

Trucost
ESG Analysis

S&P Global

Lok'nStore Operational Footprint

Financial Year 2021-22



Credits

Aaron Morales, Account Manager | ESG Innovation and Analytics

Clément Nicolas, Project Manager | ESG Innovation and Analytics

Vandana Gollarhalli, Project Analyst | ESG Innovation and Analytics

Lin Fan, Project Advisor | ESG Innovation and Analytics

About Trucost

Trucost is part of S&P Global. A leader in carbon and environmental data and risk analysis, Trucost assesses risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors. Companies and financial institutions use Trucost intelligence to understand their ESG exposure to these factors, inform resilience and identify transformative solutions for a more sustainable global economy. S&P Global's commitment to environmental analysis and product innovation allows us to deliver essential ESG investment-related information to the global marketplace. For more information, visit www.trucost.com.

About S&P Global

S&P Global (NYSE: SPGI) is a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide. For more information, visit www.spglobal.com.

Contact

Aaron Morales

E: aaron.m@spglobal.com

T: + 44 7790 772154

www.spglobal.com/esg

Table of Contents

Introduction.....	4
Scope.....	4
Key Findings	5
Detailed Findings	7
Operational Greenhouse Gas Emissions.....	7
Direct (Scope 1) GHG Emissions.....	8
Indirect (Scope 2) GHG Emissions	9
Renewable Energy Generation	9
Water Consumption	11
Waste Generation and Recycling.....	12

Introduction

Lok'nStore Group plc engaged S&P Global Trucost to review its reporting of environmental impacts for the financial year 2021-22, which comprised August 2021-July 2022. 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 2021-22 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*.

