

Chief Executive's Statement

We are pleased to have delivered another year of revenue and EBITDA growth against a weaker demand environment, demonstrating the resilience of our business model.

Trading

Although activity levels were subdued in the first three quarters of the year, we have seen a recovery in the fourth quarter, which has continued into the current year.

Given this weaker demand environment, we continued to use rental growth, both to new and existing customers, to drive revenue, and over the year our average rate growth was 7.5% down from 9.8% in 2023. In addition, we have also reduced our increases to existing customers in the fourth quarter, reflective of a moderating inflationary environment.

Our principal objective in the current year, in an improving demand environment, is to drive occupancy and have it make a meaningful contribution to revenue growth which has not been the case over the last two years. Since the year end, we have seen continued growth in occupancy, and our total occupied space today is now broadly in line with last year, with current like-for-like occupancy now down 0.7 ppts compared to the same period last year.

The main driver in this current improvement in demand is from domestic customers, who currently represent 68% of revenue and 63% of occupied space. We believe this to be from a combination of improving consumer confidence in a lower inflationary environment with real wage growth and improving activity levels in the housing market since the new year; one barometer being mortgage approvals to the owner-occupied market, which have recovered; in essence more decisions are being made. Our business occupancy is largely flat since the half year, but again we are beginning to see more demand, with prospects largely flat, but move-ins up 2% since the start of January. Demand from national customers (4% of our total revenue) continues to be robust, with revenue growth year-on-year of 13%. Businesses currently occupy 37% of space, unchanged from last year.

Over the year, revenue growth from our London and South East stores (75% of our business) has outperformed the regions, however we saw an improved performance in the regions in the fourth quarter which has continued into the current year.

Investment in our operating platform and systems

Self storage operators are providers of secure storage, and in adopting automation it is important not to lose sight of keeping our customers and their possessions safe and secure. This requires an investment in technology and automation, physical security, and in our view most importantly having team members present in the centre during normal retail hours.

We will continue to invest in the security of our stores through providing individually alarmed rooms/24 hours CCTV, monitoring of our stores overnight and most importantly restricting which of our customers have access to our stores when there are no team members present. About 15% of our customers – typically businesses providing services and online traders – use and pay for out of hours access, the balance of our customers are happy to use the centres during normal trading hours, and all our feedback indicates that they appreciate having team members present at the store.

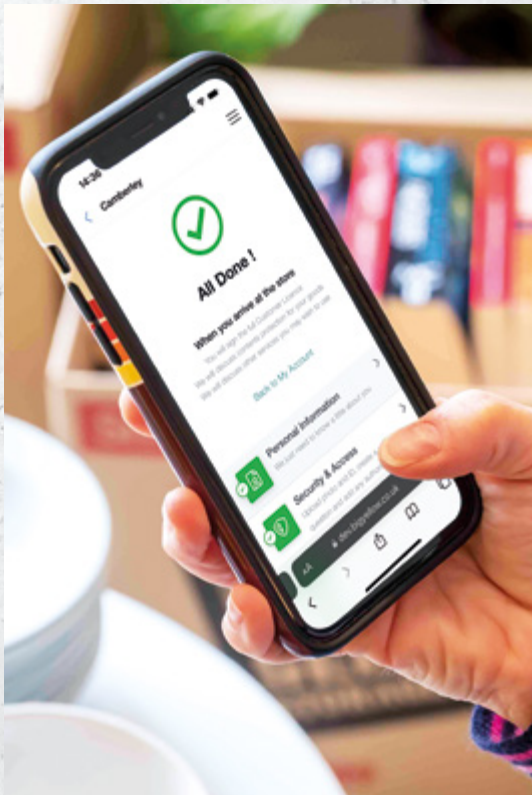
Our store operating model is analogous to the car rental market. New customers can select and reserve rooms and check-in online, including uploading ID, all prior to arriving at a store. In essence the onboarding process is online, however, our team members double check the customer ID, review insurance, and take payment in store. In addition to dealing with any issues and providing customer service, store team members are also required to carry out due diligence tasks, prepare vacated rooms for new customers, accept deliveries for our business customers, optimise contents cover and packing material sales, follow up on prospects and reservations, and importantly to identify and refuse custom to suspicious prospects.

AI is a technology that enables machines to learn from data and perform tasks that normally require human intelligence. AI can be classified into two types: rules-based and machine learning systems. The rules-based manipulation of data to, for example, manage our dynamic pricing, is something that we have done for several years in our business and will continue to invest in and improve. Other examples would include the manipulation of data to provide reporting and alerts to speed up and improve decision making, leading to efficiencies, and we use this across the business. An example in the stores is the automatic tracking of competitor pricing using an external data supplier providing alerts to both stores and operational management. We are also using the significant data from customer use of stores to provide alerts to us on unusual behaviours that require attention to our overnight monitoring centre and store teams, so improving security.

Generative AI is used throughout the business, particularly in relation to content and ideas creation, examples being in marketing or the development of procedures and training modules. What always must be remembered is that those using these models are still required to be the editor to achieve optimal results, but of no doubt there is the potential for significant and continuing efficiency gains. A more detailed summary of how AI is used within the business is included in the Operating Review.

Examples of using AI to drive operational efficiencies

- Manage our dynamic pricing
- Improve data reporting and decision making
- Tracking and alerting of competitor pricing changes
- Provide security alerts on unusual customer behaviour
- Assist in the creation of customer facing content
- Improve internal communications and training
- Improve the effectiveness of our digital marketing
- Automation of customer communications
- AI is embedded in our cyber security and defense tools
- Improving the onboarding of customers and new employees
- Measuring our call centre performance and improving call quality



We continue to invest in improving our web journey, with more automation of prospect handling through to reservation and check-in, with regular communication both by email and text. 93% of our prospects come through our digital channels (we still have customers whose first contact is at the store or over the phone). 66% of visits are from mobile devices, and the balance is portable and desktop computers. Interestingly, this has remained stable in recent years, and we have not seen the continued drive to smart phones as was expected, which is possibly a reflection of prospects searching using desktop computers or portables either while working from home or during the day while at work.

The cyber threat remains, and we continue to invest in our digital security, and review the effectiveness of all the tools we deploy.

People

Our progress this year once again reflects the steadfast commitment and hard work of our people.

Since January 2023, the level of staff turnover and vacancies in the business started to decline, with a reduction in leavers. Our current staff turnover and level of vacancies continues to be at relatively low levels, which is encouraging.

We have also carried out a review of our store staffing structure and have not been replacing certain positions, reducing our average headcount in stores, with an annualised saving including on-costs of £0.4 million – a benefit of the improved automation in the business. As mentioned above, the delivery of customer service and the security of our stores is paramount, and hence having team members in our stores for part of the day will always be required.

We carried out an employee engagement survey using external consultants last summer and were very pleased with the results. The engagement score across the business was a record 88%, with a significantly improved participation rate of 92% from the previous survey in 2021. This was an excellent result, reflective of a key priority for the business, which is its culture.

Chief Executive's Statement continued



We continue to believe that the customer experience and the service delivered by our store teams is a critical and differentiating success factor, particularly with those customers who are regular users of our facilities. A retail measure is a net promoter score, and our average over the year for move-ins and move-outs was 80.5 (2023: 78.9), a very creditable result.

We continue to make improvements to our culture and practices in respect of diversity, and these are set out in our Gender and Inclusivity Report, which is available on our corporate website, and has been formally filed for 2023. We formalised a Diversity and Inclusivity Committee in 2020, with representation from colleagues from throughout the business, and I am also a standing member of the Committee, as I believe diversity has a positive impact on our culture and performance.

ESG

The Big Yellow Foundation, which was launched in 2018 is our principal vehicle for delivering social good, with the cause being the rehabilitation of vulnerable people into work. The Company matches all money raised from customers at move-in and move-out and from fundraising from our team members. In the year we have raised a record £298,000 for the Foundation, and we provided £256,000 of funding to our seven charity partners, with the total to date now over £1.0 million.

We have an initiative of providing 12 week work placements to candidates from some of our partner charities, and over the year 12 placements were carried out at several of our stores. This can be life changing for some in improving their confidence and work chances, and we have also found it to be particularly rewarding to our store teams.

We have also over the years provided space to local charities and community groups in each of our stores; at present we support on average two charities per store this way. The recent refinancing of our bank facility is aligned with this strategy and includes social targets for both the Foundation and the provision of space to local charities.

I mentioned the solar retrofit programme last year, which is a £25 million investment, of which £13.6 million has been spent to date. Progress has been very good, and as of now we have completed the retrofit of 35 stores. Our current installed solar capacity is 6.6 Megawatts, an increase of 47% over the year. We estimate that this is currently saving the business £0.6 million per year. This will continue to increase as we make further progress towards our objective of being self-sufficient in renewable energy.

We will be trialling a new battery at our Slough Farnham Road store, using the electricity that we generate at our stores more efficiently, with less being sold to the grid. If this is successful we will then look to adopt this in new stores, which will see further battery improvement and reduction in costs. We will also be looking at how we can retrofit it into existing stores, all designed to improve the efficiency of our energy usage. Energy costs represent 5% of operating costs (c. £25,000 per store), and we aim to continue to reduce this.



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Our business model, market-leading brand and operating platform has delivered a resilient performance over recent years, and we remain confident that it will continue to deliver attractive and sustainable returns over the medium to long term.

The investment in solar improves the EPC rating in our stores. There is a requirement to have all stores with an EPC rating of A to C by 2025 and A to B by 2030. At present all but one of our stores is A to C, and we have plans in place to install solar at that store to meet the 2025 requirement. For the 2030 requirement, the majority of stores already meet it, and there are plans for all stores to be A or B rated by 2028. Much of the improvement is being driven by the investment in solar and also through removing gas boilers.

Further detail, including progress on our Science Based Targets, is included in the ESG Report.

Summary

Our business model, market-leading brand and operating platform has delivered a resilient performance over recent years, and we remain confident that it will continue to deliver attractive and sustainable returns over the medium to long term. As we enter our historically stronger summer trading period, we are looking forward to another year of growth.

Jim Gibson
Chief Executive Officer

20 May 2024

Our Strategy

Our strategy from the outset has been to develop Big Yellow into the market-leading self storage brand, delivering excellent customer service, investing in sustainability and our market-leading operating platform and digital channels, with a great culture and highly motivated employees.

We concentrate on developing our stores in main road locations with high visibility, where our distinctive branding generates high awareness of Big Yellow.

Creating shareholder value

We continue to believe that the medium-term opportunity to create shareholder value consists of driving revenue and cash flow from our existing portfolio through continued investment in sustainability, our people, culture, and digital operating and marketing platforms. In addition, we aim to deliver external growth as new stores open through continued investment in our development pipeline, and selectively acquiring existing storage centres from smaller operators. As a REIT our key financial objective is to produce sustainable returns for shareholders through a relatively low leverage, low volatility, high distribution business. In addition, any successful business must have an effective sustainability strategy, particularly around climate change, and this continues to be a key strategic focus for our business.

Real estate

The other main plank of our strategy has been to build a portfolio of large purpose-built freehold self storage centres, focussed on London, the South East and other large urban conurbations. We believe that by owning a predominantly freehold estate we are insulating ourselves against: economic downturns as we operate at higher margins; adverse rent reviews; and in the long-term possible redevelopment of key stores by the landlord. It also provides us financing flexibility as rent is a form of gearing.

Approximately 60% of our current annualised store revenue derives from within the M25; for London and the South East, the proportion of current annualised store revenue is 75%. With our store development pipeline largely in London and the South East, we would expect these proportions to increase over the medium term.

New supply and competition is a key risk to our business model, hence our weighting to London and its commuter towns, where barriers to entry in terms of competition for land and difficulty around obtaining planning are highest. We continue to see limited new supply growth in our key areas of operation. Looking back over the last five years, we estimate capacity growth in London of approximately 2-3% per annum. In 2023, there have been eight store openings in London (including our Kings Cross store), and we anticipate four new stores in London in 2024.

Our stores are on average 59,000 sq ft, compared to an industry average of approximately 30,000 sq ft (source: UK Self Storage Association 2024 Annual Survey). The upside from filling our larger than average sized stores is, in our view, only possible in large metropolitan markets. As our operating costs are relatively fixed, larger stores in bigger urban conurbations, particularly London, drive higher revenues and higher operating margins.

Capital structure

Following the Global Financial Crisis and the ensuing economic recession, we have materially reduced the financial risk within the business and diversified our sources of debt, whilst at the same time, increasing our store platform by deploying significant capital investment. We measure leverage by looking at our interest cover and that has increased from 1.9 times in 2008 to 5.6 times for the year ended 31 March 2024, and our objective is to not let this fall below 5 times, compared to the consolidated EBITDA covenant of 1.5 times. We also look at our debt to EBITDA ratio, which is currently 3 times, and we seek to maintain this in the range of three to four times. We manage this business on the basis that an external economic shock could potentially happen at any time. This is reinforced by the performance of the business during the pandemic, where we delivered a strong trading performance whilst at the same time continuing to invest and expand.

Self storage demand drivers

Economic activity and change are key drivers of self storage demand and are greatest in the larger urban conurbations, and in particular London and the South East. The structural changes consisting of the conversion of ex-industrial brownfield land to other uses, in particular residential; the reduction in home ownership and increased proportion of those choosing to rent; increasing density of living with new properties being built with optimised living space and very little provision for storage; will continue and are resulting in increased demand for our product. These changes have resulted in a significant shortage of available warehousing space, particularly in London, which has been accentuated by the current crisis. Self storage provides a convenient flexible solution to businesses such as online retailers, importers and exporters, service providers, the public sector, and marketing companies looking for mini-warehousing space.

In addition to domestic customers taking space to declutter their homes, our largest customer base is those using us short-term around an event, such as moving home, refurbishment, inheritance, household formation, separation, relocation, and students.

Resilience

The location of our stores, brand, security, and most importantly customer service, together with the diversity of use in our 73,000 occupied rooms, serve better than any lease contract in providing income security.

The business proved to be relatively resilient, but not immune during the Global Financial Crisis and recession of 2007 to 2009, with London and the South East proving to be less volatile. Since 2020, the Group has grown its revenue by 54%.

80% of our customers pay by direct debit, and our cash collection has remained robust over recent years.

We focus on the following key areas:

1. Digital execution

Leveraging our market-leading brand position to generate new prospects, principally from our digital, mobile and desktop platforms

2. Customer experience

Focusing on training, selling skills, and customer satisfaction to maximise prospect conversion and referrals

3. Driving revenue

Growing occupancy and net rent to drive revenue optimally at each store

4. Cost control

Maintaining a focus on cost control, so revenue growth is transmitted through to earnings growth

5. Increasing footprint

Increasing the footprint of the Big Yellow platform principally through new site development and where possible existing prime freehold stores that meet our quality criteria

6. Expanding Armadillo

Selectively acquiring existing self storage assets into the Armadillo platform

7. Sustainability

Through our environmental initiatives, aim to create a more sustainable business which will increase shareholder and customer value in both the medium and long-term

8. Social initiatives

Through our social initiatives, we support local charities with free storage space and help vulnerable adults get back into the workplace through the Big Yellow Foundation

9. Culture

Maintaining Big Yellow's culture as an accessible, apolitical, inclusive, non-hierarchical, socially responsible, and enjoyable place to work

10. Conservative capital structure

Maintaining a conservative capital structure in the business with Group debt to EBITDA in the range of three to four times

Our Investment Case

In the twenty four years since flotation in May 2000, Big Yellow has delivered a Total Shareholder Return ("TSR"), including dividends reinvested, of 13.6% per annum, in aggregate 1,770.4% at the closing price of 1,064p on 31 March 2024. This compares to 4.8% per annum for the FTSE Real Estate Index and 5.4% per annum for the FTSE All Share index over the same period. We feel this illustrates the power of compounding of consistent incremental returns over the longer term.

Our values

Helpfulness

Big Yellow exists to help people out and relieve pressure in their lives. We constantly strive to make our customers' lives easier.

Empathy

We always listen and put ourselves in the position of the individual we are serving, understanding how exactly we can lighten their load.

Flexibility

We are always flexible and adapt our service to best suit the needs and the desires of our customers.

Innovativeness

We strive to innovate to help drive our business forward and we never accept the status quo.

Integrity

We approach everything we do with a commitment to doing right. This goes beyond our customers to include our people, local communities and the environment.

How we deliver value

Attractive market dynamics

- UK self storage penetration in key urban conurbations remains relatively low
- Limited new supply coming onto the market
- Resilient through the last economic downturn and performed well during the pandemic
- Awareness still remains relatively low, with only 40% to 50% having reasonable or good knowledge of self storage

Our competitive advantage

- UK self storage industry's most recognised brand with 93% of enquiries now online
- Prominent stores on arterial or main roads, with extensive frontage and high visibility
- Continuous innovation and investment into our mobile and desktop digital channels
- Strong customer satisfaction and NPS scores reflecting excellent customer service
- 6.4 million sq ft UK footprint, with development pipeline of 1.0 million sq ft
- Primarily freehold estate concentrated in London and South East and other larger urban conurbations
- Larger average store capacity
 - economies of scale, higher operating margins
- Secure financing structure with strong balance sheet
- Continued significant investment in sustainability and our culture

In twenty four years Big Yellow has delivered a TSR of 13.6% per annum.



Evergreen income streams

- 73,000 occupied rooms, with customers from a diverse base – individuals, SMEs, and national customers
- 38% of customers in stores greater than two-year length of stay, a further 16% for one to two years
- Average length of stay for existing customers of 31 months, for the 54% of customers that have stayed for more than one year, the average length of stay is 53 months
- Low bad debt expense (0.2% of revenue in the year)

Strong growth opportunities

- Opportunities to drive further occupancy growth
- Yield management as occupancy increases
- Densification of living and scarcity of flexible business warehouse space drives demand
- Growth in national customers and business customer base
- Increasing the platform with a conservative capital structure

Conversion into quality returns

High margins

Freehold assets for high operating margins and operational advantage

Sustainable

Low technology and obsolescence product, maintenance capex fully expensed

Annual compound adjusted eps

13%

Annual compound adjusted eps growth of 13% since 2004/5

Cash flow

13%

Annual compound cash flow growth of 13% since 2004/5

Dividend pay-out

80%

Dividend pay-out ratio of a minimum of 80% of adjusted eps

This compares to 4.8% per annum for the FTSE Real Estate Index.

Our Key Performance Indicators

The Group's KPIs are shown in the charts on page 25. The key performance indicators of our stores are occupancy and net rent per sq ft, which together drive the revenue of the business. These are the key measures which are focused on by the Board and are reported on a weekly basis.

Over the course of the past five years, revenue has grown significantly, with Armadillo included in our consolidated results from 1 July 2021. We saw particularly strong growth in 2021 and 2022, after a weaker 2020 following the Brexit uncertainty and the initial impact of the UK lockdown in response to Covid-19. The current year has seen a reduction in occupancy, but revenue has grown by 6%, with improvements in average rate.

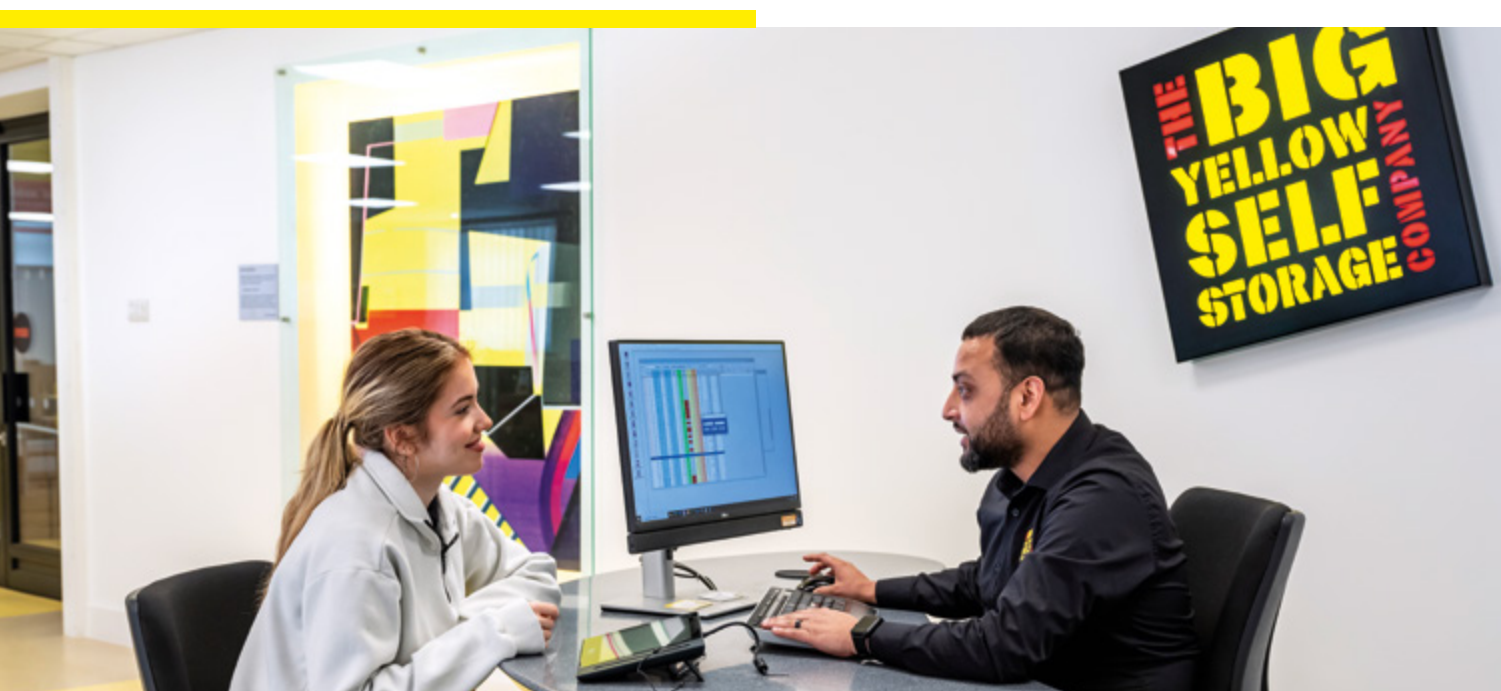
In 2020 closing net rent per sq ft increased by 3%, by 2% in 2021, by 4% in 2022, by 9% in 2023 and by 5% in the year to 31 March 2024. We expect revenue growth to be driven by a combination of occupancy increases and growth in net achieved rent per sq ft.

