ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

OUR ESG STRATEGY

Driven by our Core Value of Sustainability, we believe that every single decision or action we take today directly impacts the decisions or actions which can be taken tomorrow. As such, we place great importance on not only continually ensuring the sustainability of our business, but also the sustainability of the natural and social environment around us.

To ensure that our policies and practices benefit our employees, customers, shareholders, the communities and the environment in which we operate, the board oversaw the ongoing execution of the Group's sustainability strategy during the year.

This strategy is focused on three key areas: environmental sustainability, social sustainability and corporate governance. It aligns our Vision and Core Values with six relevant UN Sustainable Development Goals (SDGs) and takes guidance from the Task Force on Climate-related Financial Disclosures (TCFD).

Through our ESG framework we continue to monitor our impact on the economy, the workplace, the social environment and the natural environment.

ESG STRATEGY

Our ESG strategy aligns our Vision and Core Values with relevant UN Sustainable Development Goals (SDGs) and takes guidance from the Task Force on Climate-related Financial Disclosures (TCFD).

Long-term ESG reporting framework adoption

ENVIRONMENT | SOCIAL | GOVERNANCE

SUSTAINABLE DEVELOPMENT GOALS

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

GOVERNANCE
Disclosure of governance around climate-related risks and opportunities.

STRATEGY
Disclosure of the actual and potential impacts of climate-related risks and opportunities, strategy and financial planning, where such information is material.

RISK MANAGEMENT
Disclose how Stor-Age identifies, assesses and manages climate-related risks.

METRICS AND TARGETS
Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.

ENVIRONMENTAL SUSTAINABILITY

ESG FRAMEWORK

Through our ESG framework we continue to monitor our impact on the economy, the workplace, the social environment and the natural environment.

Decent work and economic growth

- Job creation
- Learning and development
- SMME support
- Employee wellness

Industry, innovation and infrastructure

- Developing environmentally-friendly buildings
- Energy consumption
- Water consumption
- Cybercrime prevention

PEOPLE

PROPERTY

Reduced inequalities

- Gender equality
- Supporting the previously disadvantaged
- Supply chain management
- Charitable commitments

Responsible consumption and production

- Energy consumption
- Water consumption
- Greenhouse gas emissions
- Waste management
- Fuel consumption

Underpinned by: Our Vision and Core Values, UN SDGs and TCFD

Supported by overarching corporate governance principles

A LONG-TERM STRATEGY

As South Africa's leading and largest self storage property fund and brand, we do not believe in taking the shortest route or being focused on a short-term time horizon. We remain resolute in executing a long-term ESG strategy built around:

- Developing environmentally-friendly buildings with low environmental impact
- Creating a culture of high integrity across the business
- An unwavering approach to good corporate governance
- Ensuring the ongoing sustainability of the business
- Preserving our resilience by maintaining balance sheet strength
- Ensuring well-managed risk, both financial and environmental, with significant value creation for our stakeholders
- Supporting the local communities in which we operate

We know that to remain a market leader we have to continue to nurture and encourage a culture of innovation from within and find more efficient ways of performing what we do each and every day, across all areas of our business.

We aim to build an organisation that is resilient, and which can endure and adapt through multiple generations of leadership as well as multiple product life cycles. This resilience was tested during the onset of the COVID-19 pandemic and the subsequent waves which followed. By adapting our business to the new environment that emerged as a result of the pandemic, we were able to benefit from historically high demand and we continued to drive move-ins across the business in both markets.

This resilience was further tested during the looting and civil unrest experienced in KwaZulu-Natal in July 2021, where our Waterfall property suffered extensive damage. Despite what unfolded at the property, we reopened for business in October 2021 and we continue to experience excellent levels of demand. Read more about the impact to our Waterfall property in our CEO's Report on page 37.

> Through our ESG strategy, we remain committed to responsible and sustainable business practices.

As one of our four Core Values, each of which guide and inspire every single thought, action and decision, Sustainability is at the heart of what we do. The sustainability of the environment has always been and remains a priority.

Through our alignment with the SDGs and taking guidance from the TCFD, we continue to place a great amount of emphasis on ensuring that we take care of the environment in which we operate.

A SUSTAINABLE BUSINESS STRATEGY

At Stor-Age, we believe that the most important space is the environment that surrounds not only our properties, but the broader communities in which we operate. This is why we continue to address sustainable practices in both markets in the areas of energy efficiency, renewable energy generation, reducing CO_2 emissions, rainwater harvesting, storm water management, waste water management, fuel consumption and conservation. The Group continues to monitor both its electricity and water usage across the portfolio, and continues to successfully reduce its carbon footprint.

Our buildings are more than just bricks and mortar. We strive to improve each and every aspect of our properties, ensuring that we develop environmentally friendly buildings with a low environmental impact in both markets.

Our properties are not crowded environments and are typically low-intensity in their use relative to other real estate types. Coupled with a relatively low staff complement at each property, we are low users of electricity and water.

During the period we continued to focus on further reducing the already low environmental impact of our properties.

SUSTAINABILITY TARGETS

With regards to both property acquisitions and new developments, we place great emphasis on continually seeking to improve our over-arching environmental performance.

For newly acquired trading properties in South Africa and the UK, we seek to:

- Install solar PV panels where not already installed
- Install LED lighting where not already installed
- Implement waste management initiatives

In addition, we also seek to install electric vehicle charging stations in the UK (site specific and based on demand). It's envisaged that a similar approach will be followed in South Africa in due course.

For new developments in South Africa and the UK, we seek to:

- Install solar PV panels and ensure the general reduction of CO_2 emissions wherever possible
- Install motion sensors and LED light fittings
- Use building materials that assist with insulation
- Harvest rainwater for internal use where possible
- Implement effective surface water design and management
- Target designs which allow for the maximisation of daylight to reduce demand for artificial lighting
- Maintain/enhance each site's ecological value through retention of vegetation and new planting
- Source major building materials from responsible local suppliers where practical
- Minimise construction waste and implement a site waste management plan

In the UK, we also seek to:

- Achieve a 'Very good' or 'Excellent' BREEAM[1] (Building Research Establishment Environmental Assessment Method) rating
- Make a commitment to the considerate constructors scheme
- Install bat and bird boxes to mitigate for the loss of suitable habitat
- Install electric vehicle charging stations – site specific and based on demand

[1] *BREEAM, first published by the Building Research Establishment (BRE) in 1990, is the world's longest established method of assessing, rating, and certifying the sustainability of buildings.*

ENVIRONMENTAL SUSTAINABILITY (continued)

OPERATIONAL STORE ENERGY CONSUMPTION

The predominant energy consumption of our properties is grid electricity for lighting, elevators, general power, heating, cooling and ventilation. These cause indirect off-site power station carbon emissions.

Despite increased activity at our properties as a result of a relaxation in lockdown restrictions, the Group continued the trend of reduced electricity consumption across the portfolio in South Africa. This can be attributed to the improved contribution of the solar PV installations, improved staff behaviour, as well as various additional energy reduction initiatives.

The following initiatives have reduced our properties' electricity consumption:

- Motion-sensitive lighting at all properties. We fit these at optimum distances to reduce the number of fittings and the energy consumed.
- LED light fittings are installed inside and outside all new properties, and retrofitted onto existing ones. LED light fittings save up to 60% of consumption compared to standard fittings.
- Solar panelled hot water cylinders are installed to heat water in the retail stores and security offices at many properties.
- Each month, we prepare and review a detailed analysis to assess energy consumption across the portfolio, with exceptions timeously dealt with through active management.

PHOTOVOLTAIC (SOLAR) SYSTEMS

We were the first self storage property owner in South Africa to install solar technology for three-phase power generation.

- To date we have invested approximately R12 million in renewable energy, installing Solar PV systems at eight additional properties during the period.
- A total of 23 properties are now fitted with these systems.
- These 23 properties have to date generated over 1.7 million kWh in solar energy and rendered electricity consumption savings in line with what was projected for each system.
- We have identified an additional six properties to be fitted with such systems in South Africa and the UK. This includes existing properties and new developments.
- We plan to invest a further estimated R8.0 million in renewable energy over the medium term.

> "We have continued the trend of reducing our carbon emissions footprint each year, resulting in more than 770 tonnes of carbon savings during the period. This represents an improvement of approximately 30% year-on-year."

BI-DIRECTIONAL CHECK METERS

As a result of our Solar PV system installations, we have continued to generate excess power at our properties during the year. These properties have bi-directional meters installed on their incoming electrical supply. When the properties with such functionality generate more electrical energy than is used from the power utility, we receive a kWh credit.

Year on year, the total generation off-set grew by approximately 60%, to an estimated 125 000 kWh.

OPERATIONAL STORE WATER CONSUMPTION

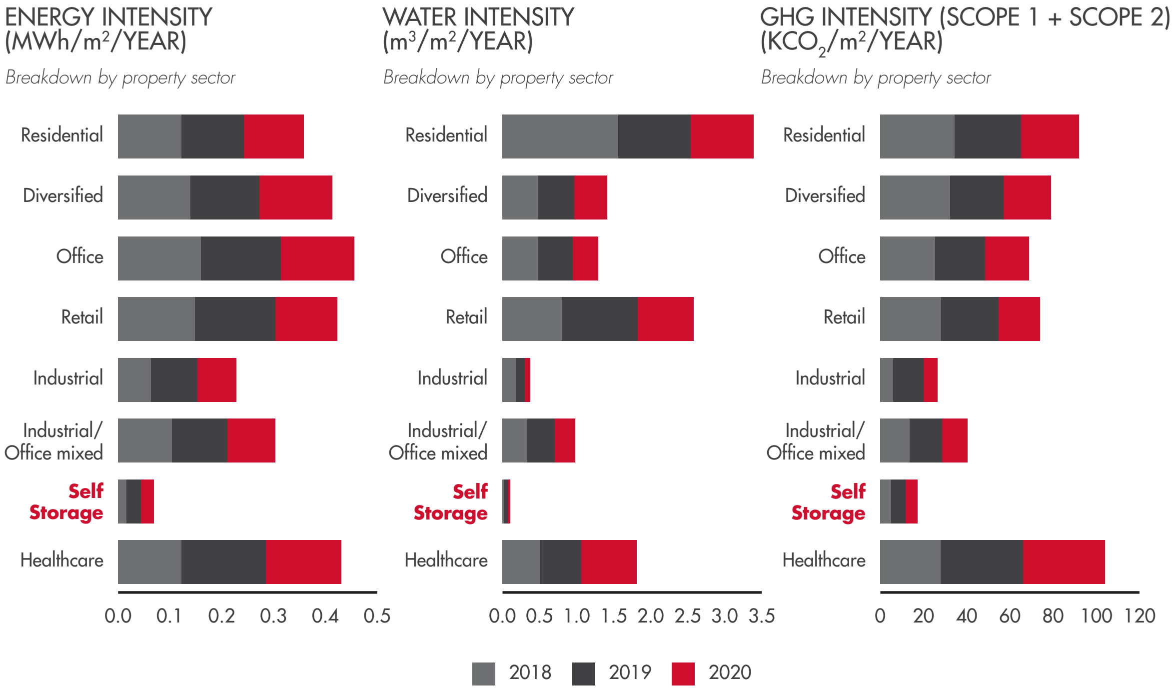
Water consumption is a major focus area for the Group. We have continued to roll-out various water-saving initiatives, which includes the installation of an online monitoring system at certain properties across the portfolio.

Currently 34 properties are connected to these water monitoring systems, which supply management information in real-time in respect of water consumption. Through these systems, we are able to identify abnormal use or leakage almost immediately via automated alarms.

We plan to have the entire South African portfolio connected to these systems in the medium term.

> Self storage remains the real estate sector's lowest generator of greenhouse gases and the lowest user in terms of water and energy intensity.

COMPARISON OF INTENSITY



ENVIRONMENTAL SUSTAINABILITY (continued)

RAINWATER HARVESTING

Rainwater harvesting is the accumulation and storage of rainwater for reuse on-site, rather than allowing it to run off into the storm water system. It provides an independent water supply during the summer months, and can be used for irrigation and to substitute the municipal supply when necessary. As many of our properties benefit from having significant roof space, we have installed these systems at 25 locations across the portfolio.

At our head office in Claremont, Cape Town, water is supplied by rainwater harvested from the roof as well as via a borehole situated below the basement level parking garage. These natural sources provide sufficient capacity to permanently supply the property with the necessary water required to service washing and ablution facilities. This is a significant contribution to continued water-saving efforts being made in the region. Other initiatives to supplement and conserve the municipal water supply include the pumping and storing of ground water for irrigation purposes at three properties and borehole installations at a further two properties.

STORM WATER MANAGEMENT AND CONSERVATION

We have incorporated permeable paving into our external civil engineering design at a number of our properties. Permeable paving is qualitatively different from traditional paving methods in that water is treated on-site before being discharged into both the natural groundwater table and storm water system.

COMMITTED TO DEVELOPING A NET ZERO CARBON PATHWAY

During the year the Group committed to developing a net zero carbon pathway. The process involves setting science-based targets using the Science-Based Targets initiative (SBTi) methodology. The SBTi methodology follows a process of setting a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions.

The SBTi, a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets. It defines and promotes best practice in emissions reductions and net zero targets in accordance with climate science.

SUSTAINABILITY-LINKED LOAN FINANCING

As part of a UK debt restructure, the Group entered into its first 'green' sustainability-linked loan facility during the year. The £21.0 million 7-year sustainability-linked loan was entered into with institutional lender Aviva Investors.

The sustainability-linked loan is aligned with Aviva's Real Estate Debt Sustainable Transition Loan Framework, which is focused on key sustainability targets such as energy efficiency and green initiatives, including on-site renewables.

The Aviva loan is structured such that achievement of certain environmental KPIs will trigger a reduction in loan margin. These KPIs include the installation of solar, reducing scope 1 and 2 carbon emissions and developing our net zero carbon pathway, as indicated above.

Two independent bodies were appointed to ensure that our KPIs align with the requirements of Aviva's Real Estate Debt Sustainable Transition Loan framework and to ensure that they are structured in accordance with the Loan Market Association's Sustainability Linked Loan Principles.

SOUTH AFRICAN AND UK PORTFOLIO BASELINES AND KPIs

During the year the Group completed a process of identifying, reviewing and selecting an independent third-party sustainability consultant who has been tasked with setting baselines for carbon emissions and water consumption for properties in the South African and UK portfolios, together with establishing environmental KPIs to consider for adoption and ongoing performance measurement.

The independent consultant has conducted a Carbon Footprint Assessment across the South African portfolio in order to set the baselines for carbon emissions at each property.

SOCIAL SUSTAINABILITY

At Stor-Age we strive to make a sustainable difference. Recognising our role as a responsible member of the broader community, and in line with our Core Value of Relevance, we aim to improve our customers' and employees' lives, as well as the lives of people in the broader communities in which we operate.

In line with our ESG framework, our medium-term objective is to continue focusing our resources on fewer but larger projects. We recognise the importance of being an active member of our local communities, and we encourage our employees at the property level to develop close links with charities, schools, sports clubs and local interest groups.

Our support typically includes the provision of complimentary storage space and additional support is provided on a select basis in the form of:

- Financial contributions
- Leveraging our digital marketing platform
- Generating exposure via branding on Company vans and billboards
- Vehicles and the use of our properties as drop-off/ collection points

Over the past year we have contributed an estimated R1.5 million worth of support to various initiatives, some of which include:

KOLISI FOUNDATION

The Kolisi Foundation, founded by Springbok rugby captain Siya Kolisi and his wife Rachel, aims to combat inequality in South Africa by providing food security, addressing gender-based violence and creating equitable access in sports and education.

During the year the Group continued to assist the foundation with its operational requirements by providing complimentary self storage space, supporting financial fundraising campaigns, and assisting with various community-focused upliftment initiatives.

The partnership, which enables the Kolisi Foundation to place a greater emphasis on alleviating extreme poverty, mentoring youth and promoting equality, unites our employees behind a common cause and offers the opportunity to positively engage with the public and local communities.

During the winter of 2021, we launched a nationwide blanket drop initiative in partnership with the foundation. Delivered via a social media campaign, the public were invited to visit any Stor-Age property and donate a blanket. Over 1 200 blankets were collected and then distributed to those in need in communities throughout South Africa.

CHARITIES AND NPOS

During the year we continued to offer complimentary self storage space to a number of charities and NPOs. These included the Gary Kirsten Foundation, JAG Foundation, JOG Trust, Helping Hands SA, SA Water Warriors and Songo.