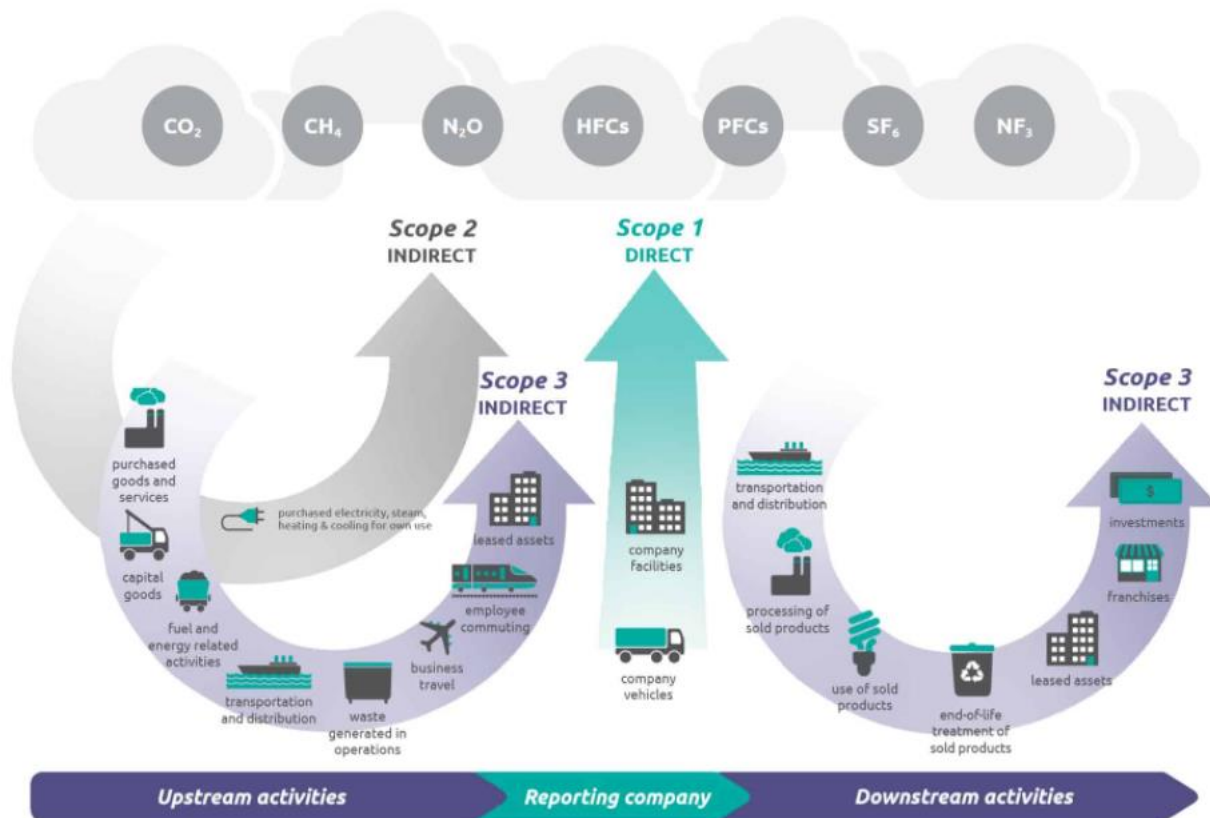
Scope

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.

Key Findings





Trucost reviewed Lok'nStore's environmental data for FY 2021-22 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 2021-22

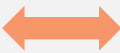
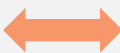


1. Operational GHG Emissions (Scope 1 & 2):

Performance Highlights	Y-O-Y Trend	
	FY2021-22	FY2020-21
Direct emissions 20% increase in total emissions: From 75 (FY2020-21) to 89 metric tons CO ₂ e (FY 2021-22)		
Operational GHG emissions intensity 21% increase in GHG emission intensity: From 3.42 to 4.14 tCO ₂ e per million (£m) revenue		







2. Direct (Scope 1) GHG Emissions:

Performance Highlights	Y-O-Y Trend	
	FY2021-22	FY2020-21
Emissions from natural gas consumption 7% decrease in GHG emission intensity - From 1.75 to 1.64 metric tons CO ₂ e per £m revenue. Reflects active movement away from Natural Gas for heating		
Emissions from owned transportation 50% increase in GHG emission intensity from vans (diesel) and cars (diesel and petrol) - From 1.67 to 2.50 metric tons CO ₂ e per £m revenue		





3. Indirect (Scope 2) GHG Emissions:

Performance Highlights	Y-O-Y Trend	
	FY2021-22	FY2020-21
Scope 2 emissions 100% electricity derived from renewable feed stocks, hence Zero emission		
Electricity usage 10% increase in total electricity intensity at all sites: From 139 to 152 MWh per £m revenue		





4. Renewable Energy Generation:

Performance Highlights	Y-O-Y Trend	
	FY2021-22	FY2020-21
PV generated electricity 15% increase in PV generated electricity: From 402 to 463 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 12% of the total electricity need		





5. Water Consumption:

Performance Highlights	Y-O-Y Trend	
	FY2021-22	FY2020-21
Water consumption 34% decrease in water consumption: From 3,586 to 2,356 m ³		
Water intensity 34% decrease in water intensity: From 165 to 109 m ³ per £m revenue		





6. Waste Generation (Landfilled):

Performance Highlights	Y-O-Y Trend	
	FY2021-22	FY2020-21
Volume of waste to landfill 25% decrease in office waste sent to landfill: From 98 to 73 metric tons		
Landfill waste intensity 24% decrease in landfill waste intensity: From 4.48 to 3.39 metric tons per £m revenue		

7. Waste Recycling:

Performance Highlights	Y-O-Y Trend	
	FY2021-22	FY2020-21
Volume of recycled waste 39% decrease in volume of waste recycled: From 124 to 76 metric tons		
Waste recycling intensity 39% decrease in waste recycling intensity: From 5.71 to 3.50 metric tons per £m revenue		

8. Total Waste Generation:

Performance Highlights	Y-O-Y Trend	
	FY2021-22	FY2020-21
Total Volume of Waste 33% decrease in total waste: From 222 (FY2020-21) to 149 metric tons (FY 2021-22)		
Total waste intensity 32% decrease in landfill waste intensity: From 10.20 to 6.89 metric tons per £m revenue		

