

2019 ENVIRONMENTAL SOCIAL GOVERNANCE REPORT











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Information in this report is as of December 31, 2019, except as otherwise noted.

For any questions or inquiries regarding this report, please contact George Hoglund, Vice President of Investor Relations at ghoglund@nsareit.net.

Design: www.wmkagency.com



























SPACE













OUR COMMITMENT TO ESG

WE ARE COMMITTED TO CONDUCTING BUSINESS ACCORDING TO OUR CORE VALUES OF INTEGRITY. ACCOUNTABILITY. HUMILITY AND COMPASSION THAT BENEFIT ALL OF OUR STAKEHOLDERS AND THAT ARE INTENDED TO MITIGATE OUR OVERALL IMPACT ON THE ENVIRONMENT. WE HAVE CONDUCTED OUR BUSINESS IN THIS MANNER SINCE FORMATION, AND WE RECOGNIZE THAT AN INCREASED LEVEL OF DISCLOSURE SURROUNDING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INITIATIVES ARE BECOMING INCREASINGLY IMPORTANT, THIS INAUGURAL ESG REPORT IS INTENDED TO MARK THE BEGINNING OF OUR FORMAL EFFORTS TO COMMUNICATE OUR ACHIEVEMENTS WITH ALL OF OUR STAKEHOLDERS.



LETTER FROM TAMARA FISCHER, CEO:



Tamara Fischer

TAMARA FISCHER (1) PRESIDENT AND CHIEF EXECUTIVE OFFICER

"OUR FSG INITIATIVES ARE NOT ONLY GOOD FOR THE ENVIRONMENT. OUR EMPLOYEES AND OUR COMMUNITIES. BUT ALSO GOOD FOR BUSINESS."

As a company with strong values, we at NSA are committed to operating in a manner that is environmentally friendly, socially responsible and with a high degree of integrity as it relates to corporate governance. We are thoughtful about how we interact with our customers, employees and the broader communities where we operate. Our shared core values are present in every aspect of our interactions with all stakeholders. Although these core values have been key to NSA's growth and success since inception, we have only recently begun to formalize, track and communicate our efforts.

In 2019 we formed our Environmental, Social and Governance ("ESG") Steering Committee. Our ESG Steering Committee was formed to support the Company's ongoing commitment to environmental, health and safety, social responsibility, corporate governance, sustainability and other public policy matters. The ESG Committee includes representatives from key functional areas across the company. The Committee meets periodically and reports to the Compensation, Nominating and Corporate Governance Committee (the "CNCG Committee") of the Board of Trustees (the "Board"). And moving forward, you can expect us to continue to make enhancements to our ESG strategy, including how we go about tracking and sharing our efforts. We welcome dialogue from all of our stakeholders regarding our ESG initiatives.

One point I would like to emphasize is that our ESG initiatives are not only good for the environment, our employees and our communities, but also good for business. We evaluate all of our sustainability investments within a framework of what benefits all stakeholders. While we are proud of what we have accomplished to date, we look forward to our future successes on this front and communicating these achievements with everyone.

COMPANY AT A GLANCE

National Storage Affiliates Trust ("NSA") is a Maryland real estate investment trust focused on the ownership, operation and acquisition of self storage properties located within the top 100 metropolitan statistical areas throughout the United States. As of December 31, 2019, the Company held ownership interests in and operated 742 self storage properties located in 35 states and Puerto Rico with approximately 47 million rentable square feet. NSA is included in the MSCI US REIT Index (RMS/RMZ), the Russell 2000 Index of Companies and the S&P SmallCap 600 Index.

