



FY2020

MODERN SLAVERY STATEMENT

CONTENTS

IMPORTANT INFORMATION	3
Identify the Reporting Entities	3
Disclaimer	3
INTRODUCTION.....	4
Purpose and Value of Statement	4
Commitment to Improvement	4
OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS.....	5
Organisational Structure.....	5
Our Operations	5
FY2020 at a Glance	5
How we operate	6
Where we operate	7
Our Supply Chain	8
Major Supply Sectors	8
Direct Suppliers by Country of Incorporation	9
OUR APPROACH.....	10
1. Initial Assessment	10
2. Establishment and Implementation of Plan	11
Operations.....	11
Supply Chain	11
3. Our Management of Modern Slavery Risks	12
Actions to Assess and Address Modern Slavery	12
4. Review of Effectiveness	13
MOVING FORWARD	14
CONSULTATION PROCESS AND BOARD APPROVALS	14

IMPORTANT INFORMATION

REPORTING ENTITIES

National Storage is Australasia's largest self-storage owner-operator, tailoring self-storage solutions to over 80,000 residential and commercial customers at more than 200 storage centres across Australia and New Zealand.

National Storage offers self-storage, business storage, climate-controlled wine storage and trading, vehicle storage, vehicle and trailer hire, packaging supplies and other value-add services.

National Storage Holdings Limited (ACN 166 572 845) ('**NSH**') is an Australian public company limited by shares. National Storage Financial Services Limited (ACN 600 787 246, Australian Financial Services Licence number 475 228) ('**AFSL**') ('**NSFSL**') is the responsible entity for National Storage Property Trust (ARSN 101 227 712) ('**NSPT**'). Each of these entities shares its registered office at Level 16, 1 Eagle Street, Brisbane QLD 4000, Australia.

Together, NSHL and NSPT form the stapled entity National Storage REIT ('**NSR**'), the securities of which are publicly quoted on the Australian Securities Exchange (Australian Securities Exchange: NSR) and comprise one unit in NSPT and its controlled entities ('**NSPT Group**') and one ordinary share in NSH and its controlled entities ('**NSH Group**') ('**Stapled Securities**'). For further details regarding National Storage's controlled entities see page 101 of the Annual Report 2020.

DISCLAIMER

This report contains forward looking statements and forecasts which are not guarantees of future performance and involve known and unknown risks, uncertainties, and other factors, many of which are beyond the control of NSHL and/or NSFSL. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved. Statements regarding past performance are not necessarily indicative of future performance.

This is the Modern Slavery Statement ('**Statement**') made by NSH for the financial year ended 30 June 2020 ('**FY2020**'). This Statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) ('**MSA**' or '**Act**') and identifies the steps taken to assess and address modern slavery risks in our operations and supply chains in FY2020.

In this Statement, references to 'National Storage', 'the Company', 'the Group', 'we', 'our' and 'us' are to NSH and its controlled entities as outlined in the **Annual Report 2020**.

INTRODUCTION

Modern slavery refers to those situations at the extreme end of a spectrum that ranges from decent work to serious criminal exploitation. National Storage adopts the definition of modern slavery under Australia's Modern Slavery Act 2018 (Cth) ('**MSA**').¹

We consider our participation in the ongoing fight against human rights risks in the global community to be of crucial importance to our ability to provide ongoing sustainable value for our stakeholders. We also recognise that to contribute to meaningful and lasting change in relation to human rights risks, we must adopt a proactive, ongoing mindset which aligns with the guidance, knowledge, and practices of internal and external leaders.

PURPOSE AND VALUE OF STATEMENT

The purpose of this statement is to explain the actions we have taken to assess and address risks of modern slavery in our operations and supply chain.

We recognise our responsibility to work collaboratively with our suppliers, contractors, employees, and stakeholders to continually assess and address risks of modern slavery in our supply chain and operational footprint. This aligns with National Storage's core values and commitments.