In addition to providing complimentary self storage space, our properties also acted as drop off points for various charitable organisations. Through our social media platforms and positive brand association/ endorsement, we also assisted further by creating heightened awareness for these organisations, encouraging additional support from the public and local business sector.

KWAZULU-NATAL FLOODING CRISIS

Following the tragic flooding which took place in KwaZulu-Natal in April 2022, all of our Durban properties served as drop off points for donations. These donations, primarily non-perishable foods, clothing and blankets, were then distributed to communities in need.

A fundraising campaign was also set up for Stor-Age employees who lost their homes and their belongings during the flooding crisis. The Company matched all donations received.

LEARNERSHIPS

In 2021, an agreement was entered into with the Skills Development Corporation (SDC), an accredited learning institution based in Johannesburg, to provide a 12-month Business Administration Services learnership programme to 12 learners from previously disadvantaged backgrounds.

As the SDC is based in Randburg, it was logistically and administratively sensible for the organisation to recruit learner candidates in the surrounding areas of Gauteng. Three Stor-Age properties are situated in the immediate area of the SDC offices, which will enable the Group to leverage off this association sustainably, by further supporting learners from the local community in the future.

SOCIAL SUSTAINABILITY (continued)

This partnership provides Stor-Age with a sustainable means of supporting economic transformation within the country at a local level. At year end, nine learners recorded satisfactory attendance and completed the SDC Business Administration Services learnership programme successfully. The relationship with the SDC has been renewed for 2022 with a further 12 learners enrolled.

With a view to preparing staff for management and leadership roles in the future, six head office staff members in South Africa commenced with a management learnership programme with the SpecCon Group in 2022.

SUPPORTING SMALL BUSINESSES

As a geographically decentralised business with 85 properties throughout South Africa and the UK, we support a host of small businesses. In South Africa, more than 50%[1] of our business customers classify themselves as SMMEs and approximately 20%[1] classify themselves as entrepreneurs. For many we play an important support role in their daily operations as well as their growth strategies.

Our properties act as business incubators for many of these SMMEs, often assisting local businesses transition from family home-based operations to larger scale entities, employing more staff and thereby further contributing to the local economy.

The self storage product provides a convenient, safe and flexible solution to businesses such as online retailers, service providers and tradesmen, as well as importers and exporters looking for either a short-term or long-term storage solution.

SHINING THE LIGHT ON LOCAL BUSINESSES

The Stor-Age Business Hub was launched during the year following the success of the social media campaign launched in the prior year titled 'Local Business Spotlight'. As part of this campaign, Stor-Age business customers were featured on the Company's Instagram, Facebook and LinkedIn profiles.

The Stor-Age Business Hub is a complimentary offering for business customers that provides an additional platform where they can promote their products or services to tenants at the property at which they are storing and to their greater community.

Stor-Age facilitates each customer's participation in the Business Hub by hosting the customer at a photoshoot and assisting them with preparing suitable communications material. The customer is then profiled on a dedicated section on the Stor-Age website. In addition, their business is featured on Stor-Age's various social media platforms, with a paid media campaign implemented for each profile that targets the local communities of the business or organisation being showcased. Through this initiative, Stor-Age actively promotes the sustainability of its commercial customers.

During the period more than 20 customers were profiled, reaching more than 1.2 million people via Stor-Age's website and various social media platforms.

> "We remain committed to improving our tenants' and employees' lives, as well as the lives of people in the communities in which we operate."

[1] *Data as of 28 February 2022.*

BRINGING OUR CORE VALUES TO LIFE

Excellence

We believe in striving for excellence in everything we do – in our thoughts, our decision-making and our actions.
By promoting our customers' businesses to the local communities in which they operate, we are able to make a positive contribution towards many businesses across South Africa, most of which are SMME's, and many of which are still feeling the continuing negative impact of the pandemic.

Sustainability

We believe that every action taken today will have a direct impact on the actions we can take tomorrow. The Stor-Age Business Hub is focused on the sustainability of local businesses and charitable organisations. By supporting these entities, we are in turn supporting the sustainability of the local communities around us.

OUR MISSION: To rent space

Relevance

We aim to be relevant in everything that we do.
The Stor-Age Business Hub gave us the opportunity to support businesses in the communities in which we operate, offering them exposure to a relevant audience.

Integrity

We feel strongly about doing the right thing the first time, all the time. We believe that the Stor-Age Business Hub provides a platform to offer support and encouragement for many of our business customers, while also providing community upliftment. We are proud to have made a positive contribution to many of our business customers and in many local communities across the country.

SOCIAL SUSTAINABILITY (continued)

HUMAN SUSTAINABILITY

350[1]+
Total number of employees at year end

38 years[1]
Average employee age

> "Continuously striving for an optimal environment in which our staff can build sustainable careers at Stor-Age remains a key focus area."

At recruitment stage we interview for alignment between personal and Company Core Values as we believe these are markers of identity and act as guiding principles to form a lasting and successful employer-employee relationship.

Alignment between personal and Company Core Values also allows for a seamless integration into the Company culture. Building a successful and sustainable team requires integrating diverse behaviours and personalities. To positively contribute to the building of successful teams, we make use of tools that allow us to identify the behaviours and habits critical to success in particular roles. These critical behaviours and habits are tested for during the recruitment phase, as well as used to assemble teams with the most optimal team dynamic.

During the year we continued to expand our teams across the country as more properties have been added to our portfolio. In addition, in line with our ongoing focus on digitalisation, we continued to recruit for qualified candidates in the digital field.

EMPLOYEE LEARNING AND DEVELOPMENT

Stor-Age is committed to employee development through effective learning and training opportunities. Our learning and development framework identifies 10 areas for intervention for head office and store-based employees. We have developed a range of training courses, which are delivered in various modes.

- Our e-learning platform, Edu-Space, enables our employees to receive training and assessment simultaneously across all our locations in South Africa and the UK.
- We offer workshops, refresher courses and facilitated senior management planning sessions at a range of venues in South Africa and the UK. These include targeted groups of executives, senior, middle and junior managers with a focus on staff development, retention and future roles within the business.

[1] *South Africa only.*

- Primary areas of ongoing training include frontline store-based staff, staff residing in our recoveries team (debt collection), as well as staff based in our Contact Centre.
- Where appropriate, specific and individual training is offered to employees. Our core training programme is complemented by management and leadership development programmes which are delivered in-house and by external service providers.

In addition to contributing to the social and ethical aspects of better business practice, customer surveys are a key driver of the learning and development programmes delivered to employees. Engaging customers through this medium has enabled this crucial stakeholder group to influence Stor-Age's employee practices and processes directly and in a meaningful manner.

STUDY SUPPORT PROGRAMME

Our employee study support programme assists employees with career development at accredited institutions. This programme, which financially supported seven staff members during the year, not only sustainably supports the development of our employees but also contributes towards retaining their expertise and services into the future.

Recipients of the employee study support programme include staff from across the business. We look forward to the contributions that these individuals will continue to make to the organisation.

PERFORMANCE MANAGEMENT AND SUPPORT

Comprehensive job descriptions set out every employee's role within the business and the competencies required to deliver value in their roles. Our annual performance and personal development reviews facilitate formal assessment and feedback to all employees by their immediate line managers. A key outcome of this process is the identification of an individual's primary training, learning and development needs to ensure effective performance.

Edu-Space highlights

150+
Number of courses delivered

2 000+
Successfully completed modules

96%+
Pass rate achieved

47 000+
Hours of online training

Face-to-face training highlights[1]

15+
Number of courses delivered[2]

90+
Employees received face-to-face training

Employee feedback

"I have renewed energy towards the role that I play in the further development of staff within my operational area. I believe that is down to all the input and ideas provided by the Learning and Development team."

4.5 Average employee rating out of 5 for our face-to-face learning courses

1 South Africa and the UK.
2 Number of face-to-face interactions were impacted by COVID-19 restrictions and safety protocols.

SOCIAL SUSTAINABILITY (continued)

LEARNING AND DEVELOPMENT FRAMEWORK

STRATEGIC DEVELOPMENT WORKSHOPS
Invited senior executives and managers. Strategic alignment and planning for South Africa and the UK

MANAGEMENT COMMITTEE (MANCO)
Annual and quarterly meetings for senior managers. Strategic planning and implementation sessions

MIDDLE MANAGEMENT DEVELOPMENT
By invitation. An introduction to leadership and management in business

EXTERNAL STUDY
As identified through annual performance and personal development review processes

AD HOC WORKSHOPS
Covering a diverse range of functional areas – including, but not limited to operations, Contact Centre, recoveries (debt collection), and health and safety

E-LEARNING SESSIONS ON EDU-SPACE
Driven by business needs

OPERATIONS TRAINING WORKSHOPS AT REGIONAL TRAINING CENTRES
Hosted by area managers

OPERATIONS ORIENTATION PROGRAMME
Five-week in-store welcome and basic training (level 1) by trainer at a designated training store

WELCOME AND INDUCTION PROGRAMME
Meet with a member of the learning and development (L&D) team and complete the introduction module on Edu-Space

> “Our learning and development framework continues to offer our staff the opportunity to develop their skills and to progress in their careers.”

TRANSFORMATION

In line with our Core Value of Sustainability, Stor-Age aims to make a real contribution to the economy of South Africa and, in the process, achieve sustainable transformation objectives aligned with broad-based black economic empowerment legislation.

As the leading self storage company in South Africa, Stor-Age commits to making a real difference in the South African economy by implementing sustainable business transformation and employment diversification plans, in order to achieve key milestones, and to maintain compliant status in terms of the Property Sector Transformation Charter.

Stor-Age remains a Broad-Based Black Economic Empowerment (B-BBEE) compliant business.

EMPLOYEE-FOCUSED INITIATIVES

We have a number of other employee-focused initiatives in place to boost employee engagement.

Our Year-end Review in South Africa is an ideal opportunity to develop and enhance our business culture. Traditionally this event has been held in person, but as a result of the COVID-19 pandemic we hosted our Year-end Review virtually for the second time in March 2022. This virtual event was a great success, where we brought together all employees from across the country in an engaging, informative and interactive session. Coupled with fostering new partnerships and sharing best practices, the Year-end Review is a key contributor to the ethos and personality of the business.

Employee feedback:

"Our Year-end Review is a great way to connect with the broader team and to celebrate our various successes across the business."

"The technology that has been introduced into our annual event was spectacular. It was great to see our teams across the country, even if it was from behind a screen."

"Our annual event is always uplifting and emotional. It was a wonderful interactive way of celebrating our success. I feel very blessed to be working as part of such a wonderful team."

WORKPLACE FLEXIBILITY

A balanced hybrid working model has been adopted at the head office in South Africa and the UK. Through this model, line managers have been given the authority to consider and implement team and individual person specific optimal working arrangements.

Read more about this hybrid model in the Social and Ethics Committee report on page 120.

EMPLOYEE WELLNESS

We continued to roll-out a wellness initiative in South Africa focused on encouraging our employees to practice and improve their habits to attain better physical and mental health.

In South Africa we provide fully funded life, disability and funeral assistance cover through an insurance policy to all our store-based employees and select skilled technical staff, while our internally facilitated Medical Aid Scheme (Momentum Health) and our Group Retirement Annuity (Allan Gray) have steadily grown in participation.

A healthcare and retirement annuity subsidy is provided to support staff contributions to medical aid, gap cover and retirement funding. As part of this programme we have been able to negotiate and provide preferential rates for our staff.

Stor-Age also provides, subject to SARS requirements, interest free loans to staff for emergencies and unforeseen events to assist them through any negative personal circumstances.

> "We continue to encourage staff to make small, sustainable changes in their lives that will allow them to build a successful career."

Through our wellness initiative we have continued to reinforce the importance of COVID-19 safety measures, including but not limited to the use of shared spaces, sanitisers, mask wearing and hand washing.

SOCIAL SUSTAINABILITY (continued)

Both the mental and physical wellbeing of our staff members have remained a focus area for the Company. During the year a Wellness Webinar was hosted with a well renowned medical doctor and inspirational speaker, to further impress upon our staff the importance of taking care of their physical and mental health. The event was very well received.

In South Africa our intranet continues to boast high levels of participation by our in-store employees, providing a transparent platform on which they can make improvement suggestions to enhance our internal operating standards and business practices. Once logged, management provides timeous feedback on all suggestions, including actions implemented where relevant. While often simple, these suggestions can and have had a sizeable impact on our business and improving efficiency. The platform also contributes towards improved employee productivity and ensures that our employees feel heard and taken care of – a testament to our non-hierarchical structure and commitment to our Core Values.

During the period we recorded a year-on-year increase in our employee net promoter score. Other initiatives include our anonymous employee surveys conducted annually. These surveys provide a platform for our staff to voice their opinions by responding to key questions on how their job aligns with the Stor-Age Vision and Mission, remuneration and work life balance. This feedback assists us to create a positive workplace environment and ensure our employees' days are more productive and rewarding.

In addition, the Company operates an employee gift programme to acknowledge important milestones in our employees' lives, such as when they get married, engaged or have a child.

HEALTH, SAFETY AND COMPLIANCE

Stor-Age is committed to compliance in the following areas:

- Occupational Health and Safety Act
- COVID-19 Safety Compliance
- Basic Conditions of Employment Act
- Labour Relations Act
- Compensation for Occupational Injuries and Diseases Act
- Skills Development Act
- Employment Equity Act
  - Preferential Procurement Policy Framework Act
  - Property Sector Transformation Charter
  - Amended Property Sector Codes

" We place a great deal of emphasis on ensuring that our teams, whether in store or in the head office, have a safe environment in which to work. "

The relevant charts are displayed in a common area accessible to all employees at the head office and in all stores. Health and safety representative/s are appointed as required by the OHSA. The representatives meet regularly and make relevant recommendations to management.

Stor-Age endeavours to ensure safe conditions and premises for customers and employees, including but not limited to:

- Housekeeping and general cleanliness
- Lighting
- Ventilation
- Emergency evacuations
- Working electrical systems
- Safe and working machinery
- Hazardous chemicals
- Roadworthy, timeously serviced Company vehicles

Stor-Age endeavours to ensure that the following items are not stored by tenants:

- Toxic pollutants or contaminated goods
- Firearms, ammunitions or explosives
- Radioactive materials
- Hazardous goods
- Living plants or animals
- Food or perishable goods
- Cash and securities
- Illegal goods
- Waste

Stor-Age holds regular risk assessments to take steps to eliminate risks; take and manage or enforce precautionary measures where necessary; and train or educate all employees accordingly. Systems of evidence are maintained at head office and in all stores.

An example of our commitment to workplace health and safety is our nationwide, same-day, same-time fire drills in South Africa (across all properties and including head office).

These fire drills are led by dedicated project leaders who oversee this practice. Results are documented, submitted to head office and reviewed. Improvement recommendations are then implemented as required, enabling us to benchmark our performance and strive for continuous improvement.

We continue to identify new risks or opportunities and improve our operating standards and training modules on Edu-Space, so that we can achieve excellence in workplace health and safety.

Particular and specific policies and procedures are distributed and followed, covering the following topics and issues:

- Health and safety representatives
- High-risk equipment/machinery/facilities – lifts and hoists
- Removal van service
- Diesel generators
- Contractor entry and exit logs
- Medical emergencies and first-aid training
- Fire safety and related training
- Evacuation procedures
- Hazardous chemicals
- Incident/accident reporting

> “We strive to uphold the highest standard when it comes to the health and safety of both our staff and our customers at each of our properties in South Africa and the UK.”

Stor-Age's approach to ensure the health, safety and wellness of our employees during the COVID-19 pandemic is outlined in the Corporate Governance report from page 72.

CORPORATE GOVERNANCE

Stor-Age is committed to sound ethical standards and the principles of good corporate governance.

The board is ultimately responsible for guiding our strategy and for approving policies and practices that ensure we conduct business according to the Group's Core Values of Excellence, Sustainability, Relevance and Integrity. It does this within an appropriate framework of governance and oversight to ensure stakeholder interests are safeguarded.

