

**SUSTAINABILITY  
REPORT**

**2021**



# CONTENTS

- Approach Assessment ..... 7
- Governance Highlights ..... 8
- Modern Slavery Program ..... 9
- Our Economic Performance ..... 12
- Efficient Operations and Asset Management ..... 13
- Reducing Our Climate Impact ..... 18
- Development case study: Biggera Waters ..... 22
- Future Development Initiatives ..... 23
- Our People ..... 24
- Health and Safety of our People and Customers ..... 30
- Workplace Health and Safety ..... 32
- COVID-19 ..... 34
- Talent Attraction Engagement and Retention ..... 34
- Internal Employee Development ..... 36
- Introducing Kristy Cherry ..... 38
- Community Engagement ..... 40
- Timeline ..... 42
- Corporate Directory ..... 44



We remain passionately committed to excellence in customer service, innovation, safe work practices and industry leading outcomes across a range of sustainability initiatives, designed to continue to transform our business into the most sustainable in its field.

Andrew Catsoulis  
Managing Director



\* Data in this report is effective as at 30 June 2021 unless otherwise stated.

## MANAGING DIRECTOR'S INTRODUCTION

National Storage's 2021 Sustainability Report demonstrates our evolution as we continue our Environmental, Social and Governance ('ESG') journey. National Storage's sustainability framework touches everything we do and forms part of the underlying fabric of National Storage's core principles and foundations. ESG now comprises a fundamental component of our decision making in respect to all four pillars of National Storage's business – including how we foster organic growth, our targeted acquisitions, our development and expansion program, and how we apply technology and innovation to improve our operations.

Our commitment to sustainable practices across the environmental, social and governance landscape has been refined, but continues to focus upon the three key pillars of sustainability previously determined in the National Storage Materiality Matrix - Economic Performance, People and Transformation.

Our Economic Performance focuses on delivering sustainable growth and improving the return on securityholders' funds invested through the adoption of practices designed to improve operational and management efficiency.

Tangible examples of these practices include the continuation of our Solar and LED installation programs which have now been rolled out across more than 120 centres, with 7,675 solar panels installed as of June 2021. These systems are part of our strategy to reduce our energy consumption, carbon emissions and related costs.

Our building automation program incorporating Bluetooth smart access technology allows us to offer safe and convenient contact-free move-ins, thereby improving our customers' experience while also keeping our staff safe.

**Our commitment to sustainable practices across the environmental, social and governance landscape has been refined.**

Our building methodology focuses on reducing our carbon footprint through the utilisation of durable and low maintenance products, designed to provide longevity of service and ease of use. All new centres are installed with LED lighting as well as efficient temperature control and other energy efficiency initiatives. Our cardboard box recycling program reduces waste and limits landfill from users of our business.

National Storage has also engaged the Carbon Reduction Institute to conduct our first official NoCO2 Audit, which will measure our carbon

footprint in accordance with international best practice standards. This audit should be completed later this year and will provide a valuable insight into our progress towards reducing our carbon emissions as a business.

The second key pillar of our Materiality Matrix is our People. At National Storage, we care deeply about our people - they are our greatest asset and have shone brightly, despite the unprecedented challenges presented by the COVID-19 pandemic. Our people form part of the "why" in our business rationale. Our extrinsic

motivation is to be Australia and New Zealand's number one choice for safe, secure, and convenient self-storage, while providing sustainable and growing returns to our investors. Our intrinsic motivation (the "why") revolves around providing a safe, welcoming and rewarding environment where our employees find true purpose and meaning, are proud of our company and its practices, and are able to be their "true selves" at work. We have a Pride in Diversity program, that is core to our beliefs, along with formalised practices and policies across several key areas focused on staff inclusion,

diversity, and engagement. Our workforce is 54% female, and our paid parental leave policy leads the Australian storage industry.

National Storage has expanded its commitment to health and wellbeing, both physically and mentally, with a range of programs and initiatives designed to support both our staff and the general community. In addition, our national partnership with Lifeline and our ongoing support of the Mater Foundation are examples of our commitment to important community and charitable causes, which align with National Storage's focus on creating healthier communities.

Our focus on safety continues with the objective of "no harm to anyone at any time" and in the past 12 months we have seen an overall net reduction in injuries sustained in our workplaces. We have completed several improvement initiatives in this time, establishing a strong basis for continued reductions in the coming months.

Our employee development programs have seen several staff promotions, providing important pathways for junior staff to evolve into new and challenging areas of our business. We remain committed to investing in our employees and providing them with internal pathways for ongoing professional and personal development.

Finally, our Transformation program enables National Storage to adapt and innovate its business to accommodate the evolving needs of our customers and staff in a competitive and changing landscape. Our focus is on improving customer experience - making their decision to utilise our services as simple, streamlined and cost effective as possible. Our new one-click booking portal, automated billing, and move-in processes have assisted us greatly in taking the hassle out of choosing and securing self-storage at a time where people's stress and uncertainty has generally never been greater. Our three key focus areas remain as follows - maximising



ANDREW CATSOULIS

centre utilisation, driving scalability and improving the customer experience. Ongoing initiatives include the introduction of a new sales training and customer service program designed to personalise and improve every aspect of our customer experience. Further introduction of a new mobile-first user-friendly website incorporates a streamlined enquiry and booking portal. This facilitates our contact-free move-in process and online Box Shop featuring home delivery. Our storage business has grown from humble beginnings 25 years ago to Australia and New Zealand's largest self-storage business with over 210 centres, located across every state and territory of Australia and throughout New Zealand. We remain passionately committed to excellence in customer service, innovation, safe work practices and industry leading outcomes across a range of sustainability initiatives, designed to continue to transform our business into the most sustainable in its field.

# CORE VALUES AND COMMITMENTS

The National Storage Group's core values are:



## Teamwork

We work as a **team** to deliver outstanding service at every level of our business.



## Care

We **care** about our customers and each other, and strive to deliver a helpful, trusting environment.



## Excellence

We strive for **excellence** in our operations, centres and service to our customers and stakeholders across the business.



# APPROACH ASSESSMENT

This report has been prepared by identifying those topics that are most material to National Storage. Implemented in 2019, the National Storage Materiality Matrix has been reassessed and our three key sustainability pillars remain the focus of this report.

## Economic

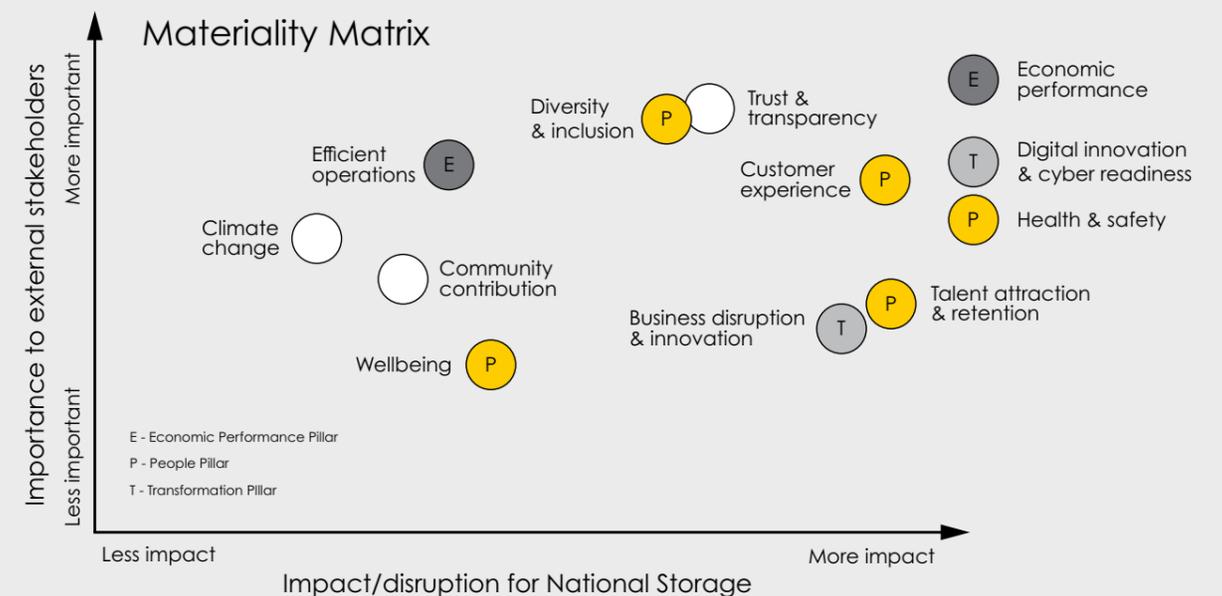
The Economic Performance pillar considers how we can continue to deliver growth and returns through sustainable finance and efficient operations and management.

## People

The People pillar focuses on how we can create a safe and welcoming environment for customers and employees.

## Transformation

The Transformation pillar concentrates on how we can adapt and innovate in a competitive and changing market.



The data contained within this report is for the financial year ended 30 June 2021, except where otherwise identified.

# GOVERNANCE HIGHLIGHTS

# MODERN SLAVERY PROGRAM



- Risk working group appointed and directly engaged stakeholders with:
  - risk identification;
  - risk responsibilities; and
  - training - 100% of Senior Management Team completed Risk Management Training.
- NoCO2 Audit of National Storage currently underway
- 2nd year of National Storage Parental Leave Scheme is underway
- Whistleblower reporting program in place
- Code of Conduct and Discrimination, Harassment, Bullying and Victimisation training rolled out across organisation
- WGEA Compliance Program Report for 2020 - 2021 has been submitted

- Modern Slavery Program is underway:
  - 98% of our total direct supply chain spend was within Australia and New Zealand in FY20
  - FY21 Modern Slavery Statement will be issued in December 2021.

National Storage is committed to maintaining high standards of corporate governance to protect and enhance our performance and build sustainable value for securityholders. The National Storage corporate governance framework is based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations - 4th edition.