Adjusted profit before tax and adjusted earnings per share ("eps"), as defined in note 33, which drive the distributions to shareholders (as our dividend policy is to pay a minimum of 80% of adjusted earnings as dividends) are also KPIs. The Group focuses on adjusted profit and earnings measures as they give a clearer picture of the Group's trading performance without distortion from external factors such as property valuations and the fair value of derivatives. We have delivered compound adjusted eps and dividend growth of 6% over the past five years.

Compound adjusted eps growth since 2004/5 is 13%. We have illustrated the Group's performance in these measures over the past five years on **page 25**.

Our non-financial KPIs are the net promoter scores we receive from our customers and the carbon intensity of the Group's business. The Group's net promoter score received from its customers during the year was 80.5 (2023: 78.9). We believe this overall score compares very favourably with other consumer-facing businesses.

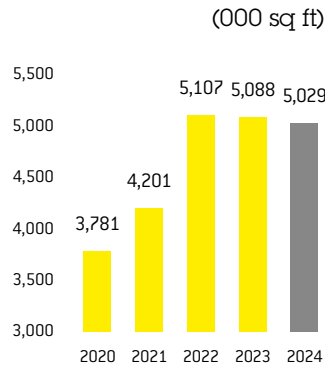
The Group has reduced its carbon intensity (our carbon emissions divided by our average occupied space) by 33% over the past five years. This has been achieved through investment in renewable technology, roof mounted solar photo-voltaic systems, and LED lighting across the Group's portfolio.



Closing occupancy

5,029,000 sq ft

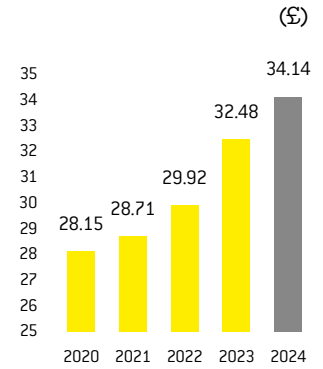
+33% over 5 years



Closing net rent per sq ft

£34.14

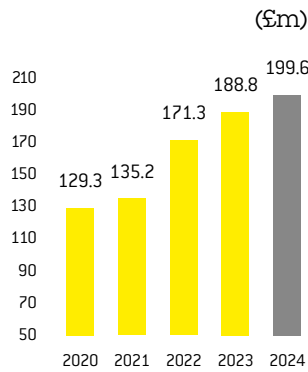
+21% over 5 years



Revenue

£199.6m

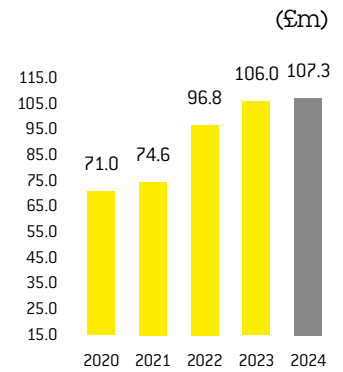
+54% over 5 years



Adjusted profit before tax

£107.3m

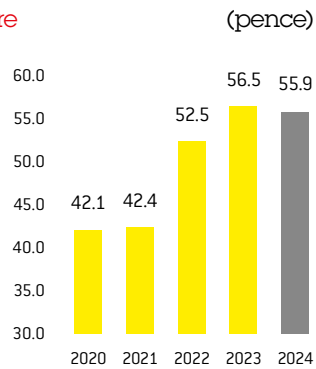
+51% over 5 years



Adjusted earnings per share

55.9 pence

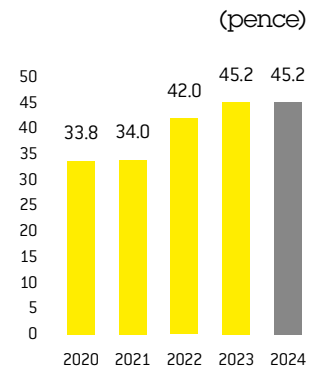
+33% over 5 years



Dividend per share

45.2 pence

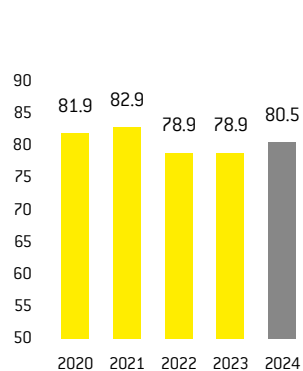
+34% over 5 years



Net promoter score

80.5

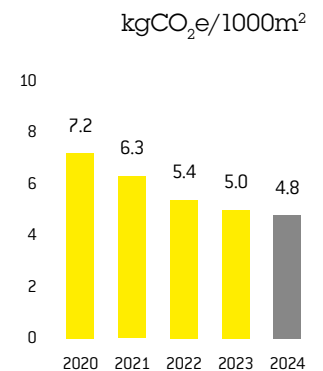
Average of 80.6 over 5 years



Carbon intensity

4.8

(33%) over 5 years



Operating Review

We now have a portfolio of 109 open and trading stores, with a current maximum lettable area of 6.4 million sq ft (2023: 108 stores, MLA of 6.3 million sq ft).

The store platform and demand

Self storage demand is spread across a diverse set of drivers, and is largely driven by need, with security, convenience, quality of product, service and location being key factors. Awareness remains relatively low compared to commoditised products, such as hotel rooms or airline seats, albeit it is increasing slowly year-on-year with increased supply, marketing expenditure and customer use. Over 70% of our domestic customers are in the top 3 ACORN categories: Affluent Achievers, Rising Prosperity, and Comfortable Communities. The largest element of demand into our business each year is customers who use us for relatively short periods driven by a need.

Of our move-ins during the year:

- customers renting storage space whilst moving represented 41% of move-ins during the year (2023: 41%), with homeowners representing 26% and renters 15%. The proportion of renters increased during the year, offsetting some of the slowdown in the owner-occupied market;
- 12% of our customers who moved in took storage space as a spare room for decluttering (2023: 11%);
- 36% of our customers used the product because some event had occurred in their lives generating the need for storage; they may be moving abroad for a job, have inherited possessions, are getting together, or separating, are students who need storage during the holidays, or homeowners developing into their lofts or basements (2023: 37%);
- the balance of 11% of our new customer demand during the year came from businesses (2023: 11%), who stay longer and represent around 20% of our customers in store at any one time, occupying 37% of the space at 31 March 2024.

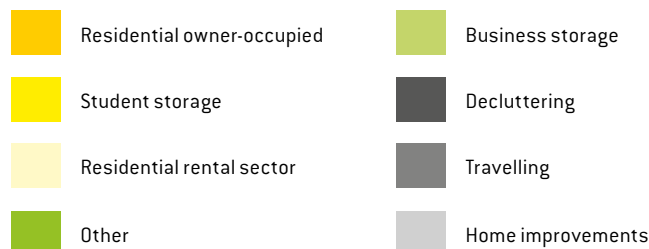
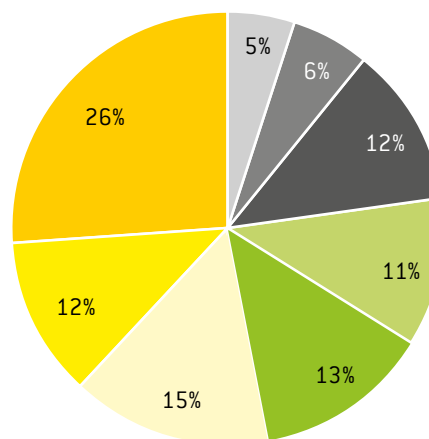
Of our overall occupied space today, customers who are longer stay lifestyle users, decluttering into small rooms as an extension to their accommodation, occupy 10% to 15% of our space; approximately 50% of the space is customers using it for less than 12 months, for reasons which are largely event driven, which could be inheritance, moving in the owner-occupied or rental sector, home improvements, travelling; the balance of 37% of our space is businesses.

Our business customer base is comprised of online retailers, B2B traders looking for flexible mini-warehousing for e-fulfilment, service providers, those looking to shorten supply chains, and businesses looking to rationalise their other fixed costs of accommodation. For these customers, who typically are looking for rooms which could be from 50 sq ft to 500 sq ft in facilities that meet their operational requirements, the only supply in big cities is from self storage providers. The average space occupied by business customers at the year-end is 177 sq ft (2023: 179 sq ft).

Domestic customers occupy on average 58 sq ft (2023: 59 sq ft) and pay on average 17% more in rent per sq ft (2023: 18%), however business customers do stay longer, take more space and represent around 32% of revenue (2023: 33%).

The pandemic accelerated many structural changes that were already occurring, such as the move to online retailing and an increase in working from home facilitated by technological advances. The deindustrialisation of big cities with the conversion of commercial space into residential and other uses, has led to a shortage of suitable flexible mini-warehouse space from which to operate small scale storage and e-fulfilment, particularly in London. These developments, along with businesses increasingly seeking flexible office and storage space rather than longer inflexible leases, have been driving our demand. We believe these are long-term structural trends, which will benefit our business going forward.

Reasons people use Big Yellow





From research we have previously carried out, a typical small business using storage employs around three people and 60% of them are early-stage businesses and for 50% of them this is their only space.

In addition, we have a dedicated national customers team for businesses who wish to occupy space in multiple stores. These customers on average occupy approximately 1,000 sq ft, paying £30,000 per annum, and are billed and managed centrally. This area has performed strongly in the year with revenue up 13% compared to the prior year, making up 5% of occupied space.

Activity

Prospect numbers are more in-line with the pre-Covid period on a like-for-like basis, and activity levels within the business have consequently been a little bit slower than last year, with move-ins down 6%, and move-outs also down 6% over the year, reflecting less churn. Our conversion rates over the period have increased, which is indicative of more needs-driven demand. Since the year end we have seen an increase in move-in activity, with move-ins up 5% compared to the same period last year.

Occupancy across all 109 stores fell over the year by 59,000 sq ft (2023: fall of 58,000 sq ft, with an additional 39,000 sq ft of occupancy acquired with Aberdeen in June 2022). Business occupancy dropped by 2.6% or 50,000 sq ft on 1.9 million sq ft occupied at the beginning of the year. Our larger rooms, which are occupied in the main by businesses, remain highly occupied, particularly in London. Domestic occupied space was in line with the prior year.

As we have experienced over the years, there are businesses who outgrow us and move to their own accommodation, others cease operations, some are seasonal, and we continue to replace any vacated space with new move-ins from online traders, e-tailers and service providers. We are not seeing any noticeable further softening in demand from businesses, particularly in London.

The 76 established Big Yellow stores are 81.6% occupied compared to 84.2% at the same time last year. The nine developing Big Yellow stores added 73,000 sq ft of occupancy over the year to reach closing occupancy of 59.8%. The 24 Armadillo stores, representing 10% of the Group's revenue are 74.3% occupied, compared to 76.9% at this time last year (including an additional 20,000 sq ft of capacity added during the year at Stockton South). Overall store occupancy was 78.3% (2023: 80.9%).

	Occupancy 31 March 2024 %	Occupancy change in year 000 sq ft	Occupancy 31 March 2024 000 sq ft	Occupancy 31 March 2023 000 sq ft
76 established Big Yellow stores	81.6%	(124)	3,905	4,029
9 developing Big Yellow stores	59.8%	73	375	302
All 85 Big Yellow stores	79.1%	(51)	4,280	4,331
24 Armadillo stores	74.3%	(8)	749	757
All 109 stores	78.3%	(59)	5,029	5,088

All stores are trading profitably at the EBITDA level, with our most recent opening in Kings Cross reaching break even in September 2023, four months after opening.

Operating Review continued

Rental growth

We continue to manage pricing dynamically, taking account of room availability, customer demand and local competition, with our pricing model reducing promotions and increasing asking prices where individual units are in scarce supply.

We continue to price competitively to win new customers and have moderated our existing customer price increases over the year with the fall in inflation. It must be remembered that some 60% to 70% of our customers move-out within six months, and therefore do not receive any price increases.

The average achieved net rent per sq ft increased by 7.5% compared to the prior year, with closing net rent up 5.1% compared to 31 March 2023. The table below shows the change in net rent per sq ft for the portfolio by average occupancy over the year (on a non-weighted basis). The analysis excludes our most recent store openings.

Average occupancy in the year	Net rent per sq ft growth from April 2023 to March 2024	Net rent per sq ft growth from April 2022 to March 2023
70% to 85%	5.4%	8.3%
85% to 90%	5.5%	8.7%
Above 90%	6.9%	9.7%

The self storage market

In the recently published 2024 Self Storage Association UK Survey, only 43% of those surveyed had a reasonable or good awareness of self storage. Furthermore, only 12% of the 2,076 adults surveyed were currently using self storage or were thinking of using self storage in the next year, which was an improvement from 9% in the survey last year. Self storage is therefore not a commoditised product, such as hotels, taxis, cinemas etc, and it will take many years of use and growing awareness before it becomes so, particularly given the subdued growth in new supply.

Growth in new facilities across the industry has been largely in regional areas of the UK and particularly in smaller towns. Historically, new supply creation in our core markets in London and the South East, has been difficult, with high land values driven by competing uses such as residential and urban industrial. In London in the year to 31 December 2023, there were eight new store openings, including one Big Yellow store. We are aware of four planned store openings in London in calendar year 2024.

The Self Storage Association (“SSA”) estimates that the UK industry is made up of approximately 1,700 self storage facilities and 1,000 purely container operations, providing 60 million sq ft of self storage space, equating to 0.9 sq ft per person in the UK. This compares to 12 sq ft per person in the US, 2.2 sq ft per person in Australia and 0.2 sq ft for mainland Europe, where the roll-out of self storage is a more recent phenomenon [sources: UK Self Storage Association Survey May 2024 and FEDESSA European Self Storage Annual Survey 2023].

Marketing and operations

Our marketing strategy focuses on building our market-leading brand awareness further and using it to maximise the cost-efficient generation of enquiries, customer move-ins and user satisfaction through our digital platforms. Our strong brand and continued digital investment and innovation has helped us create a market-leading website which delivers over 90% of our enquiries.

Our annual YouGov survey (published May 2024) again confirmed that the brand awareness of Big Yellow remained significantly ahead of other UK operators in the sector. The survey shows our unprompted brand awareness to be 4.1 times higher than our nearest competitor across the UK (2023: 4.4 times higher).

The Big Yellow website allows users to browse different room sizes, obtain a price, reserve online and check-in online prior to arriving at the stores which are automated in terms of access once a customer moves-in.

The online customer experience also allows customers to communicate with us in real-time via Live Chat, WhatsApp, or Facebook Messenger. The comprehensive online FAQs provide our users with another way to ask questions they may have about the service without needing to call us directly. This is critical because approximately 60% of our new prospects have not used self storage before.

The seamless digital experience continues with our online check-in platform. This allows customers to complete the majority of their move-in process remotely. They can upload their photo and identity documents, sign the full customer licence, set up authorised persons, complete their storage inventory and set up a paperless Direct Debit – all done remotely. This check-in online capability has significantly cut down the time our customers need to spend in our receptions when they move-in. The process is completed with our in-store digital signature pads.

We also offer the ability to purchase boxes and packing materials through our online BoxShop store. These items can be home delivered or made available for our Click and Collect service from stores, which represents 80% of BoxShop transactions.

Driving online traffic

Self storage is a consumer-facing business, and the development of a strong and sustainable brand is multi-layered and requires a consistency of product, customer service and interaction at all touch points, particularly online.

Search engines are the most important acquisition tool for us, accounting for the majority of traffic to our website. Our focus for a competitive advantage on search continues and search engine optimisation (“SEO”) work has helped us to maintain high organic listings for popular generic and local self storage related search terms. This in turn drives the growth and cost efficiencies of acquiring new prospects.

Brand search terms are also a valuable driver of enquiries for Big Yellow and help improve the efficiencies of our cost per enquiry. 41% of all traffic generated from search engines to our website originated from “Big Yellow” brand searches in the year. This clearly indicates that brand is important in driving higher levels of prospects and customer referrals, leading to improved operational efficiencies. We have demonstrated this through significant improvements in the performance of existing storage centres following their acquisition, re-branding, and assimilation into our business.

Search engine marketing remains our largest source of paid for web traffic. Ongoing website optimisation and an engaging user experience through our digital platforms helps ensure we maximise the conversion of these web visits into enquiries and then customers. Digital display advertising enables us to regionally target audiences in the market for self storage, raising consideration of the service and the Big Yellow brand through engaging creatives.

Online customer reviews and social media

Supporting our values of putting the customer at the heart of our business, our online customer reviews generate real-time feedback from customers and provide positive word of mouth referral to our website visitors. Through our 'Big Impressions' customer feedback programme, we ask our new customers to rate our service. With the users' permission, we then publish these independent customer reviews on the Big Yellow website which currently total over 52,000 averaging 4.7 out of 5.

The Big Impressions programme also generates customer feedback on their move-in and move-out experience. These customer reviews and mystery shop results are transparently accessible across the business and helps reinforce our focus on outstanding customer service. Over the year, we have achieved an average net promoter score of 80.5 which is a very strong consumer-facing benchmark result.

We also gain real-time customer feedback from over 23,500 Google Reviews averaging 4.7 out of 5. These help to enhance our visibility within local search listings conveying trust in the Big Yellow brand. Additionally, we have over 4,200 reviews from the independent review site TrustPilot. These reviews average 4.8 out of 5-star rating, labelled as "Excellent" on the TrustPilot ratings scale. We monitor our customer reviews and respond where necessary for customer service reasons or to manage our online reputation and improve our service offering.

Social media continues to be complementary to our existing marketing channels. Big Yellow actively posts content across Twitter, Facebook and Instagram which help to raise awareness of our services and ESG activities. These social channels are also used by customers to connect with us and are monitored in real-time, enabling us to respond promptly to any enquiries. The Big Yellow LinkedIn platform is used to communicate company achievements, ESG initiatives and our company culture and the Big Yellow YouTube channel is used to allow web prospects to experience our stores online through our video guides to self storage.

We will continue to invest in improving the customer experience and user journey across all our digital marketing channels and also in-store operations to achieve higher levels of automation and hence efficiencies in the business.

Market-leading brand awareness

Our YouGov survey (published May 2024) again confirmed Big Yellow's brand awareness remains significantly ahead of our competitors.



Our brand awareness is over four times higher than our nearest competitor.

Operating Review continued

AI

Generative AI is now used throughout the business and has been adopted quickly since its launch. We have a variety of tools available including Canva, ChatGPT, Google Gemini and Microsoft 365 CoPilot. These are used to generate content and ideas across social media, SEO, responses to customer reviews, drafting emails, developing training modules, policies, procedures and creating visuals in our communications. We see these large language models continuing to improve and allowing us to increase our productivity and efficiency, particularly at our head office.

Rules-based data manipulation and automation is also something that we have used within Big Yellow for some time and continue to improve. Examples of this include our dynamic pricing system, prospect management, check-in online, digital automation of all customer communications, access control reporting and alerts based on the significant data we have at stores, exception reporting for our store audit processes. Other examples in marketing would be translation AI, optimisation of paid search and targeting of prospects. Although provided by third parties, machine learning AI is the core of all our cyber security and defence, across anti-malware, firewalls, email management, vulnerability testing and Security Information and Event Monitoring. A further example is that we have just invested in a SaaS recruitment platform, which manages the workflow for all recruitment and interaction with candidates through automation. Our CAFM platform in facilities which was implemented three years ago to manage all our interactions between the stores, the facilities team and the various contractors has made a significant difference to productivity and control in that area.

The above is by no means a complete summary of how AI is making a difference to our business, but hopefully provides an insight and it is something that we will continue to invest in.

Cyber security and IT infrastructure

Cyber security and IT infrastructure are vital for the Group's strategy and operations. The Group has a robust cyber security and IT infrastructure framework that covers risk, security, compliance, innovation, and efficiency. The Group has achieved significant results and progress in the past year, but also faces challenges and opportunities in the future. The Group is committed to investing and improving its cyber security and IT infrastructure capabilities, and to maintaining its competitive edge.

We regularly evaluate cyber risk and security status with the help of both internal experts and external consultants and conduct frequent tests on our systems and people, such as penetration tests and phishing simulations. The Group's systems underwent an external audit during the year and retained the IASME Gold certification which includes Cyber Essentials. The Group has cyber insurance in place should a breach occur.

Our Data Compliance Officer oversees our ongoing compliance with GDPR and PCI DSS. The role also includes Business Continuity and Crisis Communication management. Policies and procedures are under regular review and are benchmarked against industry best practice. There are mandatory courses for all staff to complete both for Information Security and Data Protection. Our Infrastructure and Development teams continue to drive innovation and efficiencies throughout the Group.

ESG

We have a long-term strategy to become Net Renewable Energy Positive and deliver Net Zero Scope 1 and 2 Emissions targets, which will be funded with significant investment from the Group over the next few years. The main delivery vehicle for this new strategy will be the installation of solar generation capacity onto our existing store estate.

By 2025, we expect to have completed a multi-million pound investment in renewable energy generation both on the roofs of our estate and also at other locations. We published in 2022 our Strategy document that sets out our Commitments, Actions and Timelines to become 100% Renewable Energy Positive and Net Zero Scope 1 and 2 Emissions by 2030.