BOARD FOCUS AREAS FOR THE PAST FINANCIAL YEAR

Board focus areas	Actions undertaken by the board and its subcommittees
Continued execution of the COVID-19 response plan	Oversaw the continued execution of the COVID-19 response plan to ensure a seamless continuation of operations throughout the various stages of lockdown.
Transformation	Guiding its transformation objectives, the board continued with the implementation of the transformation plan, developed in line with the Property Sector Code.
Disciplined execution of the five-year property growth strategy to 2025	Oversaw the continued execution of the Group's five-year property growth strategy. This included the development of the Cresta, Tyger Valley and Sunningdale properties, as well as the acquisition of Silver Park Self Storage and Green Cube Self Storage in South Africa. In the UK it included the acquisition of Blackpool Self Store, as well as the multi-store portfolios of McCarthy's and Storagebase. An additional four properties were secured for future development, two in South Africa and two in the UK. In South Africa, development of the new Morningside and Bryanston properties in Johannesburg are underway, and in the UK the development of the new Heathrow property in west London and the redevelopment of the property in Bath has begun.
Response to destruction of Waterfall property in KwaZulu-Natal in July 2021 civil unrest	Oversaw the response of the senior management team to the theft and destruction of customer's goods, as well as the destruction and damage to buildings. The response included re-securing the property adequately post the riots, communicating effectively with all customers, as well as managing a significant insurance claims process with SASRIA, on behalf of all tenants. In addition, the board oversaw the insurance claim process for the damage and destruction to the buildings. Our claim for the building damage of R51.7 million (excluding VAT) was settled in full in January 2022. Over 95% of claims on behalf of our customers have also been settled in full by SASRIA. In addition, an interim payment of R10 million in respect of the R10.3 million claim for loss of revenue for the period to March 2022 was approved by SASRIA in June 2022.
Continued execution of the ESG strategy	Oversaw the continued execution of the Group's ESG strategy, covering the areas of environmental sustainability, social sustainability and corporate governance. The strategy is guided by the social and ethics committee, which continues to monitor whether the Group complies with legal requirements and global best practice in terms of its impact on the economy, the workplace, the social environment and the natural environment. Read more about our strategy and approach to ESG from page 57.
Research and implementation of UK debt restructure	Oversaw the process of researching and implementing a UK debt restructure to optimally position the Group for future growth. The restructure was finalised in October 2021. The revised debt structure includes a two bank-club lend facility with HSBC and Santander, and the introduction of a complementary institutional funding component, in the form of a sustainability-linked loan facility with Aviva. A detailed overview of the revised debt structure is included in the Financial Review section from page 46.

Board focus areas	Actions undertaken by the board and its subcommittees
Compliance with the Protection of Personal Information Act (PoPIA)	Oversaw the implementation of the PoPIA plan and the execution thereof to ensure continued compliance.
Benchmarking remuneration	Appointed remuneration specialist to conduct independent benchmarking exercises to ensure that executive and non-executive director remuneration levels are market related. The board remains committed to working towards the transparent, competitive and fair implementation of the remuneration policy.
Self-evaluation	Undertook a detailed self-evaluation during the year. The objective of the self-evaluation was to identify improvement opportunities that would strengthen corporate governance practices and the board's performance and competence.
Implementation of third-party management platform growth plan in the UK	Oversaw the Management 1st growth plan in the UK, the third-party management solution offered to independent operators, developers and private equity owners. This included the ongoing roll-out of a digital services offering to independent third-party operators during the year – Digital First. Digital First is a sub-component of the Management 1st offering. Find out more about Management 1st on page 23.
Finalisation of Nedbank JV	Provided oversight over the finalisation of commercial terms, to develop two high profile properties in Morningside and Bryanston at a total cost of approximately R200.0 million. Find out more about the Nedbank JV on page 17.
Managing changes to the composition of the board	During the period Sello Moloko retired from the board. The board follows a process of continuing to consider appropriate candidates who could potentially add value to the Group in the role of an independent non-executive board member.
Ongoing implementation of multiyear digital strategy	Oversaw the ongoing implementation of the multiyear digital strategy. The strategy guides the Group's digital transformation over the medium term, ensuring that the Company remains responsive to shifting consumer trends and the pace of technological change, as well as guiding investment in digital technology.
Ongoing roll-out of solar technology for three-phase power generation	The board remains committed to investing in sustainable power solutions through solar technology for three-phase power generation. A total of 23 properties are fitted with solar PV systems, generating more than an estimated 1.7 million kWh and, during the year reducing CO_2 emissions by more than an estimated 770 tonnes. An additional six properties have been identified to be fitted with solar technology in South Africa and the UK. These include existing properties and new developments.
Ongoing enhancement of security infrastructure	The board remains committed to ensuring the continued safety of our customers, their goods and our staff. The board oversaw the ongoing implementation of enhanced security features across the South African portfolio. This included a further roll-out of offsite CCTV monitoring and linked alarm systems, license plate recognition technology, as well as the installation of individual unit door alarms as a standard design feature at all newly developed properties.

CORPORATE GOVERNANCE (continued)

GOVERNANCE STRUCTURE

The board is ultimately fully responsible for the strategic direction, control and management of the Group and is satisfied that it has fulfilled its responsibilities according to its charter for the year. To assist it in fulfilling these responsibilities, the board has appointed subcommittees.

BOARD

Gavin Lucas (CEO)
Stephen Lucas (FD)
Steven Horton (Executive director)
Graham Blackshaw* (Chairman)
Kelly de Kock**
Phakama Mbikwana**
John Chapman**^
Mntungwa Morojele**
Abu Varachhia**

AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL AND ETHICS COMMITTEE	INVESTMENT COMMITTEE
See full report on pages 83 to 87	See full report on pages 88 to 119	See full report on page 120 to 122	See full report on page 123
MEMBERS	**MEMBERS**	**MEMBERS**	**MEMBERS**
Kelly de Kock** (Chair) Phakama Mbikwana** Mntungwa Morojele**	Mntungwa Morojele** (Chair) Graham Blackshaw* Kelly de Kock**	Phakama Mbikwana** (Chair) Graham Blackshaw* Abu Varachhia**	Graham Blackshaw* (Chair) John Chapman**^ Abu Varachhia** Steven Horton Gavin Lucas
By invitation	**By invitation**	**By invitation**	**By invitation**
Gavin Lucas Stephen Lucas Representatives of the external auditor	Gavin Lucas Stephen Lucas Steven Horton	Gavin Lucas	Stephen Lucas
Roles and responsibilities			
Ensures the integrity of the integrated annual report, annual financial statements and other financial reports.	Ensures adoption of a fair and transparent remuneration policy.	Monitors compliance with the Group's social and ethical responsibilities.	Assists with decision-making regarding the acquisition, development or disposal of property assets.
Focus areas during the year			
Continued implementation and monitoring of compliance with King IV. Continued to oversee the update and enhancement of the Company's risk management strategies and control environment, including COVID-19-related risks and the adequacy of all insurance covers. Reviewed and recommended the committee's terms of reference to the board, which were approved. Executed all other statutory duties for this committee as prescribed by the Companies Act.	Conducted external benchmarking reviews for executive and non-executive directors remuneration. Implementation of a short-term incentive (STI) for executive directors and proposed NED increases for FY23.	Implementation of the Transformation Plan. Overseeing the continued implementation of the COVID-19 response plan. Continued implementation of enhanced ESG strategy and reporting framework.	South African and UK acquisitions and developments. Finalising terms and entering into a JV with Nedbank.
Non-executive directors			
3/3	3/3	3/3	3/5

*^ *Lead independent director.*
* *Independent non-executive director.*
** *Non-executive director.*
*** *Executive director.*
[1] *Resigned from the board on 30 June 2021.*

For more information on the qualifications and experience of subcommittee members, refer to pages 78 to 80.

The board exercises control through a governance framework. This includes reviewing detailed reports presented to it and its subcommittees, and oversight of our continuously updated risk management programme to ensure effective management and control of the risks facing the business. The board and subcommittee structure is supported by appropriate internal governance practices and procedures. These promote an efficient, objective and independent decision-making culture that considers the interests of all stakeholders.

The terms of reference of the board and its subcommittees deal with such matters as corporate governance, compliance, directors' dealings in securities, declarations of conflicts of interest, board meeting documentation, and procedures for the nomination, appointment, induction, training and evaluation of directors.

At board level there is a clear division of responsibilities and an appropriate balance of power and authority. No individual has unfettered powers of decision-making or dominates the board's deliberations and decisions. The board regularly reviews the decision-making authority given to management and those matters reserved for decision-making by the board.

The roles and responsibilities of the Chairman and the CEO are clearly defined and distinct:

- The CEO is responsible and accountable for the overall operations of the Group and the implementation of the strategy and objectives adopted by the board.
- The CEO's notice period is two months and there are no contractual conditions related to the CEO's termination.
- The Chairman is responsible for ensuring proper governance of the board and its subcommittees, ensuring that the interests of all stakeholders are protected, and facilitating constructive engagement between the executives and the board. The Chairman does not chair any other listed company.

KING IV

In 2019 we implemented the King IV[1] code after thorough consideration of the recommended practices. As a relatively young business, we continue to evolve our corporate governance practices, policies and procedures in tandem with the growth in our business, taking guidance from the recommended practices outlined in King IV.

Our application of King IV is set out in a separate document available on our website – www.investor-relations.stor-age.co.za.

This document provides high-level references to our disclosures per principle (including non-compliance, where relevant).

> “Overall, the board is satisfied with the application of the principles of King IV and believes that it effectively discharges its responsibilities to achieve the good governance outcomes of an ethical culture, good performance, effective control and legitimacy with stakeholders.”

[1] *Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*

CORPORATE GOVERNANCE (continued)

BOARD AND SUBCOMMITTEE MEETINGS

The table below sets out the board and subcommittee meetings held during the reporting period and the attendance at each:

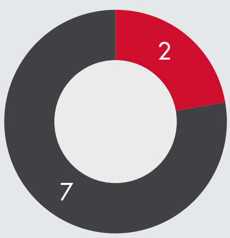
	Sub-committees	Meetings attended	Meetings eligible	% Attend-ance	Board	Audit and risk committee	Social and ethics committee	Investment committee	Remune-ration committee
Director									
Graham Blackshaw (Chair)**	IC; SEC; RC	21	22	95%	4		2	10	5
John Chapman*^	IC	14	15	93%	4			10	
Kelly de Kock*	ARC; RC	13	13	100%	4	3			5
Phakama Mbikwana*	ARC; SEC	9	9	100%	4	3	2		
Sello Moloko*[1]	ARC; SEC	2	2	100%	1	1			
Mntungwa Morojele*	ARC; RC	12	12	100%	4	3			5
Abu Varachhia*	SEC; IC	14	15	93%	4		2	10	
Gavin Lucas***	IC	15	15	100%	4			11	
Stephen Lucas***		4	4	100%	4				
Steven Horton***	IC	15	15	100%	4			11	
Actual attendance		119			37	10	6	52	15
Eligible attendance			122		37	10	6	55	15
% attendance				98%	100%	100%	100%	95%	100%

*^ *Lead independent director.*
* *Independent non-executive director.*
** *Non-executive director.*
*** *Executive director.*
[1] *Resigned from the board on 30 June 2021.*

COMPOSITION OF THE BOARD

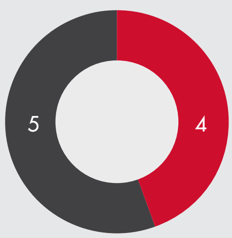
The board is satisfied that it consists of an appropriate mix of individuals to ensure an adequate level of knowledge, skills and expertise – enabling it to contribute meaningfully to the management of the Group. However, it seeks to continue to further improve diversity.

GENDER DIVERSITY



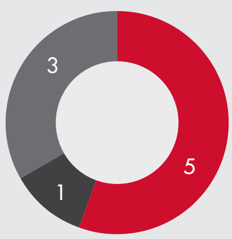
- Female
- Male

RACIAL DIVERSITY



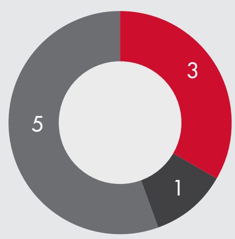
- Black
- White

DIRECTORS



- Independent
- Non-executive
- Executive

AGE



- 61 – 65 years
- 51 – 60 years
- 41 – 50 years

BOARD SKILL SET AND EXPERTISE (NUMBER OF DIRECTORS)

6 Finance	7 Corporate governance
4 Mergers and acquisitions	4 Strategy
6 Property (management and development)	3 Stakeholder engagement
5 Construction	5 Environmental laws and legislation

In terms of tenure, one of the non-executive board members as at 31 March 2022 was appointed to the board in November 2015 following the Company's listing on the JSE. A further two non-executive directors were appointed in May 2018 and another two in January and September 2020. The most recent appointment came in January 2021. Only the three executive directors were involved in the operations of Stor-Age prior to the listing.

"Increasing racial diversification remains a core focus for the Group, with Stor-Age's transformation plan continuing to guide transformation across the business."

CORPORATE GOVERNANCE (continued)

DIRECTORS

EXECUTIVE DIRECTORS

Gavin Lucas Chief executive officer (CEO) – CA(SA)

Joined the board prior to listing in 2015.

An entrepreneurial property developer backed by an experienced management team of professionals with a range of skills including investment banking, finance, property and construction, Gavin founded the Stor-Age Group in 2005. Leading the organisation by providing a common vision and mission, Gavin is responsible for the strategic direction of the Group, coordinating plans to meet strategic goals, overseeing the overall operations, and stakeholder engagement.

Stephen Lucas Financial director – CA(SA), CFA

Joined the board prior to listing in 2015.

Stephen is one of the founding shareholders of Stor-Age and has worked alongside Gavin and Steven in developing the Stor-Age business since its inception. Stephen focuses on the Group's financial and operational management, human resources and developing and executing the operations strategy. He also has previous advisory experience in corporate finance and transaction support.

Steven Horton CA(SA)

Joined the board prior to listing in 2015.

Steven is head of property and directs the Group's property growth strategy. He oversees the procurement of all opportunities and the planning, development and property management of the portfolio across South Africa and the UK. Steven drives Stor-Age's acquisition and expansion efforts in both markets.

NON-EXECUTIVE DIRECTOR

Graham Blackshaw Chairman – BA LLB

Joined the board prior to listing in 2015.

A former lead development partner in the Faircape Group of companies, Graham is a qualified attorney, having practiced law at Herold Gie and Broadhead before joining the Cape of Good Hope Bank, where he went on to head up the property lending division. Appointed to the position of chairman in January 2020.

INDEPENDENT NON-EXECUTIVE DIRECTORS

John Chapman BSc

Joined the board as lead independent director in January 2020.

John is an executive director of Rabie Property Group, a position he has held for more than 30 years. He is responsible for strategic planning within the Rabie Group, and initiates the planning of all new developments and oversees the marketing of all aspects.

Phakama Mbikwana BCom

Joined the board in May 2018.

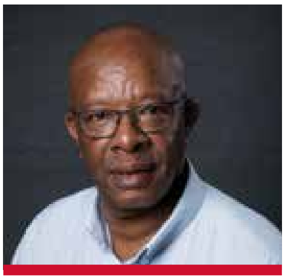
Phakama has over 20 years' experience in the financial services sector, of which 15 was spent in the commercial and investment banking industry. Prior to her role at Dandelion Capital (Pty) Ltd, a 100% women-owned investment holding company, she was the CEO of Africa Rising Capital (Pty) Ltd. Phakama has also previously held roles at Barclays Africa (sector head: construction and construction related sectors in the corporate and investment banking division), Standard Bank Group, Investment Solutions (Alex Forbes Multi-Asset Manager) and Nedbank Corporate. She also holds the role of an independent non-executive director on the boards of Wits Health Consortium (Pty) Ltd and the National Stokvel Association of South Africa Co-operative Limited.

Kelly de Kock CA(SA), CFA, MBA (UCT)

Joined the board in May 2018.

Kelly is specialised in the areas of corporate finance and investor relations, as well as business development and operations. She has more than 16 years' commercial experience in the financial services sector and currently holds the position of Chief Operating Officer of Old Mutual Wealth's International and Private Client Capabilities. She previously held the positions of Head of Institutional Business Development at Kagiso Asset Management and Investor Relations Manager: South Africa at Old Mutual plc. Kelly also previously held the positions of Secretary-General of the Association of Black Securities and Investment Professionals (ABSIP) and Western Cape Provincial Chairperson.

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)



Mntungwa Morojele MBA (UCT), CA (Lesotho), MSA (Georgetown), BSc (Charlestown)

Joined the board in September 2020.

Mntungwa has more than 34 years of business experience, having established and managed various companies including Briske Performance Solutions and Motebong Tourism Investment Holdings. He is currently the CEO of iKapa Connect Investments, which is pursuing opportunities in the Renewable Energy sector. Mntungwa previously held the position of lead independent director of Spur Corporation Limited, a position he held for 8 years during his 10-year term with the company. Mntungwa started his career with KPMG Lesotho before joining Gray Security Services, where he served on the board as Group Marketing Director. He has also previously worked at the Tourism Investment Corporation (Tourvest), as well as served on the boards of Verifone Africa (Pty) Ltd and Capital Eye Investments (previously the UCS Group Limited).