To learn more about our approach to corporate governance, our Corporate Governance Statement, Committee Charters, Policies and Procedures are available on our website at:

[nationalstorageinvest.com.au/governance/](http://nationalstorageinvest.com.au/governance/)

TOPIC	TARGETS ACHIEVED TO DATE	TARGETS CURRENTLY UNDERWAY	FUTURE PRIORITIES
<b>General</b>	<ul style="list-style-type: none"> <li>■ Establishment of 'Modern Slavery Program' in line with inaugural Modern Slavery Statement</li> </ul>	<ul style="list-style-type: none"> <li>■ Refinement of Modern Slavery Program to reflect industry best-practice</li> </ul>	<ul style="list-style-type: none"> <li>■ Continuous improvement and refinement of Modern Slavery Program</li> </ul>
<b>Systems, Management and Controls</b>	<ul style="list-style-type: none"> <li>■ Application of Risk Management Framework to assess risks of modern slavery across Group operations and supply chains</li> <li>■ Baseline review of governance systems and mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>■ Uplift of systems, mechanisms, and controls</li> <li>■ Partnership with industry leaders</li> </ul>	<ul style="list-style-type: none"> <li>■ Optimise systems, management, mechanisms, and controls to best address modern slavery</li> <li>■ Implementation of Supplier Code of Conduct</li> </ul>
<b>Supplier Engagement</b>	<ul style="list-style-type: none"> <li>■ Assessment and identification of suppliers for deeper due diligence activities</li> <li>■ Development of supplier due diligence mechanism to assess supply chain risks</li> </ul>	<ul style="list-style-type: none"> <li>■ Completion of annual supplier assessment across suppliers falling under identified 'high risk' sectors</li> </ul>	<ul style="list-style-type: none"> <li>■ Ongoing engagement with key suppliers and stakeholders</li> </ul>
<b>Training and Risk-Management Capability Expansion</b>	<ul style="list-style-type: none"> <li>■ Initial training provided within key areas of the business</li> <li>■ Ongoing commitment and awareness has been communicated</li> </ul>	<ul style="list-style-type: none"> <li>■ Implementation of e-learning materials to existing employees</li> <li>■ Development of bespoke modern slavery training pack for new employees</li> </ul>	<ul style="list-style-type: none"> <li>■ Company-wide training concerning modern slavery, human rights, and sustainable procurement</li> </ul>

## Our Commitment to Managing Risks of Modern Slavery

Modern slavery refers to those situations at the extreme end of a spectrum that ranges from decent work to serious criminal exploitation. National Storage adopts the definition of modern slavery under Australia's Modern Slavery Act 2018 (Cth) ('MSA').

In early 2021, National Storage published its inaugural 'Modern Slavery Statement' in accordance with the MSA. We consider our participation in the ongoing fight against human rights risks in the global community to be of crucial importance to our ability

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to provide ongoing sustainable value for our stakeholders. We also recognise that to contribute to meaningful and lasting change in relation to human rights risks, we must adopt a proactive, ongoing mindset across all areas of our business to align with national and international guidance and best practices.

National Storage is committed to ensuring that modern slavery practices do not exist within our operations or supply chains, and we recognise the importance of developing and implementing a model of continual improvement by assessing and addressing risks stemming from our business.

Our supply chain consists of a diverse range of suppliers supporting our operation of commercial storage facilities to provide secure, self-managed storage to our customers across Australia and New Zealand, as well as the development, innovation, and expansion functions of our business.

## Our Approach to Management of Modern Slavery Risks

In our inaugural statement, we announced the implementation of our 'Modern Slavery Program', which sets out a plan of action to manage risks of modern slavery into the future. Oversight of the program is retained by our Risk Committee. The program encompasses three broad focus areas:

### 1. Systems, Management and Controls, and Remediation and Grievance Mechanisms

We have undertaken a review of our existing policies, procedures, systems, controls, and mechanisms to identify and manage our risks of modern slavery. We have identified opportunities for improvement within the existing systems and developed a systematic plan to address these areas for growth and uplift existing mechanisms. We will continue to develop our modern slavery risk management tools.

### 2. Supplier Engagement

In 2020, we completed a comprehensive review of our supply chains to assess the potential for risks of modern slavery across our business. By engaging our Risk Management Framework, we assessed and identified suppliers falling under target risk areas for further due diligence activities.

In response to this risk assessment, we developed our supplier due diligence mechanism that we are utilising to obtain a detailed understanding of any risks of modern slavery present in our supply chains. We invited suppliers identified as 'high risk' under our modern slavery risk assessment to complete this due diligence process. We will report against the results of this action in our forthcoming 2021 Modern Slavery Statement.



### 3. Training and Risk Management Capability Expansion

We have provided initial training to personnel in key areas of the business relating to potential modern slavery risks. We are dedicated to further strengthening our capacity to educate our staff and partners about modern slavery risks by expanding our internal training materials to include e-learning materials with a tailored focus upon modern slavery and human rights risks.

## Ongoing Progression

The diverse nature of National Storage's operations and supply chains necessitate a phased approach with a focus on ensuring continuous improvement.

We will continue to reinforce our management of modern slavery risks in 2021-2022 in line with our forthcoming Modern Slavery Statement, which will be published in December 2021 on our website:

[nationalstorageinvest.com.au/governance](https://nationalstorageinvest.com.au/governance).

## OUR ECONOMIC PERFORMANCE

### Financial Performance

The National Storage Annual Report details the organisation's financial performance for the financial year to 30 June 2021. The report is available for download at: [nationalstorageinvest.com.au/reporting](http://nationalstorageinvest.com.au/reporting).

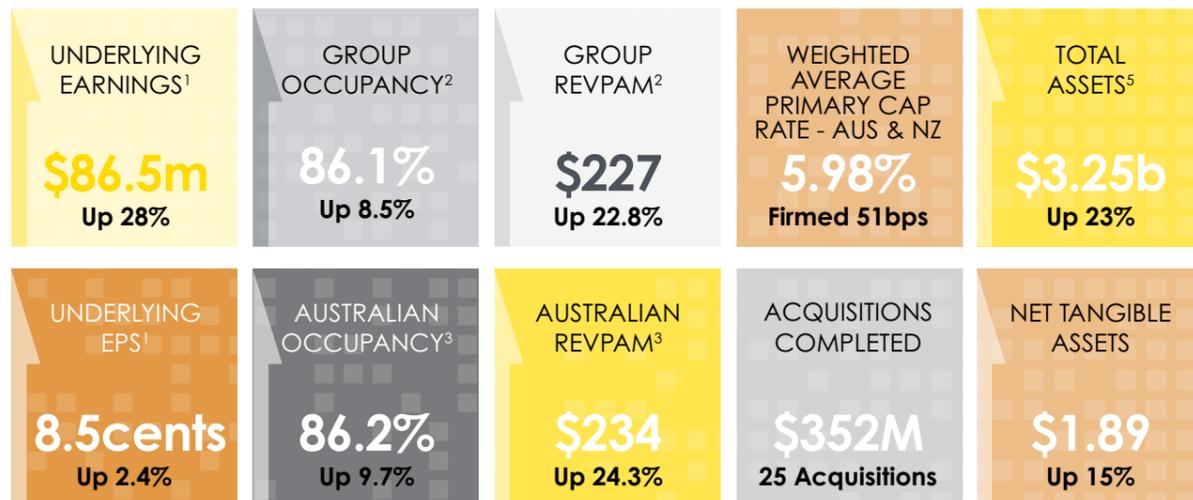
### Sustainable Finance

National Storage maintains a sustainable approach in managing its capital requirements and financial structure. This allows us to safeguard our ability to continue to grow and maintain an optimal structure to source sustainable financing, reduce the cost of capital and maximise long-term value.

To support this objective, we:

- ensure the availability of future funding requirements through the maintenance of diverse funding sources;
- manage interest rate risk, ensuring that all hedging is prudent and non-speculative;
- proactively monitor liquidity levels to ensure we meet all short-term funding requirements and maintain a sufficient commercial buffer to maintain additional flexibility and stability; and
- maintain a robust and flexible capital structure to be able to respond to changes in economic conditions.

### Financial Highlights



1. Underlying earnings is a non-IFRS measure (unaudited)

2. Group – Australia and New Zealand (142 centres), as per 3 & 4 below

3. Australia – 121 centres as at 30 June 2019 (excluding Wine Ark and let-up centres)

4. New Zealand – 21 centres as at 30 June 2021 (excluding let-up centres)

5. Total Assets – Net of lease liability

REVPAM – Revenue Per Available Square Metre

## EFFICIENT OPERATIONS AND ASSET MANAGEMENT

### Efficient Centre Design

Oversight is provided by the National Storage Boards with policies and procedures in place to govern and monitor each area.

Sustainability is of the utmost importance when designing our new National Storage centres. We recognise that in designing and constructing the storage centres of the future, we must focus upon and seek to enhance the following keystones of each project:

- Customer experience
- Efficient sourcing and use of construction materials
- Energy efficiency
- Operations
- Sustainable environment

To do so, materials with longevity are sourced, advanced technologies are applied, and energy efficient measures are implemented to achieve a centre that enhances our customer experience and staff wellbeing. Our building methodology is the result of a whole-of-life

cycle analysis with natural ventilation, minimising heating and cooling requirements in conjunction with low environmental impact material choices, selected for their high efficiency value. The result is a dynamic, efficiently run centre with low energy consumption and integrated building management systems.

Energy efficiency measures have many benefits to our business. Such initiatives provide a sustainable and effective method to manage the energy and operational costs of our business, while increasing the value of our portfolio and reducing our environmental impact.

Sustainability is of the utmost importance when designing our new National Storage centres

As Australasia's largest self-storage owner-operator, we are fortunate that unlike many buildings in the commercial sector, National Storage centres are not restricted by the many hurdles that can delay the implementation of smart building techniques. The synergies we can

achieve have also enabled us to apply sustainable asset management techniques and energy efficiencies to our existing property portfolio, in addition to our new builds.

## Customer Experience and Innovation

### Customer Feedback

While we have always endeavoured to provide the highest level of customer service and address any feedback presented to us as a business, this year we made a pivotal development in the customer communication space. In June 2021, we rolled out a new customer feedback portal, accessible from all facets of the business including the website and our newly updated customer portal.

This new platform offers a safe space for our customers to voice their thoughts, whether that be in the form of a complaint, compliment or generalised feedback which is then funnelled into a centralised location to be reported on and managed by the appropriate department. Having this centralised management of all feedback allows for a more accurate representation of trends and allows a greater visibility for possible areas or improvement.

### Technology, Innovation and Project Delivery

With our strategic pillars firmly established and growth strategies aligned, 2021 has seen the establishment of an innovation roadmap, paving the way for a unified response to our strategic goals with operational sustainability and excellence at its core.

Progress has been made in the IT security space with initial steps taken around endpoint security, strengthening our security protocols with further initiatives planned in the near future.

Implementation of our technology roadmap has been broken down into key deliverables that form part of

strategic programs for 2022 and beyond. Business Improvement initiatives are largely focused on process maturity and automation with a digital-first approach, ensuring operational efficiency and striving for interoperability.