The sustainability performance highlights for the year are:

- we have invested £6 million in our solar programme over the year and now have 68 stores with solar and have expanded the programme to all stores. Our current peak capacity has increased over the past three years from 0.9 Megawatts to 6.6 Megawatts;
- we have donated £796,000 in Community Investment. This consists of a combination of free and discounted space to worthy local charitable organisations and not-for-profits and we house different organisations, from foodbanks to small community groups to NHS partners and also BoxShop products donated;
- £298,000 has been raised for the Foundation from customer donations and employee fundraising including the matched contributions from the Company. These funds allowed us to make grants of £256,000 to our partner charities in the year;
- we have delivered 12 successful and all-round enriching work placements with Breaking Barriers, Street League and the Down's Syndrome Association;
- increased our GRESB Green Star rating from 4 to 5, improved from a B to an A- award from CDP and maintained our ISS indices; and
- we obtained our third EPRA sBPR Gold Award.

Portfolio Summary

	March 2024					March 2023				
	Big Yellow Established ⁽¹⁾	Big Yellow Developing	Total Big Yellow	Armadillo	Total	Big Yellow Established	Big Yellow Developing	Total Big Yellow	Armadillo	Total
Number of stores	76	9	85	24	109	76	8	84	24	108
At 31 March:										
Total capacity (sq ft)	4,784,000	627,000	5,411,000	1,008,000	6,419,000	4,784,000	524,000	5,308,000	984,000	6,292,000
Occupied space (sq ft)	3,905,000	375,000	4,280,000	749,000	5,029,000	4,029,000	302,000	4,331,000	757,000	5,088,000
Percentage occupied	81.6%	59.8%	79.1%	74.3%	78.3%	84.2%	57.6%	81.6%	76.9%	80.9%
Net rent per sq ft	£36.38	£33.06	£36.09	£22.98	£34.14	£34.55	£30.70	£34.28	£22.20	£32.48
For the year:										
REVPAF ⁽²⁾	£34.16	£21.30	£32.70	£20.02	£30.71	£32.68	£22.20	£31.84	£20.27	£30.02
Average occupancy	84.0%	56.2%	80.9%	76.4%	80.2%	86.9%	54.1%	84.0%	82.1%	83.7%
Average annual net rent psf	£35.83	£32.46	£35.56	£22.75	£33.64	£33.28	£30.10	£33.10	£21.33	£31.28
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Self storage income	144,418	11,167	155,585	17,562	173,147	136,925	8,809	145,734	17,177	162,911
Other storage related income ⁽²⁾	18,332	1,571	19,903	2,651	22,554	18,523	1,401	19,924	2,691	22,615
Ancillary store rental income	1,108	284	1,392	19	1,411	1,028	165	1,193	20	1,213
Total store revenue	163,858	13,022	176,880	20,232	197,112	156,476	10,375	166,851	19,888	186,739
Direct store operating costs	(38,979)	(5,334)	(44,313)	(7,517)	(51,830)	(38,644)	(4,482)	(43,126)	(7,437)	(50,563)
Short and long leasehold rent ⁽³⁾	(2,112)	–	(2,112)	(169)	(2,281)	(1,983)	–	(1,983)	(170)	(2,153)
Store EBITDA ⁽²⁾	122,767	7,688	130,455	12,546	143,001	115,849	5,893	121,742	12,281	134,023
Store EBITDA margin	74.9%	59.0%	73.8%	62.0%	72.5%	74.0%	56.8%	73.0%	61.8%	71.8%
Deemed cost	£m	£m	£m	£m	£m					
To 31 March 2024	739.0	188.0	927.0	145.3	1,072.3					
Capex to complete	–	1.0	1.0	0.1	1.1					
Total	739.0	189.0	928.0	145.4	1,073.4					

⁽¹⁾ The Big Yellow established stores have been open for more than three years at 1 April 2023, and the developing stores have been open for fewer than three years at 1 April 2023.

⁽²⁾ See glossary in note 33.

⁽³⁾ Rent paid for six short leasehold properties and one long leasehold property.

Portfolio Summary continued

The table below reconciles Store EBITDA to gross profit in the statement of comprehensive income.

	Year ended 31 March 2024			Year ended 31 March 2023		
	Store EBITDA £000	Reconciling items £000	Gross profit per statement of comprehensive income £000	Store EBITDA £000	Reconciling items £000	Gross profit per statement of comprehensive income £000
Store revenue/Revenue ⁽⁴⁾	197,112	2,507	199,619	186,739	2,090	188,829
Cost of sales ⁽⁵⁾	(51,830)	(4,164)	(55,994)	(50,563)	(3,744)	(54,307)
Rent ⁽³⁾	(2,281)	2,281	–	(2,153)	2,153	–
Store EBITDA	143,001	624	143,625	134,023	499	134,522

⁽³⁾ Rent paid for six short leasehold properties and one long leasehold property.

⁽⁴⁾ See note 3 of the financial statements, reconciling items are management fees and non-storage income.

⁽⁵⁾ See reconciliation in cost of sales section in Financial Review on page 39.

Reconciliation of APMs

The table below reconciles the reported figures above to the like-for-like metrics the Group reports:

Like-for-like revenue

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Store revenue ⁽⁶⁾	197,112	186,739
Less revenue from non like-for-like stores ⁽⁶⁾	(3,657)	(1,133)
Like-for-like revenue ⁽⁶⁾	193,455	185,606

Like-for-like Big Yellow store occupancy

	Year ended 31 March 2024	Year ended 31 March 2023
Store MLA (sq ft) ⁽⁶⁾	6,419,000	6,292,000
Less MLA from non like-for-like stores (sq ft) ⁽⁶⁾	(1,304,000)	(1,178,000)
Like-for-like MLA (sq ft) ⁽⁶⁾	5,115,000	5,114,000
Store occupancy (sq ft) ⁽⁶⁾	5,029,000	5,088,000
Less occupancy from non like-for-like (sq ft) ⁽⁶⁾	(890,000)	(835,000)
Like-for-like occupancy (sq ft) ⁽⁶⁾	4,139,000	4,253,000
Like-for-like occupancy (%) ⁽⁶⁾	80.9%	83.2%

⁽⁶⁾ See glossary in note 33.



Twickenham 2, April 2016
MLA – 22,000 sq ft



Nine Elms, April 2016
MLA – 65,000 sq ft



Cambridge, January 2016
MLA – 60,000 sq ft



Enfield, April 2015
MLA – 60,000 sq ft



Chester, February 2015
MLA – 69,000 sq ft



Oxford 2, July 2014
MLA – 35,000 sq ft



Gypsy Corner, April 2014
MLA – 70,000 sq ft



Chiswick, April 2012
MLA – 73,000 sq ft



New Cross, February 2012
MLA – 61,000 sq ft



Stockport, September 2011
MLA – 65,000 sq ft



Eltham, April 2011
MLA – 70,000 sq ft



Camberley, January 2011
MLA – 67,000 sq ft



High Wycombe, June 2010
MLA – 60,000 sq ft



Reading, December 2009
MLA – 62,000 sq ft



Sheffield Bramall Lane, September 2009
MLA – 60,000 sq ft



Poole, August 2009
MLA – 55,000 sq ft



Nottingham, August 2009
MLA – 67,000 sq ft



Edinburgh, July 2009
MLA – 63,000 sq ft



Twickenham, May 2009
MLA – 73,000 sq ft



Liverpool, March 2009
MLA – 60,000 sq ft



Bromley, March 2009
MLA – 71,000 sq ft



Birmingham, February 2009
MLA – 60,000 sq ft



Sheen, December 2008
MLA – 64,000 sq ft



Sheffield Hillsborough, October 2008
MLA – 60,000 sq ft



Kennington, May 2008
MLA – 66,000 sq ft



Merton, March 2008
MLA – 70,000 sq ft



Fulham, March 2008
MLA – 138,000 sq ft



Balham, March 2008
MLA – 61,000 sq ft



Barking, November 2007
MLA – 64,000 sq ft



Ealing Southall, November 2007
MLA – 57,000 sq ft



Sutton, July 2007
MLA – 70,000 sq ft



Gloucester, December 2006
MLA – 50,000 sq ft



Edmonton, October 2006
MLA – 75,000 sq ft



Kingston, August 2006
MLA – 62,000 sq ft



Bristol Ashton Gate, July 2006
MLA – 61,000 sq ft



Finchley East, May 2006
MLA – 54,000 sq ft



Tunbridge Wells, April 2006
MLA – 57,000 sq ft



Bristol Central, March 2006
MLA – 64,000 sq ft



North Kensington, December 2005
MLA – 50,000 sq ft



Leeds, July 2005
MLA – 76,000 sq ft



Beckenham, May 2005
MLA – 71,000 sq ft



Tolworth, November 2004
MLA – 56,000 sq ft



Watford, August 2004
MLA – 64,000 sq ft



Swindon, April 2004
MLA – 53,000 sq ft



Orpington, December 2003
MLA – 64,000 sq ft



Byfleet, November 2003
MLA – 48,000 sq ft



Chelmsford, April 2003
MLA – 54,000 sq ft



Finchley North, March 2003
MLA – 62,000 sq ft

Our Big Yellow Stores

An unrivalled portfolio of stores across London, the South East and other large metropolitan cities.



Kings Cross, June 2023
MLA – 105,000 sq ft



Kingston North, September 2022
MLA – 56,000 sq ft



Harrow, September 2022
MLA – 82,000 sq ft



Aberdeen, June 2022
MLA – 54,000 sq ft



Hove, March 2022
MLA – 58,000 sq ft



Hayes, January 2022
MLA – 73,000 sq ft



Uxbridge, June 2021
MLA – 54,000 sq ft



Battersea, November 2020
MLA – 70,000 sq ft



Bracknell, September 2020
MLA – 59,000 sq ft



Camberwell, July 2020
MLA – 75,000 sq ft



Manchester, May 2019
MLA – 60,000 sq ft



Wapping, July 2018
MLA – 26,000 sq ft



Guildford Central, March 2018
MLA – 55,000 sq ft



West Norwood, January 2003
MLA – 57,000 sq ft



Colchester, December 2002
MLA – 54,000 sq ft



Bow, November 2002
MLA – 132,000 sq ft



Brighton, October 2002
MLA – 59,000 sq ft



Guildford Slyfield, June 2002
MLA – 55,000 sq ft



New Malden, May 2002
MLA – 81,000 sq ft



Hounslow, December 2001
MLA – 54,000 sq ft



Ilford, November 2001
MLA – 58,000 sq ft



Cardiff, October 2001
MLA – 74,000 sq ft



Portsmouth, October 2001
MLA – 61,000 sq ft



Norwich, September 2001
MLA – 47,000 sq ft



Dagenham, July 2001
MLA – 51,000 sq ft



Wandsworth, April 2001
MLA – 72,000 sq ft



Luton, March 2001
MLA – 41,000 sq ft



Southend, March 2001
MLA – 57,000 sq ft



Staples Corner, March 2001
MLA – 112,000 sq ft



Romford, November 2000
MLA – 70,000 sq ft



Milton Keynes, September 2000
MLA – 60,000 sq ft



Cheltenham, April 2000
MLA – 50,000 sq ft



Slough, February 2000
MLA – 67,000 sq ft



Hanger Lane, October 1999
MLA – 66,000 sq ft



Oxford, August 1999
MLA – 33,000 sq ft



Croydon, July 1999
MLA – 79,000 sq ft



Richmond, May 1999
MLA – 35,000 sq ft

Our Armadillo Stores

Armadillo is Big Yellow's regional brand in smaller towns and cities with 24 largely freehold stores.



Canterbury
MLA – 35,000 sq ft



Daventry
MLA – 35,000 sq ft



Derby
MLA – 43,000 sq ft



Dundee
MLA – 39,000 sq ft



Exeter
MLA – 34,000 sq ft



Gateshead
MLA – 46,000 sq ft



Grimsby
MLA – 40,000 sq ft



Hull
MLA – 32,000 sq ft



Liverpool Aintree
MLA – 49,000 sq ft



Liverpool Bootle
MLA – 36,000 sq ft



Liverpool South
MLA – 50,000 sq ft



Macclesfield
MLA – 63,000 sq ft



Morecambe
MLA – 50,000 sq ft



Newcastle
MLA – 56,000 sq ft



Peterborough
MLA – 49,000 sq ft



Plymouth
MLA – 25,000 sq ft



Sheffield Parkway
MLA – 48,000 sq ft



Sheffield West Bar
MLA – 29,000 sq ft



Stockton Central
MLA – 43,000 sq ft



Stockton South
MLA – 41,000 sq ft



Stoke
MLA – 39,000 sq ft



Torquay
MLA – 33,000 sq ft



Warrington
MLA – 57,000 sq ft



West Molesey
MLA – 35,000 sq ft

Financial Review

Revenue

Total revenue for the year was £199.6 million, an increase of £10.8 million (6%) from £188.8 million in the prior year. Like-for-like store revenue (see glossary in note 33) for the year was £193.5 million, an increase of 4% from the prior year (2023: £185.6 million).

Revenue growth for the year in our London stores was 7%, our south east commuter stores 5% and our regional stores 3%.

Included in store revenue is other storage related income, from the sale of packing materials, insurance/enhanced liability service ("ELS"), and storage related charges. This amounted to £22.6 million in the year (2023: £22.6 million).

The Group changed the way it sold its contents protection cover to its customers on 1 June 2022 to an Enhanced Liability Service, which is subject to VAT at 20% and not Insurance Premium Tax ("IPT") at 12%, the latter being included in revenue. We estimate the impact of this on the total revenue and like-for-like revenue for the year is 0.2%.

The other revenue earned by the Group is tenant income on sites where we have not started development.

Operating costs

Cost of sales principally comprise the direct store operating costs, including store staff salaries, utilities, business rates, insurance, a full allocation of the central marketing budget and repairs and maintenance.

The table below shows the breakdown of our store operating costs compared to the prior year:

Category	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000	Change	% of store operating costs in 2024
Cost of sales	1,519	2,202	-31%	3%
Staff costs	14,721	14,415	2%	27%
General & admin	1,434	1,691	-15%	2%
Utilities	2,670	2,056	30%	5%
Property rates	18,153	15,498	17%	33%
Marketing	6,438	6,504	-1%	12%
Repairs & maintenance	5,336	4,685	14%	10%
Insurance	3,323	2,757	21%	6%
Computer costs	1,031	1,001	3%	2%
Total before one-off items	54,625	50,809	8%	
One-off items	(2,795)	(246)		
Total per portfolio summary	51,830	50,563	3%	

Store operating costs have increased by £1.3 million (3%). The one-off items in the current year relate to the release of a provision for property rates from the 2017 rating list (£2.3 million), and a reassessment of the Group's bad debt provision (£0.5 million). Store operating costs before these one-off items have increased by £3.8 million (8%) compared to the prior year. New stores accounted for £1.5 million of operating expense increase in the year. Cost of sales has decreased by £0.7 million following the move to selling an ELS rather than insurance (see explanation in revenue above), and also due to a decline in packing material sales during the year.

The remaining increase of £3 million represents an increase of 6%. More specifically, we would comment as follows:

- Staff costs have increased by £0.3 million (2%). The average salary review in the year was 5.6%, which has been partly offset by a reduction in staffing in stores as we continue to invest in automation, and lower bonuses in the year.
- General and admin expenses are down by £0.3 million (15%), following a reassessment of the Group's bad debt provision in the year.
- Marketing is 1% down on the prior year with continued efficiencies being achieved from our digital campaigns.
- Utilities has increased by 30%, with a new fixed rate electricity contract starting on 1 October 2023, which was at a 74% higher rate than our expiring contract. This increased rate has been partly mitigated by our investment in solar.

- Property rates have increased by £2.7 million (17%), following the Rating Revaluation published in November 2022, effective 1 April 2023.
- Insurance has increased by £0.6 million (21%). Overall buildings and loss of income insurance premiums increased from 1 April 2023 by 16%, due to market conditions and higher insured values. In addition, we now insure our customers contents for catastrophe risk, with a Lloyds underwriter, and as a result are responsible for paying for claims up to £250,000 in any one loss. During the year £348,000 was paid in claims (2023: £128,000), with higher claims this year due to the very wet winter.
- The repairs and maintenance expense has increased due to higher store numbers, and an increase in solar panel maintenance costs, with higher numbers of stores now with solar PVs.
- The Group's bad debt expense for the year was 0.2% of revenue, in line with the prior year. The Group has not seen any deterioration in its aged debtors' profile over recent months.

The table below reconciles store operating costs per the portfolio summary to cost of sales in the statement of comprehensive income:

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Direct store operating costs per portfolio summary (excluding rent)	51,830	50,563
Rent included in cost of sales (total rent payable is included in portfolio summary)	1,784	1,551
Depreciation charged to cost of sales	569	496
Head office and other operational management costs charged to cost of sales	1,811	1,697
Cost of sales per statement of comprehensive income	55,994	54,307

Store EBITDA

Store EBITDA for the year was £143.0 million, an increase of £9.0 million (7%) from £134.0 million for the prior year (see Portfolio Summary). The overall EBITDA margin for during the year was 72.5%, up from 71.8% in 2023.

All stores are currently trading profitably at the Store EBITDA level. Our store in Kings Cross, which opened in June 2023, reached break even after four months of trading.

Administrative expenses

Administrative expenses in the statement of comprehensive income of £15.2 million were up £0.7 million (5%) compared to the prior year, including increased legal and professional fees and COO recruitment costs. The non-cash share-based payments charge represents £4.0 million of the overall £15.2 million expense (2023: £3.7 million of £14.5 million expense).

Other income

In February 2022 the Group experienced a fire at our Cheadle store, which resulted in a total loss to the store. We have insurance cover in place for both the fit-out and four years loss of income. The loss of income received during the financial year was £1.8 million, which is included in other income (2023: £1.4 million).

The Group also received £4.7 million in the year which was the insurance proceeds for the fit-out of the Cheadle store. This amount is shown in other income but has not been included in the Group's adjusted earnings for the year.

Interest expense on bank borrowings

The gross bank interest expense for the year was £25.6 million, an increase of £7.5 million from the prior year, due to higher average debt levels in the first half of the year, coupled with the Group's higher average cost of debt following the increase in interest rates. The average cost of borrowing during the year was 5.5% compared to 4.2% in the prior year. Capitalised interest on our construction programme was £3.3 million, up from £2.8 million in the prior year.

Total finance costs in the statement of comprehensive income increased to £22.9 million from £16.9 million in the prior year.

Financial Review continued

Profit before tax

The Group made a profit before tax in the year of £241.0 million, compared to a profit of £75.3 million in the prior year. After adjusting for the gain on the revaluation of investment properties and other matters shown in the table below, the Group made an adjusted profit before tax in the year of £107.3 million, up 1% from £106.0 million in 2023.

Profit before tax analysis	2024 £000	2023 £000
Profit before tax	241,035	75,309
(Gain)/loss on revaluation of investment properties	(131,159)	29,861
Movement in fair value on interest rate derivatives	2,146	133
Cheadle fit-out insurance proceeds	(4,723)	–
Refinancing costs	–	732
Adjusted profit before tax	107,299	106,035

The adjustments made to the Group's profit before tax follow guidance issued by EPRA, with additional Company specific adjustments made to give readers a clearer underlying picture of the Group's performance. EPRA profit before tax is disclosed in note 10.

The movement in the adjusted profit before tax from the prior year is illustrated in the table below:

	£m
Adjusted profit before tax – year ended 31 March 2023	106.0
Increase in gross profit	9.1
Increase in administrative expenses	(0.7)
Decrease in other income	(0.4)
Increase in net interest payable	(7.2)
Increase in capitalised interest	0.5
Adjusted profit before tax – year ended 31 March 2024	107.3

Basic earnings per share for the year was 127.1p (2023: 40.1p) and diluted earnings per share was 126.4p (2023: 39.8p). Diluted adjusted earnings per share based on adjusted profit after tax was down 1% to 55.9p (2023: 56.5p) (see note 12).

REIT status

The Group converted to a Real Estate Investment Trust (“REIT”) in January 2007. Since then, the Group has benefited from a zero tax rate on the Group's qualifying self storage earnings. The Group only pays tax on the profits attributable to our residual business, comprising primarily of the sale of packing materials and insurance.

REIT status gives the Group exemption from UK corporation tax on profits and gains from its qualifying portfolio of UK stores. Revaluation gains on developments and our existing open stores are exempt from corporation tax on chargeable gains, provided certain criteria are met. The Armadillo stores joined our REIT group on acquisition of the remaining interest, allowing us to write back the deferred tax that had been provided on previous revaluation uplifts.

The Group has a rigorous internal system in place for monitoring compliance with criteria set out in the REIT regulations. On a monthly basis, a report on compliance with these criteria is issued to the Executive. To date, the Group has complied with all REIT regulations, including forward looking tests.

Taxation

There is a £2.3 million tax charge in the residual business for the year ended 31 March 2024 (2023: £2.3 million). The current year tax charge is partly offset in the income statement by an adjustment to the prior year tax estimate.

Dividends

The Board is recommending the payment of a final dividend of 22.6 pence per share in addition to the interim dividend of 22.6 pence, giving a total dividend for the year of 45.2 pence, in line with the prior year. The Group's policy is to distribute a minimum of 80% of our adjusted earnings per share in each reporting period.

REIT regulatory requirements determine the level of Property Income Distribution (“PID”) payable by the Group. On the basis of the full year distributable reserves for PID purposes, a PID of 45.2p pence per share is payable (31 March 2023: 45.2 pence). The PID for the year to 31 March 2024 accounts for all of the declared dividend. The table below summarises the declared dividend for the year:

Dividend (pence per share)	31 March 2024	31 March 2023
Interim dividend	22.6p	22.3p
Final dividend	22.6p	22.9p
Total dividend	45.2p	45.2p

Subject to approval by shareholders at the Annual General Meeting to be held on 18 July 2024, the final dividend will be paid on 26 July 2024. The ex-div date is 4 July 2024 and the record date is 5 July 2024.