Abu Varachhia BSc (SA)

Joined the board in January 2021.

Abu has more than 31 years of business experience, having previously served on the boards of JSE listed companies Spearhead Property Holdings Limited, Ingenuity Property Investments Limited and Mazor Group Limited as a non-executive director at each. Abu holds a Bachelor of Science degree (Quantity Surveying) and is currently the non-executive chairman of Spear REIT Limited. Abu has held numerous other leadership positions including chairman of LDM Quantity Surveyors, vice-president of the South African Council for the Quantity Surveying Profession, chairman of the Black Technical and Allied Careers Organisation and chairperson of the Build Environment Advisory Committee for the 2004 Olympic Bid.

BOARD RECRUITMENT AND TRAINING

In line with the board's appointment process, all new appointees are required to possess the necessary skills to contribute meaningfully to the board's deliberations and to enhance the board's composition in accordance with recommendations, legislation, regulations and best practice. An induction programme is provided for new directors by the Company's sponsor, and ongoing training and updates are also provided to directors by the Company's sponsor and auditors.

Directors are also encouraged to take independent advice at the cost of the Company for the proper execution of their duties and responsibilities. The board has unrestricted access to the external auditor, professional advisors, and the services of the Company secretary, the executives and the employees of the Company at any given time.

Directors and committee members receive comprehensive information that allows them to properly discharge their responsibilities. The board is satisfied that the arrangements for training and accessing professional corporate governance services are effective.

The board continues to give consideration to the establishment of a nominations committee. As and when board vacancies occur or additional skills are needed, all board members are invited to put forward candidates with appropriate skills and experience that will complement and strengthen the existing board. The Company's sponsor has previously also assisted with recommending suitable candidates and participating in the interview process and performing background checks.

All board members are given an opportunity to meet with potential new candidates and to voice their opinions in the selection and decision making process. Succession planning of the executive management team is also considered by the full board.

BOARD ROTATION

A third of the non-executive directors must resign and stand for re-election at each annual general meeting. Details of directors making themselves available for re-election at the forthcoming annual general meeting are set out on page 266.

BOARD ETHICS AND EFFICIENCY

During the year BDO South Africa Inc. oversaw a detailed board self-evaluation and peer review process. The board intends conducting a new self-evaluation at the end of 2023.

COMPANY SECRETARY

The board is assisted by a suitably qualified company secretary, Henry Steyn CA(SA), who has adequate experience, is not a director of the Company and who has been empowered to fulfil his duties. The company secretary advises the board on appropriate procedures for managing meetings and ensures the corporate governance framework is maintained. The directors have unlimited professional access to the company secretary. Nothing has come to the attention of the board that indicates non-compliance by the Company with applicable laws and regulations.

Given that the company secretary is not a director or an associate of a director of Stor-Age, the board is satisfied that an arm's length relationship is maintained between the board and company secretary.

During the year, the board considered the arrangements of the company secretary and confirms that it is satisfied that the arrangements are effective. The board is further satisfied that Henry Steyn is suitably qualified and experienced.

IT GOVERNANCE

The business potential of digital technologies and enhanced connectivity is in tension with the greater vulnerability of being connected to a global network such as the internet. We continue to note the global increase of ransomware and other cyber security attacks.

Enhancements continue to be made to our layered network security systems to strengthen defences. We choose reputable, specialist service providers as business partners to ensure continued cyber security measures are maintained at the highest level.

We periodically restore daily backups to confirm the validity of the backup and that there has been no data corruption. Each location joined to the network has a primary and secondary last mile connection to ensure maximum uptime. Internal and external users are continuously monitored to ensure the most effective use of resources and to limit the opportunity to breach the Group's cyber defences. Our strategy, suppliers and network design are reviewed on a regular basis

to stay abreast of leading best practice and remain relevant in the use of technology. External specialists are appointed by the board when considered necessary.

For improved efficiency and security, the Group is currently executing on its plan to migrate its server to a cloud-based solution.

While satisfactory, the board continues to focus on strengthening its IT policy to further enhance the effectiveness of the Group's information technology infrastructure and governance.

EXTERNAL AUDIT

The audit and risk committee has confirmed that it is satisfied that BDO South Africa Inc. has the necessary skills and requirements to be re-appointed as the auditor of the Company with the designated partner being Mr Bradley Jackson in terms of the JSE Listings Requirements paragraph 3.84(g)(iii).

APPROACH TO COMPLIANCE

The board recognises its responsibility to ensure compliance with and adherence to all applicable laws and industry charters, codes and standards, as outlined in its charter. When necessary, the board appoints corporate advisors with sector-specific knowledge and insight to assist with managing the Group's compliance requirements. The board is supported by the executive management team, who are considered to be adequately qualified and experienced to provide direction on possible compliance contraventions.

The social and ethics committee monitors compliance with the Company's social and ethical responsibilities, including social and economic development, labour and employment, the environment, stakeholder engagement and good corporate citizenship.

At an operational level, Stor-Age ensures stringent guidelines are implemented and managed to control our risk and ensure that high levels of health and safety, as well as Stor-Age's own standards, are maintained.

Key areas of focus during the year included the continued focus on our transformation plan, the ongoing execution of our ESG strategy, the Protection of Personal Information Act, the Consumer Protection Act and the Property Sector Code.

AUDIT AND RISK MANAGEMENT REPORT

Risk management is integral to the effective implementation of our strategy. We proactively manage risk to remain a competitive and sustainable business. This enhances our operational effectiveness and enables us to create continual value for the benefit of our employees, shareholders and other stakeholders in line with our growth strategy.

Day-to-day risk management is the responsibility of operational, senior and executive management, and is underpinned by risk reviews conducted across all functional areas of the business.

Executive management has an ongoing responsibility to monitor its risk management processes and report to the audit and risk committee and board accordingly.

The Group's risk management framework is overseen by the audit and risk committee, which has an ongoing responsibility to monitor risk management processes by:

1. Identifying risk factors that may have a material impact on the business
2. Assessing risks based on their potential impact on the business, including the likelihood of the risk occurring
3. Formulating a mitigating response for each area of impact
4. Monitoring progress
5. Reviewing identified risks on an ongoing basis and revising responses accordingly

AUDIT AND RISK MANAGEMENT REPORT (continued)

KEY RISKS AND EFFECTIVE MITIGATORS

Key risks	Mitigators	Risk trend (impact and likelihood)
1. Global pandemic – COVID-19 A global pandemic such as COVID-19 may result in increased risk of financial loss as a result of legislated risk mitigation measures and practices undertaken, the direct and indirect negative impact on the economy, as well as the risk of staff contracting the virus.	• Strong balance sheet position and mature occupancies across South African and UK portfolios. This position of strength remained throughout the period • No tenant concentration risk – 44 800 tenants • Strong liquidity position throughout FY22 – R322.3 million in cash and R677.0 million of undrawn credit facilities at year end • Our properties are not crowded environments and are typically low-intensity in their use relative to other real estate types • All head office and Contact Centre employees have the means to continue working from home as required • Stable and continued operations under strict safety protocols, ensuring that all properties in South Africa and the UK remained accessible throughout all lockdown stages	Stable
2. Treasury risk Adverse interest rate movements could result in the cost of debt increasing.	• LTV of 27.9% on a net-debt basis at year end is below our target range of 25 – 35% • Effective hedge on net debt of 84.3% at year end • Executive management reviews current and forecast projections of cash flow, borrowings, interest cover and covenants monthly • Stor-Age is highly cash generative and debt is serviced by strong operational cash flows • Details of hedging positions are set out in the Financial Review section from page 46	Increasing
3. Weak/negative economic growth and risk of accelerating inflation Macroeconomic weakness could inhibit the self storage sector's growth, resulting in reduced demand and lower income. The current geopolitical crisis in Ukraine could lead to higher levels of inflation and supply chain constraints, which will negatively impact consumers in both markets.	• A needs-driven product for life-changing events which prevail in all economic cycles • A prime portfolio of well-located properties with high average occupancy levels • Focused on property locations where growth drivers are strongest and barriers to competition are at their highest • Strong operational management and platform • Continuing innovation to deliver high levels of customer service • Strong cash flow generation, high operating margins, low gearing and conservative hedging policies • 44 800 tenants spread across a geographically diversified South African footprint (developing market) and the UK (first-world market) • A proven acquisition and new development process that draws on internal analyses, more than a decade of experience, independent research, global trends and best practice • Short-term leasing model allows us to pass on higher input costs	Increasing
4. Acquisition risk An inability to successfully integrate new acquisitions could result in lost income.	• Established internal work streams which discuss, consider, plan for and address challenges, as well as having detailed growth strategies for our South African and UK operations in place • Managing leadership changes and inherited employees to ensure minimal disruption to the existing businesses, is a critical area of focus when integrating acquisitions	Decreasing

Key risks	Mitigators	Risk trend (impact and likelihood)
5. Operating in an offshore jurisdiction Storage King in the UK exposes the Group to currency, interest rate and tax risk that may impact or result in the variability of earnings.	• Hedging policies with respect to the repatriation of foreign earnings are in place • GBP interest rate risk is fixed at 81.4% of net debt at year end • Consult with professional advisors to ensure ongoing tax compliance in the UK • UK management team remained in place post the acquisition and are still co-invested in Storage King • More than four years of successfully trading in the UK, demonstrating a successful track record	Stable
6. Property investment and development An inability to acquire or develop new self storage properties which meet management's criteria may impact the growth of the portfolio.	• 14 additional development opportunities have been secured in the pipeline in South Africa and the UK • UK focused development JV in place with leading UK real estate fund manager Moorfield • Entered into a South African focused development JV with Nedbank • Fragmented South African and UK self storage markets provide further acquisition opportunities • Developed and opened three self storage properties in prime locations in South Africa during the year, as well as acquired two independent trading properties. Concluded three acquisitions in the UK, comprising nine properties in total	Decreasing
7. Valuation risk External market factors may lower our properties' values.	• Independent valuations are conducted by experienced independent, professionally qualified valuers • A diversified portfolio is let to a large number of tenants in South Africa and the UK • Low levels of gearing provides increased flexibility and significantly reduces the likelihood of a covenant breach • Self storage has traditionally been highly resilient in constrained economic environments • Occupied space in our South African and UK portfolios increased during the period • Conservative valuation assumptions are used	Stable
8. Human resource risk Our people are critical to our success. Failure to recruit and retain employees with appropriate skills may lead to high employee turnover and loss of key personnel and, consequently, lower performance.	• Competitive remuneration packages and financial rewards are offered • Learning and development programme with performance reviews to develop employees to their optimal potential • A culture where management is accessible at all levels and employees are encouraged to improve and challenge the status quo • Ongoing communication to ensure an engaged workforce • A succession planning strategy, including talent retention • A Conditional Share Plan for high performing employees was introduced in 2019, and includes more than 50 participants	Stable
9. Utility costs Significant increases in utility costs, particularly property taxes, electricity and energy costs, may put pressure on operating margins.	• Electricity and water usage is monitored monthly • We use external professionals to assist with monitoring and objecting to valuation revisions where necessary • We make use of energy-efficient lighting and collect and reuse rainwater for irrigation • Solar technology has been installed at 23 properties in South Africa, generating an estimated 1.7 million + kWh during the year	Increasing

AUDIT AND RISK MANAGEMENT REPORT (continued)

Key risks	Mitigators	Risk trend (impact and likelihood)
10. Credit risk The Group is exposed to tenants' credit risk, which may result in a loss of income. This risk may be increased due to cost of living pressures for consumers.	• The majority of customers are required to pay a deposit on move-in in South Africa • Our diversified tenant base reduces material credit exposure risk • We collected 99.4% and 99.7% of rental due in South Africa and the UK respectively during the period • Clearly defined policies and procedures are in place to collect arrear rentals • A central team of collection specialists in South Africa assists each property with arrears	Increasing
11. Cyber security and information privacy An increase in cyber breach incidents as a result of the increased adoption of a hybrid remote working environment.	• Daily backups are periodically restored to confirm the validity of the backup and that there was no data corruption • Through a formal and regular communication plan, a culture of awareness and best practice is promoted and reinforced across all employee levels in the organisation • Internal and external users are continuously monitored to ensure the most effective use of resources and to limit the opportunity to breach the Group's cyber defences • To stay abreast of leading best practice and to remain relevant in the use of technology, our suppliers and our network design are reviewed on a regular basis • External specialists are appointed by the board when considered necessary • Migration to a cloud-based server is planned for FY23	Increasing
12. Climate-related risks Climate-related risks such as increasing occurrences of flooding and fire, tighter regulations within the property sector and rising public and institutional pressure to place a greater focus on environmental sustainability, could negatively impact our ability to trade, and/or result in significant additional capital investment.	• Continue to successfully implement our ESG strategy and reporting framework that was adopted in FY21 • ESG strategy and reporting framework aligns our Vision and Core Values with relevant UN Sustainable Development Goals (SDGs) and takes guidance from the Task Force on Climate-related Financial Disclosure (TCFD) • Self storage is the lowest intensity user of electricity and water, and the lowest generator of greenhouse gas emissions of all commercial property sub sectors • Buildings designed to minimise carbon footprint and emphasis placed on energy efficiency, renewable energy generation, rainwater harvesting, storm water management and conservation • To mitigate the risk of flooding, our construction and planning teams assess a wide range of climate-related risks before and during the planning of each of our developments, as well as during the due diligence process when reviewing acquisition opportunities • Emphasis on fire safety and prevention, training each of our operations staff on fire safety • In South Africa – run nationwide, same-day, same-time fire drills across all properties, including at the head office	Increasing
13. Unstable electricity supply An unstable electricity supply in South Africa will negatively impact our ability to trade, which may result in a loss of income. Added to this, an unreliable national electricity supply may create a security risk at our properties.	• To ensure a continued supply of electricity, all 55 properties in South Africa are fitted with generators • In the event of an outage, power is seamlessly generated to support key systems at our properties • Each generator is serviced timeously to ensure limited mechanical faults	Increasing

Key risks	Mitigators	Risk trend (impact and likelihood)
14. Civil unrest A risk of rising civil unrest in South Africa due to the lack of service delivery at a municipal level, increasing unemployment and the degradation of public infrastructure. This may result in damage to our properties, as well as reduced confidence in the prospects for the South African economy. This may ultimately lead to reduced income, profitability and property investment values.	• The business is diversified across South Africa and the UK, with a greater weighting of assets by value in the UK (including interests in JVs) • The South African portfolio is concentrated in the four largest cities • Insurance cover is in place for our buildings, loss of revenue, and customer goods (subject to certain limitations) • Significant security infrastructure is in place across our portfolio • 45 of 55 properties in South Africa are third-party monitored	Increasing

LOOKING AHEAD

As an outcome of the Group's risk management process, we identified material changes in the risks affecting the business. These risks include an unstable electricity supply and potential social unrest in South Africa, while the impact of inflation and rising interest rates in both markets also remain areas of focus. While the adoption of hybrid remote working has stabilised to a degree, we continue to monitor and bolster our cyber security defences in both the head office and home environments.

Ultimately, the directors consider whether Stor-Age and its subsidiaries have adequate resources to continue operating for the foreseeable future.

The Company has reasonably satisfied the liquidity and solvency test as required by the Companies Act, 71 of 2008, as amended. The directors have further satisfied themselves that the Group and its subsidiaries are in a sound financial position and have access to sufficient facilities to meet their foreseeable cash requirements.

The board, via the audit and risk committee, has considered the effectiveness of the risk assessment and management process and is satisfied as to the effectiveness thereof.

The audit committee also resolved to investigate and consider the appointment of an independent external assurance provider to perform internal audit work (to be approved by the audit committee) for the forthcoming financial year.

Kelly de Kock
Audit and risk committee Chair
29 July 2022

REMUNERATION COMMITTEE REPORT

1 PART ONE BACKGROUND STATEMENT

INTRODUCTION

The remuneration committee ("the committee") is pleased to present the Stor-Age remuneration report for the year ended 31 March 2022. This report is aligned to best practice, taking into account King IV and the JSE Listings Requirements.

The committee is responsible for setting the Group's remuneration policy and principles and to ensure remuneration practices are fair, responsible and transparent whilst achieving strategic objectives.

We have presented the remuneration report in three parts. This background statement (Part 1) contains the chair's statement, providing context on the decisions and considerations taken during the year which influenced the remuneration outcomes. Part 2 sets out our remuneration philosophy and policy and, in Part 3, we provide a description of how the policy has been implemented and disclose payments made to executive and non-executive directors during the year.