Detailed Findings

Operational Greenhouse Gas Emissions

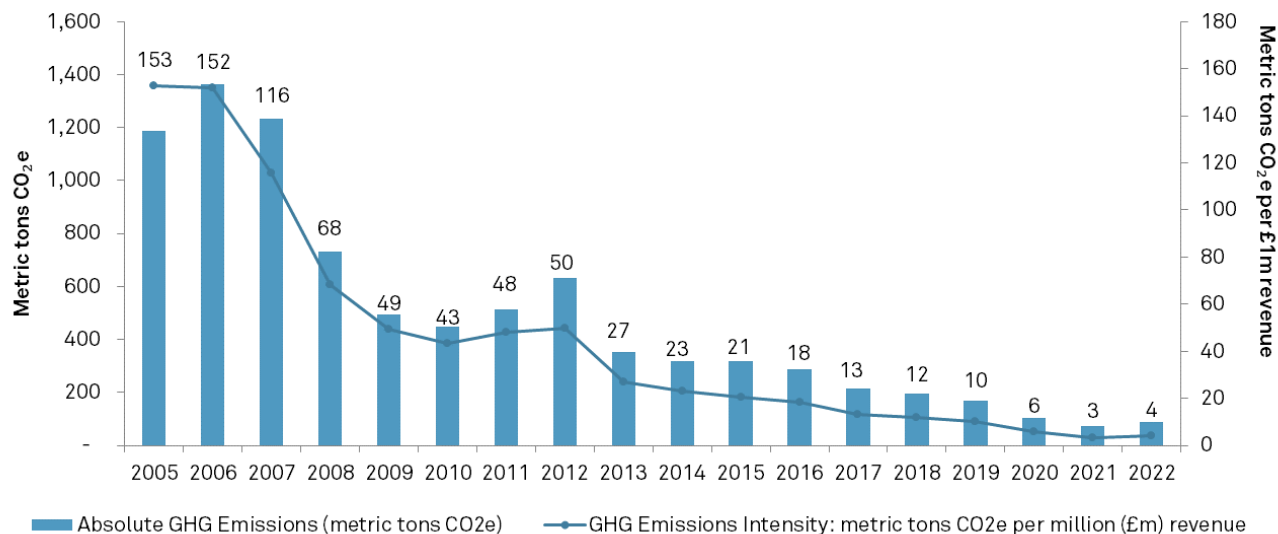
During FY2021-22, Lok'nStore operational GHG emissions - direct and indirect emissions - increased by 20%, to 89 tCO₂e from 75 tCO₂e the previous financial year.

- The change was mainly explained by a significant increase in the annual mileage of company vehicles, including private ones.
- Despite the overall increase, it is worth mentioning that Lok'nStore emissions from natural gas consumption decreased from 1.75 to 1.64 metric tons CO₂e per £m revenue - a 7% reduction in GHG intensity - during the FY2021-22 as compared to the previous reporting period. In essence, absolute natural gas consumption decreased by 6% from FY2020-21. 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 21% higher emission intensity of 4.1 tCO₂e per £m in FY2021-22 as compared to 3.4 tCO₂e per £m in FY2020-21.

Since the company began reporting in 2005, GHG emissions have decreased by 92% from 1,189 tCO₂e. When normalized by annual revenue, Lok'nStore emissions intensity has decreased by 97% since 2005. Exhibit 3 below displays the absolute emissions and intensity values between 2005 and 2022.