Our customer experience pipeline remains healthy with connected (customer) experience at the core of investment and development decisions in this space. Significant achievements include:

- StorePoint
- One-page checkout
- Customer on-boarding automation
- Customer portal
- Get A Quote automation

The StorePoint project included the in-house development of a front-facing, mobile-friendly application for our storage centres, and streamlining the booking and payment process. These initiatives reduced the time taken by our staff to carry out such tasks by 60%. Our internal software developers worked to rationalise our digital footprint, making use of existing technologies and integrations to deliver a better outcome for our operations teams. This also improved our customers' experience, reducing the complexity of the sign-up process, and making it solely digital.

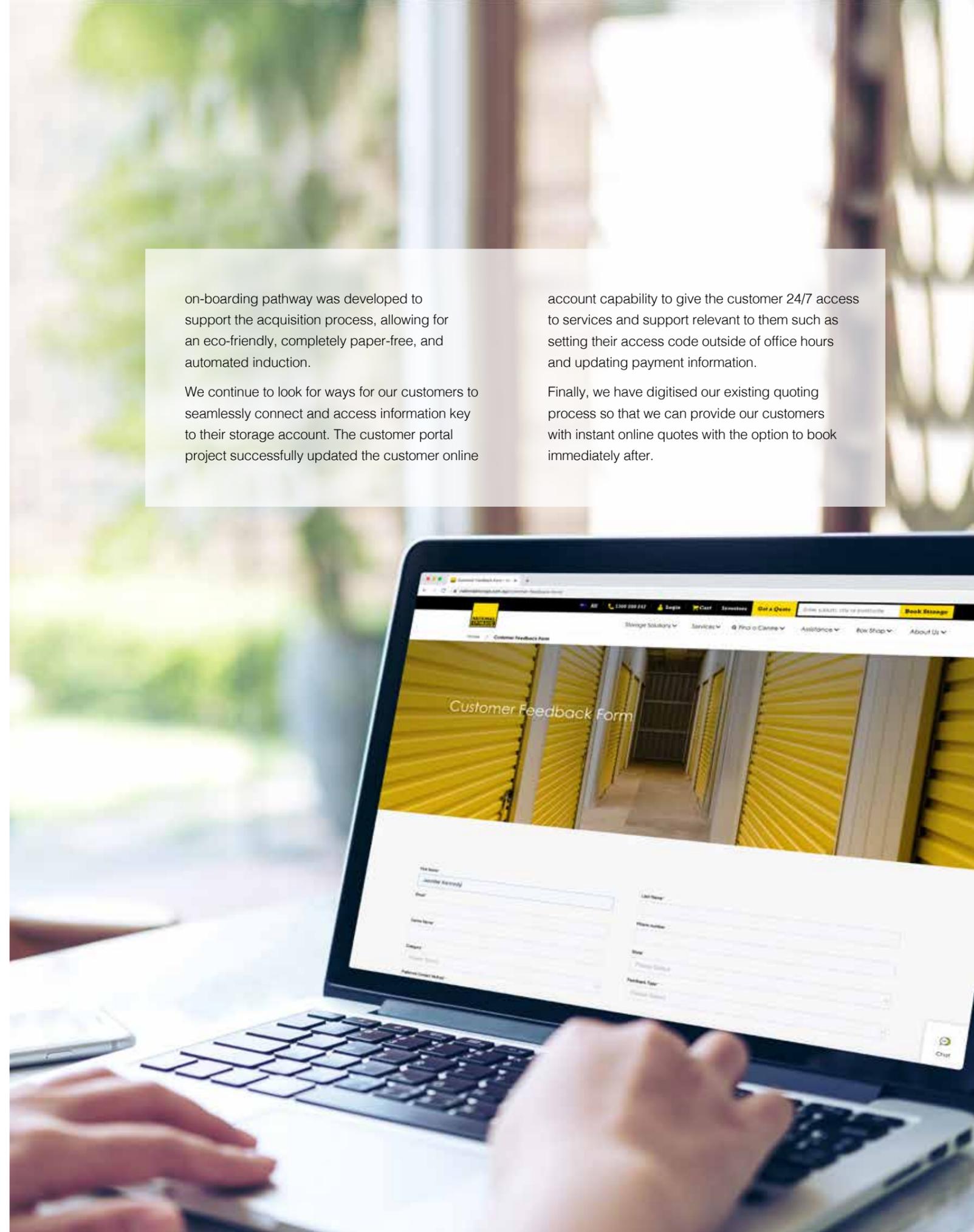
Our online platform continues to evolve, further enhancing integrations with our internal systems and processes, leveraging the development work completed in 2020 around the Application Programming Interface. Our one-page checkout project redesigned our storage booking and customer checkout process, streamlining the customer experience. This resulted in an easier click through process for our customers, and subsequently, greater conversion rates. In addition, a fully digital customer

on-boarding pathway was developed to support the acquisition process, allowing for an eco-friendly, completely paper-free, and automated induction.

We continue to look for ways for our customers to seamlessly connect and access information key to their storage account. The customer portal project successfully updated the customer online

account capability to give the customer 24/7 access to services and support relevant to them such as setting their access code outside of office hours and updating payment information.

Finally, we have digitised our existing quoting process so that we can provide our customers with instant online quotes with the option to book immediately after.

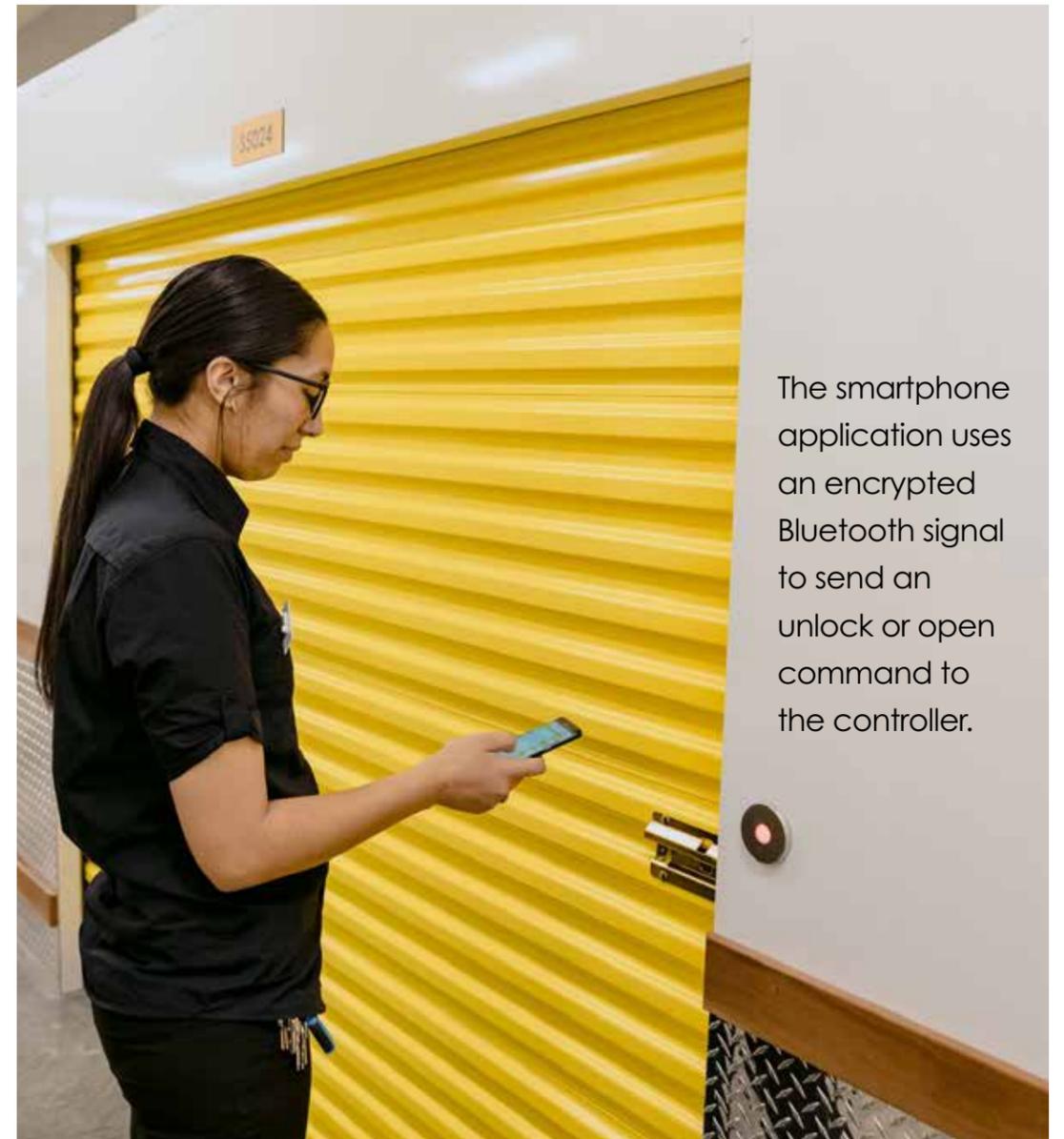
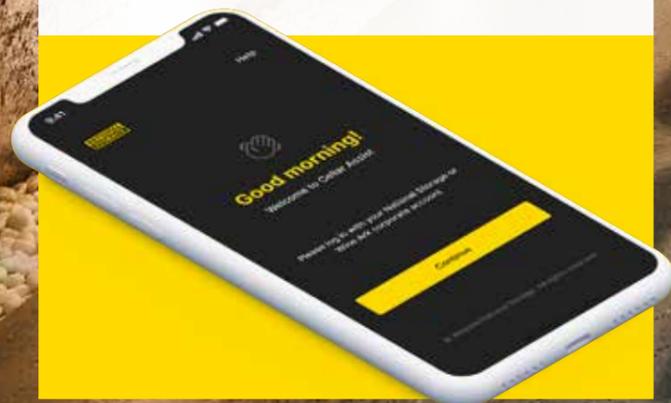


## Wine Ark Transformation

The Wine Ark transformation program will streamline our wine storage and bottle management business and service offering, bringing all operations firmly within the National Storage system. This includes developing an in-house Cellar Management System to meet our growing needs, while also planning for future potential growth and synergies in this space.

Leveraging modern, scalable, cloud-based technologies, we are future-proofing our technology platform, and helping to manage our technology cost structure by utilising scalable infrastructure, based on point in time consumption. The project will see the introduction of our first in-house mobile application to be used as a core tool for our managed wine storage centres. We are also introducing artificial intelligence to our centres to streamline the wine intake and identification process – a very exciting initiative.