COMMITMENT TO IMPROVEMENT

National Storage is committed to ongoing work to ensure that modern slavery practices are not present in our operations or supply chains, and we recognise the importance of developing and implementing a model of continual improvement by assessing and addressing risks stemming from our business. This is particularly vital as the world adapts and responds to constant change as recently seen in the COVID-19 pandemic.

This is our first Modern Slavery Statement pursuant to the MSA. As such, we accept that our approach is in its initial stages and will require further development and improvement on an annual basis to effectively mitigate against risks of modern slavery in line with recommendations under guiding principles such as the UN Guiding Principles on Business and Human Rights ('**UNGPs**').²

¹ Section 4 of the MSA defines modern slavery to include trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

² *Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework*, UN Doc HR/PUB/11/04 (16 June 2011).

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

ORGANISATIONAL STRUCTURE

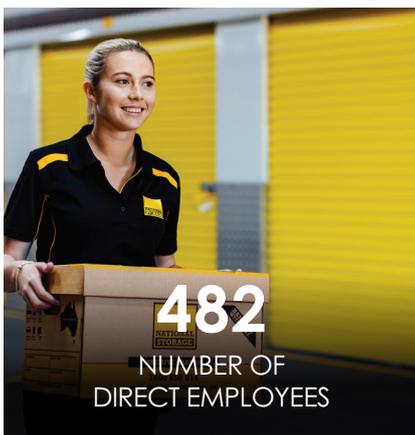
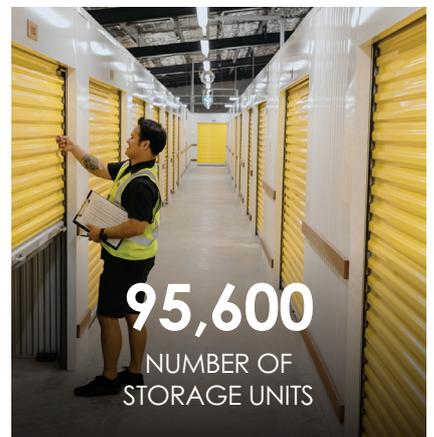
In December 2013, National Storage listed on the ASX forming NSR, the first publicly listed independent, internally managed, and fully integrated owner and operator of self-storage centres in Australia.

NSR is a stapled entity comprising units in NSH and its controlled entities ('NSH Group') and NSPT and its controlled trusts ('NSPT Group'). Both NSH and NSFSL (as the responsible entity for NSPT Group) have identical boards of directors. For further detail on National Storage's controlled entities, please see Page 101 of the **Annual Report 2020**.

OUR OPERATIONS

FY2020 AT A GLANCE

*Figures at 30 June 2020.





HOW WE OPERATE

National Storage's principal operations are based around providing secure, self-managed storage facilities to our customers across our locations in Australia and New Zealand, comprising:

■ Commercial Operation of Self-Storage Facilities

We own and operate storage facilities, providing self-storage solutions and value-add services to our customers.

■ Acquisition of Self-Storage Assets

We execute high-quality acquisitions of self-storage assets as a key part of our growth strategy.

■ Development, Innovation, and Expansion

We identify, negotiate, and deliver strategic development and expansion projects with new technology and innovation.

Our development strategy includes some joint venture investment arrangements. In each joint venture, the structure of each arrangement is such that each party has representation on the advisory board responsible for the overall direction and supervision of each trust.

For further detail on National Storage's joint venture arrangements, please see our [Annual Report 2020](#).