EXHIBIT 3: COMBINED DIRECT AND INDIRECT OPERATIONAL GHG EMISSIONS, FY2005-22

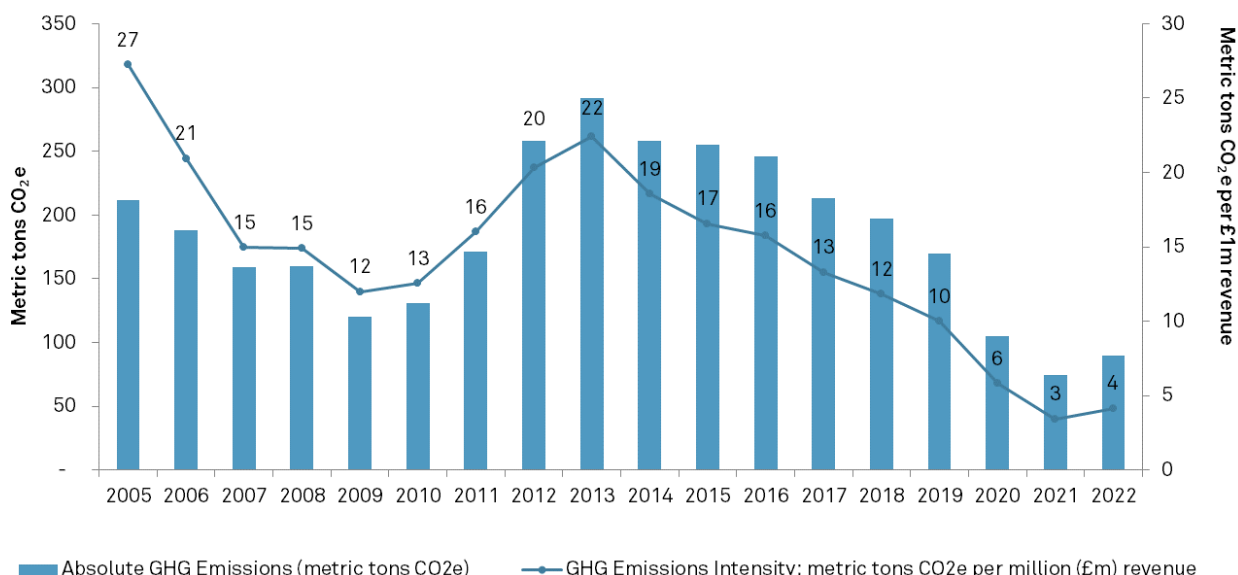


Direct (Scope 1) GHG Emissions

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 FY2021-22 Lok'nStore's Scope 1 emissions increased by 20% to 89 tCO₂e from 75 tCO₂e reported in the previous financial year.

Comparing the intensity of GHG emissions normalized by revenue, FY2021-22 emissions increased by 21% to 4.1 tCO₂e per £m, from 3.4 tCO₂e per £m during FY2020-21, as shown in exhibit 4.