THE YEAR IN REVIEW

Stor-Age continued its track record of consistent earnings growth to deliver strong results for the year ended 31 March 2022. It is testament to the financial strength of the Group, a relentless focus on achieving our strategic objectives and a reflection of the dedication and commitment of the Stor-Age and Storage King teams.

The Group delivered a 16.6% increase in same-store net property operating income, closed the acquisition of 11 trading properties, completed three new developments in South Africa and increased the GLA in the portfolio by 56 500 m². Same-store rental income increased by 10.0% and 21.2% in South Africa and the UK respectively, driven by both occupancy gains and increases in the average rental rate, whilst same-store occupancy closed above 90.0% in both markets. Stor-Age was also ranked 30th out of the top 100 in the inaugural Financial Times (FT) annual ranking of Africa's Fastest Growing Companies in May 2022.

The Group continues to execute its strategy in a disciplined manner and the pipeline of new opportunities (14 properties across South Africa and the UK, four of which are already in progress with our JV partners) provides an excellent platform to continue our growth trajectory in line with a clearly defined vision. Despite some of the most challenging trading conditions over the last two years, the results for FY22 are a continuation of the strong and consistent performance of the business since listing and the Group continues to deliver real and sustainable growth to shareholders.

Since listing, the property portfolio has grown significantly from R1.4 billion in November 2015 to over R10 billion (including properties held in joint ventures) at 31 March 2022. With Stor-Age's successful entry into the UK self storage market in 2017, the scale and complexity of the business has also increased significantly over this period.

Much of Stor-Age's success can be attributed to its sector specialisation and its ability to attract, retain and motivate the entrepreneurial talent required to achieve positive strategic and operational outcomes. Critical to this is the development of talent and skills within the organisation which has been cultivated over many years and, for certain individuals, over more than a decade. Our approach to remuneration, focusing on competitive, fair and market-related remuneration policies will play an important role in incentivising employees who are critical to achieving our long-term goals and aspirations.

FOCUS AREAS DURING THE YEAR

During the year, the committee:

- Reviewed the current remuneration policy, structures and mix of the executive directors;
- Carefully considered shareholder feedback after the 2021 AGM and responded as necessary;
- Reviewed the FY22 remuneration outcomes in the context of the overall performance of the business;
- Reviewed and approved the short-term incentive ("STI") payments to the executive directors for FY22;
- Reviewed and approved the vesting of the FY19 and FY20 long-term incentive ("LTI") awards to the executive directors in respect of the performance period ending 31 March 2022 (subject to satisfying the employment condition);
- Approved the allocation of LTI awards to participants;
- Amended the performance conditions of the LTI awards granted during the year taking into consideration feedback received from shareholders on the 2021 remuneration report;

- Approved the STI performance measures for FY23;
- Appointed PwC to conduct external benchmarking exercises of executive and non-executive director remuneration;
- Reviewed executive directors' total remuneration and approved salary increases after considering Group and individual performance;
- Reviewed non-executive director remuneration (to be approved by shareholders) with the assistance of the executive directors;
- Proposed amendments to non-executive director remuneration for FY23 based on the results of the external benchmarking exercise; and
- Reviewed and approved the 2022 remuneration report.

We continue to integrate ESG principles throughout the business and sustainability remains at the forefront of our strategic objectives. The performance conditions for the FY22 LTI awards were amended to include specific and measurable ESG performance metrics in line with this focus and considering shareholder feedback on the 2021 remuneration report.

The committee used the services of PwC to assist with conducting external benchmarking exercises for both executive and non-executive directors, details of which are set out in Part 2 of this report. The committee is satisfied that PwC were independent and objective.

FEEDBACK FROM 2021 ENGAGEMENT

At the AGM held in 2021 our remuneration policy achieved a non-binding advisory vote of 84.1% in its favour whilst the remuneration implementation report received a vote of 75.8% in its favour.

Below is a summary of the feedback received on the 2021 report following our engagement with shareholders:

Feedback	Response
The minimum shareholder requirement for executive directors of 100% of total guaranteed pay is too low.	The minimum shareholder requirement has been increased to 200%.
A total return metric is a more appropriate LTI performance measure instead of separate DPS and NAV metrics. As several REITs have reduced their payout ratio or amended their distribution policy, a comparison against SAPY or a peer group is not an accurate reflection of performance.	The LTI performance measures for the FY22 award were amended to include total return metrics.
ESG metrics should be given greater prominence, and be more clearly defined, in the LTI performance measures.	This was addressed in the performance measures set for the FY22 award.
The rationale for the discretionary incentive awarded to the executive directors and the performance metrics to assess the award was not clearly defined.	The committee noted the comment but is of the view that the rationale (including salary sacrifices made by the executive directors and the deferral of an STI plan) and performance of the executives was sufficiently explained. A formal STI plan was introduced for FY22.
Management should not be incentivised to maintain LTV at below 30% as well managed gearing is one of the main reasons property is able to generate attractive returns (30 – 35% is a reasonable level of gearing on a 45 – 50% LTV covenant). An acceptable LTV policy should be set by the board and management should not be rewarded for achieving LTV targets (unless in exceptional circumstances).	The committee noted the comments but is of the view that the LTV measure serves as an important balance to achieving growth without excessive gearing and managing the business with a more conservative capital structure.

REMUNERATION COMMITTEE REPORT (continued)

FOCUS AREAS FOR THE YEAR AHEAD

In FY22 considerable progress was made in addressing the remuneration of the executive directors which, since listing in 2015, had been very low in comparison to the REIT sector. In a similar vein, non-executive director remuneration has also been significantly below market compared to peer companies. This was confirmed in an external benchmarking exercise performed by PwC during the year which indicated that remuneration for all roles was significantly below the median of the comparator group. In light of this, adjustments have been proposed to the FY23 remuneration (to be approved by shareholders at the 2022 AGM) to ensure that non-executive remuneration is market-related and appropriate to attract and retain high calibre and experienced individuals given of the significant growth of the Company over the last five years.

CONCLUSION

Overall, the Group delivered a strong performance in FY22 and continued to deliver sustainable growth. The committee is satisfied that the remuneration outcomes for the year are appropriate in the context of the overall performance of the business.

In line with King IV, Stor-Age will table the remuneration policy and implementation report for two separate non-binding advisory votes at the 2022 AGM. If shareholders do not approve both by more than 75%, the board will institute a formal engagement process with interested shareholders to assess their views and determine the actions needed to resolve concerns.

The committee is satisfied that it fulfilled all its objectives in line with its terms of reference for the year under review. We are committed to maintaining a strong relationship with our shareholders, built on trust and transparency, whilst ensuring that our approach to remuneration is fair in all respects and that reward and performance are appropriately aligned. We welcome any comments or concerns shareholders may have regarding the remuneration policy and implementation report. Please direct any comments or queries prior to the AGM in writing to the company secretary, Henry Steyn, at henry.steyn@stor-age.co.za.

We look forward to receiving your support on the resolutions for both the remuneration policy and implementation report at the AGM on 1 September 2022.

Mntungwa Morojele
Remuneration committee Chair
29 July 2022

2 PART TWO THE REMUNERATION POLICY

This remuneration policy is subject to an advisory vote by shareholders at the AGM to be held on 1 September 2022.

REMUNERATION GOVERNANCE

The committee was appointed by the board and has delegated authority to review and make decisions in respect of Stor-Age's remuneration policy and the implementation thereof. The committee is governed by its terms of reference as formally adopted by the board. Its responsibilities are to:

- Oversee the board's formulation, review and approval of the remuneration policy for employees and executive directors in line with Stor-Age's strategic objectives;
- Assist the board to ensure that executive directors are remunerated fairly and responsibly and in line with remuneration for employees throughout Stor-Age;
- Ensure that the mix of fixed and variable pay in cash, shares and other elements meets the Company's needs and strategic objectives;
- Consider and approve the short and long-term incentive allocations (CSP awards) for the executive directors and other staff;
- Approve the executive directors' basic salary and increases thereto, as well as approving the increases for employees throughout Stor-Age;
- Reviewing the accuracy of the performance measure calculations in respect of the vesting of STI and LTI awards;
- Evaluate the performance of the executive directors in determining remuneration;
- Approve remuneration payable to non-executive directors in their respective roles as members of the board and its subcommittees;
- Oversee the preparation of the remuneration report to ensure that it is clear, concise and transparent; and
- Ensure that the remuneration policy and implementation report be put to two non-binding advisory votes by shareholders and engage with shareholders and other stakeholders on the Company's remuneration philosophy.

The committee members are listed on page 74 and their meeting attendance on page 76. The executive directors, other board members, external consultants and key individuals may attend committee meetings by invitation and contribute to remuneration-related matters. However, they may not vote on any matters. The committee chair reports to the board following each meeting of the committee.

REMUNERATION PHILOSOPHY

Stor-Age's remuneration policy seeks to attract and retain high-calibre and appropriately skilled employees and executive directors. Stor-Age's philosophy is that employees should be fairly remunerated and rewarded for their contribution. An integral part of this philosophy is to align the interests of employees with those of Stor-Age's shareholders by providing meaningful equity participation. The Company believes that its remuneration policy plays a critical role in achieving its strategic objectives and that it should be competitive in the market in which it operates.

EXECUTIVES' REMUNERATION STRUCTURE

The committee and the board regularly review the appropriate remuneration mix to ensure it supports Stor-Age's strategic objectives taking into account market trends and competitiveness.

Stor-Age typically benchmarks its executive directors' remuneration to peer companies every three years to ensure that the Company's remuneration policy, compensation packages and pay mix are market-related, competitive and appropriate.

During the year, the committee appointed PwC to perform an external benchmarking exercise based on a total reward basis (i.e. including the basic salary, STI and LTI). In line with best practice, PwC performed its analysis with a comparator group of 12 JSE-listed REITs[1]. The results of the benchmarking analysis indicated that the average executive director remuneration of Stor-Age, on a total reward basis, was between the 50th and 75th percentile of the comparator group. Whilst the benchmarking exercise provided useful insight to the committee in assessing Stor-Age's remuneration structure, the self storage business model is highly specialised and not directly comparable to the REITs included in the comparator group, the majority of which are more generalist and diversified in nature with exposure to office, retail and industrial assets. Stor-Age has also consistently

[1] *Arrowhead, Accelerate, Dipula, Liberty Two Degrees, Emira, Attacq, SA Corporate, Hyprop, Vukile, Equites, Fortress, Resilient.*

created shareholder value by delivering income and capital growth, outperforming the SAPY index, since its listing. Taking account of the results of the benchmarking exercise, and the performance of the executive directors, the committee is satisfied that the remuneration structure for the executive directors is appropriate.

Basic salary (guaranteed pay)

Purpose and link to strategy: To attract and retain the best talent and compensate the executive directors at a market-related salary taking account of individual performance and contribution. It aligns with business strategy as it ensures that salaries are competitive and that individuals are fairly rewarded for achieving the Group's strategic objectives based on their experience and roles in the business.

The basic salary is a pre-determined cash amount without any further benefits. The amounts paid to the executive directors is set out in note 29.4 of the annual financial statements. The basic salary is reviewed annually based on the Company's performance in the previous financial year, individual performance, inflation, affordability, benchmarking exercises and market surveys (if deemed necessary). Increases in the basic salary for the executive directors are effective from the commencement of the financial year once approved by the committee.

Short-term incentive ("STI")

Purpose and link to strategy: To motivate and incentivise performance (both financial and strategic) consistent with the Group's strategy over a 12-month operating cycle.

It encourages sustainable growth in earnings and return on capital for shareholders whilst maintaining a strong financial position, combined with strategic and sustainability metrics, to ensure well-balanced KPIs. It rewards executive directors for their measurable contribution.

Short-term incentive calculation

The STI is set and measured annually, coinciding with the financial year end, and is conditional upon meeting set performance targets and strategic objectives as approved by the committee. This methodology aligns behaviour with stakeholders' interests. The on-target allocation is based on 100% of guaranteed pay.

The performance conditions are realistically set with an appropriate element of stretch performance and are weighted between financial performance KPIs (70%) and strategic objectives (30%).

Each financial KPI has an accompanying threshold, on-target and stretch measure. The strategic objectives are not measured on a threshold, target and stretch basis. Instead an overall assessment is completed with a maximum allocation of 100%.

The maximum STI that can be paid is capped at 125% of guaranteed pay and is payable annually in cash after being approved by the committee post the release of the audited financial statements. The recipient must be in service on the date of payment. Malus and clawback provisions, as set out on page 100, are applicable to the award.

Financial performance conditions (70% weighting)

Measure	Weighting	Hurdle level Threshold (75% payout)	Target (100% payout)	Stretch (150% payout)
1. Distribution growth per share[1]	25.0%	3.0%	4.0%	5.0%
2. Same-store net operating income growth	25.0%	5.0%	6.5%	8.0%
3. Total return to equal or exceed internal benchmark[2]	25.0%	10.0%	11.5%	13.0%
4. Loan to value ratio	25.0%	35 – 40%	30 – 35%	< 30.0%
Total	100.0%			

Notes:

1. Assuming a 100% payout ratio.

2. Calculated as DPS for the year plus increase in tangible net asset value (TNAV) per share as a percentage of TNAV at start of the year. TNAV to exclude the impact of deferred tax assets/liabilities.

REMUNERATION COMMITTEE REPORT (continued)

Strategic objectives (30% weighting)

	Measure	KPIs	Weighting
1.	Portfolio management and expansion opportunities	Acquire at least two new development sites or acquisition opportunities in line with the Group's property strategy and long-term plans which meet the investment committee's approved criteria	20.0%
2.	Strong and flexible capital structure	Ensure the financial flexibility exists to pursue acquisition and development opportunities Maintain a conservative gearing ratio in line with the board's policy	20.0%
3.	Operational excellence	Improve the performance of our staff through learning and development, engagement and upskilling to drive increased profitability Implement the digital strategy to increase enquiries, enhance the customer experience, and achieve economies of scale in our marketing spend Execute on the digitalisation of the business to enable, improve and transform business operations, functions and processes by leveraging technology	20.0%
4.	Display leadership behaviour in accordance with the Company's Core Values	Ensure fully committed and motivated team Maintain minimal staff turnover Adherence to Company's Core Values	20.0%
5.	Improve the Group's ESG initiatives in order to deliver real value to all our stakeholders	Deliver on the Group's transformation strategy Invest in renewable energy and pursue initiatives to reduce carbon intensity Support charities and NPOs and be active in less fortunate and underprivileged communities Align sustainability reporting with appropriate frameworks	20.0%
Total			**100%**

Long-term incentive ("LTI")

Purpose and link to strategy: To attract, retain, motivate and incentivise the delivery of long-term and sustainable performance through the award of conditional shares, the vesting of which is subject to continued employment over the vesting period.

The CSP is an equity-settled LTI plan which will provide employees with the opportunity to be awarded shares in the form of a conditional right to acquire shares in Stor-Age. Participants can share in the success of the Company and will be incentivised to deliver on the business strategy of Stor-Age over the long-term and create long-term shareholder value. This will provide direct alignment between the participants – executive directors and key employees – and shareholders.