■ Retail Operations

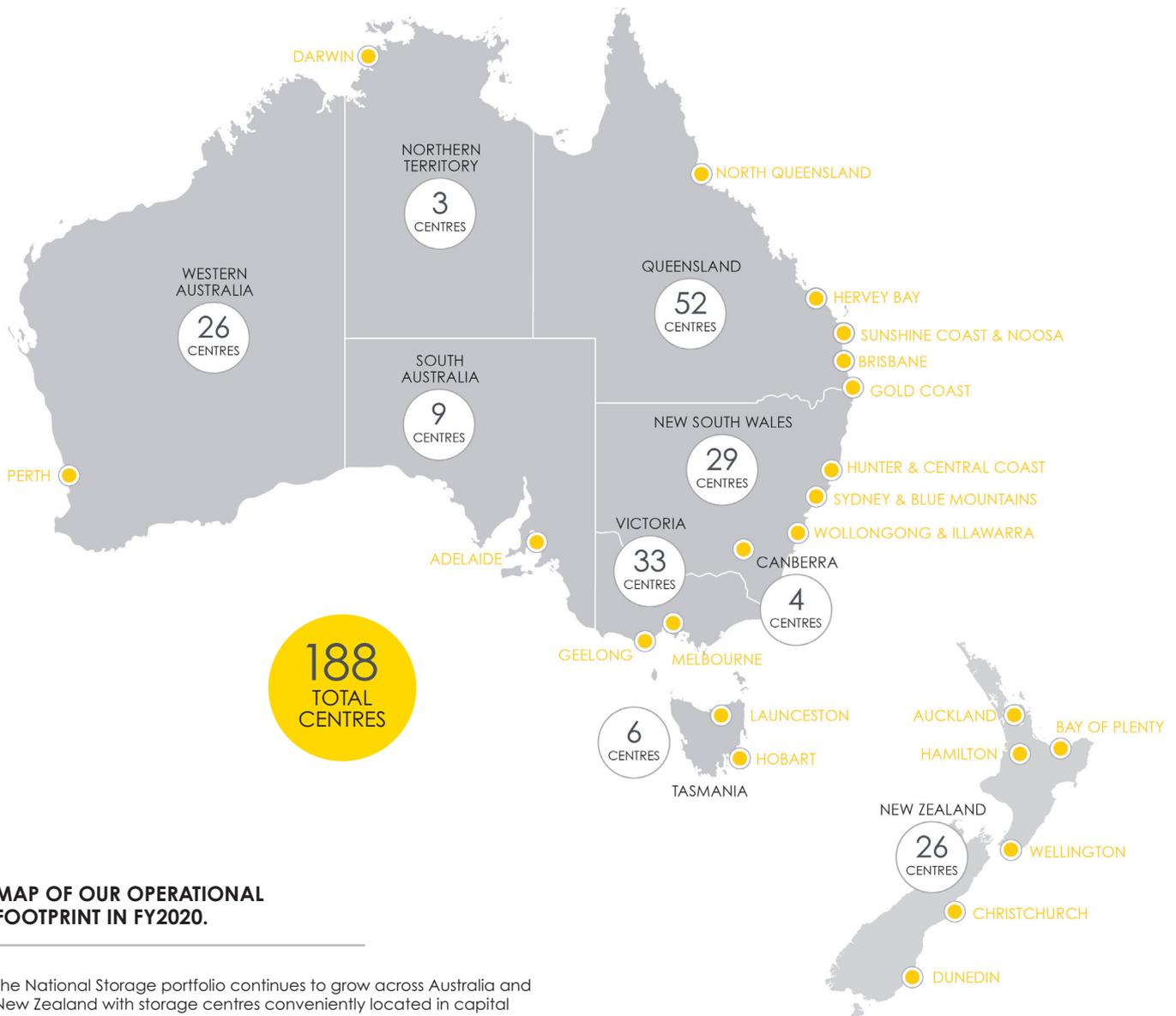
We sell packaging and moving supplies on-site at our storage centres and online via our website.

■ Financial Services License

In accordance with NSFSL's AFSL, we issue securities which are promoted through financial planning, accounting, and stockbroking firms. We do not ourselves provide financial planning services or personal financial product advice to retail investors.

WHERE WE OPERATE

We directly employ approximately 500 staff across our business, the majority of which are employed to operate and manage our self-storage facilities in Australia and New Zealand. The remainder of our staff make up our Head Office and Contact Centre in Brisbane city.



MAP OF OUR OPERATIONAL FOOTPRINT IN FY2020.

The National Storage portfolio continues to grow across Australia and New Zealand with storage centres conveniently located in capital cities and regional areas that exhibit drivers of storage demand.