FAST FACTS



Formed in 2013



Owns and manages 742 properties totaling approximately 47 million square feet⁽¹⁾



459 employees



IPO on April 23, 2015



Well diversified in 35 states plus Puerto Rico⁽¹⁾



218% total shareholder return since IPO



Headquartered in Greenwood Village, CO



The 6th largest U.S. operator of self storage properties(2)



Unique Participating Regional Operator ("PRO") structure facilitates sector leading growth and aligns interests of PROs with common shareholders



% of NSA properties

5-10% 2-5%

NSA's unique PRO structure facilitates robust portfolio growth, while mitigating downside risk for common shareholders. Although the self storage sector is commonly recognized by investors as being recession-resilient, NSA's unique structure further enhances the stability of funds from operations and dividends to common shareholders.

⁽¹⁾ Includes 175 properties NSA manages through its joint ventures, in which NSA has a 25% ownership interest. Property information as of December 31, 2019.

⁽²⁾ Source: 2020 Self Storage Almanac

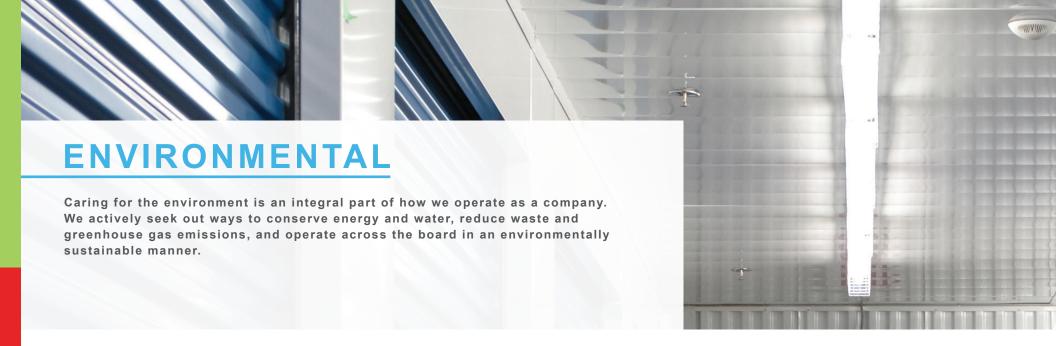
ESG INTRODUCTION

"AS A COMPANY WITH STRONG VALUES, WE ARE COMMITTED TO OPERATING IN A MANNER THAT IS ENVIRONMENTALLY FRIENDLY, SOCIALLY RESPONSIBLE AND WITH A HIGH DEGREE OF INTEGRITY AS IT RELATES TO CORPORATE GOVERNANCE."









LED Lighting Initiative

implemented in October 2018 and continues through fiscal year 2020:



300+ LED Retrofit **Projects Completed**



6M+ kWh (Estimated Annual Energy Savings)



Target 12%+ IRRs on Retrofit Projects

This initiative was put in place to retrofit our existing lighting fixtures across our portfolio to more energy efficient lighting. To date, we have made significant progress having retrofitted over 300 facilities representing over 40% of our portfolio. Not only is this an efficient way to reduce energy consumption and greenhouse gas emissions, the new LED lighting also saves us money over the long term, which represents a tangible benefit for all stakeholders.



Motion Sensor Lighting

In addition to our LED lighting initiative, we have also installed motion sensors at a majority of our facilities which also drives reduced energy consumption, reduced greenhouse gas emissions and reduced energy bills.



Right Sizing Waste Containers

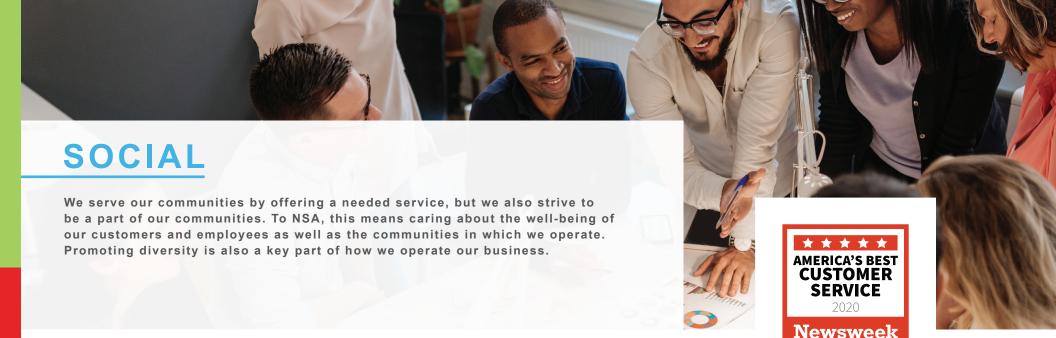
In an effort to optimize our waste management needs, we have recently begun an initiative to right size our waste containers and reduce the frequency of pick-up in an effort to reduce greenhouse gas emissions and generate cost savings.