The Wine Ark project is focused on building modern data structures, making our data easier to manipulate and consume by our core reporting platform, and building the future of our internal data structures.



The smartphone application uses an encrypted Bluetooth signal to send an unlock or open command to the controller.

## Bluetooth Smart Access

After successfully launching contact-free move-ins in the wake of the COVID-19 pandemic, we fast-tracked a plan to integrate new-age technology into our recent development project at Robina, taking our contact-free sales process to a whole other level. The fully key-less entry system and smartphone application allows customers to access entry points and unlock their storage

unit from their smartphone. The smartphone application uses an encrypted Bluetooth signal to send an unlock or open command to the controller. Customers without smartphones, or not wishing to use their smartphone for entry, can access via a Bluetooth key fob.

Whilst this technology is currently only in place at our Robina location to date, we will be rolling out the technology in developments where possible.

# REDUCING OUR CLIMATE IMPACT

## Solar

Solar is at the forefront of our future planning, and an important investment in reducing our carbon footprint. During the last reporting period, there have been two new developments built with solar installations included, and an additional eight established solar systems transferring across to our portfolio through acquired properties. The next phase of solar installs is being assessed, with 23 potential properties identified.

## LED

During FY20/21, National Storage has completed 10 new developments and expansion projects across the portfolio, all of which have had energy efficient LED lighting used throughout, including individually motion-activated LED general lighting, LED emergency lighting, and LED backlit light boxes for signage. As part of our ongoing commitment to lowering our energy consumption and reducing our carbon footprint, all replacements of our

National Storage has engaged the Carbon Reduction Institute to conduct a NoCO2 Audit to measure its carbon footprint.

existing general and emergency lighting across our portfolio are specified energy efficient LED lighting. There have been a further 48 centres identified for LED lighting upgrades - these are being assessed and prioritised for tendering and a phased upgrade rollout.

## Energy Usage and Emission Reduction

With an aim to reduce the emissions and overall costs for our forklift fleet, an initiative was undertaken in December 2020 to move to purchasing the new lithium battery powered forklifts. Considerations were given to the environmental impacts, safety, cost efficiencies and long-term value of the investment to lithium. In comparison to lead acid batteries, lithium batteries are maintenance-free, more efficient and require less charging time - typically charging to 25% after 15 minutes, 50% after an hour and reaching full charge at 2 hours. Lithium batteries will hold 80% of their original capacity after 4,000 charging cycles, whereas lead acid batteries have an average of 1,500 charging cycles to when their capacity diminishes to 80%.

Lithium battery powered forklifts do not require:

- Engine oil
- Transmission fluids
- Radiator fluids
- Filters that require disposal

There are also several safety advantages with lithium-batteries compared to lead acid batteries and LPG powered forklifts.

Within the National Storage forklift fleet there are now eight lithium battery powered forklifts, approximately 7% of the 111 fleet of forklifts, with another five being introduced before 31 December 2021. As the existing fleet of LPG and lead acid battery powered forklifts reach the end of their working life, they will be replaced with lithium battery powered forklifts.



Climate controlled storage is another service National Storage offers for wine, art, and other goods. As part of our continual assessment of energy use and emissions, we identified the climate control plant as being a high energy user. It is intended that when an existing plant reaches end of life, or becomes irreparable, a more efficient piece of equipment will be introduced.

National Storage has engaged the Carbon Reduction Institute to conduct a NoCO2 Audit

to measure its carbon footprint in accordance with international best practice standards. The NoCO2 Audit is nearing completion and National Storage looks forward to reviewing the results and the accompanying recommendations to plan and implement additional measures to reduce its carbon footprint further.



## Recycling Program

Of the 1,076 tonnes of cardboard boxes sold across National Storage centres during FY21, 96% were made from recycled materials. Comparing FY21 to FY20, we saw an increase of 390 tonnes in boxes sold. However, we still maintained the same percentage of recycled content year-on-year.

During the last financial year, we have reduced general waste by 12%. This is an impressive effort considering the business' large acquisition of centres. A massive 298 tonnes of waste were diverted from landfill, which is the equivalent of six adult whales.

Further, 250 tonnes of paper and cardboard were recycled and reprocessed to be used again. By diverting this waste from landfill, it saves National Storage approximately \$60,000 a year, in addition to the positive environmental impact.

2019	WEIGHT (TONNES)	VOLUME (M <sup>3</sup> )
Co-Mingle	4.0	44.2
Confidential Paper	1.0	14.5
General Waste alternative waste Technology	38.8	559.5
General waste dry	602.3	7865.2
General waste wet	19.8	165.0
Paper and Cardboard	254.2	4978.6
Sanitary Waste	44.5	370.3
<b>DIVERSION FOR THE YEAR</b>		<b>30.9%</b>

2020	WEIGHT (TONNES)	VOLUME (M <sup>3</sup> )
Co-Mingle	2.8	30.8
Confidential Paper	3.0	43.2
General Waste alternative waste Technology	59.5	687.0
General waste dry	633.4	7990.5
General waste wet	18.4	153.0
Paper and Cardboard	232.3	4664.8
Sanitary Waste	39.6	329.7
<b>DIVERSION FOR THE YEAR</b>		<b>33.3%</b>

2021	WEIGHT (TONNES)	VOLUME (M <sup>3</sup> )
Co-Mingle	0.1	0.1
Confidential Paper	1.2	17.3
General Waste alternative waste Technology	46.9	644.4
General waste dry	556.3	6898.4
General waste wet	24.8	206.5
Paper and Cardboard	250.4	4706.5
Sanitary Waste	34.0	282.6
<b>DIVERSION FOR THE YEAR</b>		<b>30.6%</b>

The above table shows our year-on-year progress. Please note this has been provided by our external contractor.

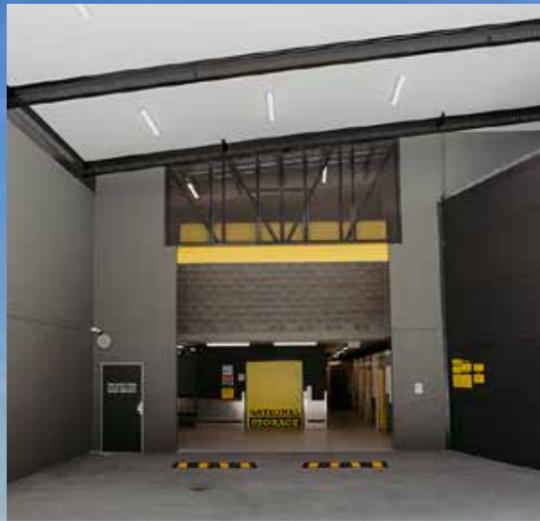
# DEVELOPMENT CASE STUDY: BIGGERA WATERS

Design and delivery choices made at our recently completed Biggera Waters centre resulted in the development being awarded the QLD Master Builders award for best industrial building over \$5million.

In line with our forward focus initiatives, adaptive reuse was a key initiative at Biggera Waters with the successful utilisation of a previous supermarket structure, converted to become a high yielding self-storage floor plate with modernised building efficiency.

**Awarded the QLD Master Builders award for best industrial building over \$5million.**

Demolition materials were recycled where possible and concrete panels required for the new building's construction were cast on site to reduce transportation requirements.



# FUTURE DEVELOPMENT INITIATIVES

National Storage developments will maintain and optimise existing initiatives with respect to solar, energy efficient design, rainwater harvesting and storm water management. The forward development pipeline will have a targeted focus on adaptive reuse, waste management, material innovations and sustainable procurement.

Adaptive reuse is a holistic focus that aims to deliver growth by utilising existing assets and materials wherever possible as demonstrated with the delivery of the Biggera Waters centre. Key considerations include total embodied energy and whole of life analysis. Currently, approximately 50% of National Storage projects under

consideration utilise the existing asset base in this regard.

Waste management during construction aims to reduce waste through efficient design, reuse and material selection, whilst simultaneously increasing recycling efficiency of construction and demolition waste.

Contractors within our delivery model are engaged with sustainable procurement considerations applied. These considerations assessed during tender and monitored during delivery include but are not limited to demonstrated commitment with

respect to innovation, overall efficiency, best corporate practices, safety, risk mitigation, and best practice environmental standards.

**Approximately 50% of National Storage projects under consideration utilise the existing asset base.**



## OUR PEOPLE

This year, our team of 555 people have again demonstrated their ability to deliver outstanding results during difficult times. It's times like this where we genuinely feel that our values are represented in the thoughts, decisions, commitments, and behaviours of our entire staff, be it in centres or support office services.

The significant growth in our staffing is proportionate to our acquisition and development strategy. Our operational team has adapted to new challenges onboarding centres in new regions and seamlessly transitioning them to the National Storage platform. Their ability to do so in a short timeframe whilst displaying professionalism and care has exceeded expectation and provides us an enormous sense of pride in their achievements.

Our staff have demonstrated their unity throughout these challenging times, with numerous examples of staff delivering above and beyond customer service, teamwork, working across alternate departments or providing genuine support for peers interstate or overseas.

Our people have also expressed their gratitude for the work that has taken place to ensure all staff remain meaningfully employed during this period, whether it be at the centres under COVID-19 manning restrictions or implementing remote work. The Head Office and Contact Centre teams have again proven their ability to work autonomously and diligently when operating from remote locations.

2021 has been a year which is not so much character revealing but character highlighting – individuals who stand up during adversity, appreciate and genuinely care for each other at National Storage.