Cash flow growth

The Group is strongly cash generative and draws down from its longer term committed facilities as required to meet its obligations. The Group's cash flow from operating activities pre-working capital movements for the year was £110.1 million, an increase of 1% from £109.2 million in the prior year, with the growth in line with the increase in the Group's profitability in the year.

These operating cash flows are after the ongoing maintenance costs of the stores, which were on average approximately £49,000 per store (2023: £43,000).

The Group's net debt has decreased over the year to £385.4 million (March 2023: £486.6 million).

There are distortive working capital items in the current period, and therefore the summary cash flow below sets out the free cash flow pre-working capital movements.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Cash generated from operations pre-working capital movements	135.1	126.2
Net finance costs	(24.0)	(16.5)
Interest on obligations under lease liabilities	(0.6)	(0.7)
Loss of income insurance proceeds	1.6	2.0
Tax	(2.0)	(1.8)
Cash flow from operating activities pre-working capital movements	110.1	109.2
Working capital movements	(5.3)	2.8
Cash flow from operating activities	104.8	112.0
Capital expenditure	(30.9)	(106.4)
Disposal of non-current asset	5.4	–
Insurance proceeds on fit-out	4.7	–
Receipt from Capital Goods Scheme	–	0.2
Cash flow after investing activities	84.0	5.8
Ordinary dividends	(85.2)	(79.2)
Issue of share capital	108.0	1.0
Payment of lease liabilities	(1.8)	(1.3)
Receipt from termination of interest rate derivatives	–	0.4
Loan arrangement fees paid	(3.7)	(1.5)
(Decrease)/increase in borrowings	(100.2)	74.5
Net cash inflow/(outflow)	1.1	(0.3)
Opening cash and cash equivalents	8.3	8.6
Closing cash and cash equivalents	9.4	8.3
Closing debt	(394.8)	(494.9)
Closing net debt	(385.4)	(486.6)

The Group's interest cover for the period (expressed as the ratio of cash generated from operations pre-working capital movements against interest paid) was 5.6 times (2023: 7.7 times). This is calculated per below:

	31 March 2024 £000	31 March 2023 £000
Cash generated from operations pre working capital movements (see note 26)	135,086	126,195
Interest paid per cash flow statement	(24,069)	(16,486)
Interest cover	5.6x	7.7x

In the year capital expenditure outflows were £30.9 million, down from £106.4 million in the prior year. This capital expenditure was principally on the construction of new stores, and the continued roll-out of our solar retrofit programme. We expect the amount of capital expenditure to increase next year, as we build out our seven sites with planning consent and vacant possession. The disposal of non-current asset of £5.4 million relates to the proceeds from a land swap at Kings Cross.

The cash flow after investing activities was a net inflow of £84.0 million in the year, compared to a net inflow of £5.8 million in 2023.

Balance sheet

Property

The Group's open stores and stores under development owned at 31 March 2024, which are classified as investment properties, have all been valued individually by JLL.

The external valuation has resulted in an investment property asset value of £2.865 billion, comprising £2.686 billion (94%) for the freehold (including nine long leaseholds) open stores, £32.2 million (1%) for the short leasehold open stores and £146.5 million (5%) for the freehold investment properties under construction.

Financial Review continued

Investment property

The open store portfolio has increased in value by £145.4 million (5.3%). This increase in value arises from an improvement in cap rates, reflecting recent transactions in the sector, and operating cash flow growth.

The weighted average exit capitalisation rate used in the valuations was 5.4% in the current year, compared to 5.6% in the prior year.

	Value at 31 March 2024 £m	Revaluation movement in the year £m
Analysis of property portfolio		
Investment property	2,718.5	145.4
Investment property under construction	146.5	(14.2)
Investment property total	2,865.0	131.2

The table below provides a further breakdown of the open store valuations:

	Established		Developing		Armadillo	Total
	Freehold	Leasehold	Freehold	Largely Freehold		
Number of stores	71	5	9	24		109
MLA capacity (sq ft)	4,473,000	311,000	627,000	1,008,000		6,419,000
Valuation at 31 March 2024 (£m)	£2,082.6m	£27.4m	£343.1m	£173.8m		£2,626.9m
Value per sq ft	£466	£88	£547	£172		£409
Occupancy at 31 March 2024	81.7%	80.2%	59.8%	74.3%		78.3%
Stabilised occupancy assumed	88.6%	87.3%	86.1%	86.4%		87.8%
Net initial year one NOI yield	5.3%	18.2%	3.2%	6.2%		5.2%

The total store valuation in this table differs to the balance sheet due to the non-self storage investment property that the Group owns, such as the Harrow Industrial Scheme. The net initial year one NOI yield is 5.2% (2023: 5.3%). Note 15 contains more detail on the assumptions underpinning the valuations.

Investment property under construction

The Group spent £15.1 million on investment property under construction in the year, the majority of which was construction expenditure, principally on Kings Cross and Slough Farnham Road. This spend also includes the site purchase of Leicester. Kings Cross transferred to investment property during the year as the store opened, and the Harrow Industrial Scheme has also been transferred to investment property during the year, following the completion of its construction.

The revaluation deficit of £14.2 million on the investment property under construction is largely as a result of a reduction in the value of our land without self storage planning – this deficit all occurred in the first half of the year, with values stable in the second half of the year.

The projected net operating income of the increase in our total capacity of 957,000 sq ft when stabilised is £30.4 million representing an approximate 13.5% return on the incremental capital deployed. On a proforma basis at stabilisation, the projected net operating income for the 12 new stores and two replacement stores is £35.9 million, a return of approximately 8.7% on the total development cost of £412 million, including land already acquired.

Purchaser's cost adjustment

As in prior years, we have instructed an alternative valuation on our assets using a purchaser's cost assumption of 2.75% (see note 15 for further details) to be used in the calculation of our adjusted diluted net asset value. This Red Book valuation on the basis of the special assumption of 2.75% purchaser's costs, results in a higher property valuation at 31 March 2024 of £2.976 billion (£111.1 million higher than the value recorded in the financial statements). This translates to 56.2 pence per share. This revised valuation translates into an adjusted net asset value per share of 1,296.4 pence (2023: 1,237.3 pence) after the dilutive effect of outstanding share options.

Receivables

The Group's bad debt expense in the year represented 0.2% of revenue compared to 0.2% in the prior year, with 80% of our customer base paying by direct debit.

Net asset value

The adjusted net asset value is 1,296.4 pence per share (see note 13), compared to 1,218.5 pence per share at 31 March 2023 (after adjusting for the impact of the placing in October 2023). The table below reconciles the movement:

Movement in adjusted net asset value	£m	Adjusted NAV pence per share
31 March 2023	2,287.2	1,237.3
Adjusted for placing	107.0	(18.8)
31 March 2023 (adjusted)	2,394.2	1,218.5
Adjusted profit after tax	106.1	54.0
Equity dividends paid	(86.0)	(43.8)
Revaluation movements	131.2	66.8
Movement in purchaser's cost adjustment	6.5	3.3
Other movements (e.g. share schemes, insurance fit-out receipt)	9.9	(2.4)
31 March 2024	2,561.9	1,296.4

Borrowings

Our financing policy is to fund our current needs through a mix of debt, equity, and cash flow to allow us to build out, and add to, our development pipeline and achieve our strategic growth objectives, which we believe improve returns for shareholders. We aim to ensure that there are sufficient medium-term facilities in place to finance our committed development programme, secured against the freehold portfolio, with debt serviced by our strong operational cash flows. We maintain a keen watch on medium and long-term rates and the Group's policy in respect of interest rates is to maintain a balance between flexibility and hedging of interest rate risk.

The table below summarises the Group's debt facilities at 31 March 2024, with a current average cost of debt of 5.4% (March 2023: 4.7%).

Debt	Expiry	Facility	Drawn	Average interest cost
Aviva Loan	September 2028	£155.8m	£155.8m	3.3%
M&G loan (£35 million fixed at 4.5%, £85 million floating)	September 2029	£120m	£120m	6.9%
Revolving bank facility (Lloyds, HSBC, Barclays and Bank of Ireland, floating)	December 2026 (option to extend for two further years)	£300m	£119m	6.4%
Total	Average term 4.2 years	£575.8m	£394.8m	5.4%

In addition to the facilities above, the Group has a \$225 million credit approved shelf facility with Pricoa Private Capital ("Pricoa"), to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million over the next two and half years with terms of between 7 and 15 years at short notice, typically 10 days.

During the year the Group put in place a new £300 million sustainability-linked facility for an initial term of three years, with the option to extend the facility by two additional one-year terms through to December 2028, subject to lender approval. The loan is provided by Lloyds Bank plc, HSBC UK Bank plc, Bank of Ireland, and Barclays Bank plc, with Barclays joining the existing three bank syndicate. The margin of 1.25% was unchanged from the existing facility.

The Group has incorporated Sustainability-linked KPIs into the loan, which include annual pre-agreed targets and are based on:

- reductions in Scope 1 and 2 emissions;
- increase in solar generation capacity;
- total annual grants to Big Yellow Foundation charity partners; and
- the value of storage space provided free of charge to local charities in our stores.

Performance against the KPIs will be measured annually, and a margin decrease or increase will be applied to the headline margin on the basis of this performance.

The Group was comfortably in compliance with its banking covenants at 31 March 2024. Further details of the Group's covenants are provided in note 19 of the accounts.

The Group's key financial ratios are shown in the table below:

Metric	31 March 2024	31 March 2023
Net Debt / Gross Property Assets	13%	18%
Net Debt / Adjusted Net Assets	15%	21%
Net Debt / Market Capitalisation	18%	23%
Net debt to Group EBITDA ratio	3.0x	4.1x
Cash generated from operations pre-working capital movements against interest paid	5.6x	7.7x

At 31 March 2024, the fair value on the Group's interest rate derivatives was a liability of £1.8 million. The Group does not hedge account its interest rate derivatives. The fair value movements are eliminated from adjusted profit before tax, adjusted earnings per share, and adjusted net assets per share.

Cash deposits are only placed with approved financial institutions in accordance with the Group's Treasury policy.

Share capital

The share capital of the Company totalled £19.6 million at 31 March 2024 (2023: £18.4 million), consisting of 196,195,287 ordinary shares of 10p each (2023: 184,265,973 shares). 11.6 million shares were issued in October 2023 for a placing, raising £107 million (net of expenses). 0.3 million shares were issued for the exercise of options during the year at an average exercise price of £10.77 (2023: 0.3 million shares at an average price of £13.13).

The Group holds 1.1 million shares within an Employee Benefit Trust ("EBT"). These shares are shown as a debit in reserves and are not included in calculating net asset value per share.

Metric	2024 No.	2023 No.
Opening shares	184,265,973	183,967,378
Shares issued in placing	11,640,212	–
Shares issued for the exercise of options	289,102	298,595
Closing shares in issue	196,195,287	184,265,973
Shares held in EBT	(1,098,686)	(1,122,907)
Closing shares for NAV purposes	195,096,601	183,143,066

111.2 million shares were traded in the market during the year ended 31 March 2024 (2023: 116.3 million). The average mid-market price of shares traded during the year was £10.84 with a high of £12.39 and a low of £9.10.

Principal Risks and Uncertainties

The Directors have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency, or liquidity.

The Group maintains a low appetite to risk, in line with our strategic objectives of providing a low volatility, high distribution business.

The section below details the emerging and principal risks and uncertainties that are considered to have the most material impact on the Group's strategy and objectives. These key risks are monitored on an ongoing basis by the Executive Directors and considered fully by the Board in its annual risk review.

Risk and impact	Mitigation	Change during the year and outlook
<p>Self storage market risk</p> <p>There is a risk to the business that the self storage market does not grow in line with our projections, and that economic growth in the UK is below expectations, which could result in falling demand and a loss of income.</p>	<p>Self storage is a relatively immature market in the UK compared to other self storage markets such as the United States and Australia, and we believe has further opportunity for growth. Awareness of self storage and how it can be used by domestic and business customers is relatively low throughout the UK, although higher in London; awareness increased during the pandemic.</p> <p>The rate of growth of branded self storage on main roads in good locations has historically been limited by the difficulty of acquiring sites at affordable prices and obtaining planning consent. New store openings in London and other large urban conurbations within the sector have slowed significantly over the past few years.</p> <p>Our performance during the past four years has been strong with revenue growing by 54% from £129.3 million in the year ended 31 March 2020 to £199.6 million for this year. We believe that this performance is due to a combination of factors including:</p> <ul style="list-style-type: none"> – a high quality and growing portfolio of freehold properties delivering higher operating margins; – a focus on London and the South East and other large urban conurbations, where the drivers in the self storage market are at their strongest and the barriers to competition are at their highest; – continuing innovation and automation; – an inclusive and non-hierarchical culture with a highly engaged team; – a focus on delivering the highest levels of customer service; – delivering on our strong ESG commitments; – the UK's leading self storage brand, with high and growing public awareness and online strength; and – strong cash flow generation from a secure capital structure. <p>We have a large current storage customer base occupying approximately 73,000 rooms spread across the portfolio of stores and hundreds of thousands more who have used our stores over the years. In any month, customers move in and out at the margin resulting in changes in occupancy. This is a seasonal business and typically we see growth over the spring and the summer months, with the seasonally weaker period being the winter months.</p>	<p>The past two financial years have seen a challenging geopolitical and macroeconomic backdrop, with the Russian invasion of Ukraine in February 2022, the US regional banking crisis and the collapse of Credit Suisse, the conflict in the Middle East, and the impact of rising inflation and interest rates. The latter has impacted the cost of living in the UK, and the level of housing transactions has fallen as the cost of mortgages has increased. The UK economy briefly entered a recession in the second half of 2023.</p> <p>The Group's move-in activity levels were impacted by this backdrop during the year and were down 6% compared to the prior year. However, since the year end, activity levels have improved and move-ins are up 5% compared to the same period last year.</p> <p>Inflation has moderated over recent months, and most commentators consider that interest rates have peaked and will start to fall towards the end of the year, subject to inflation remaining on its current trajectory.</p>

Risk and impact	Mitigation	Change during the year and outlook
<p>Property risk</p> <p>There is a risk that we will be unable to acquire new development sites which meet management's criteria. This would impact on our ability to grow the overall store platform.</p> <p>Changing climate and resulting likely changes to planning restrictions will narrow choice of available sites further.</p> <p>The Group is also subject to the risk of failing to obtain planning consents on its development sites, and the risk of a rising cost of development.</p> <p>Planning approval is increasingly dependent on Social or Environmental enhanced features (e.g. social enterprise at Battersea, BREEAM standards, local planners demands for green spaces) – adding cost and complexity.</p>	<p>Our management has significant experience in the property industry generated over many years and in particular acquiring property on main roads in high profile locations and obtaining planning consents. We do take planning risk where necessary, although the availability of land, and competition for it makes acquiring new sites challenging.</p> <p>Our in-house development team and our professional advisers have significant experience in obtaining planning consents for self storage centres.</p> <p>We manage the construction of our properties very tightly. The building of each site is handled through a design and build contract, with the fit-out project managed in-house using an established professional team of external advisers and sub-contractors who have worked with us for many years to our Big Yellow specification.</p> <p>We carried out an external benchmarking of our construction costs and tendering programme during the prior year, which reinforced our current approach, but also gave some areas where further efficiencies and cost savings can be achieved, which we have been implementing this year.</p>	<p>The Group has acquired thirteen sites over the past five years, taking its total pipeline to 14 sites which, when opened, would expand the Group's current MLA by 15%.</p> <p>The planning process remains difficult and to achieve a planning consent can take anything from eighteen months to three years. Local planning policy is favouring residential development over other uses, and we don't expect this to change given the shortage of housing in the UK.</p> <p>We currently have planning consent on eight of the 14 development sites.</p> <p>In May 2022, we suspended construction on all projects that were not already on site because conditions in the construction market were unfavourable. Those conditions have improved considerably with steelwork and cladding prices falling, and other material prices stabilising. In addition, we are seeing on recent tenders that main contractors and specialist sub-contractors are pricing new projects more competitively. We are therefore proceeding with the build-out of our sites with planning and vacant possession.</p>
<p>Valuation risk</p> <p>The valuation of the Group's investment properties may fall due to external pressures or the impact of performance.</p> <p>Lack of transactional evidence in the self storage sector leads to more subjective valuations.</p>	<p>The portfolio is diverse with approximately 73,000 rooms currently occupied in our stores for a wide variety of reasons.</p> <p>The valuations are carried out by independent, qualified external valuers who have significant experience in the UK self storage industry.</p>	<p>The revaluation surplus on the Group's open store investment properties was £145.4 million in the year (an uplift of 5%), due to an improvement in cap rates following recent transactions in the sector and growth in underlying cash flows used in the valuations.</p> <p>There have been a number of larger portfolio transactions across Europe over the past four years, notably including the proposed acquisition of Lok 'n Store by Shurgard, and there is a weight of institutional money looking to invest in self storage.</p> <p>There is significant headroom on our loan to value banking covenants.</p>

Principal Risks and Uncertainties continued

Risk and impact	Mitigation	Change during the year and outlook
<p>Treasury risk</p> <p>The Group may face increased costs from adverse interest rate movements.</p>	<p>Our financing policy is to fund our current needs through a mix of debt, equity, and cash flow to allow us to selectively build out the remaining development pipeline and achieve our strategic growth objectives, which we believe improve returns for shareholders. We have made it clear that we believe optimal leverage for a business such as ours should be a debt to EBITDA ratio in the range of 3 to 4 times and this informs our management of treasury risk.</p> <p>We aim to ensure that there are sufficient medium-term facilities in place to finance our committed development programme, secured against the freehold portfolio, with debt serviced by our strong operational cash flows.</p> <p>We have a fixed rate loan in place from Aviva Commercial Finance Limited, with 4 and half years remaining. The Group has a £120 million loan from M&G Investments, which is repayable in 2029. For our revolving credit facility, we borrow at floating rates of interest.</p> <p>The Group has a \$225 million credit approved shelf facility with Pricoa Private Capital ("Pricoa"), to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million over the next two and a half years with terms of between 7 and 15 years at short notice, typically 10 days.</p> <p>Our policy is to maintain a flexible borrowing structure, with a long-term average of approximately 50% of our total borrowings fixed, with the balance floating. At 31 March 2024 48% of the Group's total drawn borrowings were fixed or subject to interest rate derivatives. The Group reviews its current and forecast projections of cash flow, borrowing and interest cover as part of its monthly management accounts. In addition, an analysis of the impact of significant transactions is carried out regularly, as well as a sensitivity analysis assuming movements in interest rates and store occupancy on gearing and interest cover. This sensitivity testing underpins the viability statement below.</p> <p>The Group regularly monitors its counterparty risk. The Group monitors compliance with its banking covenants closely. During the year it complied with all its covenants and is forecast to do so for the foreseeable future.</p>	<p>The Bank of England base rate has been increased further during the year, with it currently at 5.25%, up from 4.25% at the start of our financial year, and 0.75% the year before.</p> <p>52% of the Group's drawn debt is floating, and hence the Group will benefit from any reductions in the base rate.</p> <p>Debt providers currently remain supportive to companies with a strong capital structure, as evidenced by the Group refinancing the RCF during the year at an unchanged margin.</p> <p>The Group's interest cover ratio for the year ended 31 March 2024 was 5.6 times, comfortably ahead of our banking covenants, as disclosed in note 19.</p> <p>We keep our hedging arrangements under review and if the long term cost of borrowing for durations of ten to twelve year falls, we will consider taking out more longer term debt, which would increase the weighting of the fixed element.</p>
<p>Tax and regulatory risk</p> <p>The Group is exposed to changes in the tax regime affecting the cost of corporation tax, property rates, VAT, Stamp Duty and Stamp Duty Land Tax ("SDLT"), for example the imposition of VAT on self storage from 1 October 2012.</p> <p>The Group is exposed to potential tax penalties or loss of its REIT status by failing to comply with the REIT legislation.</p>	<p>We regularly monitor proposed and actual changes in legislation with the help of our professional advisers, through direct liaison with HMRC, and through trade bodies to understand and, if possible, mitigate or benefit from their impact.</p> <p>HMRC have designated the Group as having a low-risk tax status, and we hold regular meetings with them. We carry out detailed planning ahead of any future regulatory and tax changes using our expert advisers.</p> <p>The Group has internal monitoring procedures in place to ensure that the appropriate REIT rules and legislation are complied with. To date all REIT regulations have been complied with, including projected tests.</p>	<p>The Group's property rates bill for the year ended 31 March 2024 has increased by 17% from the prior year, with the 2023 rating list reflecting the rise in industrial rents over the past few years.</p> <p>The corporation tax rate increased with effect from April 2023, and there is a risk that tax rates will rise further in the medium-term to fund the increased government deficits that have arisen from the policy response to the pandemic.</p>

