated, i.e., 69 metric tons in FY2022-23 against 73 metric tons generated in FY2021-22. This waste mainly included trade wastes like wheelie bins.
- Incinerated waste has remained constant, i.e., 0.02 metric tons in both FY2022-23 and FY2021-22. This waste included the sanitary waste generated.
- A decrease of 23% in recycled waste, i.e., 58 metric tons in FY2022-23 as compared to 76 metric tons of waste generated in the previous reporting period. This waste mostly included cardboard and fluorescent light tubes.

Exhibit 10 displays the gradual decline in the total landfilled waste and the landfilled waste intensity of Lok'nStore over a span of 19 years i.e., from 2005 to 2023.

EXHIBIT 10: LANDFILLED WASTE, FY2005-23

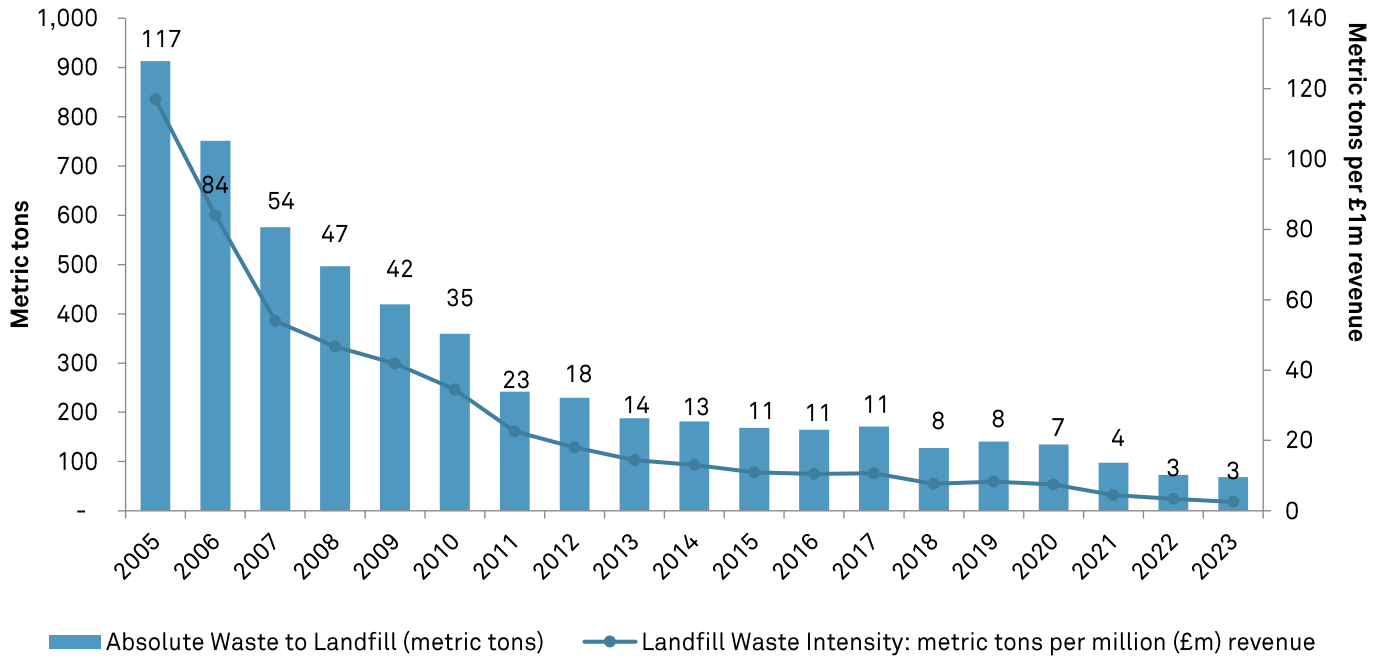


EXHIBIT 11: SUMMARY OF ENVIRONMENTAL IMPACTS FROM OPERATIONS, FY2022-23

Impact Metric	Definition	Data Source and Calculation Method	Absolute Quantity		Normalized Quantity per £m Revenue		% Change in Normalized
			FY 22-23	FY 21-22	FY 22-23	FY 22-23	
Greenhouse Gas Emissions - DIRECT Operational *(tCO_2e)*							
Natural Gas	Emissions from utility boilers	Yearly consumption in kWh collected from fuel bills; converted as per the DEFRA Guidelines	27.02	35.37	1.00	1.64	-39%
Van Fuel	Diesel and petrol used in vans on company business	Fuel invoices, recorded mileage or satellite tracking; converted as per the DEFRA Guidelines	1.98	2.64	0.07	0.12	-40%
Automobile Fuel	Diesel & Petrol used in cars on company business	Fuel invoices, recorded mileage or satellite tracking; converted as per the DEFRA Guidelines	52.88	51.35	1.95	2.38	-18%
Total Direct GHGs	Includes CO_2, CH_4 and N_2O	Calculated as per the DEFRA Guidelines	**81.89**	89.37	**3.03**	4.14	**-27%**
Greenhouse Gas Emissions - INDIRECT Operational *(tCO_2e)*							
Purchased Electricity	Directly purchased electricity, which generates GHG based at the fuel source	Yearly consumption of purchased electricity (in kWh); converted as per the DEFRA Guidelines.	Since Lok'nStore met 100% of its electricity requirements from renewable feedstock - through its purchase of electricity from vendors and on-site PV electricity generation, the emissions due to market-based electricity consumption is reported to be **Zero.**				
Greenhouse Gas Emissions - TOTAL Operational *(tCO_2e)*							
Operational GHG Emissions	Combined direct (scope 1) and indirect (scope 2) GHG emissions from operations	Added values for direct operational emissions and indirect operational emissions above	**81.89**	89.37	**3.03**	4.14	**-27%**

Impact Metric	Definition	Data Source and Calculation Method	Absolute Quantity		Normalized Quantity per £m Revenue		% Change in Normalized
			FY 22-23	FY 21-22	FY 22-23	FY 21-22	
Water Usage *(cubic meters)*							
Water Use	Consumption of piped water	Yearly consumption of purchased water	**4,686**	5,771	**173.15**	267.35	**-35%**
Waste Generation *(metric tons)*							
Landfilled Waste	Office waste sent to landfills, including paper, cardboard and plastic	Volume of landfilled waste; converted to metric tons as per DEFRA Guidelines	68.55	73.12	2.53	3.39	-25%
Incinerated Waste	Sanitary waste that was incinerated	Volume of incinerated sanitary waste	0.02	0.02	0.009	0.0012	-20%
Recycled Waste	Office waste recycled, including cardboard, computer media and fluorescent lights	Volume of recycled waste, based on the number of bins and skips removed; converted to metric tons as per DEFRA Guidelines	58.45	75.57	2.16	3.50	-38%
Total Waste	Includes waste that was landfilled, incinerated or recycled	Measured by tracking waste volumes throughout the year	**127.02**	148.71	**4.69**	6.89	**-32%**

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