### Staff Wellbeing

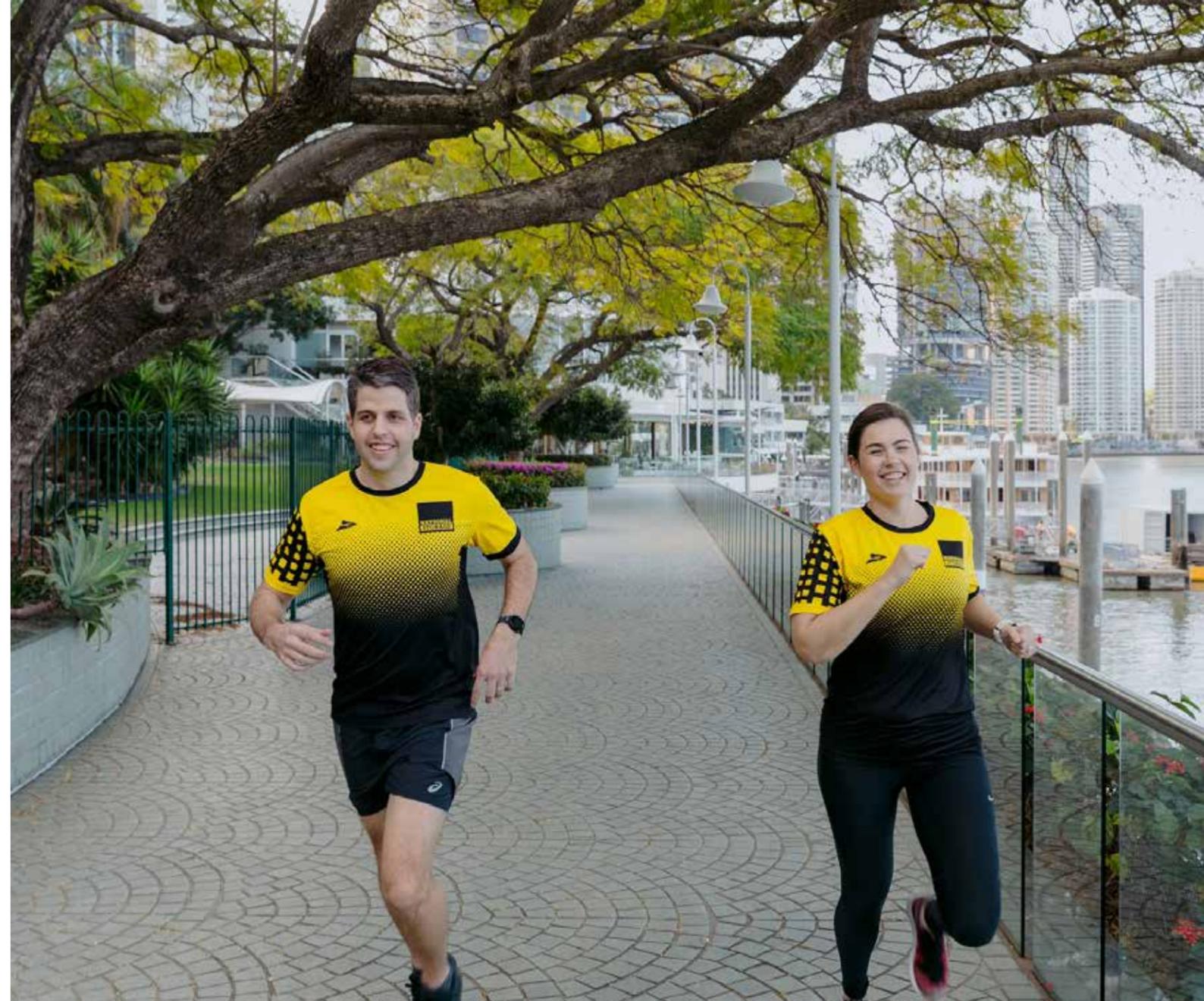
In July 2021, the Human Resources team implemented a new Employee Health and Wellbeing Strategy 'National Storage Healthy Living' which was endorsed by the Executive Management Team.

Our developed approach includes a continual focus on the overall health and wellbeing for all National Storage employees, including:

- A new proactive, focused Employee Assistance Program (EAP) partnering with LifeWorks across Australia and New Zealand;
- Renewing our partnership with Healthy Business which provides support for employees in relation to physical health and wellbeing;
- Raising awareness about our continued Exhale Program;
- Continuing to offer complementary flu vaccinations for all employees; and
- Proactively encouraging Covid vaccinations by providing staff time off to do so.

Our new EAP will provide 24/7 support to all employees and their families at the businesses expense by way of face-to-face or telehealth counselling and coaching services across all aspects of wellbeing. Support available also includes access to the wellbeing application which offers perks and rewards to incentivise staff to proactively take assessments across mental, physical, social, and financial wellbeing topics as well as delivering personalised content. This means all topics are 100% relevant to the individual rather than a one size fits all approach.

2021 has continued to reveal the character of our people.

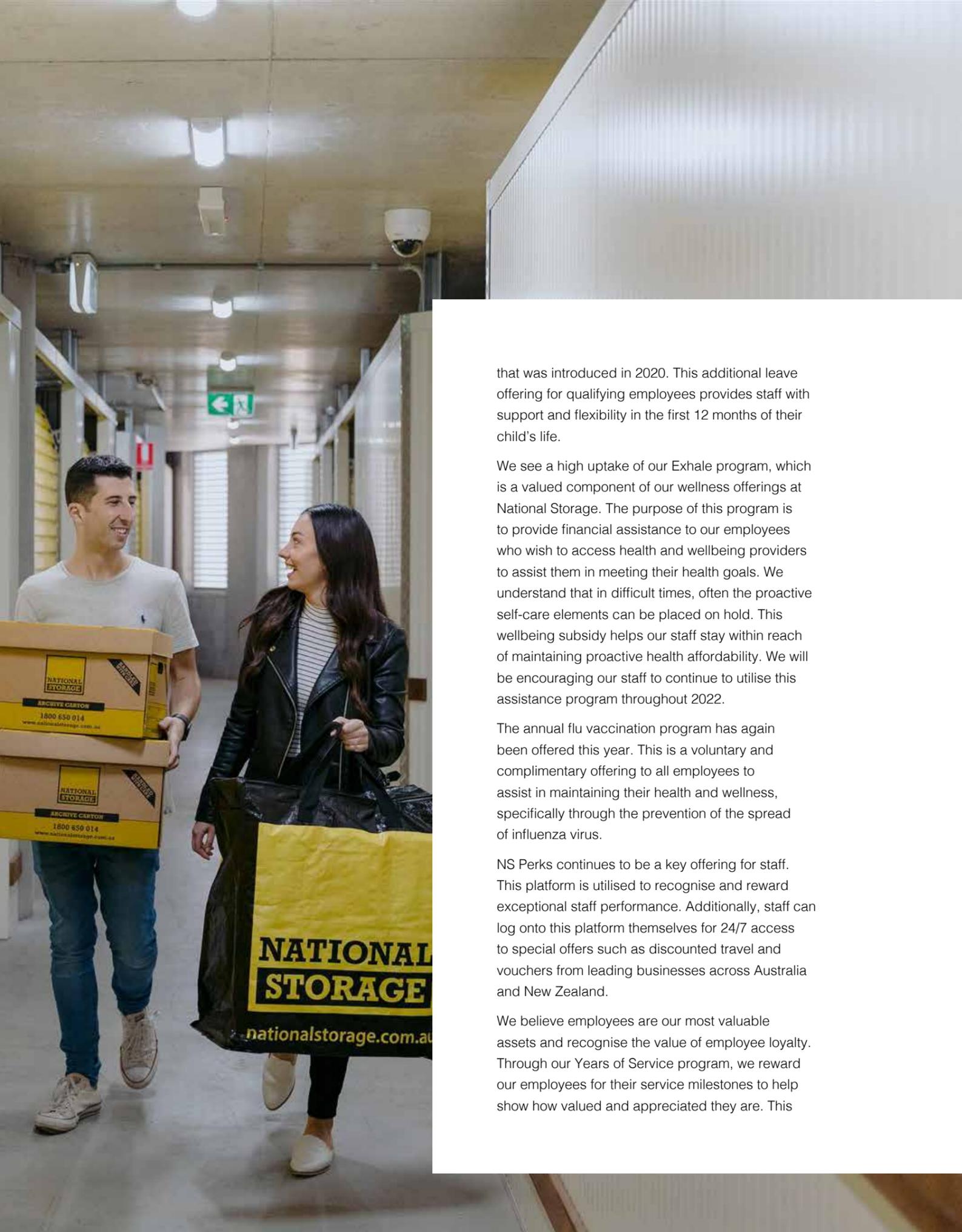


This is of significance as we are all undergoing immense change as we operate within a new business dynamic and adjust our lifestyles to the everchanging environment of COVID-19. Following the implementation of our new EAP, we have seen great support provided to our employees, with a particular focus on COVID-19 during this time. Our new EAP will continue to provide proactive and ongoing support to National Storage employees and their immediate family members, and we look forward to fostering an enhanced proactive approach across the organisation in relation to wellbeing under this new partnership.

As we continue to support our employees in all aspects of their health and wellbeing, our partnership with Healthy Business has allowed

us to provide a refined focus on physical health and wellbeing. This includes delivering on site physical health checks for employees, education on workstation wellbeing (virtual ergonomic assessments and support), and monthly physical wellbeing webinars conducted by an accredited physician to provide staff with information and support. We continue to receive positive feedback from staff regarding the meaningful work and insights that are provided through this partnership. Pleasingly, for our first two webinars we have seen more than 50 staff in attendance who have provided positive feedback on the course content.

We are pleased to see an uptake and positive feedback from our employees regarding the company's 16 week Paid Parental Leave offering,



that was introduced in 2020. This additional leave offering for qualifying employees provides staff with support and flexibility in the first 12 months of their child's life.

We see a high uptake of our Exhale program, which is a valued component of our wellness offerings at National Storage. The purpose of this program is to provide financial assistance to our employees who wish to access health and wellbeing providers to assist them in meeting their health goals. We understand that in difficult times, often the proactive self-care elements can be placed on hold. This wellbeing subsidy helps our staff stay within reach of maintaining proactive health affordability. We will be encouraging our staff to continue to utilise this assistance program throughout 2022.

The annual flu vaccination program has again been offered this year. This is a voluntary and complimentary offering to all employees to assist in maintaining their health and wellness, specifically through the prevention of the spread of influenza virus.

NS Perks continues to be a key offering for staff. This platform is utilised to recognise and reward exceptional staff performance. Additionally, staff can log onto this platform themselves for 24/7 access to special offers such as discounted travel and vouchers from leading businesses across Australia and New Zealand.

We believe employees are our most valuable assets and recognise the value of employee loyalty. Through our Years of Service program, we reward our employees for their service milestones to help show how valued and appreciated they are. This

is implemented through the NS Perks platform where employees can select a reward of their own choosing.

Further to this, we run a monthly performance incentive scheme for our Centre Managers, Operations Managers and Contact Centre Agents. We have seen strong engagement and great results from this incentive since its implementation in 2019. This scheme encourages focused strategic alignment and has proven to be a mutually beneficial engagement and retention tool.

Whilst we have seen an uplift in usage of the current NS Perks platform from 2020 to 2021, and ongoing engagement and participation in the incentive scheme, employee benefits remain important to us. In line with this,

our overall Reward and Recognition strategy is due to be reviewed in the coming year to ensure it remains current and relevant to our employees.