EXHIBIT 4: DIRECT OPERATIONAL GREENHOUSE GAS EMISSIONS, FY2005-22

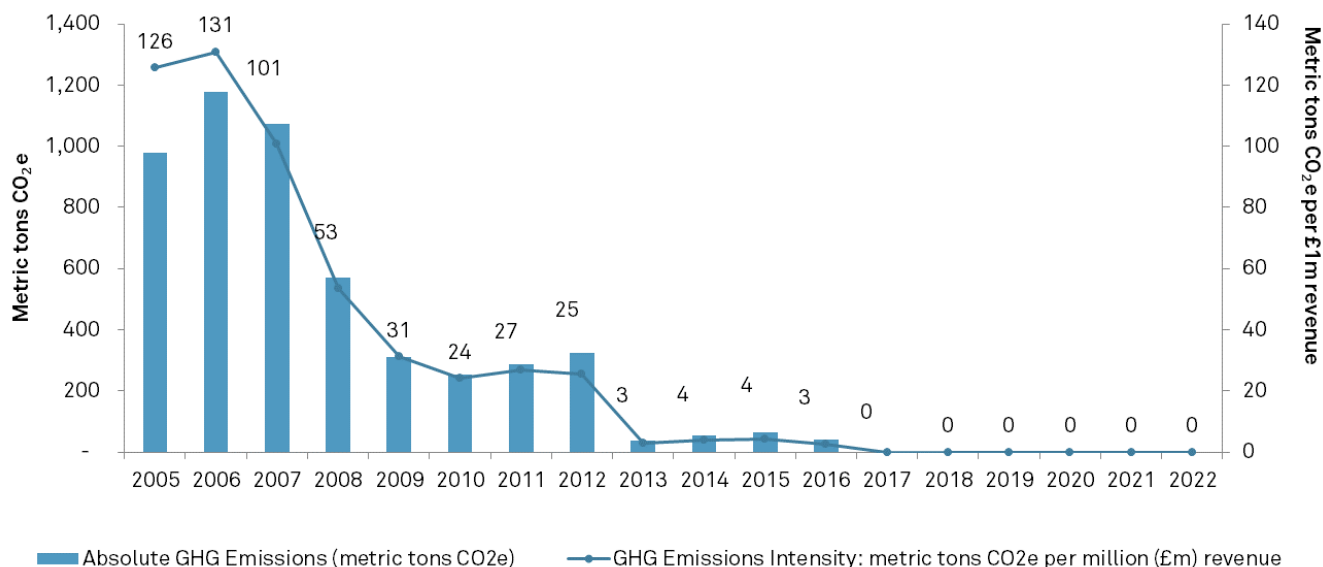


Indirect (Scope 2) GHG Emissions

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 tCO₂e). As a result, Lok'nStore's Scope 2 emissions intensity remains 0 tCO₂e per £m of revenue for FY2021-22. This is the sixth consecutive year for Lok'nStore to achieve zero Scope 2 GHG emissions.

EXHIBIT 5: INDIRECT OPERATIONAL GREENHOUSE GAS EMISSIONS, FY2005-22



Renewable Energy Generation

Lok'nStore has prioritized installing solar photovoltaic panels in many of its facilities. Lok'nStore facilities produced 463 MWh of PV electricity, which is 15% more than the PV electricity produced in the previous reporting period, 402 MWh. The increase in generation is due to the installation of new solar photovoltaics panels in 2 Lok'nStore sites, and to the fact that generation had been affected by unplanned outages in the previous reporting period.

The continued use of PV generated electricity helped Lok'nStore in avoiding 89 tCO₂e of GHG emissions, based on the UK grid average emission factor for FY 2021-22. Out of the total 463 MWh of PV electricity produced, we estimated that 407 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., 56 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, FY2021-22

LOK'NSTORE FACILITY	FY2021-22 PV GENERATED (MWh)	FY2020-21 PV GENERATED (MWh)	CHANGE (%)
Lok'nStore Bristol	47.7	47.8	0%
Lok'nStore Gillingham	51.0	50.2	2%
Lok'nStore Maidenhead	35.4	30.0	18%
Lok'nStore Poole	43.1	38.3	12%
Lok'nStore Reading	47.8	46.2	3%
Lok'nStore Southampton	39.5	38.5	3%
Lok'nStore Wellingborough	46.5	44.5	5%
Lok'nStore Salford	31.7	32.6	-3%
Lok'nStore Ipswich	42.9	33.5	28%
Lok'nStore Leicester	48.8	40.7	20%
Lok'nStore Stevenage (NEW)	20.0		N/A
Lok'nStore Warrington (NEW)	8.3		N/A
Total	462.6	402.1	15%
Avoided GHG emissions (tCO₂e), applying national standard mix	89.5	85.4	5%