The salient features of the CSP are set out below:	
Participants	All permanent employees are eligible to participate, subject to the discretion of the committee. Although principally intended for senior management and executives, participants will also include operations managers at a property level and staff at a mid-management level who are integral to the Company's growth. To be considered for participation, an employee must have been employed by the Company for a minimum of 12 months (unless exceptional circumstances apply) and have achieved an above-average performance rating as part of the annual performance appraisal process.
Award components	Performance shares – vesting subject to the satisfaction of performance conditions and continued employment for the vesting period; and Retention shares – vesting subject to the satisfaction of continued employment for the vesting period (cannot exceed 25% of the total award). *Although the CSP allows for the award of retention shares, based on shareholder feedback received on the 2019 remuneration report, future awards will only comprise performance shares.*
Plan limits	The overall limit is 8,668,544 million shares (1.8% of shares in issue). The current usage level is equal to 1.5% of shares in issue and 81.3% of the approved capacity. The maximum number of shares which may be settled to any single participant is 3,467,417 (approximately 1.0% of shares in issue at the date of approval of the CSP by shareholders). An annual limit of 0.5% of shares in issue will apply to the awards made in any one period. This limit will be reviewed, and adjusted if necessary, by the committee on an annual basis.
Allocation policy	The committee will approve annual awards for participants based on each participant's total guaranteed pay ("TGP") using the following guidelines: Executive directors: Up to 2 x TGP Executive management: 100 – 150% Senior management: 60 – 70% Mid-level management: 40 – 60% Other staff: 20 – 40%

REMUNERATION COMMITTEE REPORT (continued)

The salient features of the CSP are set out below:	
Performance conditions	Performance conditions include financial measures (75%) and non-financial measures (25%).
Vesting	Awards will vest after three years subject to performance conditions being achieved and the participant remaining employed by Stor-Age for the duration of the employment period. The performance period will run concurrently with the Company's financial year end. The portion of the performance shares that will vest at each vesting date will be as follows: • Threshold achievement of performance (the minimum level of performance for vesting of any incentive) – 50% vesting • Target achievement of performance (the level of performance for payment of an on-target incentive) – 100% vesting • Stretch (a level of performance representing exceptional performance in the context of the current business environment) – 150% vesting
Malus and clawback	Awards are subject to the Company's malus and clawback policy. Malus provisions apply before awards or remuneration have vested or have been paid to an employee, while clawback provisions apply to awards or remuneration that have already vested or been paid to an employee. Further details of the Company's malus and clawback policy are set out on page 100.
Termination of employment	Awards are subject to continued employment which means participants must remain employed until the vesting date of the award. If participants leave before the expiry of the employment period, they may lose all or part of the award depending on the circumstances in which they leave. They will either forfeit the award in full ("bad leavers"), e.g. dismissal or resignation), or their awards will be pro-rated ("good leavers", e.g. retrenchment, retirement, or termination due to ill-health, disability or death). In the case of good leavers, a pro-rata portion of the participant's unvested award shall vest early on date of termination of employment based on the committee's determination of whether the performance conditions (if any) have been met.

LTI AMENDMENTS

In determining the performance conditions for the FY22 LTI award and considering feedback from shareholders on the 2021 remuneration report as set out in the background statement, the committee amended certain performance measures applicable to the LTI award granted during the year.

The performance measures for the FY21 awards included: 1. DPS growth relative to the performance of the SAPY; and 2. Growth in tangible NAV per share against a set target. In the shareholder engagement process on the 2021 remuneration report, the following points were noted:

- DPS metrics are more appropriate for short-term performance measures
- With several REITs reducing their payout ratio or amending their distribution policy, a comparison against SAPY or a peer group is not an accurate reflection of the performance of the executive directors
- A total return metric taking account of both distribution and NAV growth per share is more appropriate for the LTI award

It was also suggested that given the prominence of ESG, the performance conditions should include specific and clearly defined ESG metrics. The ESG performance conditions were separated into two specific targets comprising 10% of the LTI award.

The committee also simplified the non-financial measures to six measures (previously 10 for each director).

The LTI awards granted to the executive directors in FY22 are subject to the performance conditions set out below which are to be measured over the three-year period 1 April 2021 to 31 March 2024:

Financial measures – 75% weighting

Performance Condition	Weighting	Hurdle level Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)
Total return to exceed WACC	20.0%	Total return to be equal to WACC over a three-year period	Total return to exceed WACC by 10% over a three-year period	Total return to exceed WACC by 15% over a three-year period
Total return to be equal to, or exceed, a specified internal benchmark	20.0%	Total return to be equal to, or exceed, 10% over a three-year period	Total return to be equal to, or exceed, 11.5% over a three-year period	Total return to be equal to, or exceed, 13.0% over a three-year period
Same-store net operating income growth over three years (annualised average growth)	20.0%	5.0%	6.5%	8.0%
Loan to value ratio	15.0%	35% – 40%	30% – 35%	Less than 30%
Total	100.0%			

ESG measures – 10% weighting

Performance Conditions	Weighting	Rating Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)
B-BBEE rating improvement	5.0%	Maintain compliant status	Improve rating by one level	Attain B-BBEE level 4 status
New solar projects completed	5.0%	Complete 9 new solar PV projects over a three-year period	Complete 12 new solar PV projects over a three-year period	Complete 15 new solar PV projects over a three-year period
Total	10.0%			

REMUNERATION COMMITTEE REPORT (continued)

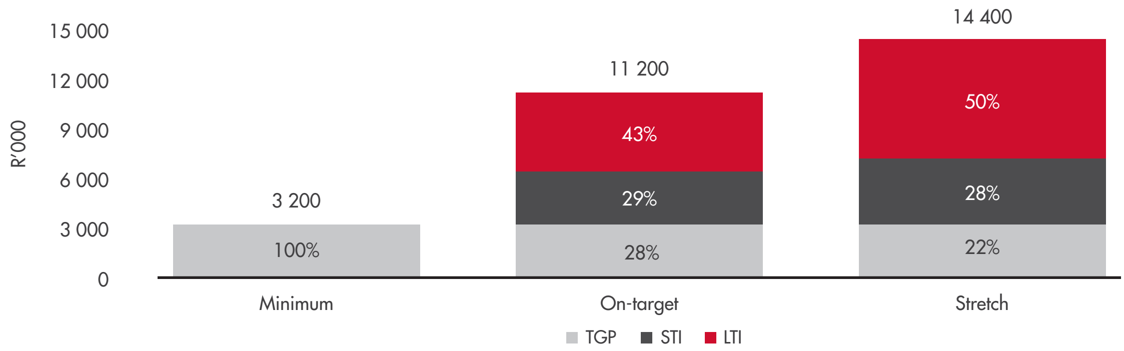
Non-financial measures – 15% weighting

Performance conditions		KPIs	Weighting
1.	Determining strategy and providing strategic guidance throughout the Group in accordance with the Company's five-year strategic plan	Achievement of pre-defined strategic objectives Grow property portfolio in accordance with strict investment criteria	25.0%
2.	Implementing international expansion strategy in accordance with the five-year strategic plan	Growth in UK property portfolio Implementation of Management 1st and Digital First strategy Develop Moorfield JV relationships and any other JV relationships that may arise during the performance period	25.0%
3.	Identifying suitable investment and development opportunities and executing in accordance with the property strategy	Identify, negotiate and close acquisition opportunities in accordance with strict investment criteria Leading due diligence on transactions Implementing acquisitions seamlessly Managing development projects on time and within budget	25.0%
4.	Implementing the Group's operations strategy including the development and execution of the digital and technology strategy	Occupancy and rental rate growth Management of arrears Improving expense ratios/cost control Integrate technology solutions in operations processes and further the digitalisation of the business	25.0%
5.	Managing the Group's capital structure and resources in a responsible and effective manner to enhance shareholder return by deploying capital prudently and optimising the cost of debt	Maintain conservative LTV within target Extend debt profile, refinance maturing facilities, ongoing negotiation with lenders Minimise funding costs Implement currency hedging strategy	25.0%
6.	Displaying leadership behaviour in accordance with the Company's Core Values	Ensuring fully committed and motivated team Maintain minimal staff turnover Adherence to Company's Core Values Adherence to risk management framework Promote core principles of fairness, accountability, responsibility and transparency	25.0%
Maximum score x 15% weighting			**150%**

EXECUTIVE REMUNERATION PAY MIX AND REWARD SCENARIOS

The remuneration mix of the executive directors is balanced between TGP (comprising a basic salary only), STI and LTI. To encourage retention and align the executives' interests with shareholders, variable pay is weighted more heavily with respect to STI and LTI.

The illustration below sets out the potential remuneration which can be earned at minimum, on-target and stretch reward scenarios in FY23.



Minimum reward scenario	On-target reward scenario	Stretch reward scenario
None of the financial performance conditions and strategic objectives for the STI are achieved Performance conditions (financial, ESG and non-financial) for the CSP awards are not achieved	Achieve 100% of the financial performance conditions and full achievement of the strategic objectives for the STI Performance conditions (financial, ESG and non-financial) for the CSP awards are achieved at the on-target level	Achieve performance up to 150% of the financial performance conditions and 100% of the strategic objectives for the STI Maximum achievement at 150% of performance conditions (financial, ESG and non-financial) for the CSP awards is attained

The STI is formula-driven and based on achieving financial performance conditions and delivering on strategic objectives. The LTI (CSP awards) is granted at the committee's discretion with vesting subject to achieving financial, ESG and non-financial performance conditions. The above scenarios assume the CSP awards are made at 150% of guaranteed pay.

The on-target LTI forms 43% of the remuneration mix. On-target variable pay (STI and LTI) comprises 67% of the total remuneration. At a stretch, the variable pay comprises 78% of the total remuneration.

As the original founders of the business, the executive directors operate on a "flat-structure" basis with many overlapping responsibilities. Consequently, there is no differentiation between the various executives and therefore only a single scenario analysis is set out above.

REMUNERATION COMMITTEE REPORT (continued)

ALL EMPLOYEE REMUNERATION

All employees receive a basic salary at a level appropriate for their role and responsibilities. Stor-Age regularly reviews the basic salary of all employees to ensure it remains market-related.

Employee salaries are reviewed annually taking account of individual and overall Company performance, as well as an employee's experience, qualifications, responsibilities and a consideration of market-related salaries.

Store-based and operations employees are rewarded with incentives in addition to their basic salaries. This is based on performance relative to achieving pre-defined targets such as move-ins, occupancy growth and cash collections. Other permanent employees may receive a component of variable remuneration dependent on their respective employment grade and individual performance and may participate in the CSP at the committee's discretion.

Employees are provided with other benefits including a medical aid subsidy for those joining the Company's group scheme and matching Company contributions (subject to an annual limit) to retirement funding. The Company also contributes to a life cover policy for our lower income earners and, on a discretionary basis, provides financial assistance in the form of bursaries or interest free loans to deserving employees seeking to further their studies or obtain additional qualifications. In FY22 bursaries amounting to R191 000 were paid.

FAIR AND RESPONSIBLE REMUNERATION

Stor-Age is committed to fair and responsible pay practices in line with its duty to remain a responsible corporate citizen. Various factors are taken into account when considering fair and responsible pay practices, such as sustainability and Stor-Age's strategic objectives. Our lower salaried employees are typically granted a higher annual salary increase relative to higher income earners in the Company. The Company contributes to a life and funeral cover policy for our lower income earners and provides financial assistance in the form of interest free loans in emergency and unforeseen circumstances.

Internal pay levels are reviewed on an ongoing basis to ensure alignment with the principle of equal pay for work of equal value to identify and correct anomalies or income differentials. The committee is also mandated to ensure that executive director remuneration is justifiable against remuneration levels of employees throughout the Company.

The executive directors and committee support broad based equity participation by employees in the Company. In addition to the executive directors, a further 51 employees received CSP awards in FY22.

SERVICE AGREEMENTS, RETENTION STRATEGY AND TERMINATION ARRANGEMENTS

The executive directors are permanent employees and their employment contracts include a two-month notice period, with no restraints of trade. There are no contractual obligations to the executive directors in respect of separation or termination payments.

MINIMUM SHAREHOLDING REQUIREMENTS ("MSR")

The MSR for executive directors' is equivalent to 200% of their TGP. This demonstrates their commitment to long-term growth and encourages alignment between management and shareholders. All executives met the MSR during the year. At 31 March 2022, the executive directors collectively held 24.325 million shares in the Company (R359.5 million in value). Further details of the directors' shareholdings are set out in note 29.3 of the annual financial statements.

MALUS AND CLAWBACK POLICY

The committee has adopted a remuneration malus and clawback policy, approved by the board, with a view to aligning shareholder interests and remuneration outcomes. It allows the Company to reduce or recoup remuneration or awards in defined circumstances such as financial misstatement, gross negligence, misconduct or fraud.

Malus provisions apply before awards or remuneration have vested or have been paid to an employee, while clawback provisions apply to awards or remuneration that have already vested or been paid to an employee. The clawback period will run for three years from the vesting date of the awards.

The policy sets out the circumstances where the board, following the advice of the committee, may:

- apply its discretion to adjust the value of an unvested award downwards (to zero if required) or cancel unvested awards; or
- pursue remedies to clawback any awards or remuneration that have already vested or been paid to ensure remuneration outcomes are fair, appropriate and reflect business performance.

All participants who have accepted CSP awards agree to be bound by the malus and clawback policy and further agree that all remuneration received from the Company will be subject to this policy.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors do not hold contracts of employment with Stor-Age and do not participate in any short-term or long-term incentives. Remuneration for non-executive directors comprises an annual retainer paid monthly, with an expectation of a certain number of meetings per annum. Disbursements for reasonable travel and subsistence expenses are reimbursed to non-executive directors in line with the reimbursement policy for employees.

Remuneration for non-executive directors is reviewed on an annual basis considering the responsibilities borne by non-executive directors, as well as relevant external market data. The committee recommends the non-executive directors' remuneration structure to the board for approval. This remuneration structure is further recommended to shareholders for approval at the AGM.

The non-executive director remuneration for FY21 was approved at the 2019 AGM. In light of the uncertainty arising from the COVID-19 pandemic, the non-executive directors agreed to waive the approved increases for FY21 and were remunerated at the same levels as FY20.

The FY22 remuneration was approved at the 2020 AGM. The proposed increases for FY22 were incorrectly based off the adjusted (i.e. lower than approved) remuneration for FY21 instead of the actual approved remuneration for FY21. This was an oversight which resulted in the FY22 remuneration being less than the FY21 approved remuneration.

As indicated in the background statement, the committee engaged PwC during the year to perform a benchmarking exercise of Stor-Age's non-executive directors' remuneration. With the expansion into the UK in 2017, the growth in the investment property portfolio from R1.4 billion in 2015 to over R10 billion in 2022, and the joint ventures with Moorfield and Nedbank, the business has become significantly more complex in respect of capital allocation to new acquisition and development opportunities and compliance.

Since listing in 2015, non-executive director remuneration has been very low and significantly below market compared to peer companies with only nominal increases being applied annually. The results of the benchmarking exercise were as expected and confirmed that the non-executive director remuneration for all roles was significantly below the median of the comparator group (same companies as set out on page 91).

The table below provides an overview of Stor-Age's non-executive director remuneration for FY22 compared to the comparator group:

Role	Median R	Stor-Age R	Difference
Board chair	781 741	323 500	(59)%
Board member	335 216	219 500	(35)%
Audit and risk committee chair	163 500	62 400	(62)%
Audit and risk committee member	124 000	52 000	(58)%
Social and ethics committee chair	87 787	26 000	(70)%
Social and ethics committee member	62 650	26 000	(58)%
Remuneration committee chair	102 419	26 000	(75)%
Remuneration committee member	71 936	26 000	(64)%
Investment committee chair	109 000	31 200	(71)%
Investment committee member	87 000	31 200	(64)%

REMUNERATION COMMITTEE REPORT (continued)

The PwC benchmarking report was prepared in October 2021 based on publicly available information for the comparator group. Although the FY23 fees were approved at the 2021 AGM, the committee proposes that an adjustment be made to the FY23 non-executive director remuneration as set out within the notice of the AGM to be held on 1 September 2022 as set out below:

Role	Approved remuneration 31 March 2023[1] R	Adjusted remuneration 31 March 2023[2] R
Board chair	323 500	800 000
Board member	219 500	300 000
Audit and risk committee chair	62 400	195 000
Audit and risk committee member	52 000	130 000
Social and ethics committee chair	26 000	90 000
Social and ethics committee member	26 000	60 000
Remuneration committee chair	26 000	90 000
Remuneration committee member	26 000	60 000
Investment committee chair	31 200	na[3]
Investment committee member	31 200	120 000

In determining the proposed adjusted remuneration for FY23, the committee considered the results of the PwC benchmarking report as well as subsequent disclosures of non-executive director remuneration for the comparator group. No distinction is made between the committee chair and members for the social and ethics committee and the remuneration committee. The higher fee for the investment committee takes into consideration the additional meetings compared to the other two committees.

In line with best practice, the committee proposes that the board chair receive a fixed annual fee that is inclusive of all attendances at board and subcommittee meetings as well as other tasks performed on behalf of the Group.

The committee is also proposing at the AGM that shareholders approve a mechanism to mandate the board to make payment of additional remuneration by way of an hourly fee of R3 000 to any non-executive director in respect of work performed on special projects or ad hoc assignments above what would be reasonably expected, provided that payment in respect of such additional work is approved by the committee.

1 *Approved at the 2021 AGM.*
2 *Proposed adjustment to remuneration to be approved by shareholders at the forthcoming AGM.*
3 *The investment committee chair is Graham Blackshaw who is also the board chair. It is proposed the board chair receive a fixed annual fee that is inclusive of all attendances at subcommittee meetings. Consequently no fee for the investment committee chair is disclosed.*

This implementation report is subject to an advisory vote by shareholders at the AGM to be held on 1 September 2022.