Risk and impact	Mitigation	Change during the year and outlook
<p>Human resources risk</p> <p>Our people are key to our success and as such we are exposed to a risk of high staff turnover, and a risk of the loss of key personnel.</p>	<p>We have developed a professional, lively, and enjoyable working environment and believe our success stems from attracting and retaining the right people. We encourage all our staff to build on their skills through appropriate training and regular performance reviews. We believe in an accessible and open culture and everyone at all levels is encouraged to review, and challenge accepted norms, to contribute to the performance of the Group.</p>	<p>The Group carried out an engagement survey of its employees during the prior year, which showed very pleasing results of the level of engagement of our teams.</p> <p>We have listened to the feedback from our employees raised during our engagement survey and made a number of changes to the Group's operations, included reviewing and relaunching our Bright Ideas Suggestion Scheme, reviewing our salary bands for Store employees, and personal safety training having been provided for all team members within our stores. We also introduced a new Employee Assistance Programme, re-trained our Wellbeing Experts and set up a specific Wellbeing sub-site on our Intranet.</p>
<p>Brand and reputation risk</p> <p>The Group is exposed to the risk of a single serious incident materially affecting our customers, people, financial performance and hence our brand and reputation, including the risk of a data breach.</p>	<p>We have always aimed to run this business in a professional way, which has involved strict adherence with all regulations that affect our business, such as health and safety legislation, building regulations in relation to the construction of our buildings, anti-slavery, anti-bribery, and data regulations.</p> <p>We also invest in cyber security (discussed below), and make an ongoing investment in staff training, facilities management, and the maintenance of our stores.</p> <p>We work closely with our key suppliers to ensure a consistency of service from them.</p> <p>To ensure consistency of service and to understand the needs of our customers, we send surveys to every customer who moves in and moves out of the business. The results of the surveys and mystery shops are reviewed to continuously improve and deliver consistent performance throughout the business.</p> <p>We maintain regular communication with our key stakeholders, customers, employees, shareholders, and debt providers.</p>	<p>The Group has a crisis response plan which was developed in conjunction with external consultants to ensure the Group is well placed to effectively deal with a major incident.</p> <p>We experienced a fire caused by arson at our Armadillo Cheadle store a couple of years ago. Our crisis response team worked effectively in managing the incident.</p>
<p>Security risk</p> <p>The Group is exposed to the risk of the damage or loss of a store due to vandalism, fire, or natural incidents such as flooding. This may also cause reputational damage.</p>	<p>The safety and security of our customers, their belongings, stores, and our staff remains a key priority. To achieve this, we invest in state-of-the-art access control systems, individual room alarms, digital CCTV systems, intruder and fire alarm systems and the remote monitoring of all our stores outside of our trading hours. We are the only major operator in the UK self storage industry that has every room in every Big Yellow store individually alarmed.</p> <p>We have implemented customer security procedures in line with advice from the Police and continue to work with the regulatory authorities on issues of security, reviewing our operational procedures regularly. The importance of security and the need for vigilance is communicated to all store staff and reinforced through training and routine operational procedures.</p>	<p>We have continued to run courses for all our staff to enhance the awareness and effectiveness of our procedures in relation to security.</p> <p>We have further invested in security improvements in our stores during the year. We have also invested in additional automated reports and alerts which notify our overnight monitoring station and the operating team of suspicious customer activity.</p> <p>We regularly review and implement improvements to our security processes and procedures.</p>

Principal Risks and Uncertainties continued

Risk and impact	Mitigation	Change during the year and outlook
<p>Cyber risk</p> <p>High profile cyber-attacks and data breaches are a regular staple in today's news. The results of any breach may result in reputational damage, fines, or customer compensation, causing a loss of market share and income.</p>	<p>The Group receives specialist advice and consultancy in respect of cyber security, and we have dedicated in-house monitoring and regular review of our security systems. We also limit the retention of customer data to the minimum requirement.</p> <p>Policies and procedures are under regular review and benchmarked against industry best practice by our consultants. These policies also include defend, detect and response policies.</p>	<p>We don't consider the risk to have increased more for the Group than any other business; however, we consider that the threats in the entire digital landscape do continue to increase and evolve. As such we have continued to invest in cyber security upgrading or replacing components as required.</p>
<p>Climate change related risk</p> <p>The Group is exposed to climate-change related transition and physical risks. Physical risks may affect the Group's stores and may result in higher maintenance and repair costs. Failing to transition to a low carbon economy may cause an increase in taxation, decrease in access to loan facilities and reputational damage.</p>	<p>The good working order of our stores is of critical importance to our business model.</p> <p>We visually inspect each of our stores at least once per annum and planned and unplanned work is discussed immediately.</p> <p>Maintenance requirements are discussed at budget reviews; proposals are made to raise climate change related issues to the Board, who may request more holistic adaptation work to be carried out.</p> <p>The key mitigation strategy to address transitional risks is the delivery of our Net Renewable Energy Positive Strategy and the Net Zero Scope 1 and Scope 2 Emissions Strategy. Our investment to decarbonise our business over the next eight years is expected to mitigate fully against taxation (carbon tax) risk and reputational risks (both investors and customers).</p>	<p>Our Sustainability Committee, chaired by a Non-Executive Director, has delivered an ambitious strategic plan to 2032.</p> <p>We appreciate that both physical and transition risks are expected to materialise to lesser or greater extents over the coming years and costs may go up gradually, hidden within what may be perceived as 'natural variations'. Our focus and strong governance will allow us to continue to mitigate the effects.</p>

Internal audit

The Group employs a Head of Store Compliance responsible for reviewing store operational and financial controls. He reports to the Chief Financial Officer, and also meets with the Audit Committee at least once a year. This role is supported by three other team members, enabling additional work and support to be carried out across the Group's store portfolio. The Store Compliance team visits each operational store twice per year to carry out a detailed store audit. These audits are unannounced, and the Store Compliance team carry out detailed tests on financial management, administrative standards, and operational standards within the stores. Part of the store staff's bonus is based on the scores they achieve in these audits. The results of each audit are reviewed by the Chief Financial Officer, the Financial Controller, and the Regional Operations Managers. This is the equivalent of an internal audit function for the Group's store operations.

For the key business cycles conducted at the Group's head office, external consultants are used to review the Group's controls on a rotational basis. The consultants produce a report with recommendations which is discussed with management and reviewed by the Audit Committee. The cycles covered by this activity include construction expenditure, treasury, taxation, and facilities management.

During the year, the Group implemented new software to enable us to better capture risks and controls and implement a formal testing cycle ahead of the new Corporate Governance Code. With the assistance of external consultants, we performed a detailed walk through of key processes. We have developed a detailed Risk and Controls Matrix in these areas and documented the workflows. These are being embedded in the software, and with reference to best practice will highlight any risks we can further develop controls around, or any controls that could be improved.

With the combination of the store internal audit process and the external assessment of the key business cycles, the Audit Committee considers that this provides a robust internal audit assessment for the Group.

Going concern

A review of the Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are shown in the balance sheet, cash flow statement and accompanying notes to the financial statements. Further information concerning the Group's objectives, policies, and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk can be found in this Report and in the notes to the financial statements.

At 31 March 2024 the Group had available liquidity of approximately £190 million, from a combination of cash and undrawn bank debt facilities. The Group additionally has a \$225 million credit approved shelf facility with Pricoa Private Capital to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million over the next two and half years with terms of between 7 and 15 years at short notice, typically 10 days. The Group is cash generative and for the year ended 31 March 2024, had operational cash flow of £110.1 million, with capital commitments at the balance sheet date of £3.9 million.

The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements, taking into account the Group's operating plan and budget for the year ending 31 March 2025 and projections contained in the longer-term business plan which cover the 18 month going concern assessment period. After reviewing these projected cash flows together with the Group's and Company's cash balances, borrowing facilities and covenant requirements, and potential property valuation movements over that period, the Directors believe that, taking account of severe but plausible downsides, the Group and Company will have sufficient funds to meet their liabilities as they fall due for that period.

In making their assessment, the Directors have carefully considered the outlook for the Group's trading performance and cash flows as a result of the current economic environment, taking into account the trading performance of the Group over the recent dislocations in the global economy from Covid-19, the Russian invasion of Ukraine and the cost of living crisis. The Directors have also considered the performance of the business during the Global Financial Crisis. The Directors modelled several different scenarios, including material reductions in the Group's occupancy rates and property valuations, and assessed the impact of these scenarios against the Group's liquidity and the Group's banking covenants. The scenarios considered did not lead to breaching any of the banking covenants, and the Group retained sufficient liquidity to meet its financial obligations as they fall due.

Consequently, the Directors continue to adopt the going concern basis in preparing the Group and Company financial statements.

Viability statement

The Directors have assessed the Group's viability over a four-year period to March 2028. This period is selected based on the Group's long-term strategic plan to give greater certainty over the forecasting assumptions used. As in the assessment of going concern, the Directors have modelled a number of different scenarios on the Group's future prospects.

In making their assessment, the Directors took account of the Group's current financial position, including committed capital expenditure. The Directors carried out a robust assessment of the emerging and principal risks and uncertainties facing the business, their potential financial impact on the Group's cash flows, REIT compliance and financial covenants and the likely effectiveness of the mitigating options detailed. The Directors have assumed that funding for the business in the form of equity, bank and insurance company debt will be available in all reasonably plausible market conditions. Whilst the eventual impact of the current economic environment on the Group is uncertain, and may not be known for some time, the Group has a highly cash generative business, good liquidity and has proved resilient in its trading in recent years.

Based on this assessment the Directors have a reasonable expectation that the Company and the Group will be able to continue operating and meeting all their liabilities as they fall due to March 2028.

Climate-Related Risks and Opportunities

TCFD compliance statement

Big Yellow recognises the importance of addressing climate-related risks and opportunities in our business operations and decision-making processes. As such, we are committed to transparently disclosing our approach to managing climate-related risks and opportunities in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Our disclosures are consistent with the TCFD recommendations and recommended disclosures set out in the report entitled 'Recommendations of the Task Force on Climate-related Financial Disclosures' published in 2017 and updated in 2021 by the TCFD. Our disclosures encompass all four pillars outlined by the TCFD framework in line with the UK's Financial Conduct Authority Listing Rules. These are detailed below:

Pillar	Disclosure	Location
Governance	Describe the Board's oversight of climate-related risks and opportunities	Governance I page 50
	Describe management's role in assessing and managing climate-related risks and opportunities	Governance II page 50
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	Strategy I page 50
	Describe the impact of climate-related risks and opportunities have had on the organisation's businesses, strategy and financial planning	Strategy II page 53
	Describe the resilience of the strategy , taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Strategy III page 51
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Risk Management I page 53
	Describe the organisation's process for managing climate-related risks	Risk Management II page 53
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Risk Management III page 53
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Metrics & Targets I page 54
	Disclose Scope 1, Scope 2 , and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Metrics & Targets II page 54
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Metrics & Targets III page 54

Principal Risks and Uncertainties continued

Governance

Board Oversight

Our Chief Executive has overall responsibility for climate-related risks and opportunities. Ongoing oversight of climate-related issues is carried out by our Sustainability Committee, chaired by our Non-Executive Director for Sustainability, and attended by our Head of Sustainability and the Executive Leadership Team. The Sustainability Committee meets twice yearly.

The Board is updated on relevant aspects of our sustainability strategy at each meeting. In addition, climate-related risk has been defined as a 'principal risk' and managed as part of our standard business risk process.

Management's role

The Quarterly Environmental Committee has been tasked by the CEO with assessing climate change risk exposure and to feed that back into the Business Risk Process, the Sustainability Committee where it intersects with the Sustainability Strategy, and to the CEO. It will then be available to the CFO, CEO and the Board for discussion. Outputs of the work will be used to submit to external benchmarks and enhance ESG reporting. The progress of the work on the TCFD is guided and monitored by the Head of Sustainability who manages the Quarterly Environmental Committee. As part of the existing business risk process, the Company assesses, amongst other things, the impact the (temporary) loss of a store has on the business. That loss could occur through any number of reasons; the Environmental Committee will provide input into the business risk process with climate-related specific risks and opportunities.

For more detail on our governance structure and management's role in assessing and managing climate-related risks and opportunities, please see the link below. This is kept as an independent document as this is of interest to some of our stakeholders separately from our annual report and accounts.

https://corporate.bigyellow.co.uk/download_file/view/996/236

Strategy

In order to address this pillar, we have identified the material climate-related risks and opportunities, the impact they have on our business and our response to them. We have considered various future scenarios over three different time frames. Finally, we have described how we have incorporated climate change resilience holistically into our organisation.

Identifying climate-related risks and opportunities over our short, medium and long term time horizons.

Big Yellow has assessed the 10 main risk themes defined by the TCFD framework in our 'Managing Climate Risk and Opportunities' document **Managing Climate Related Risks and Opportunities 2022.pdf** (https://corporate.bigyellow.co.uk/application/files/9616/5235/3338/Managing_Climate_Related_Risks_and_Opportunities_2022.pdf).

The 10 topics are: Current regulation; **Emerging Regulation**; Technology; Legal; **Market**; **Reputation**; **Acute physical**; **Chronic physical**; Upstream and **Downstream**. Using CDP terminology, seven of the TCFD climate-related risk themes are assessed as 'relevant, always included' (**in bold**); two are assessed as 'relevant, sometimes included'; and one is assessed as 'not relevant, included'.

Climate-related risks are broken down into Physical and Transitional risks and are prioritised based on the potential severity of their impact on the business. The below table illustrates time periods and the importance of the risks identified by the CSR department and Environmental Committee.

Risk Type	Risk Theme	Potential Materiality ⁽¹⁾		
		Short-Term	Medium-Term	Long-Term
Physical Risks				
Heat Stress	Chronic physical		●	●
Flooding ⁽²⁾	Acute physical		●	●
Transition Risks				
Stranded Assets	Market		●	
Reputational Risk	Reputation		●	
An increase in carbon/emission taxation & fines (unlikely that there will be significant incentives.)	Current regulation		●	
An increase in standards, especially for buildings	Emerging regulation	●	●	
A significantly higher financial reporting burden including Scope 3	Emerging regulation	●		

Importance: ● Low ● Medium ● High

Climate-related risks: Physical Risks

Impacts from both flooding and increased heat stress will likely have some financial impact on Big Yellow. It may also have a reputational impact if stored goods are affected and an indirect financial impact through rising insurance costs. Store locations have been identified using either postcodes or 6-digit ONS coordinates. The coordinates are listed in the Appendix of the full ESG report.

Heat stress

To determine heat stress we have used average daytime summer temperatures at +2°C scenario data set as well as current climate in order to test the resilience of the strategies at different temperature points. We have considered the likelihood of stores experiencing more than 5% temp increase on hottest day temp from base year and where there is an increase in days that will experience temperatures of more than 25°C.

Assuming a +2°C scenario, 42 of our stores may experience heat stress, both as an increase in 'hottest summer day temperature' of 5 percentage points or more and from at least a doubling in the number of summer days per month that exceed 25°C.

The financial impact for longer periods of hot weather could come from a range of impacts, such as heat damage to goods being stored, increase in use of ventilation / cooling, potentially retrofitting of air conditioning units, detrimental impact on immediate neighbourhoods through urban island heat effects and community pressure to address heat issues.

Flooding

To determine flood risk we have used three sources of information: planning flood zones; flood risk from rivers and sea; and flood risk from surface water (across 3 websites depending on store location: .gov SEPA and .Wales). We have looked at the current climate as well as +2°C scenario to test the resilience of the strategy.

We have three Big Yellow stores that are in Flood Zone 3 and that have at least medium to high risk of surface water flooding – all three stores contain measures to minimise impacts, such as flood defences. We anticipate that we will be monitoring the adequacies of these measures going forward.

Assuming a +2°C scenario, 89 of our stores may experience both a reduction in the number of rainy summer days per month and an increase in mm of rainfall on the wettest summer day.

The financial impact of flooding could come from a range of impacts, such as damage to goods stored on the ground and basement floors, unblocking drains, clearing up large scale flooding, more frequent maintenance of the building infrastructure that is exposed to a large amount of rain falling over shorter time frames, such as roofs, gutters, signage, etc.

⁽¹⁾ Short-term is determined to be less than five years, Medium-term between five to ten years and Long-term above ten years.

⁽²⁾ A +2°C scenario was used for identifying Physical risk and has been determined to have a medium-long-term timeline, using IPCC report (SPP3-7.0).

Principal Risks and Uncertainties continued

Climate-related risks: Transition Risks

There are a number of consequences of changing climate that the Sustainability Committee deem likely to occur:

- A focus on electrification and decarbonisation.
- An increase in carbon / emission taxation and fines (unlikely that there will be significant incentives).
- An increase in standards, especially for buildings.
- A significantly higher financial reporting burden including Scope 3.
- The introduction of a price of carbon.

The Environmental Committee has proposed, and the Sustainability Committee agrees, that decarbonising our business is important to allow us to:

- a. avoid the risk of “stranded assets”;
- b. maximise the opportunity to invest at the right time, optimising costs;
- c. minimise carbon / emission taxation;
- d. provide EV charging pods for our staff and customers in all new stores.

Stranded assets

The risk of ‘stranded assets’ is a focus for investors, and so becomes a material concern to us. This has been part of our risk process, considered throughout the year by the Environmental committee as well as by the Board and during the risk management review. We have a clear plan to improve the efficiency of our buildings working on the continual upgrade of all EPCs across the estate. 99.6% of the estate is currently at a C or above with plans to have all stores at a B or above by 2028.

Reputational risk

We believe that not tackling these physical and transitional risks head on has a real potential of damaging our reputation. In the process of undergoing a double materiality assessment this year we have had this reinforced with climate-related topics featuring in four of the nine material topics.

Increase in carbon/emission taxation

An increase in carbon/emission taxation and fines is likely to occur across the longer timeframes of the period. We are continuously horizon scanning for changes in regulation.

Financial reporting burden

There has been a substantial change in the reporting regulations in the EU over the past 12 months. We have made the decision to align ourselves with the reporting requirements. Although they are not mandatory for Big Yellow, we have made the decision to align with the CSRD so that our reporting is comparable to our European REIT peers.

Climate-related opportunities

Opportunities, arising from risks explored above, are also identified where possible and how these will be integrated within the Company's strategy and financial planning. Our internal processes and scenario analysis also identify possible climate-related opportunities, these are listed in the table below.

Climate-related Opportunity	Company Response	Potential Materiality		
		Short-Term ⁽³⁾	Medium-Term	Long-Term
Growth in demand for renewable energy	Investment into retrofitting existing stores with PV systems	●	●	●
	Aim for all new stores to be fitted with minimum 100kWp PV system	●	●	●
	Purchasing 100% renewable energy	●	●	
Growth in solar and battery markets driven by decarbonisation	Investing in solar battery pilot projects to combat export limitations	●	●	
Transition away from fossil fuelled heating and Natural Gas	Investing into retrofitting existing gas boilers with Heat pumps	●	●	●
Growth of EV transport market	Deploying electric vehicle chargers for all new stores	●	●	●

Importance: ● Low ● Medium ● High

⁽³⁾ Short-term is defined as up to five years, medium-term is between five years to ten years and Long-term is above ten years.

Growth in demand for renewable energy

Big Yellow are investing heavily into the retrofit of renewable energy across our estate with solar being installed on all roofs that can feasibly hold the weight of panels. All new stores will have at least 100kWp of solar installed with the roof space being maximised with solar where possible.

Growth in solar and battery markets driven by decarbonisation

The continuation of our battery pilot is allowing us to learn from the issues that have arisen in the first round of the pilot. By the end of the second pilot, we hope to have a project plan that will allow us to couple batteries with solar generation across the estate, reducing our reliance on the national grid further still at the same time as continuing to decarbonise our activities.

Transition away from fossil fuelled heating and Natural Gas

Our Net Zero Emission strategy sets out how we intend to deliver a decarbonised business. Please note that the work to move away from gas boilers is currently being undertaken with a further seven boilers being removed this year. The remaining stores will have their heating swapped to electric over the next two financial years.

Growth of EV transport market

We believe this is becoming an even stronger consumer preference / offering real customer solutions, such as only using renewable energy at our stores and providing EV charging pods for our staff and customers.

Impact of climate-related risks and opportunities have on the organisation's businesses, strategy and financial planning

Both physical and transition risks are expected to materialise to a lesser or greater extent over the coming years and costs may go up gradually, hidden within what may be perceived as 'natural variations'.

The initial view was to establish a 'trigger' metric that will prompt the Company to review current measures taken and therefore allow for strategic decision-making if thresholds are exceeded.

On discussing how this may work on an operational level, we felt that our current processes in place are sufficient to maintain a close watch on increasing costs driven by climate change.

We deem our current understanding of the inherent physical risks to our assets and the unique features of each of our stores to be more than enough to manage future changes.

Physical risk planning process – identifying emerging issues through visual inspection and half yearly budget reviews

The CEO, CFO and COO visually inspect each of our stores at least once per annum; they are usually accompanied by the Head of Estates and Facilities where planned and unplanned work is discussed immediately.

The budgeting process then allows the CFO as well as Head of Estates and Facilities to prioritise both planned and unplanned maintenance. The budget review by the Financial Controller looks at planned costs versus historic years and where costs are changing year on year. This is the point at which trends may be identified and proposals are made to raise climate change related issues to the Board, who may request a more holistic solution and who may charge the Environmental Committee to identify such a solution.

Transitional risk planning process – identifying issues via our internal and external Sustainability community

The Head of Sustainability or the Environmental Committee or the Non-Executive Director for Sustainability may identify aspects that could pose a risk to the Group, and they may raise these either at the Environmental Committee or at the Sustainability Committee. Specific risks, such as those connected to Planning for our future store opening program, may be integrated into the standard Business Risk process.

Where we identify that a larger scale change needs to be considered, such as replacing gas heating with electric or renewable energy heating, depending on the budget implications this will be assessed either by the Environmental Committee or if significant extra budget is required, at the Board level Sustainability Committee.

Risk Management

Identification, assessment and management of climate-related risks

Big Yellow has a rigorous system of risk management and internal control which includes the identification and assessment of climate-related risks. As detailed earlier in this document we have mapped out our seven risk themes and categorised them as transitional or physical. Next understanding and quantifying the impact these could have on our business, strategy and financial planning has been considered.

For more detail on our governance structure and management's role in assessing and managing climate-related risks and opportunities, please see the link below. This is kept as an independent document as this is of interest to some of our stakeholders separately from our annual report and accounts.

https://corporate.bigyellow.co.uk/download_file/view/996/236

Metrics and Targets

Disclosure of metrics to assess climate-related risks and opportunities

We have created a broad range of environmental metrics and targets with the intention of enabling our stakeholders to make informed decisions. The full comprehensive list has been compiled in response to the full Double Materiality Assessment that has been conducted this year.