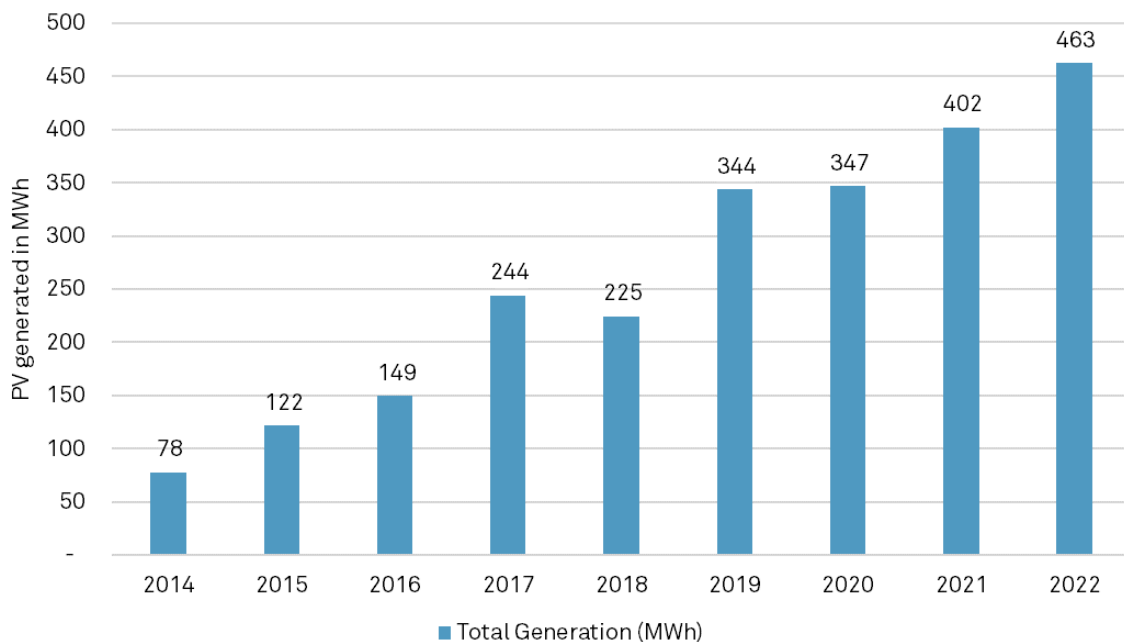
Note the avoided GHG emissions shows a 6% increase, which is less than the increase from PV electricity generated, due to decrease in emission factors used (From 0.21 kg CO₂e in FY2020-21 to 0.19 kg CO₂e in FY2021-22).

EXHIBIT 7: LOK'NSTORE PHOTOVOLTAIC ELECTRICITY PROVIDED ONSITE, BY FACILITY, FY2021-22

LOK'NSTORE FACILITY	PROPORTION OF BUILDING NEEDS SUPPLIED BY PV		CHANGE (%)
	FY2021-22 PV (%)	FY2020-21 PV (%)	
Lok'nStore Bristol	23%	22%	5%
Lok'nStore Gillingham	32%	31%	2%
Lok'nStore Maidenhead	23%	18%	28%
Lok'nStore Poole	30%	25%	18%
Lok'nStore Reading	13%	23%	-42%
Lok'nStore Southampton	15%	17%	-10%
Lok'nStore Wellingborough	32%	32%	-1%
Lok'nStore Salford*	19%	33%	-42%
Lok'nStore Ipswich*	45%	41%	9%
Lok'nStore Leicester*	23%	33%	-29%
Lok'nStore Stevenage (NEW)*	28%		N/A
Lok'nStore Warrington (NEW)*	8%		N/A
Total	22%	26%	-14%