As at 30 June 2020.

*Map not to scale.

OUR SUPPLY CHAIN

In FY2020, National Storage's supply chain comprised over 1,200 suppliers with a total spend of approximately \$140 million.³ Our global supply network spans 7 countries, but an overwhelming majority of these suppliers and contractors are based in Australia and New Zealand, comprising approximately 98% of our total spend.

MAJOR SUPPLY SECTORS

Aligning with our operations, our supply chain primarily comprises of goods and services (including, but not limited to) from within the following sectors:



CONSTRUCTION & DEVELOPMENT



FACILITIES MANAGEMENT



IT & TECHNOLOGY



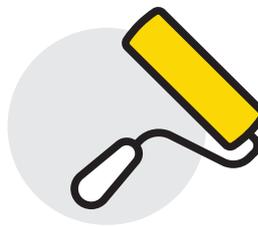
LOGISTICS, TRANSPORTATION & WAREHOUSING



MANUFACTURING & NON-RETAIL CONSUMABLES



PROFESSIONAL SERVICES



PROPERTY MAINTENANCE



RETAIL OPERATIONS & STOCK

³ Total supplier spend is total annual third party spend excluding intracompany transactions, taxes and government charges.

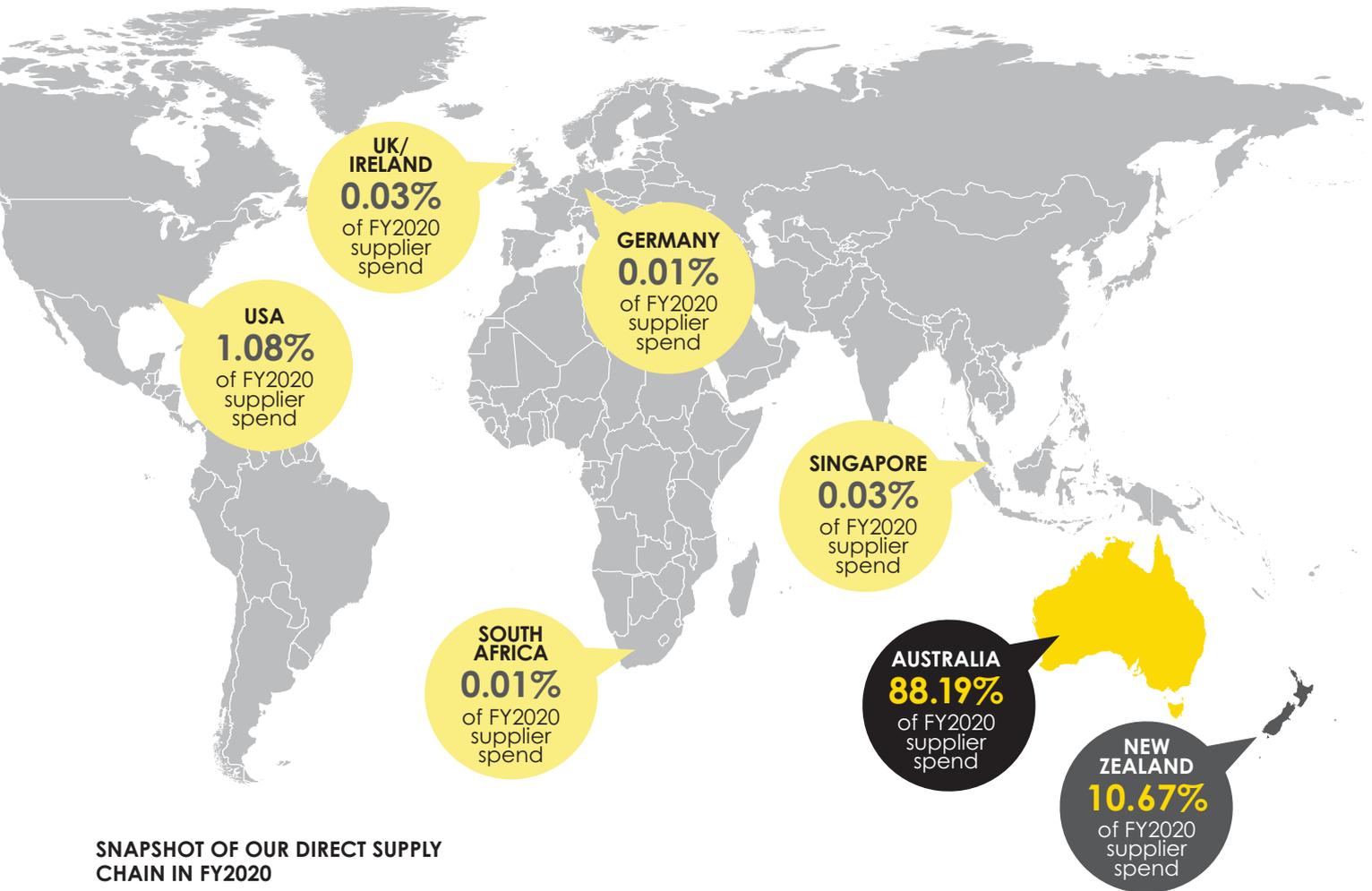
DIRECT SUPPLIERS BY COUNTRY OF INCORPORATION