For full information and detail about our targets, metrics including Scope 1, 2 and 3 GHG emissions please see our full ESG report.

Principal Risks and Uncertainties continued

Metrics

The metrics found below are taken from the Double Materiality Assessment results and are those that are relevant to the main risk themes defined by the TCFD framework detailed at the beginning of the report.

Climate-related risk metrics

Aspect	KPI	22-23	23-24	Target
Regulation	No of EPCs rated F or G	0	0	maintain
Extreme Weather	% of current lettable area (sq ft) located in Planning flood Zone 3 & at least medium to high risk of surface water flooding ⁴	0.68 ⁵	0.67	n/a
	% of at risk current lettable area protected by adaptive measures, such as raised floors or SUDs ⁶	100%	100%	100%

Climate-related opportunities metrics

Aspect	KPI	22-23	23-24	Target
Transitioning to a low carbon economy	% of electricity from renewable energy generation ⁷	16% ⁸	33%	100% + by 2030
	Investment in retrofitting activities to drive decarbonisation (approx.) ⁹	£5.2m ^{10,11}	£6.0m ¹²	£5.5m per annum to 2025
	% of electricity purchased from renewable sources ('market-based') ⁷	100%	100%	100%
	Greenhouse Gas (GHG) emissions intensity from building energy consumption (Scope 1 & 2) – tCO ₂ e/CLA(m ²)	4.1 ¹³	3.8	As per our NREP & Net Zero Strategy
	Greenhouse Gas (GHG) emissions intensity from Scope 3 – tCO ₂ e/CLA (sq ft)	0.0022	0.0021	As per our Science Based Targets

Targets to manage climate-related risks and opportunities

Emissions

We have set out our full pathway for all Scope 1, 2 and 3 Emissions by 2032 in our Net Renewable Energy Positive ("NREP") Strategy and Net Zero Emissions Strategy.

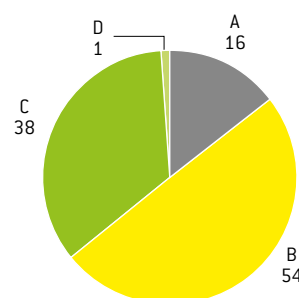
In order to achieve our main Net Zero commitments, we have set a number of sub targets that need to be achieved along our pathways. These are summarised in our annual ESG report, as well as in the Directors' Report.

To track progress against our science-based targets, we have our Scope 3 footprint calculated annually starting with the calculation for the year ended 31 March 2023. For more information on this please refer to our Benchmarks and Standards section in the Full ESG Report.

EPCs

99.6% of EPCs for our store portfolio are in the 'Green' range, i.e. an A, B or C rating. The final store with an EPC rating of D is due for renovation in 2024-5; once those works are completed we hope to be able to say the whole estate is rated C or above. 100% of our stores are covered by an Energy Performance Certificate.

EPC by Number of Stores



We aim to achieve a good balance between disclosing our risks and any mitigating actions we are taking and protecting commercially sensitive information. We trust this section achieves this balance; for any further questions, please contact csr@bigyellow.co.uk.

⁽⁴⁾ Sq ft from ground and below ground level floors.

⁽⁵⁾ Restated as 2022/23 reporting error made, resulting in Hull being reporting not Barking.

⁽⁶⁾ SUDs stands for Sustainable Urban Drainage.

⁽⁷⁾ Import grid use only.

⁽⁸⁾ Restated due to estimated figures being replaced with actuals post year end.

⁽⁹⁾ Figure includes removal of gas boilers, retrofitting of solar installations, all energy efficiency related projects.

⁽¹⁰⁾ Restated to include reclassified project spend.

⁽¹¹⁾ Projects included solar retrofit, gas boiler removal, EV charger installations and solar films.

⁽¹²⁾ Projects included solar retrofit, gas boiler removal and LED light conversions.

⁽¹³⁾ Restated with most up to date emissions factors.

Section 172 Statement

Section 172 of the Companies Act 2006 requires a Director of a Company to act in the way they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole.

In performing this Section 172 requires a Director to have regards among other matters to:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly with members of the Company.

The Directors give careful consideration to the factors set out above in discharging their duties under section 172. The Board's obligations under Section 172 are considered at Board meetings within each relevant section of the Board pack. The stakeholders we consider in this regard are our employees, our customers, our shareholders, our suppliers, and the environment. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

The Board regularly receives reports from management on issues concerning customers, the environment, suppliers, employees, and investors, which it takes into account in its discussions and in its decision-making process under Section 172.

Stakeholder engagement

The Board is committed to effective engagement with all of our key stakeholders. The importance of each matter may differ to each stakeholder group, and hence the Group seeks to understand the relevant interests and priorities of each stakeholder Group, and to have regard to these in its decision making. The Board does acknowledge that not every decision that it makes will necessarily result in a positive outcome for all stakeholders.

Information on interaction with our key stakeholders is included in the Corporate Governance Report on **pages 83 to 89**.

Further information

You can read further information on stakeholder engagement and our approach to S172 in the following places:

Employees	Chief Executive's Statement (page 17) Governance (page 89)
Customers	Chief Executive's Statement (page 16) Operating Review (page 26) Governance (page 87)
Suppliers	ESG Report (page 69) Governance (page 88)
Investors	Chairman's Statement (page 14) Chief Executive's Statement (page 19) Our Strategy (page 20) Our Investment Case (page 22) ESG Report (page 72) Governance (page 87)
Environment	Chief Executive's Statement (page 18) Operating Review (page 30) ESG Report (pages 56 to 72)
Long term	Chairman's Statement (page 14) Chief Executive's Statement (page 16) Our Strategy (page 20) Our Investment Case (page 22) Risk Management (page 44) Viability Statement (page 49)

Environmental, Social and Governance Report

Big Yellow Group PLC (“Big Yellow”) is committed to responsible and sustainable business practices.



Introduction

The Big Yellow Board recognises that corporate social responsibility (“CSR”) – when linked to clear commercial objectives will create a more sustainable business and increase shareholder and customer value, in both the medium and long term. People, Planet and Profit need to be aligned to make a sustainable business.

Big Yellow seeks to meet the demand for self storage from businesses and private individuals by providing the storage space for their commercial and/or domestic needs, whilst aiding local employment and contributing to the local community.

Our CSR Policy covers all Big Yellow’s activities, which now includes 85 Big Yellow stores, 24 Armadillo stores, and 14 proposed stores in the development pipeline, as both an operator of self storage facilities and a developer of new self storage facilities. We recognise that our operations can have significant economic, environmental, and social impacts. We are therefore committed to assessing our ESG risks and opportunities, and taking appropriate steps to mitigate negative impacts and, where possible, enhance positive impacts for the benefit of our business, our stakeholders, and our local environment.

The governance of our sustainability activities is delivered by the Board level Sustainability Committee, chaired by Heather Savory. For an update on the activities of the Committee please see the Sustainability Committee Report on **page 94**. Heather, along with the Board, oversees the sustainability agenda delivered by the Environmental Committee and the Head of Sustainability.

The outcome of operating responsibly is the social value that we create and the long-term resilience of our business when faced with external pressures and changes, such as a changing climate and a changing political and legislative environment.

Our full ESG Report and the relevant sections within our Annual Reports and Accounts (the Directors’ Report and the ESG section) have been prepared in accordance with the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implementing the Streamlined Energy and Carbon Reporting (“SECR”) requirements. The Greenhouse Gas (“GHG”) section of the ESG report has been reported in accordance with the WRI/WBCSD GHG Protocol – a Corporate Accounting and Reporting Standard.

Our health and safety reporting is stated in accordance with the UK Health and Safety Executive guidance. You can read more about our business model on **page 22** of the Annual Report.

1. ESG executive summary

1.1 CEO introduction

Following the external verification of our Science Based Targets last year, this year we have focussed on reporting and improving our understanding of the carbon within our buildings. Following the introduction of the Corporate Sustainability Reporting Directive ("CSRD") in the EU many of our peers will be overhauling the fundamentals of their reporting and auditing process within the ESG space. Although we are not mandated to do this, we have decided to align our reporting with CSRD. We believe this standard will be viewed as best practice also for UK listed companies and we wish our reporting to be directly comparable to our EU peers.

We have partnered with an ESG consultancy and embarked on a Double Materiality Assessment of the business to get an understanding from our stakeholders, both internal and external, of the material environmental issues related to Big Yellow's activities. This set of topics will inform our revised KPIs and reporting structure.

We have also started a detailed review of the design and build of our new construction projects with a clear focus on the embodied carbon. This builds on the reporting needed for BREEAM and includes Whole Lifecycle Assessments on our construction projects during design and post construction. We intend to use the findings to inform our design process in the future with the aim of reducing embodied carbon and improving the sustainability of our buildings.

Given the size of our development programme and our buildings being an important part of our business we have decided to bring all the relevant information about our buildings into its own chapter within this ESG report.

At Board level, our Sustainability Committee, chaired by Heather Savory, are pleased with the progress made with the solar retrofit programme. We have installed solar on new stores since 2008 and started phase 1 of our solar retrofit programme in 2021. In 2023 it was decided to extend the program from the 36 originally identified stores to the whole estate so that, where possible, every store can benefit from renewable onsite power in the future. Phase 3 of this process is almost complete taking the total to 35 stores at a cost of £13.6 million.

Following the pilot installation of a battery project at Guildford we have considered new options and decided to use a different supplier and a larger battery. This will be tested at our Slough Farnham Road centre which is currently under construction and due to open this summer.

The Big Yellow Foundation has had a successful year this year with £255,700 donated to our seven charity partners all of whom are focussed on the rehabilitation of vulnerable young people and adults into meaningful work. The Foundation was set up in 2018 and over the last six years we have donated over £1 million to this cause.

We continue to provide free space to small local charities and community organisations across our network. In the year under review this amounts at current rents to a total of £0.8 million in value of donated space.

At Big Yellow we embrace both the Environmental and Social pillars of our ESG initiatives. We firmly believe that our journey towards achieving Net Zero targets, the impactful efforts of The Foundation, and our donations of space to local charities are all interconnected. Each action we take is not just about making a difference in the environment; it's about fostering stronger, more vibrant communities in the local neighbourhoods of our stores. We are not only doing what is the right thing to do but making a real, tangible impact, both for the local environment and all our stakeholders. I would like to thank all those involved throughout the business.

Jim Gibson
Chief Executive Officer

May 2024

Environmental, Social and Governance Report continued

1.2 Climate Change and our Business – looking forward

We have a well-established strategy which we have been working towards since 2021. Building on this by setting Science-Based Targets (“SBTs”) last year, this year we have gone a step further. The announcement of the Corporate Social Reporting Directive (“CSRD”) for EU businesses has given us the opportunity to consider our own reporting structure. Although we are not obligated to report under the CSRD, we want our stakeholders to be able to compare us with our REIT and Self Storage peers with ease. We can also see the benefit of the transparent approach the directive has taken, and with these factors in mind, we have aligned ourselves to the directive.






The biggest activity in this area has been to undertake a Double Materiality Assessment to understand how the material topics for the business have changed since the last materiality assessment. This time we have looked both at the impact of the environment on the business as well as the impact the business has on our local environment.

1.3 Sustainability performance overview

This year, after the completion of our Double Materiality Assessment (please see the Materiality section of our full ESG report for more details), we have also reviewed our ongoing Key Performance Indicators (“KPIs”). We have rationalised these to distil them down to the most important areas of focus for us. In the table below are the 14 KPIs and the progress we have made against them during the financial year ended 31 March 2024. The KPIs are derived from the whole range of topics discussed in this report and then related to both the CSRD topic where appropriate and the UN Sustainable Development Goals (“UNSDGs”).






Although we are aligning ourselves to the CSRD there is no requirement for us to comply with the directive as we do not have any assets in the EU. We have identified appropriate KPIs for seven of our nine material topics. The remaining two are covered in our ESG Report or Annual Report. Risk Management is handled in our TCFD section and Management, Site Acquisition and Growth Strategy in the Our Buildings section of this document.

The tables below show the Group’s performance against Sustainable Development Goals (“SDG”).

UN SDG	Topic	CSRD	KPI	Progress
Our Environment				
	Scope 1&2 Emissions	Energy Management	70% reduction to 948 tCO ₂ e by 2032	2,237 tCO ₂ e* A 29% reduction to date
	Total installed solar	Renewable Energy	Total installed capacity increase to 11,479 kWp by March 2028	6,627 kWp* 58% progress towards target
	Scope 3 / Embodied carbon	Carbon Management	This is in early stages of development with the plan to have a KPI in the future	
Our People				
	Turnover of full-time staff		Maintain turn over below average UK Retail levels of 33% ¹⁴	14.0%*, turnover including part-timers is 18.1%
	A staff training KPI		Increase year on year of total hours trained, both male and female	28,088 hours* a 20% increase
Our Communities				
	Free space donation to local charities	Access & Affordability	Trajectory in line with targets in revolving credit facility	£796,123* exceeding this year’s target
	Customer donations & matched funds		Raise a minimum of £220k a year	£220,282*

⁽¹⁴⁾ ONS Employee turnover levels and rates by industry section, UK.



UN SDG	Topic	CSRD	KPI	Progress
Our Buildings				
	Estate EPCs	Sustainable Self Storage Design	Have all stores achieve a B or above by 2028	70 stores (64%) with B or above rating
	Biodiversity		Average Biodiversity Net Gain ["BNG"] per new store of over 10%	Kings Cross 2,583% net gain ¹⁵
Our Suppliers				
	Prompt payment		Pay 95% of invoices within 60 days	100%
Our Health, Safety & Information Security				
	Staff annual incident rate		AllR to stay lower than industry category average of 1,169 ¹⁶	647*
	Information security breaches	Cyber & Data Security	Maintain a minimal level of breaches	No reportable information security breaches in the past 3 years
Our Governance				
	ESG related LTIP vesting criteria – solar retrofit	Board Ownership & responsibility	Retrofitting solar panels on 30-40 stores between 2022 and 2025	35 stores retrofitted to date
	ESG related LTIP vesting criteria – green loan debt facility	Board Ownership & responsibility	30-50% of the group's total debt facilities being green loans by 2025	67% of the Group's total debt facilities at 31 March 2024 are green loans

For our climate-related risk and opportunity metrics, please see the TCFD section on **page 49**.

⁽¹⁵⁾ 500m² sedum green roof and 10 ornamental trees at street level detailed in BREEAM report – further info in our the Our Buildings Section.

⁽¹⁶⁾ Industry – Warehousing and support activities for transportation. SIC 52 – HSE Work-related non-fatal injuries to employees in Great Britain by detailed industry.

Environmental, Social and Governance Report continued

2. Our Governance

Environmental responsibilities

Our ESG Policy sets out the aspects of what we manage. Our ESG Policy Standard and our web content provide further information on how we manage the impact of our business on society and the local environment to control our risks and manage our opportunities in a sustainable manner.

Reporting compliance

Our full ESG Report and the relevant sections within our Annual Reports and Accounts (Directors' Report and ESG section) have been prepared in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implementing the Streamlined Energy and Carbon Reporting ("SECR") requirements. The GHG section of the ESG report has been reported in accordance with the WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard.

Fines, notifications, penalties or settlements

There were no fines, notifications, penalties, or settlements received by the Company that are relevant to sustainability during the financial year ended 31 March 2024.

Approach

We have provided a specific section on energy, emissions, water, and waste, reporting against all environmental European Public Real Estate Association ("EPRA") indicators (and GRI where relevant). Having achieved 'Gold' status in terms of transparency and quality of our reporting during 2022/23 we continue to present our data in this format.

After the Double Materiality Assessment, where we feel further KPIs may be insightful, we have provided these in each subsection too, including a brief narrative to explain variances where applicable.

All the changes we make to our reporting are tabled in our Basis of Reporting document.

Benchmarking and standards

We use the detail in this ESG Report to participate in external/industry benchmarks, such as the annual Carbon Disclosure Project ("CDP"), the Global Real Estate Sustainability Benchmark ("GRESB") and FTSE4Good to engage with our other Ethical Investors.

The GRESB and CDP benchmarks inform our investor community of our general ESG performance, our governance approach, risk management protocols and a range of other indicators that give reassurance that our business is 'sustainable'.

We consider GRESB and FTSE4Good to be particularly relevant to the nature of our business and our continued inclusion forms part of select Big Yellow's senior managers' performance conversations.

We are aware of the limitations we face with taking part in benchmarks designed for traditional Real Estate organisations rather than self storage but value the opportunity to be transparent and are committed to continued participation.

Assurance of data

We have commissioned SGS United Kingdom Ltd to carry out independent assurance of our Greenhouse Gas emissions disclosures and other select voluntary disclosures, predominantly at a limited level of assurance according to the International Organization for Standardization's (2006) ISO 14064-3. The full assurance statement is published in our ESG Report 2023-24. We have made the decision to have one KPI assured to a reasonable level this year. The reason for this is to start to prepare us for the transition of all KPIs so that we can align with the CSRD.



3. Our Environment

3.1 Highlights

- We now have 6.6MWp of solar generating capacity across 68 of our stores.
- Despite the opening of a new store and electrification of store heat in seven stores, our absolute scope 1&2 emissions have reduced.
- We have had REGO accreditation for 41 of our solar installations to enable us to sell the REGO certificates with our solar export.
- We have commissioned the next battery to extend our battery pilot at our new Slough Farnham Road store in July 2024.
- We completed an estate wide water review saving £45,000 per annum.

3.2 Big Yellow Net Renewable Energy Positive (NREP) Strategy and Net Zero Emissions Strategy

Our Net Renewable Energy Positive (“NREP”) and Net Zero Emissions strategy are in the 2nd year of delivery since being re-published in 2022.

As part of the NREP Strategy and Net Zero Emissions Strategy, the Sustainability Committee approved budgets to deliver a number of key programmes.

The Company is tracking six initiatives to ensure the delivery of the strategy is on track, the headlines are below with further detail later in the report. The six initiatives are:

- a. Solar Generation: deliver retrofitting of 36 Big Yellow stores that currently do not have solar. This commitment has been further extended to cover all suitable roofs on the estate. *On track*
- b. Science-Based Targets: our Science-Based Targets have been set and externally verified by the SBTi. *Complete*
- c. Storage Batteries: first battery installed. We are working with a new battery provider for a second phase of the pilot, to be installed at our new Slough Farnham Road store. *On track*
- d. Estate Decarbonisation: first and second steps of our gas boiler replacement programme completed: seven gas boilers replaced with electric boilers in the year; a final four scheduled for the year ending 31 March 2025. *On track*
- e. Sustainable Construction: the Sustainability Committee reviewed the upfront investment the Company made to ensure all newly constructed stores were aligned with the retrofitted stores. From our Kingston North development onwards, all new stores are being equipped with the optimal capacity in the range 50kWp-200kWp subject to suitability of store roofs. *On track*
- f. Embodied Carbon of our construction projects: this is now being considered and assessed at RIBA 4 and 6 on a project by project basis. *In progress*



In a constantly developing landscape, we are faced with a number of variables in delivering the NREP Strategy and Net Zero Emissions Strategy through to 2032; we intend to report on progress on an annual basis as part of our ESG Report. We may also update the strategy document from time-to-time, as we continue to develop the strategy for the Armadillo stores and as the progression of our work is likely to uncover new options becoming available to us.

We have created a number of environmental communications to help our customers understand what we are doing and why. These include our Big Yellow Green campaign with a short video of the various sustainability features on our estate. During our customers' online journey, we have several ESG facts on holding screens to share the detail. In all our solar stores there are displays showing how much energy has been created in the store that day rather than bought from the grid. We also use social media to share our sustainability messaging. We understand this is important to our customers and so we share our journey with them.

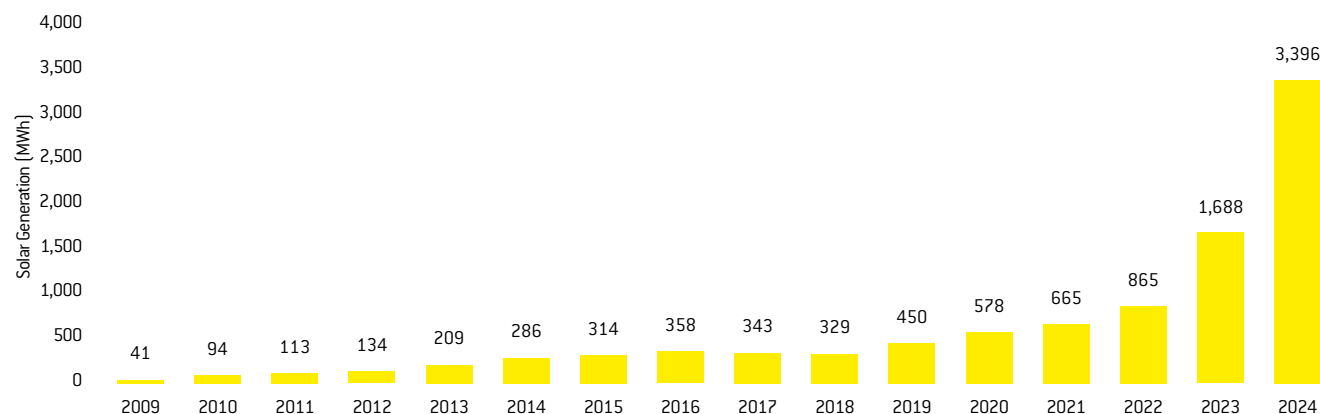
3.3 Energy

Our portfolio of stores with roof-mounted solar PV installations generates low carbon electricity that is monitored for performance and receives financial payments from the energy companies that we export to. We now have 68 stores that generate renewable solar electricity, with 17 new systems commissioned this year.