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

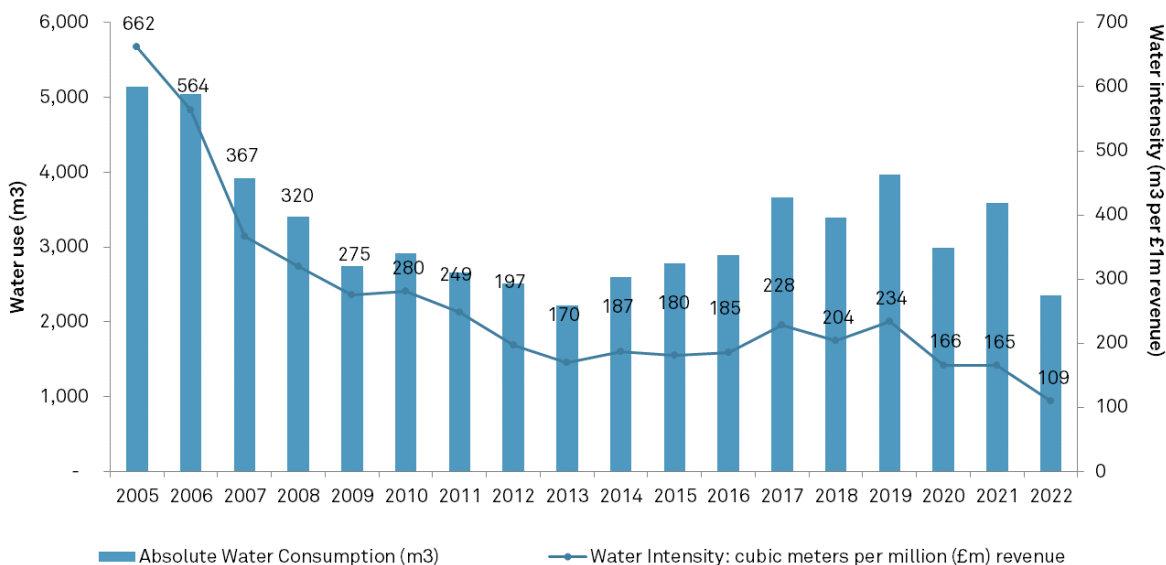
EXHIBIT 8: TOTAL PV GENERATION OVER YEARS



Water Consumption

In FY2021-22, absolute water use was 2,356 cubic meters (m³)[†], a decrease of 34% from 2020-21 during which the consumption was 3,586 cubic meters (m³). Water use intensity, normalized by revenue decreased by 34% to 109 m³ per £m from 165 m³ per £m the previous year. Since 2005, both absolute water consumption and water use intensity have decreased by 54% and 60% respectively. Exhibit 9 features the values for water use.

EXHIBIT 9: WATER USE, FY2005-22



[†] Due to a water leak, the water consumption at one specific location had to be estimated to better reflect Lok'nStore operational water use.

Waste Generation and Recycling

Absolute waste to landfill has decreased by 92% compared to 2005. During FY2021-22, normalized total waste intensity decreased by 32% to 7 metric tons per £m from 10 metric tons per £m in the previous reporting period. During FY2021-22, total waste generated has decreased by 33% to 149 metric tons from 222 metric tons during FY2020-21. 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 25% in total landfilled waste generated, i.e., 73 metric tons in FY2021-22 from 98 metric tons generated in previous year. This waste mainly included trade wastes like wheelie bins.
- Incinerated waste was slightly lower, i.e., 0.02 metric tons in FY2021-22 as compared to 0.03 metric tons in FY 2020-21. This waste included the sanitary wastes generated.
- A decrease of 39% in recycled wastes, i.e., 76 metric tons in FY2021-22 as compared to 124 metric tons of waste generated in the previous reporting period. This waste mostly included the wastes like 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 18 years i.e., from 2005 to 2022.