Surveys have again been utilised throughout 2021, which have provided the business and management with ongoing qualitative feedback and comprehensive data for continuous improvement. These include, but are not limited to:

- New Starter Surveys – to ensure our new starters have a good employee experience, these surveys collect information at the first and the sixth month mark of employment to ensure that management gain an understanding of how our staff are settling into their new role, as well as their level of job satisfaction. This also assists us in understanding the success of our recruitment strategy and onboarding process.

We believe employees are our most valuable assets and recognise the value of employee loyalty.



- Engagement Survey – this annual survey provides the business and management team with crucial information on employee morale, career development, leadership, safety and wellbeing, and equal employment opportunities. The Human Resources team work closely with management to ensure that action planning is taken, and employee feedback is incorporated.
- Exit Survey - this survey allows for the business to gain deeper insights, understanding and commentary from exiting employees upon resignation.
- COVID-19 Check-In Survey - the purpose of this survey is to provide a snapshot of data and information into how our employees are feeling, dealing with COVID-19, and any additional support that may be required.

At National Storage, we believe that everyone has the right to feel safe, whether that be in the workplace,

our homes, or elsewhere. In line with this, any form of bullying, discrimination or harassment is an issue we feel to be extremely important. It is a term in our Employment Agreements that staff must abide by

National Storage is committed to ensuring that our culture promotes diversity and inclusivity.

relevant laws and workplace policies relating to safety, discrimination, and harassment. We educate staff on this upon their commencement with the company, and annually through interactive courses on our online learning platform, NS Learn. These issues also form part of our Workplace Conduct Policy and Discrimination, Harassment, Bullying and Victimisation Policy. These policies clearly define unacceptable behaviours including that of sexual harassment which under no circumstances will be tolerated at National Storage. Our policies provide

information on how to raise an issue should it occur, our commitment to confidentiality and fairness when addressing an issue raised, and the protections in place for the complainant. Additionally, one of



our important Behaviour Principles outlines that employees must foster, promote, and contribute to a work environment that is fair, inclusive, equitable and free from any form of harassment.

National Storage is committed to ensuring that our culture promotes diversity and inclusivity. One way that we achieve this is through supporting and promoting national initiatives within our workplaces. Throughout the year we recognised R U OK? Day with a focus on checking in with each other and providing valuable resources on holding conversations with those around us, and The Push-Up Challenge, promoting physical and mental health. We also celebrated Harmony Day,

which saw us coming together and celebrating our diverse backgrounds.

Our Human Resources and Marketing teams have been eager to create awareness on several national initiatives and promoted these through our internal communications platforms as well as providing resources directly to our staff and management teams. We will celebrate key national initiatives throughout the next 12 months, as we see a high appetite in the business to partake in these events. Additionally, we see the benefit in providing employees with the opportunity to come together and gain important insights into topical matters.

# HEALTH AND SAFETY OF OUR PEOPLE AND CUSTOMERS

## Why is this important to us?

We know that to be truly successful, we must be committed to always keeping people safe. As our business has grown, we have stayed focused on our aim of achieving a sustained period without a safety incident, hence our safety vision “no harm to anyone at any time.” We are continually looking for ways to improve our safety performance and management. Providing the safest possible environments throughout our business is a key priority and a prevalent factor when assessing our overall success.

We are continually looking for ways to improve our safety performance and management.

## Our Approach to Workplace Health and Safety Management

We understand that continual improvement comes from diligently assessing our performance and being agile when implementing required solutions. Our leaders are constantly focused on safety across our business and continue to invest resources into the safety management area. We take a systematic approach to policy, planning, control implementation, evaluation, and review, supporting consistent and progressive improvement in performance.

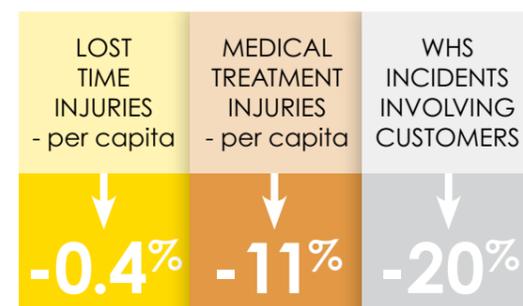
## Key Achievements

As part of our WHS Management cycle, we have undertaken several key safety initiatives in 2021. These initiatives ensure appropriate focus on our risk, performance, and planning, allowing key decision makers to be accurately informed. During 2021 we completed:

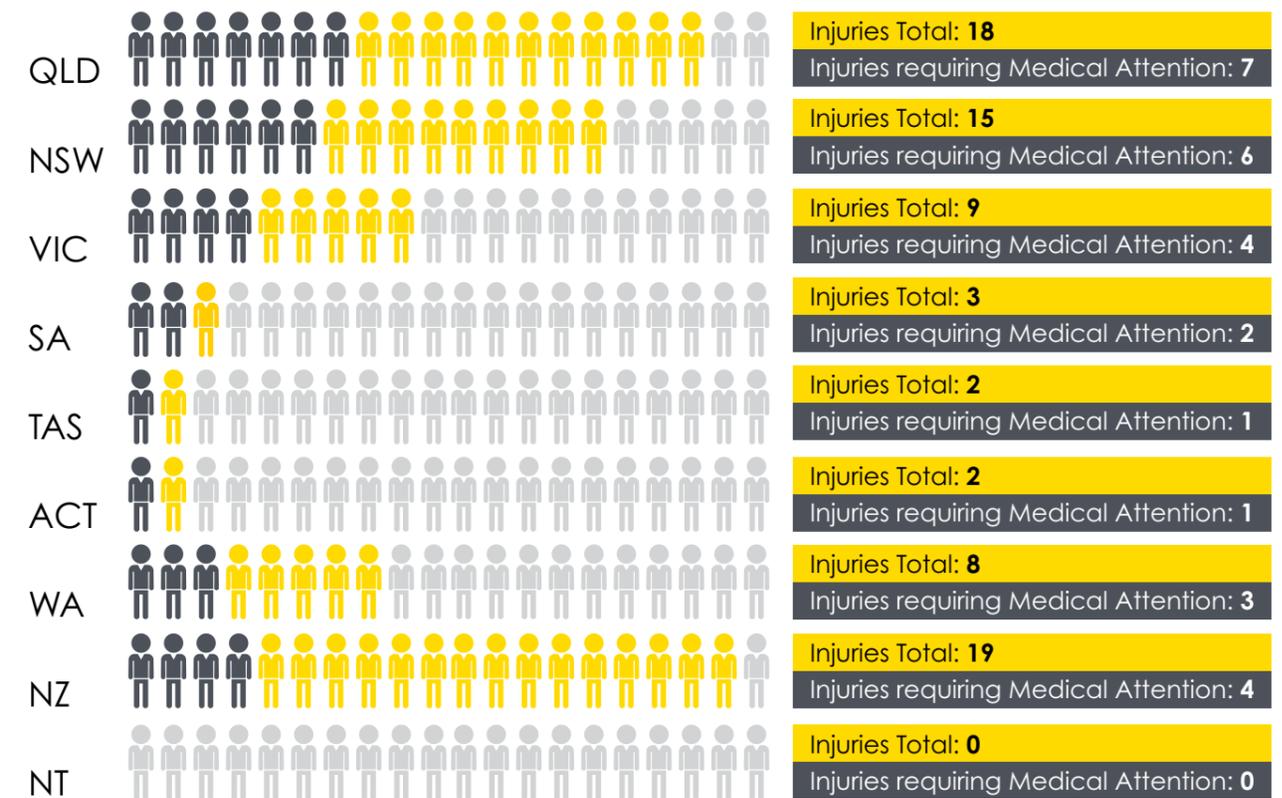
- Internal Safety Review – Systems and Performance
- NS WHS Audit ISO 45001:2018
- WHS Risk Assessment
- WHS Strategic Plan 2021- 2024
- WHS Management System Upgrade Project

During the period, there were no instances of seriously disabling injuries or fatalities at National Storage. We incurred no regulator penalties and initiated regulator communication three times to seek expert guidance.

- We have seen an overall net reduction of workplace lost time injuries per capita (-0.4%)
- We have seen an overall reduction of workplace medical treatment injuries per capita (-11%)
- We have seen a reduction in the amount of WHS incidents involving customers (-20%)



## FY21 Reportable Injuries



5 Year Historical Data		Staff Total
FY21	Injuries Total: <b>76</b> Injuries requiring Medical Attention: <b>28</b>	555
FY20	Injuries Total: <b>64</b> Injuries requiring Medical Attention: <b>30</b>	484
FY19	Injuries Total: <b>45</b> Injuries requiring Medical Attention: <b>15</b>	464
FY18	Injuries Total: <b>58</b> Injuries requiring Medical Attention: <b>24</b>	427
FY17	Injuries Total: <b>51</b> Injuries requiring Medical Attention: <b>17</b>	392

# WORKPLACE HEALTH AND SAFETY

## PERFORMANCE

### Providing our team the skills to be safe

We focus heavily on the level of safety knowledge and skills throughout our workforce. All staff participate in our Safety Compliance Training program. We leverage various methods to provide training in relevant categories such as forklift training, fire and evacuation training, safe work practices, and centre safety inductions. New team members complete 36 training modules in their first four weeks at National Storage. All team members complete on average 48 hours safety-based training throughout the year. 2021 has seen excellent participation and completion rates and continued review of this content is ongoing.



### Customer Safety

We have a consistent approach to customer safety and are seeing encouraging results. As we service thousands of customers a day in multifaceted environments, we believe awareness is imperative. Depending on the method of booking storage, and COVID-19 restrictions, all new customers receive a centre induction either in person with a staff member, or online by our virtual platform, to learn the operational processes and procedures of the centre. We have pleasingly seen the number of customer incidents drop from 20 last year to 16 this year. When factoring in growth, this represents a 20% net reduction.

We have been progressively upgrading our centres across the portfolio with significant improvements in traffic control, signage, lighting, vision enhancements, non-slip additions and increasing



our provision of lifting aides and personal protective equipment.

Monitoring our centres allows us to react quickly to any unsafe incidents or behaviour. We value the opportunity to learn from an incident and can quickly communicate these learnings across our business. This is an excellent preventative measure we have been able to capitalise on.