The map below describes the proportions of our total FY2020 direct supplier spend by supplier location.

Over 98% of our total spend was within Australia and New Zealand, consistent with our operational activities being completely contained within these regions. According to the Global Slavery Index 2018,⁴ the four suppliers based outside of these countries operated in countries with a low-moderate prevalence of modern slavery. These suppliers were identified to be businesses

in digital marketing and professional services including but not limited to recruiting.

As such, we consider that our material risk exposure in our supply chain relates to our indirect suppliers.⁵ We recognise that modern slavery is a global issue that pervades supply chains in all countries around the world. In FY2020, National Storage has accordingly developed a Modern Slavery risk assessment framework which allows us to look further into our local supply chains and implement due diligence and remediation processes, as required.



SNAPSHOT OF OUR DIRECT SUPPLY CHAIN IN FY2020

⁴ Walk Free Foundation, *Global Slavery Index 2018*, available from: www.globalslaveryindex.org.

⁵ Suppliers other than direct suppliers including, but not limited to second, third, and fourth tier suppliers.

OUR APPROACH

In FY2020, we established and created National Storage's phased approach to assess and address potential risk for National Storage to cause, contribute to, or be directly linked to modern slavery in our operations and supply chains.⁶

We consider a phased, sequential approach to be most practical in regard to effecting substantive change in this area. In FY2020, we developed and initiated an approach that requires National Storage to:

1. initially assess modern slavery risks having regard to our operations and supply chain;
2. establish and implement a plan that allows us to prioritise areas that require further investigation based on our findings in step one;
3. action items to manage and mitigate risks of modern slavery practices in our operations; and
4. undertake review of steps one to three regularly to ensure development and evolution of our approach to managing risks associated with modern slavery within our business.

1. INITIAL ASSESSMENT

In line with our Modern Slavery Program, we have undertaken a risk assessment to prioritise management actions in relation to the most 'severe' areas of risk.⁷ The following four key risk factors informed our assessment of the potential risk of modern slavery in relation to our business activities:⁸

- A. geographical location;
- B. economic sector;
- C. resources used in production of goods; and
- D. workforce type.

Modern slavery risk is heightened in circumstances where multiple risk factors combine, thus informing our understanding of the areas of highest risk in relation to our business.

⁶ UNGP (n 2).

⁷ Ibid, Principle 24.

⁸ According to independent modern slavery country vulnerability and risk indices, including the Global Slavery Index 2018 and the Verité Forced Labour Commodity Atlas 2017.

2. ESTABLISHMENT AND IMPLEMENTATION OF PLAN

Operations

One hundred percent of National Storage's direct employees are employed in Australia or New Zealand, both of which have a low potential for modern slavery risks according to the Global Slavery Index 2018. We therefore consider the risk of modern slavery existing within our direct operational environment to be low.