Environmental, Social and Governance Report continued



Long Term Solar Electricity Generation



Having generated over 3 million kWh of power on our stores this year, we have saved over £400,000 in grid electricity bills. Once an export connection is established, which takes some time after the panel installation is complete, we are also able to sell any unused power back to the grid. Below is a summary of this year's financial benefits from our solar generation. This year we have also started to apply for Renewable Energy Guarantees of Origin ("REGO") accreditation for our stores. This means that we can receive certificates for every megawatt of electricity generated on our sites, adding another revenue stream to the business. This year we have managed to secure accreditation for 41 sites. This has generated additional revenue of £5,764. As the majority of these accreditations were granted midyear this number is set to grow further next year.

Financial benefits of solar generation

Year ended 31 March	2021	2022	2023 restated	2024
Solar Generation (MWh)	681	865	1,688	3,396
Store solar use (MWh)	391	557	1,514	2,600
Displaced grid energy savings (£)	£93,116	£121,065	£236,375	£438,447
FIT & PPA payments (£)	£108,951	£115,735	£135,352	£204,182
REGO payments (£)	New 2024	New 2024	New 2024	£5,764
Total savings (£)	£202,068	£236,800	£371,727	£648,392

Notes:

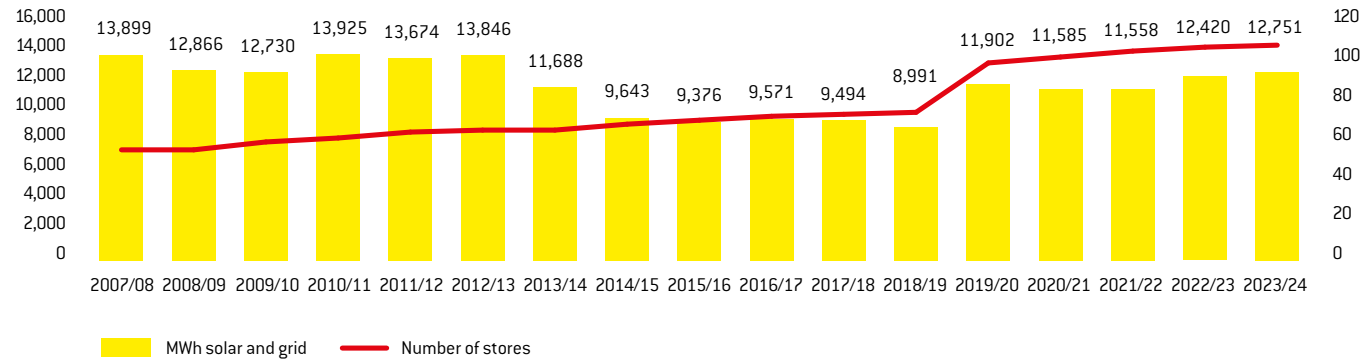
- March 2024 FIT payments have been estimated using March 2023 data as current year not available until Q2.
- The process of setting up PPAs once a solar installation is complete can take some time, so the split of used compared to exported does change over time.
- Supplied UK Network displaced electricity savings = solar generated kWh x 14p Grid kWh charges for any power generated up to 30 September 2023 and the price of 23.8p/kWh from our new energy contract which started on 1 October 2023.

Long-term Electricity Use

The chart below shows how grid bought electricity plus solar energy used in our stores between 2008 and 2024 has changed over time.

Despite increasing store numbers, our long-term electricity use remains relatively stable. This is because new stores coming on board are more energy efficient and built to our updated sustainable construction standards, using the best technology available and come ready equipped with solar PV installations. This has been furthered by our investment in retrofitted solar across the estate.

Long-term store electricity



Note: chart shows the used solar energy from the year ended 31 March 2020 included in the total MWh number

Note: some of our stores rent out roof space to a company that installs and operates telecom masts. The telecom masts are powered via our stores' electricity supply, increasing the total store energy consumption. This additional energy became a material percentage of our emissions during 2018/19 and, as the masts are not within our control, their electricity consumption has been removed from our total Scope 2 and reported as part of Scope 3.

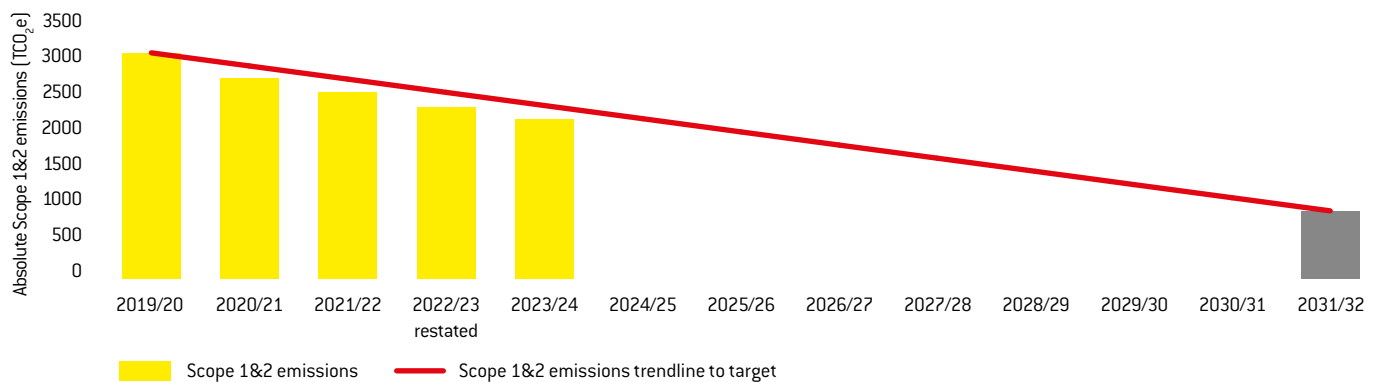
3.4 Emissions

In addressing the environmental impacts of our operations, we recognise the significance of emissions management as a key component of our sustainability strategy. We are committed to minimising our carbon footprint and mitigating the effects of climate change.

Absolute Scope 1 & 2 Greenhouse Gas Emissions

The UK government has made several commitments on the behalf of UK companies to reduce emissions, primarily aimed at addressing climate change and achieving net-zero greenhouse gas emissions by 2050. In addition to the government commitment, we have made a further Science Based Target commitment to reduce our Scope 1 & 2 emissions by 70% of our FYE 2020 baseline by 2032. The following graph shows our absolute Scope 1 & 2 emissions reduction since our baseline year in yellow. The red line shows a projection of what is needed to hit our Science Based Target by 2032. The orange bars show the emission levels of the past five years under the straight trajectory from our baseline year to our target to show that to date we have done more than the minimum needed year-on-year to meet our target.

Absolute Scope 1 & 2 GHG emissions progress to target



For further information about our emissions and for all mandatory SECR and GHG reporting, please refer to the Directors' Report on page 124.

Environmental, Social and Governance Report continued



3.5 Water

We benchmark our water consumption against the Better Building Partnership's ("BBP") Real Estate Environmental Benchmarks (Water). We have selected: 'Water Benchmarks – Enclosed Shopping Centres' – 'Water Intensity' – Water Intensity by space (litres/m² CPA / year).

At '77' (35,940m³ of water / 467,209m² occupied space), we are very pleased to share that our water consumption remains significantly lower than BBP 'Good Practice'.

This year our utilities bureau consultants undertook a comprehensive review of our water suppliers/meters and billing processes. They audited our water charges and tendered the supply to make sure we obtained the most competitive contract possible. We have also set up an ongoing bill validation process with them to ensure we are only paying for what is used. The procurement exercise realised a £3,000 annual saving, alongside the audit work uncovering approximately £45,000 of annual savings.

A number of ongoing leaks have been identified and repaired during this process, saving a further circa £28,000 per year.

3.6 Waste

Our main source of waste is from the operational activities of our stores. Our store staff apply best practice waste segregation for general and mixed dry recyclable materials. Also, our waste contractor provides further waste segregation and recycling services post collection. We report waste for our Big Yellow store portfolio but the occupied office space at our head office site is excluded as waste collection there is our landlord's responsibility.

We have now had a full year of service with our new waste contractor. Since their instruction we have far better oversight of our waste data with a much better handle on the quantities of waste generated as well as their processing route. Our contractor now gives us clear monthly collection data with associated emission information. This improves our emissions reporting and enables us to focus our efforts on waste reduction where possible.

3.7 Resources use

As we are looking towards other potential opportunities, we are likely to focus our efforts on other areas of our business, such as paper use and will report on individual initiatives over time.

Avoidance of unnecessary material helps to reduce carbon emissions; minimise waste going to landfill and demonstrates a commitment to sustainability. We have around 13 key processes left that involve the printing of paper, which we are trying to address by finding acceptable and compliant online solutions. We have graded each process by difficulty in terms of finding an alternative solution and intend to work our way through these over the next few years to reduce our paper consumption as much as possible.

Most of our products are perfect for re-use or recycling – we have amended our online Box Shop to make the composition of individual products clearer, under the heading 'Environmental Attributes' and we have introduced a 'Your bit' section to inform customers if products can be recycled.

Our longstanding relationship with TreePoints allows us to give back a little, for every box bought on our online Box Shop TreePoints plant a tree for us. Although there will be a positive carbon impact for this event, accounting for it can be difficult and not all that accurate, so we do not count the carbon for this process. We do this because it is the right thing to do and goes some way to replacing some of the trees used in our box making process.

Our customer move-ins are paper-free which saves approximately 800,000 pieces of paper each year.

4. Our people

We remain committed to our strategy of delivering excellent customer service through a great working culture and highly motivated team members. We aim to achieve this by recruiting, retaining and motivating individuals with talent and integrity and ensuring that we understand and maximise the skills and performance of our people.

We believe that we have a strong culture of inclusivity and diversity within the Company and recruit based on personality over CV. We invest significantly in the training of our team members to ensure that they deliver our high customer service standards and have the opportunity to progress their career.

We continue to encourage a culture of partnership within the business and believe in staff participating in corporate performance through benefits such as bonus schemes, share incentives, sales and service awards and our Bright Ideas Suggestion Scheme. We recognise and reward the exceptional performance, achievements, and ideas from our people through a Recognition Points Scheme and allocated points with a value of just under £66,300 for the year ended 31 March 2024.

In May 2023, we ran our fifth externally managed Employee Engagement Survey and are delighted to have achieved a 92% response rate, which is our highest score ever, as well as an engagement score of 88%, up from 85% in our last survey in 2021. 89% of our team members said that they were proud to work for the Company with our highest scoring areas being Our Values 92% (2021: 90%), Management Style 92% (2021: 89%), Inclusion and Diversity 91% (2021: 90%) and Working Environment 91% (2021: 89%).

The results of the survey have provided us with the opportunity to review our lower scoring areas such as Communication, Wellbeing and Employee Voice, albeit that these still scored very well, with results falling between 77% and 81%. Our actions resulting from the survey were incorporated into Implementation Plans which have been communicated across the business, with progress reviews and updates being issued on an on-going basis throughout the year.

4.1 Highlights

- Implemented a number of Resourcing and Talent Policies to include Internal and External Resourcing, Recruiting People with Convictions and Work Placements for People with Convictions.
- Launched a new On-Boarding Policy to ensure that all team members receive a planned, well organised and structured on-boarding experience when they join the Company.
- Integrated our recruitment and people management databases to fully automate our on-boarding process for new team members.
- Introduced a Fertility Treatment Policy, to support team members who are receiving treatment.
- Introduced a Sabbatical Leave Policy, allowing employees the time to pursue personal interests to enhance their overall wellbeing and engagement at work.
- Re-trained our Wellbeing Experts with Mental Health First Aid England, to ensure that they maintain their knowledge and skills, to provide support to team members as required.
- Introduced a new Employee Assistance Programme which provides counselling services, as well as advice and support on a range of issues such as health, relationships, caring responsibilities, financial guidance and work-related matters.
- 20 of our managers attended a Personal Safety and Lone Trading Course with the Suzy Lamplugh Trust and we subsequently wrote our own Personal Safety and Lone Trading module which was uploaded to our training platform for all team members.
- 53% of eligible team members were participating in our Sharesave Scheme as at 31 March 2024 (March 2023: 53%).



Environmental, Social and Governance Report continued

Some of the changes resulting from the survey have included reviewing and relaunching our Bright Ideas Suggestion Scheme, reviewing our salary bands for store employees, and a review of personal safety and call outs, with personal safety training having been provided for all team members within our stores. We also introduced a new Employee Assistance Programme, re-trained our Wellbeing Experts and set up a specific Wellbeing sub-site on our Intranet.

In order to improve communication and the sharing of ideas, we have introduced a weekly "Anchor Day" within our Head Office, where all team members are present on a regular day each week, with the aim of promoting communication, collaboration and involvement. In addition, we have also introduced a new Intranet to facilitate improved communication both within Head Office and across our stores.

5. Our communities

Our communities are made up of all the people who work and store in our facilities and everyone who lives around us. Our aim is to positively contribute to the local communities of our stores through community investments and engagement as well as with our Big Yellow Foundation. We do this in a number of ways, through free space provided at each store to local charities, fundraising by our employees with Big Yellow matching the funds raised by their endeavours and partnering with the Foundation's charity partners.

5.1 Highlights

- Big Yellow's community investment for the year, delivered via free space, was £796,123.
- Our employees raised £4,366, which was matched by Big Yellow totalling £8,732 being donated to the Foundation.
- Big Yellow enabled the Foundation to deliver 12 successful and all-round enriching work placements with Breaking Barriers, Street League, Back Up Trust and the Down's Syndrome Association, by welcoming each of the placement candidates into our stores.
- We provided a permanent role in our Cardiff store to a young man with Down's Syndrome who had successfully completed an extended work placement there.
- We continued our financial support of The Big Yellow Inner City Schools Rugby Programme in South London. This initiative, in partnership with Southwark Rugby Club aims to get local children, many from disadvantaged backgrounds, from local urban schools who do not offer the sport, playing rugby as part of their P.E curriculum. The programme now consists of players from 12 local secondary schools and offers the benefits of team building, fitness, and healthy competition.

5.2 Community investments

Free Space donated for community or charity use	£796,123*
Total employee Big Yellow Foundation fundraising & Big Yellow matched funds	£8,732*
Customer Donations & Foundation matched funds	£220,282*
Total Community Investment	£1,025,137*

Notes to the table:

- Any KPI marked with an * has been independently verified by SGS.
- Definition of free space: space given to the charitable organization completely for free for the whole of their stay during the reporting period.

Big Yellow commits to donate a minimum of £1 for every customer move-in, and our store teams invite our customers to join us and in turn donate to our Foundation. We have made the commitment this year that through this mechanism there will be a total minimum donation of £220,000 to the Foundation. If this is not achieved through donations Big Yellow will top up the difference so that the Foundation receives the full £220,000.

5.3 Work placements at Big Yellow

Our work placement programme in conjunction with the Foundation was launched in July 2021 to help individuals with disabilities, or who are excluded from mainstream work for other reasons, with the opportunity to gain work experience. These individuals are often highly motivated and want to work, but face barriers that most of us do not.

These work experience placements allow an individual to work in a supported, structured environment that allows them to develop their work-base skills and hopefully leads to the kind of future employment that meets their needs. Big Yellow are working with our Foundation and a selection of our Big Yellow Foundation charity partners to actively make work placements happen. We have currently been able to secure work placements from the Foundation for individuals through the Down's Syndrome Association, Street League, Back Up Trust and Breaking Barriers to offer their clients work placements.

We are really pleased to be able to share that having completed a successful extended work placement in our Cardiff store, a young man from the Down's Syndrome Association has progressed to a permanent role with Big Yellow.



5.4 Big Yellow Foundation

In June we were pleased to announce a new Big Yellow Foundation charity partner, Supporting Wounded Veterans, who provide six comprehensive pathways including sporting events, mentoring, pain management and employment to enable former UK servicemen and women, who have been physically or mentally wounded, to move forward from rehabilitation to employment.

During 2023-24 we worked with our seven charity partners: Back Up Trust, Breaking Barriers, Down's Syndrome Association, St Giles Trust, Street League, Supporting Wounded Veterans and Working Chance.

The Foundation has filed its annual report and accounts for March 2023, which can be found on the charity commission website.

You can find out more about all our partners and the Big Yellow Foundation on our website <https://www.bigyellow.co.uk/foundation/>.

Big Yellow and our customers and employees provide the income to the Big Yellow Foundation. The Big Yellow Foundation Steering Committee, who meet on a quarterly basis, determines how best to raise funds, and promote the Foundation to our employees, customers, and suppliers.

The Foundation is Big Yellow's main vehicle to deliver a consistent customer and employee facing community programme.

The Foundation paid out £255,700 to its seven charity partners in the year ended 31 March 2024. Most of the grants made are unrestricted funds, helping our charity partners to pay for everyday necessities to keep the organisation going.

In addition to the Trustees' time and the Steering Committee's time, Big Yellow also supports the Big Yellow Foundation with donations in kind, by providing financial and accountancy services plus the secretariat to the Big Yellow Foundation Board of Trustees.

6. Our buildings

Our buildings are one of the core parts of our business structure. Without our storage facilities we would have no business. We take pride in the buildings we design; significant environmental consideration goes into each of our new stores from the acquisition of land through to the opening and operation of a new store. Although we have been sharing our progress on this for several years, we now feel that this has become material enough to be discussed as a topic in its own right.

6.1 Highlights

- There are currently 14 sites in our property pipeline
- We have achieved planning permission on eight of our pipeline developments so far.
- This year's new store – Kings Cross achieved:
 - BREEAM Excellent
 - 39 on Considerate Constructor Scheme
 - An A rated EPC
- All stores, bar one, across the estate now have an EPC of C or above.

6.2 Acquisitions

There are 14 sites in our current development pipeline. Prior to the acquisition of these sites several environmental considerations are made. Once a potential new site has been identified, satisfying a number of initial business criteria, including development yield, the Group will undertake a number of inspections. These inspections include, but are not limited to, Flood Risk Assessment, conservation and canal assessments, Contamination surveys, daylight analysis of future self storage developments to assess the potential impact on adjoining properties, the current use and heritage of the site and the surrounding residence and businesses that may become neighbours.

We have developed a number of thresholds that need to be met in order for us to proceed with a purchase. We prioritise brownfield redevelopment and infill sites whenever feasible, never developing on greenfield sites to preserve valuable ecosystems. Our design process incorporates principles of sustainable urban planning, such as compact development, green infrastructure, and biodiversity enhancement, to create vibrant and resilient stores.

Environmental, Social and Governance Report continued

6.3 Planning

Once the procurement of the site has been completed the process of preparing for the planning application begins. The planning process varies across the country but common threads run through all applications. These include highways assessments drainage surveys, habitat surveys to inform our biodiversity net gain plan, Air Quality assessments and travel plans, to name just a few.

Urban regeneration is a key focus of our planning efforts. We seek to revitalise urban areas, enhancing community connectivity and liveability. Our stores aim to create an inclusive space that contributes to the social, economic, and environmental well-being of the surrounding area. As part of the planning process, we must demonstrate to the planning department the local economic benefits of the self storage facility in terms of job creation, business opportunities, and local economic development.

Biodiversity Net Gain ("BNG")

We are committed to achieving biodiversity net gain in all our developments. This is reinforced by the mandatory planning requirement that all developers must deliver a minimum BNG of 10%. This means a development will result in more or better-quality natural habitat than there was before development. Enhancing green spaces through green walls and roofs, creating additional wildlife habitats, and planting hedgerows and trees, we strive to increase biodiversity value beyond the pre-development baseline. Our aim is to leave a positive legacy by conserving and enhancing natural ecosystems for future generations. As part of the Ecology Report conducted at pre-planning for the Kings Cross site 132 units were recorded. This was then used post completion of the store to calculate the biodiversity net gain. With an additional 3,410.58 units deemed to be created an overall post-development score of 2,583% of the pre-development score was awarded. We were awarded an exemplary credit to be awarded for this as part of the BREEAM certification.

6.4 Design

We design our stores to prioritise energy efficiency and sustainability by incorporating green building standards and best practices into our designs. Big Yellow has set an external minimum commitment of BREEAM Very Good, as standard for all new builds, even where local planning does not demand a specific standard. A number of our stores have been built to BREEAM Excellent standard.

As part of this commitment, we consider optimising building orientation, including high-performance insulation, implementing energy-efficient lighting systems, and integrating renewable energy technologies where feasible. Our goal is to minimise energy consumption, reduce greenhouse gas emissions, and enhance the long-term sustainability of our properties.

6.5 Construction

During the construction of our stores, where possible, we select sustainable materials with low environmental impact where possible, such as concrete with increased aggregate and recycled content, recycled steel, and non-toxic materials. Additionally, we implement construction practices that minimise waste generation, optimise material use, and prioritise responsible sourcing and disposal.

We have been required to complete Whole Life Carbon Assessments ("WLCA") at RIBA Stages 2 and 4. This year we have decided to take this analysis a step further, by engaging our lifecycle consultants to complete full WLCAs at both RIBA stage 4 (detailed design) and RIBA stage 6 (post practical completion). We are making a commitment to reduce our embodied carbon in future construction and will be able to use the findings in these reports to find real world opportunities for carbon saving measures on future buildings designs.

6.6 Store Sustainability and Green Store Portfolio

Along with the environmental consideration of our new stores we also take pride in the ongoing sustainability of our whole estate. We share the details of this in our full ESG report in the appendix, which details all of the environmental credentials of each of our stores. We are continuously upgrading our older buildings through the removal of gas and upgrading of lighting as examples. We have been retrofitting solar to our stores for a number of years and hope that, at the end of a successful second phase of our battery pilot on our Slough Bath Road store next year, we will be able to start to deliver wider spreading battery storage alongside our solar installations.