## PRIORITIES

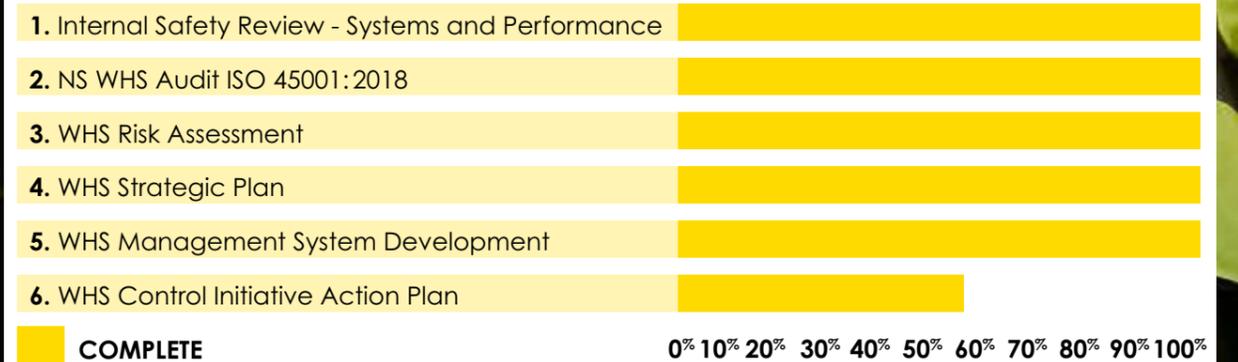
### Current Status

As part of the National Storage WHS Continual Improvement Plan we will be aiming to deliver the following:

- A notable reduction in WHS incidents involving manual handling, slips, trips, and falls and involving objects

- A minimum of one point reduction of the risk rating for the below risk categories:
- Vehicle safety
- Forklift/lifting equipment safety
- Fire and emergency safety
- Safety relating to hazardous items
- Safety relating to security
- Successful completion of all initiatives outlined in the National Storage WHS Strategic Plan, adhering to the relevant delivery timetable

We understand that as National Storage grows, our safety management practices need to accommodate the change. Whilst our aim of "no harm to anyone at any time" remains the same, we have an expectation of improvement year-on-year. By consistently delivering our WHS strategy and executing a structured review schedule, we are optimistic that we can manage the complexities of growth and regularly deliver safer outcomes.



## COVID-19

Throughout the pandemic, our management team has worked closely with our staff to maximise team safety and uphold all state and regional requirements whilst focusing on our high performance and productivity as key priorities.

Self-storage has been recognised by local, state, and federal governments as an essential component of the storage, supply, and logistics chain, vital to the ongoing facilitation of product and service delivery in the community. As such, all National Storage centres have remained open and operational throughout the pandemic.

To comply with the changing landscape of restrictions, the National Storage COVID-19 Policy has been updated 86 times as of the date of this report to successfully guide our staff, customers and contractors on our safe work methods tailored for each centre and region. Our Internal Crisis Management Team (in-line with our Disaster Recovery Plan) has facilitated and directed requirements for our Australian and New Zealand operations. The respective Health Departments audited select centres in Queensland and Victoria to which we have successfully passed and been highly commended on our thorough processes and adherence to restrictions.

As at the date of this report, none of our staff have contracted COVID-19.

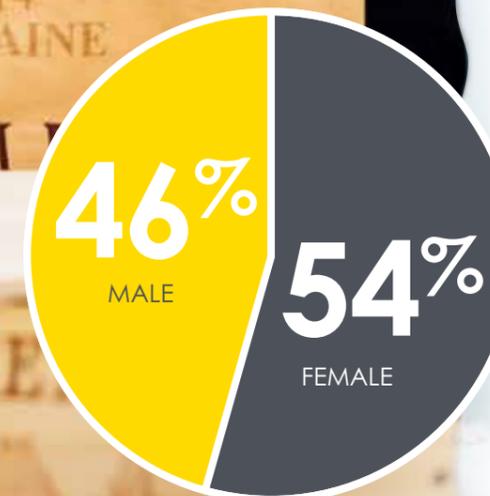
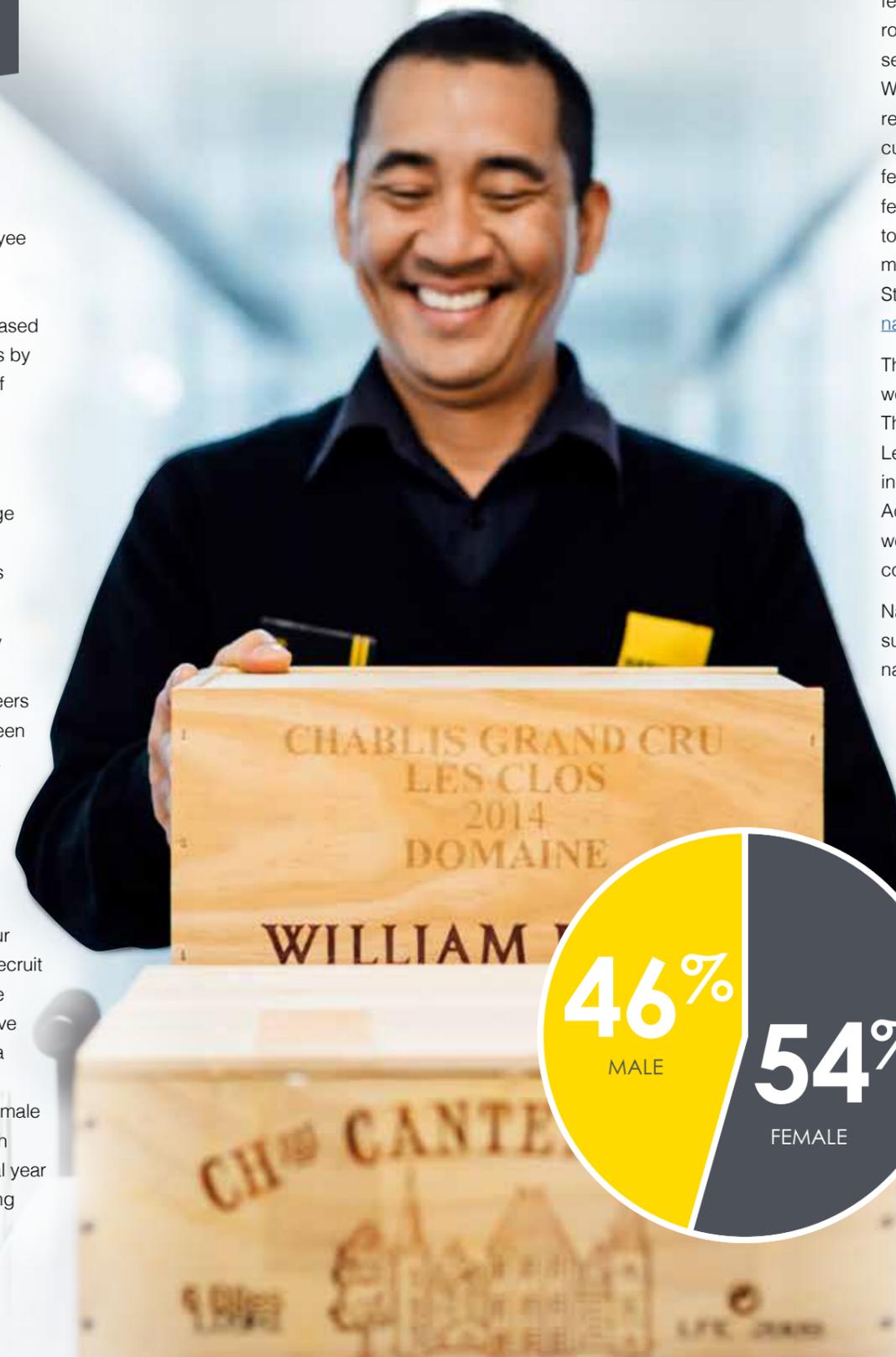
## TALENT ATTRACTION ENGAGEMENT AND RETENTION

### Recruitment

National Storage has maintained our employee turnover rate of 39% in what has been a challenging 12 months in the recruitment market. Our employee headcount has increased through new developments and acquisitions by approximately 12% (495 – 555 people) as of 30 June 2021.

The retention of staff from acquired centres continues to remain a focus and we aim to integrate our people into the National Storage team by initiating a thorough induction and training process in their first few months of employment.

To ensure that we are attracting high-quality candidates in what has been a candidate driven market, we have relaunched our careers website to increase brand awareness, be seen as an employer of choice, and to serve as a company education platform. We have also trained selected Centre Managers in each state to become recruitment specialists to ensure that we continue to fill all roles within two weeks and that all candidates receive a positive experience. In line with our Equal Employment Opportunity policy, we recruit based on skill and have continued to ensure gender equality. As of 30 June 2021, we have hired 219 people for our centre teams with a split of 55% female and 45% male, and 16 people hired for our head office with 44% female and 56% male. Our area of focus is now with our Contact Centre team where this financial year we have hired 23 people with only 39% being female, and 61% male.



### Gender and Diversity

National Storage continues to make progress towards our gender representation goal of 50% female representation in senior management roles, and at least 30% female representation in senior executive and board roles by June 2023. We also strive to maintain at least 50% female representation in the workforce, which we are currently achieving with a gender split of 54% female and 46% male. This is a slight increase of female representation in our workforce compared to last year's gender split of 53% female and 47% male. For further information, see the National Storage WGEA Report at: [nationalstorageinvest.com.au/governance/](https://nationalstorageinvest.com.au/governance/).

Throughout the year, we have supported women in their careers at National Storage. The introduction of our Company Paid Parental Leave offering last year has been a positive initiative in supporting women in our workplace. Additionally, we assist employees with flexible work practices in line with our ongoing commitment to family values.

National Storage is a proud ACON member supporting pride and diversity, an external national not-for-profit employer support program for LGBTQIA+ workplace inclusion. This membership allows us to stay abreast of diversity and inclusion by way of timely webinars, information on national awareness days, access to their conferences, and additional support when required.

Furthermore, to allow National Storage to build on its inclusive culture, a focus for the Human Resources Team in 2022 is to establish and implement a Diversity and Inclusion Committee within the business which will include a focus on LGBTQIA+ and Women in Leadership. This committee will aim to increase the inclusivity of all employees in the workplace through the implementation of awareness initiatives and events, action planning and education building.

# INTERNAL EMPLOYEE DEVELOPMENT



From left to right: Chris, Charmaine, Olivia and Richard

## Chris Hague

Chris joined National Storage in 2016 as a casual member of staff working on the Gold Coast.

2016

His drive and customer focus was quickly noticed, being offered the opportunity to move to Brisbane and manage our National Storage and Wine Ark centre in Fortitude Valley.

Chris flourished with the increased responsibility, being further promoted further to Multi-Site Manager in 2019 and Operations Manager in 2020.

2019

2020

Chris now manages the operations of 17 centres with enthusiasm, veracity, and a constant smile. He is a valuable member of our National Storage family.