Supply Chain

We consider that material risk of the potential for modern slavery is more likely to apply to our supply chains, with the following areas being those identified as those where there is a greater potential risk of harm to people:

RISK AREA	DESCRIPTION
<p>A. Offshore Suppliers</p>	<p>National Storage understands that its suppliers that operate in offshore locations may be at greater risk of susceptibility to modern slavery on account of their geography and local conditions.</p>
<p>B. Extended Onshore Supply Chain</p>	<p>Risk may arise in extended onshore supply chains which can be found in local suppliers' own operations in low-risk countries. Further investigation into local suppliers' supply networks can be undertaken to increase due diligence activities in this space.</p>
<p>C. Higher Risk Sectors with High Materiality to National Storage Business Activities</p>	<p>Procurement of onshore goods and services includes suppliers that rely on or provide a good or service in economic sectors known to have a higher risk of modern slavery practices. Increasing due diligence and risk management activities with respect to suppliers in high-risk sectors will assist in mitigating risks of modern slavery.</p>

These areas have been flagged and prioritised for further due diligence and risk management actions in FY2021, in line with our Modern Slavery Program.

3. OUR MANAGEMENT OF MODERN SLAVERY RISKS

National Storage is governed by a framework that includes several policies which inform our approach to addressing and managing the risk of modern slavery in our operations and supply chains. Our policy suite, including our Code of Conduct, Risk Management Framework, Whistleblower Policy and anonymous disclosure function, and Anti-Money Laundering & Counter Terrorism Financing Program, contributes to our ability to prevent human rights violations in our business activities. For further details of our policies and procedures, please refer to our [Investor Website](#).

By ensuring that our expectations are transparent and that appropriate mechanisms are in place to address grievances where others' expectations are not met, our policy framework informs our approach to addressing and remediating material risks across the Group, including those related to modern slavery.

Actions to Assess and Address Modern Slavery

During FY2020, National Storage has developed its Modern Slavery Program, which sets out our planned actions to manage risks of modern slavery in the future. We have considered appropriate future actions armed with the knowledge that addressing risks of modern slavery can be a complex evolving process, and so a malleable framework is preferable to allow our approach to adapt as required.

We understand that human rights due diligence is most effective when it occurs on an ongoing basis and is embedded in our formal processes. As such, we have undertaken actions in FY2020 appropriate to identify and assess our most prominent risks of the potential for modern slavery and have developed the frameworks within which to implement management actions in line with our focus areas in the years to come.

Due Diligence

Based on the results of our risk assessment, we have undertaken the following actions in FY2020 to mitigate risks of modern slavery within our operations and supply chain:

■ Training and Risk-Management Capability Expansion

- Internal and External Knowledge Building

We have taken the opportunity in our first reporting year to engage internally and externally to develop our internal knowledge and risk-management capabilities with respect to modern slavery violations.

■ Systems, Management and Controls

- Baseline Review and Assessment

We have undertaken a baseline review of our existing policies, procedures, systems, controls, and mechanisms to identify and manage our risks of modern slavery. The purpose of this review was to identify gaps in the existing systems and develop a systematic plan to address these gaps and uplift existing mechanisms.

This review includes and informs the ongoing development and review of our Modern Slavery Program, the actions of which are designed to systematically uplift and improve our policy response and commitment to managing risks of modern slavery.

- Application of Risk Management Framework

Applying our NSH Group Risk Management Framework ('**Framework**') allows us to identify, assess and manage risks that we are exposed to across our operational, financial, strategic and compliance levels. With oversight from the NSH Board's Risk and Audit Committees, this Framework has provided a common baseline from which to assess the risk of modern slavery within National Storage's operations and supply chain.

■ Supplier Engagement

- Assessment and Identification of Suppliers for Further Due Diligence

We have applied our modern slavery risk assessment within the overarching Framework to assess our suppliers and identify risk areas for further due diligence activities in FY2021. The results of this risk assessment have informed the actions taken in FY2020 and those set to be implemented in FY2021.