BASIC SALARY

The committee recognises the importance of ensuring that executive remuneration is fair, competitive and market-related and remains committed to ensuring that executive remuneration is reflective of the roles and responsibilities performed.

FY22 adjustment

Since listing in 2015, Stor-Age provided its executive directors with a very low basic salary. The remuneration philosophy reflected the executive directors' commitment to the long-term success of the business and, to a large extent, their desire to prove the sustainability of the business model in the initial years post the listing. The executive directors have consistently executed Stor-Age's growth strategy with considerable success and have overseen significant organic and acquisitive growth since 2015.

An external benchmarking exercise performed in FY19 by PwC indicated that the executive director remuneration was considerably lower than its peers in the listed REIT sector. The committee resolved to adopt a catch-up approach over the next three successive financial years (FY20 to FY22) to achieve a more market-related salary for the executive directors by FY22. With the onset of the COVID-19 pandemic, and taking account of the significant levels of uncertainty at the time, the committee accepted a recommendation proposed by the executive directors that no increase be applied to their basic salary for FY21. Thus the basic salary for each executive director remained at R2.0 million for FY21.

As the original founders of the business, the executive directors operate on a "flat-structure" basis with many overlapping responsibilities. After careful consideration, and having benchmarked market-related remuneration packages of comparable companies within the listed REIT sector, the committee approved a basic salary of R3.0 million for each executive director for FY22.

FY23 adjustment

An increase of 6.7% to R3.2 million was approved for each executive director for FY23.

Employee salaries are reviewed annually in March taking account of individual and overall Company performance, as well as an employee's experience, qualifications and responsibilities.

Employees in South Africa (excluding lower-income earners) received an average salary increase of 7.1% (effective 1 April 2022) with lower-income earners receiving an average increase of 8.3%. In the UK, the average salary increase (effective 1 April 2022) was 4.5%.

In line with Stor-Age's commitment to fair and responsible remuneration, the committee carefully considered the increase for other levels throughout the Company and they are satisfied that it is in line with Stor-Age's policy.

EXECUTIVE DIRECTOR REMUNERATION

In line with the requirements of King IV and the JSE Listings Requirements, the table below sets out the total remuneration on a single-figure basis received by executive directors in 2022 and 2021:

	Basic salary R'000	STI R'000	Value of FY19 LTI R'000	Value of LTI FY20 LTI R'000	Total R'000
31 March 2022					
GM Lucas	3 000	1 500	2 595	4 725	11 820
SJ Horton	3 000	1 500	2 595	4 725	11 820
SC Lucas	3 000	1 500	2 595	4 725	11 820
Total	6 000	4 500	7 785	14 175	35 460

The performance period for the FY19 and FY20 LTI awards ended on 31 March 2022 and will vest on or after 1 September 2022 (subject to the employment condition). For the purpose of the single-figure disclosure, the estimated value of the awards have been included in the table above.

	Basic salary R'000	STI R'000	Value of LTI vested R'000	Total R'000
31 March 2021				
GM Lucas	2 000	700	–	2 700
SJ Horton	2 000	700	–	2 700
SC Lucas	2 000	700	–	2 700
Total	6 000	2 100	–	8 100

No other remuneration or benefits were paid to executives during the year. No LTI awards vested in FY21.

SHORT-TERM INCENTIVE

STI awards are conditional upon meeting set performance objectives and targets (financial and strategic) as approved by the board. The performance conditions for FY22 and the outcomes are set out below:

Financial performance conditions and outcomes (70% weighting)

Measure	Weighting	Threshold (75% payout)	Target (100% payout)	Stretch (150% payout)	Actual performance	Result
1. Distribution growth per share	25.0%	3.0%	4.0%	5.0%	5.5%	37.5%
2. Same-store net operating income growth	25.0%	3.5%	5.0%	6.5%	19.6%	37.5%
3. Total return to equal or exceed internal benchmark	25.0%	8.0%	10.0%	12.0%	16.4%	37.5%
4. Loan to value ratio	25.0%	35 – 40%	30 – 35%	< 30.0%	27.9%	37.5%
Total	100.0%					150.0%
Final outcome (Result x 70% weighting)						112.5%

Strategic objectives and outcomes (30% weighting)

Strategic objective	KPIs	Weighting	Result
1. Portfolio management and expansion opportunities	Acquire at least two new development sites or acquisition opportunities in line with the Group's property strategy and long-term plans which meet the investment committee's approved criteria	20.0%	20.0%
Assessment UK: Acquired Blackpool and McCarthy's Storage World portfolio (4 properties). Acquired in Moorfield JV – Storagebase (4 properties) and Bath. South Africa: Acquired Silver Park and Green Cube (trading properties). Paarden Eiland, Pinelands and Kramerville (acquired for development).			
2. Strong and flexible capital structure	Ensure the financial flexibility exists to pursue acquisition and development opportunities Maintain a conservative gearing ratio in line with the board's policy	20.0%	20.0%
Assessment LTV ratio of 27.9% at year end, within target of 25 – 35% Refinanced ZAR and GBP debt facilities providing additional headroom to pursue expansion Well-supported and oversubscribed capital raise in January 2022 of R575 million Maintained an effective interest rate hedging policy with 81.4% of borrowings hedged on a net debt basis			

Strategic objectives and outcomes (30% weighting) (continued)

Strategic objective	KPIs	Weighting	Result
3. Operational excellence	Improve the performance of our staff through learning and development, engagement and upskilling to drive increased profitability Implement the digital strategy to increase enquiries, enhance the customer experience, and achieve economies of scale in our marketing spend Execute on the digitalisation of the business to enable, improve and transform business operations, functions and processes by leveraging technology	20.0%	20.0%

Assessment

Designed and delivered 52 new online courses on Edu-Space (online training platform) translating into 47 000+ hours of online training being completed by staff:

- Edu-Space highlights – over 150 courses delivered; 2 000+ successfully completed modules; 96%+ pass rate achieved
- Face-to-face training highlights – 15 courses delivered to over 90 employees

Financially supported seven staff members in FY22 as part of the Stor-Age study support programme – assists employees with career development at accredited institutions.

Generated and managed more than 150 000 (2021: 140 000) enquiries across both markets.

Executed our strategy of hyper-segmenting potential customer userbase and delivering customised and relevant messages across various digital channels in both markets. Enabled us to create bespoke advertising media (both static and rich media) that directs users to customised landing pages relevant to their behaviour. Messaging in each of these adverts is curated to be relevant to targeted audiences (in different life stages) that drives demand for self storage.

Improved the South African and UK websites by enhancing security, refining the user experience and enabling continued deeper integration between our platforms taking careful consideration of the ever-shifting customer journey. Improvements encourages web prospects to enter into our digital sales funnels and be converted into a sale.

Significant majority of new customers onboarded digitally through our digital move-in platforms in both markets.

Combined total social media following of over 118 000, with the Stor-Age Facebook page ranking as the third most followed self storage business in the world.

Ranked 30th out of the top 100 inaugural FT annual ranking of Africa's Fastest Growing Companies.

Continued to digitalise existing processes throughout the business, using built-in tools and capability in Office 365/Microsoft Azure Cloud platform. Allows for a number of benefits to the business, including ensuring that we operate in an increasingly low-code environment, with rapid deployment of digital solutions to drive efficiencies.

Strategic objectives and outcomes (30% weighting) (continued)

Strategic objective	KPIs	Weighting	Result
4. Display leadership behaviour in accordance with the Company's Core Values	Ensure fully committed and motivated team Maintain minimal staff turnover Adherence to Company's Core Values	20.0%	20.0%
Assessment Refer to point 11 of the LTI outcomes for further detail.			
5. Improve the Group's ESG initiatives in order to deliver real value to all our stakeholders	Deliver on the Group's transformation strategy Invest in renewable energy and pursue initiatives to reduce carbon intensity Support charities and NPOs and be active in less fortunate and underprivileged communities Align sustainability reporting with appropriate frameworks	20.0%	20.0%
Assessment Refer to point 9 of the LTI outcomes for further detail. Contributed approximately R1.5 million worth of support in FY22 to various social initiatives. In addition to providing complimentary self storage space, properties in the portfolio also acted as drop off points for various charitable organisations.			
Total		100.0%	100.0%
Final outcome (Result x 30% weighting)			30.0%

STI outcome

The performance outcome under the short-term incentive scheme for FY22 is set out below:

	TGP R'000	Financial outcome	Strategic outcome	Total outcome	STI maximum (% of TGP)	FY22 maximum R'000	Total STI R'000
G Lucas	3 000	112.5%	30.0%	142.5%	125.0%	1 500	1 500
S Lucas	3 000	112.5%	30.0%	142.5%	125.0%	1 500	1 500
S Horton	3 000	112.5%	30.0%	142.5%	125.0%	1 500	1 500

In assessing the overall impact of the amendments to executive directors' remuneration for FY22, the committee elected to adopt a phased approach to the introduction of the STI. Accordingly, and considering that FY22 was the first year of the STI plan, the committee set the maximum STI payable for FY22 at R1.5 million for each director notwithstanding the actual performance outcomes.

REMUNERATION COMMITTEE REPORT (continued)

LONG-TERM INCENTIVE AWARDS

The performance period for the awards granted in FY19 and FY20 ended on 31 March 2022. The awards will vest on or after 1 September 2022 subject to the employment condition. The outcomes are set out below as follows:

Financial performance conditions and outcomes (75% weighting)

Performance condition	Weight	Hurdle level Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)	Actual performance	Vesting of performance shares
Dividend per share growth measured relative to the SAPY or comparable index	26.25%	5% out-performance	15% out-performance	25% out-performance	4.9% (stretch achieved)	39.4%
Dividend per share growth measured against SA CPI + margin	26.25%	CPI + 2.25%	CPI + 2.75%	CPI + 3.25%	4.9% (less than threshold)	–%
Tangible net asset value growth measured against weighted SA and UK CPI + margin	11.25%	CPI + 2.0%	CPI + 2.5%	CPI + 3.0%	19.8% (stretch achieved)	16.9%
Loan to value ratio	11.25%	35% – 40%	30% – 35%	Less than 30%	26.9% (stretch achieved)	16.9%
	75.0%					73.1%

Non-financial performance conditions and outcomes (25% weighting)

Performance condition	Weight	Hurdle level Threshold (50% vesting)	 Target (100% vesting)	 Stretch (150% vesting)	Actual performance	Vesting of performance shares
See table below	25.0%	70% score	80% score	90% score	See table below	37.5%
Total performance factor (financial outcomes + non-financial outcomes)						110.6%

The table below sets out the non-financial performance measures and the remuneration committee's assessment of the performance of the executive directors.

Non-financial performance conditions	Gavin Lucas Max %	 Rating	Stephen Lucas Max %	 Rating	Steven Horton Max %	 Rating
1. *Determining strategy and providing strategic guidance throughout the Group in accordance with the Company's five-year strategic plan* The committee is satisfied that the executive directors successfully executed the Group's strategy over the performance period: • The Group achieved its core objective to deliver real and sustainable growth to shareholders driven by occupancy and revenue growth, acquisitions and new developments, and leveraging the economies of scale that its market-leading operating platform provides. • The Group's strategy was implemented in a disciplined manner in line with a clearly defined vision. • The executive directors continuously provide strategic guidance in all key functional areas and take full responsibility for challenges and opportunities that may arise. This was evident in the critically important role they played to proactively address the challenges brought about by the COVID-19 pandemic and the KwaZulu-Natal unrest. • Ranked 30th out of the top 100 in the inaugural FT annual ranking of Africa's Fastest Growing Companies. • Further detail of the execution of Stor-Age's strategy is set out on pages 33 to 35.	20%	100%	10%	100%	10%	100%

REMUNERATION COMMITTEE REPORT (continued)

Non-financial performance conditions and outcomes (25% weighting) (continued)

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
2. *Implementing international expansion strategy in accordance with the five-year strategic plan* UK investment property increased by 42% from £155.3 million to £220.8 million. Total value of UK investment properties (including those held in joint ventures) of £292.0 million (R10.6 billion) at year end. Completed nine acquisitions and three new developments over the performance period. Successfully concluded the Moorfield joint venture in the UK, with four new properties secured for future development, of which the first two are currently under construction. Launched Management 1st and Digital First initiatives to grow the Group's third-party management platform. Four properties trading on the Management 1st programme and 12 operators, representing 35 properties, trading on the Digital First platform, spread across five countries (England, Scotland, Ireland, Spain and Italy).	10%	100%	5%	100%	15%	100%
3. *Identifying suitable investment and development opportunities and executing in accordance with the property strategy* Successfully identified, negotiated and executed nine acquisitions, completed three new developments, total pipeline of 14 properties. Conducted extensive due diligence on all acquisition and development transactions. Achieved pre-defined acquisition and development targets in accordance with property strategy.	15%	100%	10%	100%	20%	100%

Non-financial performance conditions and outcomes (25% weighting) (continued)

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
4. *Implementing the Group's operations strategy including the development and execution of the digital and technology strategy* Strong operating performance as reflected in net property operating income growth over the performance period, including a resilient trading performance despite the challenges arising from the COVID-19 pandemic: • Consistent growth in occupancy and rental rates. • Managed cost-to-income ratio to ensure no erosion of operating margin. • Further detail on the FY22 operating performance is set out on page 48. Successfully implemented e-lease solution to adhere to COVID-19 social distancing requirements. Significant number of new customers onboarded digitally through our digital move-in platform in both markets. The Stor-Hub (bespoke CRM) platform was enhanced to integrate directly with the tenant management system (TMS) in operation in the UK, over and above the in-place TMS in operation in South Africa. Enhanced our digital marketing capabilities and achieved consistent growth in enquiry numbers (in South Africa and the UK, 70% and 94% respectively of enquiries are generated online). Executed on strategy of hyper-segmenting potential customer userbase and delivering customised and relevant messages across various digital channels in both markets. Designed and delivered 52 new online courses on Edu-Space (online training platform) translating into 47 000+ hours of online training being completed by staff over the performance period. Continued to digitalise existing processes throughout the business, using built-in tools and capability in Office 365/ Microsoft Azure Cloud platform. In response to COVID-19, our annual staff year end reviews in South Africa, which were traditionally held in person in Cape Town and Johannesburg, were held digitally each year.	10%	90%	10%	90%	n/a	n/a

Non-financial performance conditions and outcomes (25% weighting) (continued)

	Gavin Lucas		Stephen Lucas		Steven Horton	
Non-financial performance conditions	Max %	Rating	Max %	Rating	Max %	Rating
5. *Ensuring good corporate governance is entrenched throughout the Group* The committee is satisfied that the executive directors continue to play an integral part in the ongoing entrenchment of good corporate governance throughout the Group, with details thereof reported throughout this annual report: • The Group remains committed to exercising ethical and effective leadership in accordance with the Stor-Age Core Values of Excellence, Sustainability, Relevance and Integrity. • The executive directors conduct business in an open, honest and ethical manner, availing themselves to all board members at all times. • During the performance period the executives researched, formulated and adopted a revised and enhanced ESG strategy and reporting framework, aligned with the UN Sustainable Development Goals and taking guidance from the Task Force on Climate Related Financial Disclosures.	5%	100%	10%	100%	5%	100%
6. *Financial reporting and shareholder communication is carried out in a transparent, accurate, concise and timely manner* The committee is satisfied that the Group's ongoing financial reporting, shareholder communication and correspondence (both internal and external) are of the highest standard and meet the above objectives. The executive directors actively engage with all shareholders – and potential investors – by making themselves available for 1:1 meetings, site visits and requests for further information.	15%	90%	20%	90%	5%	90%

Non-financial performance conditions and outcomes (25% weighting) (continued)

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
7. *Managing the Group's capital structure and resources in a responsible and effective manner to enhance shareholder return by deploying capital prudently and optimising cost of debt* Prudently managed the balance sheet with conservative LTV levels (generally below 30%) and compliance with all debt covenants. Executed two oversubscribed capital raises over the performance period (R825 million in total). Capital allocation decisions are made carefully after due consideration of risks and shareholder returns. Finalised the GBP debt restructuring with UK lenders at a competitive cost of capital which provides capacity to support growth in the UK, diversifies the funding sources across a number of lenders, and provides for greater flexibility in the use of the facilities. Maintained an effective interest rate hedging policy with 75%+ of borrowings hedged on a net debt basis. Executed an effective currency hedging policy for GBP earnings at favourable rates and reduced the use of cross currency interest rate swaps.	5%	100%	10%	100%	5%	100%

Non-financial performance conditions and outcomes (25% weighting) (continued)