Operations Manager

2021

## Charmaine Hogan

Charmaine has worked at National Storage for an inspiring 17 years, starting her career as Storage Consultant at our Mt Gravatt centre in 2004.

2004

In less than 3 months, her skills were required at our Nerang centre where she worked for a year and half before being promoted to Centre Manager at Currumbin.

2007

Charmaine's dedication, training and flexibility saw her being tasked at assisting in various capacities across Brisbane's North side, before being promoted to Centre Manager of our Fortitude Valley and Kedron centres.

2009

Charmaine's wealth of knowledge has rendered her a source of truth on policies and procedures. Such diligence, patience and loyalty was further recognised this year when she was nominated for a secondment role in collections within our Finance Team, where her experience is currently being valued as well as her exceptional baking skills.

Head Office Finance Team

2021

## Olivia Ferguson

Olivia began her journey with National Storage in October 2018 as the Centre Manager at our Caboolture South centre.

2018

Her hard work and dedication did not go unnoticed, being promoted to Centre Manager at our Rothwell centre in July 2020.

2020

Following 12 months in this role, Olivia was offered a secondment to our Finance Team at Head Office.

Her personability and attention to detail resulted in an offer for a permanent position within the Corporate Accounts team, reporting directly to the General Manager Sales. Olivia currently looks after our corporate customers and we look forward to tracking her progress in this new role.

Corporate Accounts

2021

## Richard Guyder

Richard's career at National Storage has spanned an impressive 11 years so far.

2010

Starting out as a Storage Consultant in December 2010, Richard's position within the company has evolved to:

Centre Manager,  
to Multi-Site Manager

and is now currently Operations Manager in Queensland.

His willingness to engage with his team and commitment to the company is a constant. We are very proud of his efforts to date and look forward to seeing where he will lead his team next.

Operations Manager QLD

2021

# INTRODUCING KRISTY CHERRY



2000



2021

**Fun fact:**  
Kristy has been involved in every acquisition for National Storage.



My fondest memory is when we listed. The journey and being around everyone is what I enjoy the most, and why I'm still here.



Kristy assisted in the first ever storage centre acquisition for National Storage including the National Mini Storage portfolio.

Kristy worked on the establishment of, and first acquisitions by, the National Storage Property Trust.

Kristy joined the Head Office team as National Storage's first in-house Legal Counsel.

Kristy led the Initial Public Offering for National Storage REIT.

Kristy developed an in-house Acquisitions and Integrations team.

Kristy established the New Zealand platform for National Storage with a portfolio acquisition in Christchurch.

Kristy is still our General Manager – Acquisitions & Special Projects.



## COMMUNITY ENGAGEMENT

### Mater Foundation

National Storage supported the Mater Foundation's International Women's Day Fun Run in 2021. The event attracted 13,000 participants and raised a record \$1,523,891 to support women with breast cancer. This is an increase of \$519,000 on the 2020 event.

On the Wednesday prior to the event, National Storage hosted a Self-Donation Dollar Match Day which encouraged an additional \$88,428 of fundraising (\$32,688 more than 2020).

In addition to the partnership, our National Storage running team raised \$2,054, a number we will look to increase in 2022.

### Lifeline

On World Suicide Prevention Day (10 September 2021), National Storage announced a new national partnership with Lifeline – Australia's leading suicide prevention service. Launching on this important day, the partnership included a commitment to donate \$1 for every flower planted in Lifeline's virtual garden (up to the value of \$50,000). This new partnership demonstrates National Storage's long-time support of mental health initiatives, such as The Push-Up Challenge, and will continue to grow in years to come.

### Community Units

National Storage supports over 125 community organisations across Australia and New Zealand through our Community Units program.

The program seeks to assist registered charities with significant discounts to their storage rates so that they can continue their impactful work in local communities.

The community organisations use the storage units for reasons including:

- Storing donations and supplies
- Specialised vehicles and equipment
- Archiving
- Event and fundraising equipment

Some of the focus areas of these groups include:

- Domestic violence victims
  - Homelessness, poverty, and disadvantaged youth
  - Rehoming abandoned animals
  - Child sexual assault victims
  - Cancer research and support for patients and families
  - Disability support
  - Mental health

Beyond our Community Units program, we also support several charities on a larger scale. National Storage has supported Share the Dignity since 2015 by providing storage units for their donated sanitary supplies for women in need. Their unit locations span all states in Australia and provide their team with secure locations to store, organise and pack donations for their beneficiaries. Our partnership with RizeUp Australia has seen a number of immediate crisis storage units allocated around the state of Queensland to keep up with their increasing donations for parents and children who

On World Suicide Prevention Day, National Storage announced a new national partnership with Lifeline.



are fleeing domestic violence. Our Queensland team have also been supporting the Wesley Mission's Red Bag Appeal for several years with not only storage but with staff volunteers and deliveries. Last year saw staff from centres and Head Office donate their time to pack food items and Christmas treats to deliver 5,000 Red Bags full of cheer to families facing homelessness and isolation over the Christmas period.

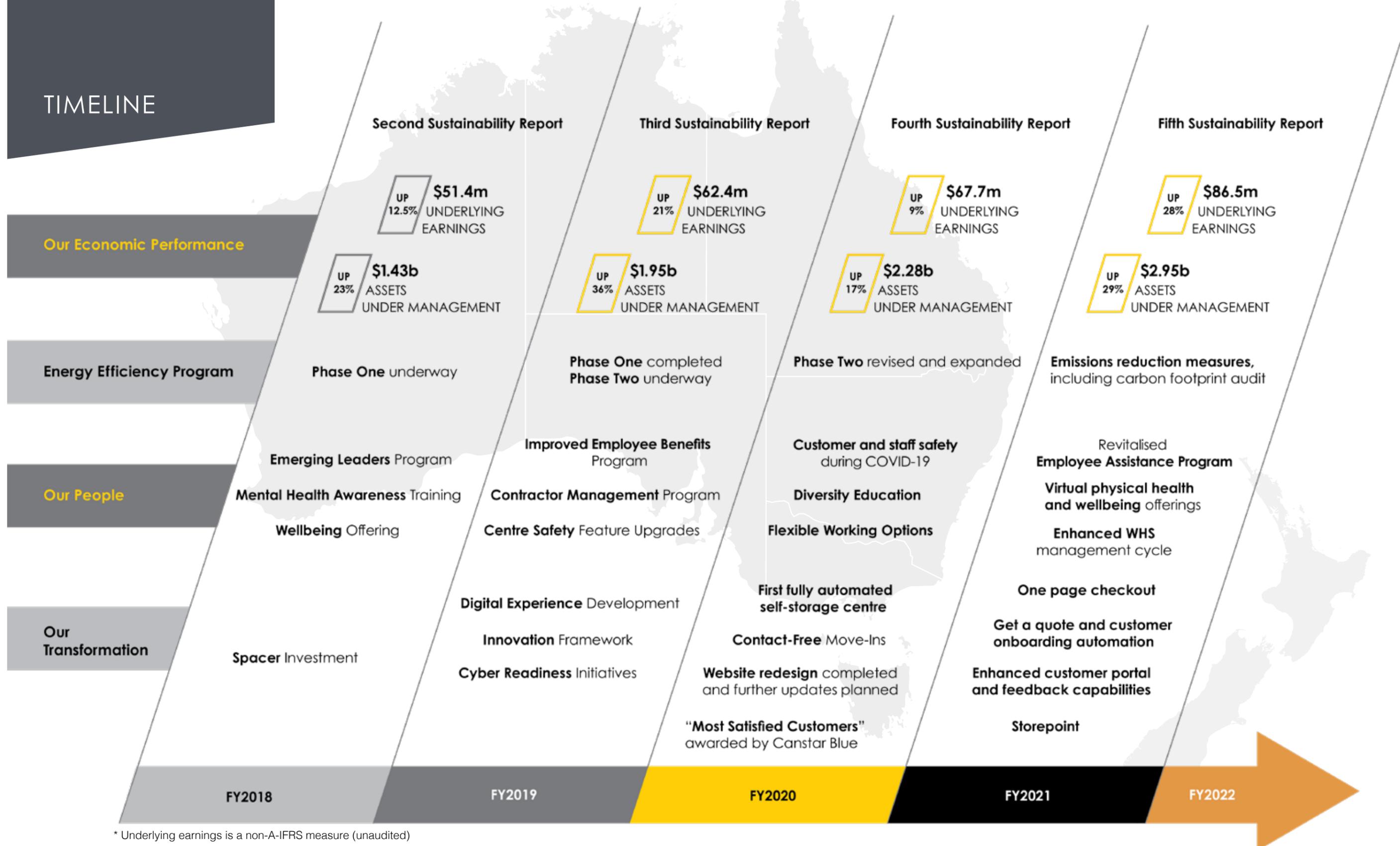
### Sponsorships to promote awareness

In the past year we have utilised our sponsorship assets to promote community initiatives that we

support. As part of our partnership with the Richmond Football club, we were able to engage AFLW captain Katie Brennan in several videos to assist in amplifying the messages we were supporting, including R U OK? Day and Pride Month.

We enriched our partnership opportunities at the Mater Foundation's Women's Day Fun run by providing a video to participants thanking them for their contribution. Videos were sent in from Red Bull Ampol Racing's driver Jamie Whincup, Brisbane Broncos player Xavier Coates, Richmond Football Club AFLW player Monique Conti and our own Managing Director, Andrew Catsoulis.

# TIMELINE



\* Underlying earnings is a non-A-IFRS measure (unaudited)

# CORPORATE DIRECTORY

National Storage Holdings Limited  
ACN 166 572 845 (“NSH” or the “Company”)  
National Storage Property Trust  
ARSN 101 227 712 (“NSPT”) together form  
the stapled entity National Storage REIT  
(“NSR” or the “Consolidated Group”)

## Responsible Entity of NSPT

National Storage Financial Services Limited (NSFL)  
ACN 600 787 246 AFSL 475 228  
Level 16, 1 Eagle Street, Brisbane QLD 4000

## Directors

Laurence Brindle  
Anthony Keane  
Howard Brenchley  
Steven Leigh  
Andrew Catsoulis  
Claire Fidler

## Company Secretary

Claire Fidler

## Registered Office

Level 16, 1 Eagle Street, Brisbane QLD 4000

## Principal Place of Business

Level 16, 1 Eagle Street, Brisbane QLD 4000

## Share Registry

Computershare Investor Services Pty Limited  
452 Johnston Street , Abbotsford VIC 3067

Stapled Securities are quoted on the  
Australian Securities Exchange (ASX)

**NATIONAL  
STORAGE**