7. Our suppliers

Big Yellow recognises that it can have a significant impact on its suppliers and that its suppliers are an important asset to help Big Yellow to deliver its own environmental and social responsibilities.

We manage our suppliers on a decentralised basis, with each Department Head overseeing the onboarding, contracting and in-life management of their suppliers. Many of our suppliers have become trusted partners, having worked with us for many years.

In addition, our construction partners source a broad variety of materials from companies all over the world on our behalf. Whilst these goods are not sourced directly by us, some may be specified by us. We place great value on using recycled materials in our construction process and all materials are procured in accordance with our guidelines.

7.1 Highlights

- No issues were raised to us via our confidential Whistleblowing Helpline in the last financial year.
- We have been scored an A- in the Supplier Engagement Ratings by the Carbon Disclosure project.
- We have updated our spend-based Scope 3 Footprint assessment.
- We continue to deliver strong payment performance:
 - We paid 92% of invoices within 30 days and the remaining 8% between 30 and 60 days
 - Our average time to pay an invoice was 23 days.

7.2 Supplier payment performance

We measure our payment performance to our suppliers on a quarterly basis. Prompt payment is especially important to our smaller suppliers, who may not have the cash flow to manage with very long payment terms.

Year ended 31 March	2022	2023	2024
Within 30 days	88%	89%	92%
Between 30 and 60 days	11%	10%	8%
Over 60 days	1%	1%	0%
Average time to pay an invoice	25 days	24 days	23 days

7.3 Supply chain risk

No issues were raised to us via our confidential Whistleblowing Helpline in the last financial year.

Supply Chain Engagement

Following the successful solution found for the concerns raised about the potential of human rights breaches within our solar panel supply chain we have engaged SGS to work with us on a Supply Chain Risk framework and assess a number of our key suppliers. We have focused on the top 80% of our value chain. We continue to engage with these suppliers on topics including their approach to ESG, environmental management, health and safety and general governance and succession planning. We continue to deliver our plan to work with our suppliers in more detail across some of the areas.

We have identified approximately 27 key Construction, Facilities, IT and Stock suppliers who are part of this ongoing structured Supply Chain Risk review.

We will continue to provide updates as part of our UK Modern Slavery Act Statement.

CDP Supplier Engagement Rating ("SER")

Background to the SER: Following CDP's 2021 global score release, companies responding to the full version of the CDP climate change questionnaire also receive a Supplier Engagement Rating (SER) in addition to their climate change score.

The SER provides a rating for how effectively companies are engaging their suppliers on climate change.

CDP assesses performance on supplier engagement using a company's response to selected questions in the CDP climate change questionnaire on governance, targets, Scope 3 emissions, and value chain engagement. The SER Introduction and SER methodology 2021 is available on CDP's guidance page for more information. An organisation's average upstream emissions are around 11.4 times greater than their direct operations – which shows how vital supplier engagement is to achieve ambitious climate goals, such as Science-Based Targets.

We are pleased to confirm we have achieved an A- rating in the Supplier Engagement Rating.

Environmental, Social and Governance Report continued



8. Our health & safety and information security

Big Yellow recognises the importance of maintaining high standards of Health & Safety for our customers, staff, contractors, and any visitors to our stores.

Health & Safety

Our Health & Safety Committee reviews Policies, Risk Assessments, performance, and records on a quarterly basis. The Policies cover two distinct areas – our routine store operations and our fit-out construction activities.

The Health & Safety Committee discuss and review any issues reported from our regular meetings held at Bagshot (our head office), Maidenhead (our distribution warehouse), the stores and our construction sites. Our Health & Safety Policy states that all employees have a responsibility for Health & Safety, but that managers have special responsibilities. The responsibilities of our CEO are to keep the Board advised on Health & Safety issues and to ensure compliance with the Policy in respect of Construction (via the Construction Director) and store operations (via the Head of Facilities and Store Operations Managers). Externally, other interested stakeholders include the Health & Safety Executive (“HSE”) and Local Government Authorities.

8.1 Highlights

- There were no “Fatal Injuries, Notices or Prosecutions” in any part of our operations during the year ended 31 March 2024.
- There were no reportable Information Security breaches this year.

Data Protection and Information Governance

Big Yellow is committed to upholding information security and protecting personal data. Our Data Compliance Officer and the Head of IT ensure that staff are adequately trained in UK GDPR, Data Protection and Information Security.

We are certified to IASME Cyber Assurance Level 1 due to the Cyber Assurance accreditation cycle. Level 2 can only be achieved on the three yearly basis, and we are currently positioned to pass Level 2 in 2024.

Our library of policies on UK GDPR and Information Security are reviewed and updated on an annual basis to ensure they remain relevant, fit for purpose and, in the ever-changing world of Data Protection legislation and technological advances, legally accurate.

The Group has not experienced a reportable information breach in the past three years and has cyber insurance in place in the event a breach should occur in the future.

9. Benchmarks and standards

We have a number of Benchmarks and standard that we submit each year. Below is a summary of this year's rankings:

Report	2020/21 score	2021/22 score	2022/23 score
GRESB	84% 4/5 gold stars	86% 4/5 gold stars	89% 5/5 gold stars
EPRA	Gold	Gold	Gold
CDP	B	B	A-
FTSE4Good	3.1	3.1	3
ISS	C with Prime status	C with Prime status	C with Prime status
MSCI	AA	A	BBB

There are a number of factors that have impacted our MSCI score, including the way we disclose some of our metrics. We have completed a full review of our ESG content to ensure that we use the language MSCI are looking for in their review.

We have updated our risk and opportunities assessment as part of our commitment to implement the TCFD recommendations – for more information, please see the 'Managing Risks and Opportunities' section.

For Construction activities, we also sign up to BREAAAM standards and the Considerate Constructor Scheme ('CCS'); Kings Cross achieved an Excellent rating.

9.1 Science-based targets

Science-based targets ("SBT") have increased in popularity as a way of businesses showing genuine commitment to reducing their emissions and impact on the wider world. The process of target verification is a rigorous one, completed by qualified individuals at the Science Based Targets initiative. The process has multiple stages of scrutiny with each calculation and target pathway considered. We have now had our targets externally verified. Our public commitment is as follows.

Our commitment

Big Yellow Group PLC commits to:

- Reduce absolute scope 1 and 2 GHG emissions 70% by FY2032 from a FY2019 base year.
- Reduce scope 3 GHG emissions from purchased goods and services, capital goods, and fuel and energy related activities 61.1% per square foot within the same time frame.

Scope of emission	Coverage of baseline	Type of target	2020 baseline	2032 target %	2032 target
Scope 1 & 2	100%	absolute	3,160 tCO ₂ e	-70%	948 tCO ₂ e
Scope 3	78%	intensity	3.3 kgCO ₂ e /sq ft	-61.1%	1.3 kgCO ₂ e /sq ft

Our Progress

To date we have been mainly focusing on our Scope 1&2 reductions with a big drive for gas removal and an increase in onsite solar generation. This is shown in our results last year, with our Scope 1&2 absolute figures reducing, however, our Scope 3 figure is increasing in the short term. We are making steady progress towards our Scope 1&2 SBT and looking towards what we should focus on next year. Once we have removed gas from the estate we will need to re-focus our efforts in new areas for improvement across the estate.

Our Scope 3 figures are an intensity target. This means that any emissions that are generated through the construction of new storage space are somewhat abated by the increased square footage created. However, when a large amount of money is spent on the bettering of existing building stock this has a negative impact on our scope 3 emissions. This has been the case with our solar retrofit programme. This year we have spent £6 million on the solar retrofit programme. This equates to 1.7 tCO₂e additional emissions, now sitting in our scope 3. We understand that this is exactly where these emissions should sit, and consider these as a necessary backwards step in our Scope 3 for the overall long-term benefit of our buildings' environmental operation and performance.

We have started the process of calculating our Scope 3 emissions for this year. We intend to report our Scope 3 results at the half year when we have a full understanding of the calculations and emissions conversion factors.

Environmental, Social and Governance Report continued



10. Legislation

Big Yellow has obligations under several regimes and regulations, namely:

- The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SECR');
- EU Energy Efficiency Directive, The UK Energy Savings Opportunities Scheme ('ESOS');
- Energy Performance Certificate ('EPCs') – please see 'asset list & green store portfolio' section in the full ESG report for more information.

11. Our stakeholders

This year, the Board of Directors has set out in the Governance section of our Annual Report and Accounts an overview of engagement activities with our key stakeholder groups. These are identified as (1) our employees, (2) our shareholders, (3) our customers, (4) our suppliers and (5) our communities. Please note that in our ESG Stakeholder assessment we also name 'the Environment' as well as local and national Government as further stakeholder groups, and their needs and our engagement activities are set out here.

As mentioned earlier we have undertaken a double materiality assessment this year which has included engagement with all of our stakeholder groups. Through tailored questionnaires followed by interviews with a number of the stakeholders. These have been used to get into the detail of the questions answered in the questionnaire stage. We have been able to get a detailed understanding of what our stakeholders feel to be material both from the point of view of how the environment impacts Big Yellow but also how Big Yellow impacts its immediate environment and communities. Ten material topics were identified through the process. These are detailed at the beginning of this report and in detail in the full ESG report.

Investors

The GRESB and CDP benchmarks inform our investor community of our general ESG performance, our governance approach, risk management protocols and a range of other indicators that give reassurance that our business is 'sustainable'.

For more information on these benchmarks, please see the 'Benchmarks, Legislation and Standards' section above.

We have seen a shift in the level of environmental detail our investors are interested in over the past 12 months. This is one of the reasons we have decided to align ourselves with the CSRD. We have also decided to conduct CRREM pathway analysis from the year ending 31 March 2025 to give ourselves and our investors as much transparency about the impact our sustainability and environmental efforts are having on our estate.

Our Directors run a programme of face-to-face investor engagement activities by holding roadshows following annual and interim reporting cycles and attend investor conferences and other ad-hoc meetings with investors, both in the UK and internationally.

We also provide specific information on request to other investor benchmarks, where available.

Assurance Statement

SGS United Kingdom Ltd's report on selected KPIs pertaining to sustainability activities in the sustainability report 2023/24 of Big Yellow Group PLC for the review period 1st April 2023 to 31st March 2024.



Nature and purpose of the assurance

SGS United Kingdom Ltd (hereinafter referred to as SGS) was commissioned by Big Yellow Group PLC (hereinafter referred to as Big Yellow) to conduct an independent assurance of selected KPIs included in the report 'Sustainability Report 2023/24' (herein referred to as the report).

Intended users of this assurance statement

This Assurance Statement is provided with the intention of informing all of Big Yellow Group PLC's Stakeholders.

Responsibilities

The information in the Report and its presentation are the responsibility of the directors and the management of Big Yellow Group PLC, and SGS has not been involved in the preparation of any of the material included in the Report. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all of Big Yellow Group PLC's stakeholders.

Assurance standards, type and level of assurance

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail and the guidance on levels of assurance contained within the ISAE3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
A SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	n/a
B ISAE3000	Limited
C ISO14064-3	Limited & Reasonable

Assurance has been conducted at a limited level of scrutiny for all KPIs except for 'Store electricity emissions (tCO₂e)' which was at reasonable level.

Scope of assurance

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below:

Reporting Criteria – GHG & Environmental KPIs

- 1 GHG Protocol – A Corporate Accounting & Reporting Standard.

Reporting Criteria – Social & Governance KPIs

- 1 None selected (Specified Performance Information as detailed in proposal).

Assurance Statement continued

Specified performance information and disclosures included in scope

The scope of the assurance included data only for the following KPIs:

GHG & Environmental KPIs

FY2023/24

- Store electricity emissions (tCO₂e)
- Store flexi- offices gas emissions (tCO₂e)
- Refrigerant emissions (tCO₂e)
- Absolute Operational carbon dioxide emissions (tCO₂e)
- Store Electricity use (MWh)
- Like for like Store Electricity use (MWh)
- Absolute carbon dioxide emissions (tCO₂e) (Store and non-store portfolio) – location-based
- Absolute carbon dioxide emissions (tCO₂e) (Store and non-store portfolio) – market-based
- Carbon intensity (kgCO₂e/m² Current Lettable Area)
- Carbon intensity (kgCO₂e/m² Occupied Space)
- Carbon intensity (kgCO₂e/£000 revenue) – location based
- Carbon intensity (kgCO₂e/£000 revenue) – market based
- Total renewable energy (kWh) generated
- Total installed renewables capacity (kWp)
- Store Water supply and treatment (tCO₂e)
- Solar energy deemed or metered 'export' (kWh)
- Solar used (not exported) (kWh)
- Van fuel emissions (tCO₂e)

Social & Governance KPIs

FY2023/24

Community investment data:

- Free space donated for community or charity use (£)
- Foundation matched funds from customer donations (£)
- Total employee Big Yellow Foundation fundraising & Big Yellow matched funds (£)
- One-off donations (£)
- Total community investment (£)

People data:

- Total number of employees
- % female employees at each management level (total, board, executive & management)
- Number of new employees (stores, head office, and total)

- Proportion of new employees
- Number of leavers (stores, head office, and total)
- Proportion of leavers
- Training hours (total, and average hours by gender)

Safety data:

- Minor injuries (staff, customer, contractor, and visitor)
- Reportable injuries RIDDOR (staff, customer, contractor, and visitor)
- Staff annual injury incidence rate (AIIR) per 100,000 staff
- Construction 'fit-out' minor injuries (total and Kings Cross)
- Construction 'fit-out' reportable injuries (total and RIDDOR)
- Reportable injuries per 100,000 move-ins (RIDDOR)
- Fatal injuries, notices, or prosecutions (total)

Assurance methodology

GHG & Environmental KPIs

CO₂ emissions from own operations and value chain were verified at a limited level of assurance except from purchased electricity which was verified to a reasonable level according to standard EN ISO14064-3:2019 Specification with guidance for the validation and verification of Greenhouse Gas assertions, to establish conformance with the requirements of Big Yellow's reporting methodology as stated in its 'Basis of Reporting 2023/24' and the WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard ('The WRI/WBCSD GHG Protocol'), within the scope of the verification. The materiality required of the verification was considered by SGS to be below 10% for all KPIs except for 'Store electricity emissions (tCO₂e)' which was below 5%, based on the needs of the intended user.

The engagement included verification of emissions from anthropogenic sources of greenhouse gases included within the organisation's boundary and meeting the requirements of Big Yellow's 'Basis of Reporting 2023/24' and the WRI/WBCSD GHG Protocol. The organisational boundary was established following the operational control approach.

- Description of activities: Self Storage services
- Location/boundary of the activities: United Kingdom
- Physical infrastructure, activities, technologies and processes of the organisation: Self storage stores and administrative offices
- GHG sources, sinks and/or reservoirs included:
 - Scope 1 – stationary combustion, mobile combustion and fugitive emissions;
 - Scope 2 – purchased electricity and solar generation;
 - Scope 3 – Store water.
- Types of GHGs included: CO₂, N₂O, CH₄ (HFCs, PFCs, SF₆ and NF₃ are excluded)
- Directed actions: none

Social & Governance KPIs

The assurance comprised a combination of:

- Pre-assurance research.
- Remote interviews with the Head of Sustainability, Project Director, Head of Finance, and Head of Marketing, the managers with responsibility for risk assessment, control, and reporting processes associated with the KPIs, metrics, and disclosures.
- Review of documentation and evidence for materiality and stakeholder engagement processes.
- Remote interviews with the managers responsible for internal data collection for each KPI.
- Document review of relevant management systems, policies and procedures.
- Remote interrogation of and testing of relevant data collection systems and procedures, including interviews with relevant data analysts and data accuracy checking.
- Final data verification checks to ensure KPI data is accurate and aligns with expectations.
- Reviewing Report content against our findings and making recommendations for improvement.

Verification was conducted upon all KPIs within the verification scope as an evaluation of historical data and information to determine whether the reported KPI data is materially correct and conforms to the criteria described above. SGS' approach is risk-based, drawing on an understanding of the risks associated with modelling KPI information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the voluntary reporting of KPIs, including emission information. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limitations and mitigations

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Note here any other specific limitations for the assurance engagement and actions taken to mitigate those limitations.

Statement of independence and competence

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Big Yellow Group PLC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors with relevant qualifications, expertise and experience.

Findings and conclusions

Assurance/verification opinion

GHG & Environmental KPIs

SGS concludes with limited assurance that there is no evidence to suggest that the presented CO₂ equivalent assertion except for purchased electricity is not materially correct and is not a fair representation of the CO₂ equivalent data and information and is not prepared following the requirements of Big Yellow's 'Basis of Reporting 2023/24' and the WRI/WBCSD GHG Protocol.

SGS concludes with reasonable assurance that the presented CO₂ equivalent assertion of purchased electricity is materially correct and is a fair representation of the CO₂ equivalent data and information and is prepared following the requirements of Big Yellow's 'Basis of Reporting 2023/24' and the WRI/WBCSD GHG Protocol.

We planned and performed our work to obtain the information, explanations, and evidence that we considered necessary to provide a limited level of assurance that the CO₂ equivalent emissions for the period 1st April 2023 to 31st March 2024 for all KPIs except for 'Store electricity emissions (tCO₂e)' which was to reasonable level of assurance are fairly stated. This statement shall be interpreted with the CO₂ equivalent assertion of Big Yellow as a whole.

Big Yellow provided the GHG assertion based on the requirements of its 'Basis of Reporting 2023/24' and the WRI/WBCSD GHG Protocol. The GHG information for the period 1st April 2023 to 31st March 2024 disclosing gross emissions of 2,237 metric tonnes of CO₂ equivalent (Location-Based) and 115 metric tonnes of CO₂ equivalent (Market-Based) are verified by SGS to a limited level of assurance, consistent with the agreed verification scope, objectives, and criteria.

Verified emissions by scope are as follows:

Scope 1 – (Direct) (store and non-store): 115 tCO₂e

Scope 2 – Location-based (Indirect) (store and non-store): 2,122 tCO₂e

Scope 2 – Market-based (Indirect): 0 tCO₂e

Scope 3 – Water (excludes non store facilities) – 13 tCO₂e

Assurance Statement continued

Social & Governance KPIs

On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria. Overall, the communication and presentation of information is appropriate to the size of the business, and its ESG impacts, risks and opportunities. We believe that the organisation has chosen an appropriate level and scope of assurance for this stage in their reporting. Assured KPIs and the verified values;

KPI	Unit of Reporting	Indicator / Sub KPI – Title	Verified Figure 2023/24
Community Investment	£	Free space donated for community or charity use	796,123
	£	Total employee Big Yellow Foundation fundraising and Big Yellow matched fund	8,732
	£	One off donations	0
	£	Foundation matched funds from customer donations	220,282
	£	Total Community Investment	1,025,137
People Data	Employee #	Total number of employees	508
	Percentage	Female employees at each mgmt. level: Board	37.5%
	Percentage	Female employees at each mgmt. level: Executive	45.5%
	Percentage	Female employees at each mgmt. level: Managers	33.6%
	Percentage	% female employees at each mgmt. level: All	44.7%
	Employee #	Number of new employees: stores	129
	Employee #	Number of new employees: head office	3
	Employee #	Number of new employees: total	132
	Percentage	Proportion of new employees	26.0%
	Employee #	Number of leavers: stores	63
	Employee #	Number of leavers: head office	8
	Employee #	Number of leavers: total	71
	Percentage	Proportion of leavers	13.9%
	Hours	Training hours: total	28,088
	Hours	Training hours: average hours by woman	45.0
	Hours	Training hours: average hours by man	63.6
	Health & Safety Data	Incidents	Minor injuries: customer, contractor & visitor
Incidents		Minor injuries: staff	21
Incidents		Reportable injuries (RIDDOR): customer, contractor & visitor	5
Incidents		Reportable injuries (RIDDOR): staff	3
Incidents		RIDDOR per 100,000 move ins	6.0
Incidents		Staff Annual Incidence Injury Rate (AIIR) per 100,000 staff	647
Incidents		Fatal Injuries, Notices or Prosecutions	0
Incidents		Construction Fit out minor injuries – Kings Cross	1
Incidents		Construction Fit out minor injuries – Total	1
Incidents		Construction Fit out Reportable injuries (RIDDOR) – Kings Cross	0
Incidents	Construction Fit out Reportable injuries (RIDDOR) -Total	0	

Quality and reliability of specified performance information

During the verification process some examples of good practice as well as some opportunities for improvement in underlying processes were identified and reported to Big Yellow Group PLC with the aim of enabling a process of continual improvement in collection and reporting KPI data. It may be possible to roll out examples of good practice to other KPIs, or parts of the business and the opportunities for improvement identified may be considered for implementation during future reporting cycles.

Good Practices

- Big Yellow operates a robust data collection process and the GHG data reporting platform used was found to be robust enough to provide accurate and consistent data reporting when tested. There has been a large improvement in water data quality and reporting from the previous reporting period.
- Overall readiness of data managers and data owners for this assurance engagement was found to be high and at a mature level. Processes and procedures in place for data collection, manipulation, and reporting are combinations of automated/manual systems, with good risk management procedures.

Opportunities for Improvement

- In line with best practice, Big Yellow Group PLC should consider a formal review of material impacts and issues, to ensure consideration and inclusion of issues that are of core concern to key stakeholders.
- It is recommended to integrate sustainability and ESG KPIs into business and corporate objectives for further dissemination through functional levels for accountability at all levels. Current KPIs and metrics are void of short, medium, or long-term objectives and targets.
- We recommend that in designing its 2024/25 report Big Yellow Group PLC takes the opportunity to review report content – including KPIs – against accepted sustainability reporting standards/frameworks.

Signed:

For and on behalf of SGS United Kingdom Ltd

Terry Coyle

Business Enhancement Manager

SGS United Kingdom Ltd

15 May 2024

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