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
8. *Effective management of energy and utility costs and corporate overheads* Continued trend of reduced electricity consumption across the South African portfolio with improved contribution of solar PV installations, improved staff behaviour, and various additional energy reduction initiatives. Following initiatives have reduced our properties' electricity consumption: • Motion-sensitive lighting at all properties – fitted at optimum distances to reduce the number of fittings and energy consumed. • LED light fittings installed inside and outside all new properties, and retrofitted onto existing ones. Saves up to 60% of consumption compared to standard fittings. • Solar panel hot water cylinders installed to heat water in the retail stores and security offices at many properties. • Each month, we prepare and review a detailed analysis to assess energy consumption across the portfolio, with exceptions timeously dealt with through active management. 23 properties in South Africa fitted with solar PV systems – since implementation, these properties have generated over 1.7 million kWh in solar energy and rendered electricity consumption savings in line with what was projected for each system. Invested c. R12 million into renewable energy capacity to date and installed solar PV systems at eight additional properties in FY22 with a further six identified in South Africa and the UK. Property rates and the underlying property valuations and the applicable tariffs, on which the rates are calculated, are monitored, assessed and reviewed on a continual basis. When applicable, Stor-Age objects to underlying changes in the property valuations, by making use of third-party specialist consultancies in South Africa and the UK. Made significant progress with the installation of water and electricity check meters across the South African portfolio in order to monitor utility usage in real time as well as challenge municipal billing based on estimates.	n/a	n/a	5%	90%	10%	90%

Non-financial performance conditions and outcomes (25% weighting) (continued)

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
9. *Implementing sustainable practices such as energy efficiency, renewable energy generation, rainwater harvesting, and storm water management and conservation* The ESG strategy aligns Stor-Age's Vision and Core Values with six relevant UN Sustainable Development Goals and takes guidance from the Task Force on Climate-related Financial Disclosures. As part of the GBP debt restructure, the Group entered into its first 'green' sustainability-linked loan ("SLL") facility in FY22 (£21.0 million 7-year sustainability-linked loan with Aviva): • Loan is aligned with Aviva's Real Estate Debt Sustainable Transition Loan Framework and is structured such that achievement of certain environmental KPIs will trigger a reduction in loan margin. These KPIs include the installation of solar, reducing scope 1 and 2 carbon emissions and developing our net zero carbon pathway. • Two independent bodies were appointed to ensure that our KPIs align with the requirements of Aviva's Framework and are structured in accordance with the Loan Market Association's SLL Principles. Sustainability strategy for newly acquired trading properties and new developments aims to: • Install solar PV panels and ensure the general reduction of CO_2 emissions wherever possible. • Install motion sensors and LED light fittings both internally and externally. • Use building materials that assist with insulation. • Harvest rainwater for internal use where possible. • Implement effective surface water design and management. • Implement waste management initiatives. Achieved over 770 tonnes of carbon savings during the year, an improvement of approximately 29% year-on-year, demonstrating the positive trend of improvement over the performance period. Embarked on a process of identifying, reviewing and selecting an independent third-party sustainability consultant who has been tasked with setting baselines for carbon emissions and water consumption for properties in the South African and UK portfolios, together with establishing environmental KPIs to consider for adoption and ongoing performance measurement. Independent consultant has conducted a Carbon Footprint Assessment across the South African portfolio in order to set the baselines for carbon emissions at each property.	n/a	n/a	n/a	n/a	10%	90%

Non-financial performance conditions and outcomes (25% weighting) (continued)

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
10. *Implementing the Group's transformation strategy and achieving transformation objectives and targets* Stor-Age is committed to creating a real impact by implementing sustainable business transformation and employment plans. Stor-Age continues to view transformation as a strategic business imperative and the plans outline key milestones to drive transformation in the business. Formed an agreement with the Skills Development Corporation (SDC), an accredited learning institution based in Johannesburg, to provide a 12-month Business Administration Services learnership programme to 12 learners from previously disadvantaged backgrounds. Classified as a Level 8 B-BBEE compliant contributor and consistent with the Group's transformation strategy, Stor-Age remains focused on improving transformation levels and representation across the business.	10%	70%	10%	70%	10%	70%
11. *Displaying leadership behaviour in accordance with the Company's Core Values* Senior management spends significant time at the properties and is accessible to all employees. Adopted a progressive and open-minded approach to workplace flexibility. Formalised a structured and balanced hybrid working model at the head office, where line managers have been given the authority to interact with their teams to determine an optimal working arrangement. Implemented employee wellness initiatives to encourage employees to practice and improve their habits to attain better physical and mental health. Anonymous employee surveys are conducted annually which confirmed that staff are well-motivated. Feedback from these surveys assists in creating a positive workplace environment and identifying areas for improvement. Supported staff financially during major traumatic events such as the COVID-19 pandemic and the KwaZulu-Natal riots and floods.	10%	100%	10%	100%	10%	100%
	100%	94.5%	100%	93.5%	100%	94.5%

VESTING OF LTI AWARD

No LTI awards vested in FY22. However, for the purposes of the single figure remuneration table set out on page 104, the estimated value of the FY19 and FY20 LTI awards for the executive directors (in respect of the performance period ending 31 March 2022), are set out below. The awards will vest on or after 1 September 2022 subject to the employment condition.

Director	Award	Number of shares	Performance factor	Performance adjusted number of shares	Share price*	Value of shares included in single figure table
Gavin Lucas	FY19 performance shares	128 719	110.6%	142 395		
	FY19 retention shares	42 906	na	42 906		
	FY20 performance shares	305 111	110.6%	337 529		
	Total			522 830	14.00	7 319 626
Stephen Lucas	FY19 performance shares	128 719	110.6%	142 395		
	FY19 retention shares	42 906	na	42 906		
	FY20 performance shares	305 111	110.6%	337 529		
	Total			522 830	14.00	7 319 626
Steven Horton	FY19 performance shares	128 719	110.6%	142 395		
	FY19 retention shares	42 906	na	42 906		
	FY20 performance shares	305 111	110.6%	337 529		
	Total			522 830	14.00	7 319 626

* *for the purposes of the single figure table, an estimate of R14.00 per share was used at the date of vesting to determine the value of the awards.*

The FY19 award comprised performance shares (75%) and retention shares (25%). Based on shareholder feedback received on the 2019 remuneration report, only performance shares will be awarded and no further retention shares will be awarded.

Details of the unvested awards made to the executive directors (excluding the FY19 and FY20 awards), are set out below:

FY21 award	Total performance shares awarded (on-target grant)	Price	Indicative value R'000
GM Lucas	381 388	R13.90	5 301
SJ Horton	381 388	R13.90	5 301
SC Lucas	381 388	R13.90	5 301
Total	1 144 164		15 903

The awards are to be evaluated over a three-year period commencing on 1 April 2020 and ending on 31 March 2023. The awards vest on 15 September 2023. The indicative value is based on the closing share price of R13.90 as at 27 July 2022.

FY22 award	Total performance shares awarded (on-target grant)	Price	Indicative value R'000
GM Lucas	381 388	R13.90	5 301
SJ Horton	381 388	R13.90	5 301
SC Lucas	381 388	R13.90	5 301
Total	1 144 164		15 903

The awards are to be evaluated over a three-year period commencing on 1 April 2021 and ending on 31 March 2024. The awards vest on 1 September 2024. The indicative value is based on the closing share price of R13.90 as at 27 July 2022.

As noted above, the FY19 and FY20 awards vest on or after 1 September 2022 (subject to the employment condition) and have been included in the single figure remuneration table.

The executive directors and committee support broad based equity participation by employees in the Company. In addition to the executive directors, more than 50 employees have received CSP awards to date.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The table below sets out the remuneration paid to non-executive directors:

	2022 R'000	2021 R'000
GA Blackshaw	324	311
GBH Fox[1]	–	75
JAL Chapman	251	241
KM de Kock	308	292
MPR Morojele	298	161
MS Moloko[2]	74	286
P Mbikwana	298	265
A Varachhia	266	60
Total	1 819	1 691

[1] *Resigned 29 June 2020.*

[2] *Resigned 30 June 2021.*

The remuneration to be paid to the non-executive directors for the year ending 31 March 2023 to be approved by shareholders at the forthcoming AGM is set out on page 254 of this report.

"This report was approved by the remuneration committee and the board. Both are satisfied that there were no material deviations from the existing remuneration policy during the 2022 financial year."

SOCIAL AND ETHICS COMMITTEE REPORT

The social and ethics committee continues to act on behalf of the board in discharging its responsibilities where social and ethical matters of the Group are concerned. The committee continues to monitor whether the Group complies with legal requirements and global best practice in terms of its impact on the economy, the workplace, the social and natural environment.

The committee has all the functions and responsibilities provided for in the Companies Act. The committee members are set out on page 74, and attendance at meetings is set out on page 76.

FOCUS AREAS OF THE COMMITTEE DURING THE YEAR

In these unprecedented times, Stor-Age remains committed to creating a real impact by implementing sustainable business transformation and employment plans. Though the ESG landscape, conversations veer towards being more discerning to business and societal needs. The main areas of focus for the committee during the year were the continued implementation of the Group's transformation plan and the ongoing execution of the ESG strategy and reporting framework.

TRANSFORMATION PLAN

Stor-Age continues to view transformation as a strategic business imperative and the plan outlines key milestones to drive transformation in the business.

The main objectives of the plan include:

- Addressing the priority elements of the Property Sector Code, while implementing sustainable business transformation and employment diversification
- Ensuring the benefits of equity ownership and participation in management control are extended to previously disadvantaged groups
- Fostering an enabling environment within the Group, which encourages and embraces diversity
- Developing a skilled and motivated workforce base whose profile is representative of South Africa's demographics
- Creating meaningful job opportunities and assisting with the development of skills in the communities in which we operate
- Contributing meaningfully to enterprise and supplier development

Consistent with the Company's transformation strategy, Stor-Age remains focused on improving its B-BBEE compliance status.

ESG STRATEGY AND IMPLEMENTATION

Stor-Age remains committed to our Social and Economic Development initiatives by utilising our resources (operational, marketing and core self storage product) to initiate and contribute to socio-economic development projects that benefit previously disadvantaged groups, charities, communities and individuals, and further promote transformation and development.

The Group remains committed to building sustainability into its investment strategy through the careful consideration of environmental, social and governance matters.

The strategy aligns our Vision and Core Values with relevant UN Sustainable Development Goals (SDGs) and takes guidance from the Task Force on Climate-related Financial Disclosures (TCFD). Through our adopted ESG strategy and reporting framework, we continue to monitor our impact on the economy, the workplace, the social environment and the natural environment.

During the year Stor-Age continued to partner with and support a range of charities and Non-Profit Organisations (NPOs).

The Company launched the Stor-Age Business Hub, a complimentary platform for our commercial customers to promote their products or services to other tenants at the property at which they are storing. Many of these commercial customers are SMMEs, which are critically important for South Africa's economy as they promote sustainable job creation and economic development.

More than 50%[1] of our commercial customers in South Africa classify themselves as SMMEs, while more than 20%[1] classify themselves as entrepreneurs. For most, Stor-Age plays an important role in their daily operations as well as in their growth strategies, now strengthened by the Stor-Age Business Hub that actively supports the continued sustainability of these important commercial customers.

Stor-Age's properties act as business incubators for many, assisting local businesses transition from family home-based operations to larger scale entities that employ more staff and thereby further contribute to the local economy. Data from a recent customer survey indicates that business customers have on average created more than six jobs[2] since starting to store with the Company. When considering that Stor-Age had approximately 8 500 commercial tenants at March 2022, the positive contribution that Stor-Age is indirectly making towards sustainable job creation in South Africa is significant.

During the year the committee oversaw excellent progress on the Group's efforts to promote environmental and social sustainability, while also overseeing the continued enhancement of corporate governance structures.

Further highlights from the year included:

- Concluding the sustainability-linked financing arrangement with Aviva, which included a commitment to develop a net neutral carbon pathway
- Installing new solar PV technology at an additional eight properties
- Supporting six NPOs with a total of approximately 1 600 m^2 of space sponsored during the year
- Partnering with the Kolisi Foundation to secure the donation of more than 1 200 blankets for the less fortunate in South Africa during the winter months in 2021
- Properties acting as drop off points for donated items in support of those affected by the KwaZulu-Natal floods and the Langa fires in Cape Town
- Facilitating a fundraising initiative and matching all donations, in support of staff members who were adversely affected by the floods in KwaZulu-Natal in April 2022
- In support of local economic transformation the Group sponsored a 12-month learnership programme for 12 previously disadvantaged learners in January 2021 (with a second group of learners commencing in January 2022). The learnership programme assists youth with becoming qualified in areas that fall within the scarce and critical skills of South Africa
- Overseeing the completion of a detailed board self-evaluation during the year to identify improvement opportunities that would strengthen corporate governance practices and the board's performance and competence

Read more about our ESG strategy from page 57.

[1] As per customer survey completed in September 2020. Approximately 2 000 + surveys completed.
[2] Commercial customers were asked how many direct jobs their business had created since they began storing with Stor-Age.

SOCIAL AND ETHICS COMMITTEE REPORT (continued)

COVID-19

During the year the committee continued to monitor the impacts of the COVID-19 pandemic on all of our stakeholders. This included overseeing the ongoing implementation and monitoring of the COVID-19 occupational health and safety regulations to ensure the well-being and safety of our employees, customers and the communities in which we operate.

The Company ensured that organisational sustainability was balanced and matched with local economic, social and environmental sustainability practices. Accordingly, the social and ethics committee provided oversight of company-wide actions related to COVID-19.

Stor-Age's primary responsibility remained the safety, health and well-being of all employees and customers. Ongoing attention was placed on increased hygiene and cleanliness across the property portfolio and in the head office, with regular ongoing communication circulated to all employees regarding hygiene and social distancing best practice.

An additional key focus area during the year was the mental well-being of staff, many of whom had to endure significant challenges as a result of the pandemic. The Company continued to roll out a wellness initiative in South Africa focused on encouraging our employees to practice and improve their habits to attain better physical and mental health. A wellness webinar was also hosted during the year, where a well-renowned medical doctor and inspirational speaker shared key insights into both mental and physical health best practices.

To meet employees' needs in response to the significant impact the pandemic has had on daily life, Stor-Age adopted a progressive and open-minded approach to workplace flexibility. The Company formalised a structured and balanced hybrid work model at the head office, where line managers have been given the authority to interact with their teams to determine an optimal working arrangement.

To support the hybrid working model, the Company maintained regular and structured intra-organisational communication through existing communication mediums, reinforcing our Core Values of Excellence, Sustainability, Relevance and Integrity.

The social and ethics committee endeavoured to ensure that the board's responsibilities were fulfilled, risks were meticulously managed and that appropriate support was provided as we continue to manage the pandemic's over-arching impact.

TERMS OF REFERENCE

The committee's duties and responsibilities are set out in a formal terms of reference, which the committee and the board of directors approved.

The main duties of the committee include:

- Social and economic development
- Good corporate citizenship
- The environment, health and public safety
- Customer relationships
- Labour and employment

The committee is further tasked with:

- Reviewing the adequacy and effectiveness of the Company's engagement and interaction with its stakeholders
- Considering substantive national and international regulatory developments as well as best practice in the fields of social and ethics management
- Monitoring the Company's corporate social investment activities
- Determining clearly articulated ethical standards and ensuring that the Company takes measures to adhere to them in all aspects of the business, thus achieving a sustainable corporate culture in the Group.

FUTURE FOCUS AREAS FOR THE COMMITTEE

The priority focus for the committee will be the continued monitoring of the impact of the COVID-19 pandemic on all our stakeholders.

The committee will also continue to oversee the implementation of the transformation plan and the ESG strategy, and continue to oversee the Group's stakeholder engagement processes.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference during the reporting period.

Phakama Mbikwana
Social and ethics committee Chair
29 July 2022

INVESTMENT COMMITTEE REPORT

KEY FUNCTIONS AND RESPONSIBILITIES

The investment committee comprises two executive directors and three non-executive directors. Its primary purpose is to evaluate and, if appropriate, approve potential acquisitions or disposals identified by the executive team.

The committee meets on an ad hoc basis to review investment proposals relating to acquisitions, disposals, new developments and/or substantial redevelopments, while advising on aligning such opportunities to the Group's five-year growth strategy. The authority limit of the committee is for transactions up to and including the lesser of R350 million or 5% of market capitalisation.

The committee makes recommendations to the board regarding proposed transactions that exceed its level of authority.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Graham Blackshaw
Investment committee Chair
29 July 2022