Water Conservation Efforts

Despite self storage facilities already being very low consumers of water, we continue to look for ways to conserve this valuable resource. We utilize water-saving plumbing devices and focus on incorporating landscaping features which require minimal water usage.





Diversity & Inclusion

Our team of 459 employees is our most important asset. We seek to foster a diverse and inclusive work environment that values each individual's talents and contributions. while channeling those efforts toward our common goals. We respect and celebrate our cultural and gender diversity, and are proud to highlight the following:

- → CEO Tamara Fischer is one of just 10 female CEOs out of over 200 public U.S. REITs (per FPL Associates)
- → 20% of our trustees are women

Approximately:

- → 35% of our senior management team (Director level and above) are women
- → 56% of our employees are women
- → 16% of our employees are African American

Employee Training & Development

The Learning and Development department supports the development of a high-performing workforce to drive operational results, improve retention rates and increase employee engagement. We provide effective, efficient, and engaging learning solutions that help our employees train for today, learn for tomorrow, and develop for the future.

Exceptional Benefits Package for Employees

NSA is committed to treating its team members as family. Our team members enjoy a robust benefit package that includes medical, dental, vision, life insurance, 401K with matching employer contribution and a performance-based bonus incentive plan. Our team members also enjoy employee discount programs, a Wellness Reimbursement benefit and an Employee Assistance Program.

Newsweek Best Customer Service Award ()

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statista 🗹

NSA was recognized by Newsweek Media as one of America's Best Customer Service Brands for 2020. The distinction was based on an independent survey of more than 20,000 U.S. customers conducted by global research firm Statista, which ranked retailers and service providers in 160 categories overall. The complete list distinguishes NSA as the #1 customer service provider in the Storage Centers category and places NSA in the Top 10 amongst all companies for customer service overall.



Donated **Storage Units**

We regularly donate storage units for charitable use. In 2019, we donated storage units to a number of charities, including the following: American Red Cross, Bikes for Tykes, St. Louis Blues Blind Hockey Club, Mission in Citrus, Vietnam Veterans Association, Boy Scouts of America, American Cancer Society, and YMCA.

Junior **Achievement**

Members of NSA's senior management team volunteered their time in 2019 to Junior Achievement-Rocky Mountain, Inc. (JA), which is dedicated to inspiring and preparing young people to succeed in a global economy. Through a dedicated volunteer network, JA provides programs for students which focus on three key content areas: entrepreneurship, financial literacy and work readiness.

Adopt a Family

A tradition here at NSA, every holiday season we participate in an adopt a family program. In 2019, we participated in the adopt a family program through Denver Human Services (DHS). DHS case workers nominate families with open child protection cases, foster families, recently closed adoptions and kinship families. This past year we sponsored a family of six, fulfilling the family's wish list, while also matching donations made by our employees.









NSA is committed to conducting its business with integrity, and in compliance with all applicable laws, rules, regulations and policies. We are also committed to promoting diversity among our management, board and employees. Our commitment to these ethical principals extends to those we do business with as well.