EXHIBIT 10: LANDFILLED WASTE, FY2005-22

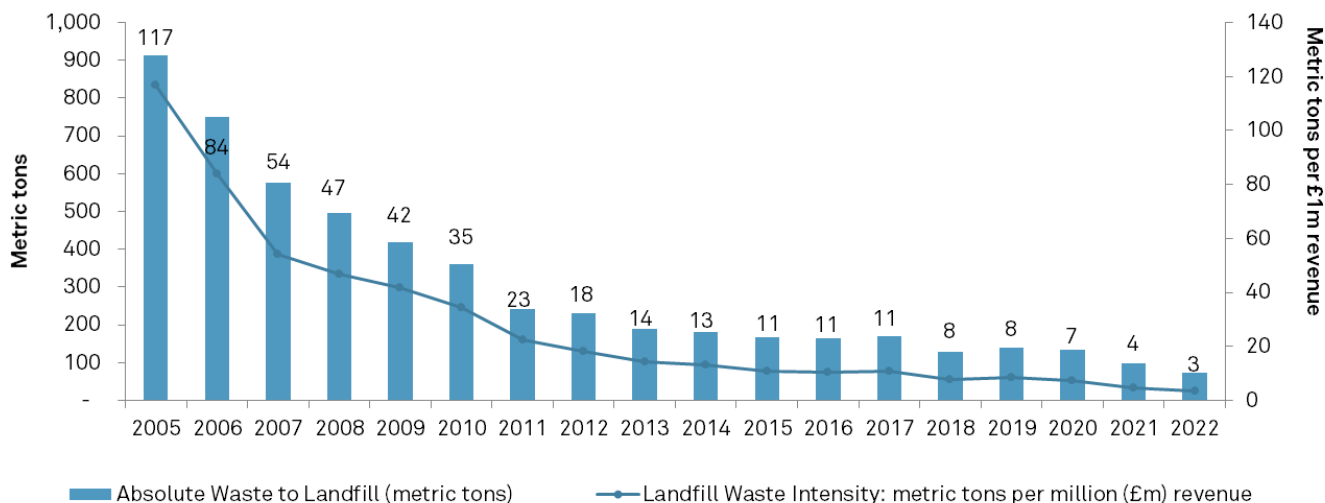


EXHIBIT 11: SUMMARY OF ENVIRONMENTAL IMPACTS FROM OPERATIONS, FY2021-22

Impact Metric	Definition	Data Source and Calculation Method	Absolute Quantity		Normalized* Quantity Per £m Revenue		% Change in Normalized
			FY2021 -22	FY2020 -21	FY2021 -22	FY2020 -21	
Greenhouse Gas Emissions—Direct Operational (tCO₂e)							
Natural gas	Emissions from utility boilers	Yearly consumption in kWh collected from fuel bills; converted as per the DEFRA Guidelines	35.37	38.20	1.64	1.75	-7%
Van fuel	Diesel and petrol used in vans on company business	Fuel invoices, recorded mileage or satellite tracking; converted as per the DEFRA Guidelines	2.64	1.98	0.12	0.09	+35%
Automobile fuel	Diesel and petrol used in cars on company business	Fuel invoices, recorded mileage or satellite tracking; converted as per the DEFRA Guidelines	51.35	34.35	2.38	1.58	+51%
Total direct GHGs	Includes carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O)	Calculated as per the DEFRA Guidelines	89.37	74.53	4.14	3.42	+21%
Greenhouse Gas Emissions—Indirect Operational (tCO₂e)							
Purchased electricity	Directly purchased electricity, which generates GHG based on 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 (tCO₂e)							
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	89.37	74.53	4.14	3.42	+21%

Impact Metric	Definition	Data Source and Calculation Method	Absolute Quantity		Normalized* Quantity Per £m Revenue		% Change in Normalized
			FY2021-22	FY2020-21	FY2021-22	FY2020-21	
Water Usage (cubic meters)							
Water use	Consumption of piped water	Yearly consumption of purchased water	2,356	3,586	109.15	164.60	-34%
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	73.12	97.64	3.39	4.48	-24%
Incinerated waste	Sanitary waste that was incinerated	Volume of incinerated sanitary waste	0.02	0.03	0.0012	0.0012	-2%
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	75.57	124.46	3.50	5.71	-39%
Total waste	Includes waste that was landfilled, incinerated or recycled	Measured by tracking waste volumes throughout the year	148.71	222.13	6.89	10.20	-32%

©2022 S&P Trucost Limited (“Trucost”), an affiliate of S&P Global Market Intelligence. All rights reserved.

The materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including text, data, reports, images, photos, graphics, charts, animations, videos, research, valuations, models, software or other application or output therefrom or any part thereof (“Content”) may be modified, reverse engineered, reproduced, or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of Trucost or its affiliates (collectively, S&P Global). S&P Global, its affiliates and their licensors do not guarantee the accuracy, completeness, timeliness, or availability of the Content. S&P Global, its affiliates and their licensors are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN “AS IS” BASIS. S&P GLOBAL, ITS AFFILIATES AND LICENSORS DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, CONDITIONS, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT’S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global, its affiliates or their licensors be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special, or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Trucost’s opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. Trucost assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions.

S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge) and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.