- Development of Supplier Modern Slavery Questionnaire

In conjunction with this due diligence, we have developed in FY2020 our standardised Supplier Modern Slavery Questionnaire (**SMSQ**). Where higher risk suppliers are identified under our risk assessment, we will typically require such suppliers to complete our SMSQ. Our internal management team will then review the questionnaire responses to determine the appropriate next steps based on, but not limited to, the level of modern slavery risks and the business relationship.

Remediation

National Storage did not identify any specific instances of modern slavery in our supply chains or operations in FY2020. However, as we consider that our higher material risk may lie within our indirect supplier tiers, we have accordingly commenced the establishment of a remediation framework which allows us to better address the higher risks of modern slavery identified by our risk assessment and due diligence actions.

Our actions during FY2020 to establish our remediation framework include:

■ Development of Supplier Code

We have commissioned the development of a National Storage Supplier Code, which will set out the minimum requirements and expectations of each of our suppliers.

■ Whistleblower Services Review

We have investigated the potential and necessity for an update to our whistleblower service to include specific reference to human-rights-related grievances to further empower complainants to report suspected or actual wrongdoing in these areas.

4. REVIEW OF EFFECTIVENESS

In FY2020, we undertook the following measures to assess the effectiveness of our actions in response to modern slavery risks:

■ Internal and External Review

We review our internal governance mechanisms on a regular basis to ensure their continued appropriateness in relation to our business. We will continue to engage externally where possible to ensure our actions remain effective in line with developments in best practice and international understanding of modern slavery issues.

■ Development of Program

In FY2020, we have accordingly developed our Modern Slavery Program to track and advance our actions to mitigate modern slavery risk in the future.

As outlined above in the 'Our Approach' section, a sequential, phased approach which assesses our improvement in four key areas in line with the mandatory criteria contained in the MSA has been adopted. Improvement will be tracked and measured through a combination of qualitative and quantitative data.⁹ We will report against this program in our forthcoming Modern Slavery Statements and in our Annual Sustainability Report.

⁹ UNGP (n 2) Principle 20.

MOVING FORWARD

We acknowledge that this is our first Modern Slavery Statement, and we recognise the necessity to approach future statements with continuous improvement as a core focus.

In line with our Modern Slavery Program, in FY2021 we plan to focus upon progressing the following actions:

■ Training and Risk Management Capability Expansion

- High-level training provided across upper management.
- Development and implementation of modern slavery and human rights training program to be undertaken across crucial areas of the business.

■ Systems, Management and Controls

- Development and implementation of systems and controls to supplement existing mechanisms.
- Uplift of existing systems and controls in line with results of FY2020 baseline review.

■ Enhancing Supplier Engagement

- Implementation of SMSQ to identified higher risk areas.
- Review and assessment of responses to SMSQ to gauge appropriate next steps.

■ Remediation and Grievance Mechanisms

- Uplift of whistleblower mechanism.
- Implementation of Supplier Code of Conduct.

CONSULTATION PROCESS AND BOARD APPROVALS

This statement was prepared by our Legal and Governance Team, with input from our Acquisitions and Development, Finance, Human Resources, Information Technology, Marketing, Revenue Generation, and Property teams.

The NSH Board Risk Committee will retain oversight of the risk profile of NSH and NSR as provided for under our Risk Management Framework and Risk Committee Charter.

The boards of NSH and each of its related entities share common directors.

This statement was approved by the board of National Storage Holdings Limited on 22 February 2021 on behalf of it and its controlled entities.



Claire Fidler
National Storage Holdings Limited – Executive Director,
Head of Legal & Governance

CORPORATE DIRECTORY

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

Responsible Entity of NSPT

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

Directors

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

Company Secretary

Claire Fidler

Registered Office

Level 16, 1 Eagle Street,
Brisbane QLD 4000

Principal Place of Business

Level 16, 1 Eagle Street,
Brisbane QLD 4000

Share Registry

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067

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