Our corporate governance framework includes the following highlights:

Independence and Compliance Stock Guidelines ♦ 8 of 10 trustee nominees are independent Robust minimum equity ownership guidelines Separate chairman and chief executive Prohibition against hedging the value of officer roles Company securities Other Governance All trustees are elected annually Majority voting in uncontested Clawback policy for previously paid executive elections compensation Experienced and dedicated lead No excise tax gross-ups on payments made in independent trustee connection with a change of control Composition Active shareholder outreach program 20% female trustees Equityholders may amend bylaws Three Audit Committee financial experts ESG Committee reports to Board of Trustees Mix of director tenure, skills, and background Opted out of Maryland's unsolicited takeover that provides a balance of experience and act (which we may not opt into without institutional knowledge shareholder approval) and control share acquisition statute No shareholder rights "poison pill" plan



Vendor Attestation Form

NSA is committed to conducting business in an ethical manner that benefits our stakeholders and which is intended to mitigate our overall impact on the environment. In this regard, it is important to us that our vendors operate in a similar manner. As such, NSA has implemented a Vendor Attestation program asking our vendors to confirm their commitment to operate in a similar manner.



Enterprise Risk Management

NSA has a robust Enterprise Risk Management framework that includes oversight from several groups, including:

Risk Management Committee:

- Comprised of a cross section of management, including Legal, Finance, Accounting, Operations, Internal Audit and IT
- Identifies, evaluates, monitors, and develops plans to mitigate tactical risks
- → Periodically reports to Audit Committee

Audit Committee:

- Reviews our risk assessment and risk management policies and processes
- → Discusses and evaluates key tactical risks identified by management

ESG Committee:

Assists our board of trustees and executive management in connection with identifying, developing, implementing and monitoring corporate responsibility initiatives

Board of Trustees:

Discusses and evaluates strategic risks with management

A unique attribute of NSA's governance framework is the PRO Advisory Committee, comprised of seven members including an officer of the Company appointed by the Board of Trustees (currently CEO Tamara Fischer), a representative from each of the four founding PROs, and two representatives from the Company's non-founding PROs.

This Committee reviews and recommends to the Board and/or the Investment Committee, annual operating and capital budgets and potential acquisitions and dispositions, and performs other duties that the Board may delegate to the committee. In addition, the committee is responsible for monitoring and reporting to management and the Board on matters pertaining to the performance of each PRO.

BOARD COMMITMENT TO ESG

"THE CNCG COMMITTEE IS DEDICATED TO OVERSEEING
AND ENCOURAGING NSA'S EFFORTS ON THE ESG FRONT.

DEDICATION TO OUR EVOLVING ESG PROGRAM IS GOOD
FOR BUSINESS OVERALL—CUSTOMERS, EMPLOYEES,
VENDORS, FINANCIAL STAKEHOLDERS AND THE COMMUNITIES
IN WHICH WE OPERATE. REST ASSURED, THE BOARD OF
TRUSTEES VIEWS THESE INITIATIVES AS A KEY PRIORITY."



GEORGE CHAPMAN (1)
TRUSTEE AND CNCG COMMITTEE CHAIR

BOARD OF TRUSTEES



ARLEN NORDHAGEN (1) Executive Chairman of the Board of Trustees



TAMARA FISCHER (1)
President, Chief Executive
Officer and Trustee



GEORGE CHAPMAN 1
Trustee and Compensation,
Nominating and Corporate
Governance Committee Chair



PAUL HYLBERT, JR. (1)
Lead Independent Trustee



CHAD MEISINGER ()
Trustee



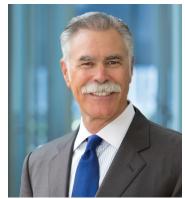
STEVEN OSGOOD ()Trustee and Investment
Committee Chair



DOMINIC PALAZZO (1)
Trustee and Audit
Committee Chair



REBECCA STEINFORT ()
Trustee



MARK VAN MOURICK (1)
Trustee



J. TIMOTHY WARREN (1)
Trustee



NSA'S PARTICIPATING REGIONAL OPERATORS AND BRANDS 1

GUARDIAN STORAGE

























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