

Directors' Report

The Directors present their annual report on the affairs of the Group, together with the audited financial statements and auditor's report for the year ended 31 March 2025. The Report on Corporate Governance on pages 83 to 89 forms part of this report.

Details of significant events since the balance sheet date are included in note 25 to the financial statements. An indication of likely future developments in the business of the Company is included in the strategic report.

Included in note 18 are the Group's financial risk management objectives and policies and an indication of the Group's exposure to certain risks. Those elements of that note form part of this report and are incorporated by reference.

Dividends

The Directors are recommending the payment of a final dividend of 23.8 pence per share for the year (2024: 22.6 pence per ordinary share). An interim dividend of 22.6 pence per share was paid in the year (2024: 22.6 pence per share).

All of the 46.4 pence per share payable for the year is a Property Income Distribution.

Subject to approval by shareholders at the Annual General Meeting to be held on 17 July 2025, the final dividend will be paid on 25 July 2025. The Ex-div date is 3 July 2025 and the Record date is 4 July 2025.

From April 2018 dividend tax credits have been replaced by an annual £2,000 tax-free allowance on dividend income across an individual's entire share portfolio. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with a confirmation of the dividends paid by Big Yellow Group PLC, and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

SECR and Mandatory GHG Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SECR') came into force on 1 April 2019 and apply to companies with financial years starting on or after 1 April 2019.

The 2018 Regulations define what must be included in the Directors' Report, namely:

- Annual Greenhouse Gas ("GHG") emissions from activities for which the Company is responsible including combustion of fuel and operation of any facility, such as such as our flexi-office gas heating, reception area air conditioner coolant replacement, one Company van diesel fuel use emissions and fit-out 'diesel' use emissions (assuming qualifying fit-out activities have taken place during the year);
- Annual emissions from the purchase of electricity, heat, steam or cooling by the Company for its own use, such as the electricity for our stores and construction fit-out activities;
- Underlying global energy use;
- Previous year's figures for energy use and GHG;
- At least one intensity ratio metric;
- Energy efficiency action taken; and
- Methodology used.

Voluntary GHG emissions, from our waste and water supply chains, are assessed as 'not material'. We will also retain the practice of reporting our previous few years of performance to show longer term trends.

The 'Market-based emissions' reported here reflect the emissions associated with the electricity tariff we have purchased; whereas 'Location-based emissions' are emissions associated with the UK grid and applies the required DEFRA conversion factors. Where we have not indicated market-based or location-based figures, location-based can be assumed.

Please note, our operations are solely based in the UK, and we therefore will be reporting a single geographical scope – UK and offshore area only.

α) Data

Year ended		31 March 2024 [restated*]	31 March 2025
GHG scope 1 total tonnes CO ₂ e	Total Scope 1 Emissions (location-based) store and non-store	115.1	52.9
GHG scope 2 total tonnes CO ₂ e	Total Scope 2 Emissions (location-based) store and non-store	2,136.9	1,956.5
GHG scope 2 total tonnes CO ₂ e	Total Scope 2 Emissions market-based store and non-store	0.0	0.0
Total GHG scope 1 & 2 Total tonnes CO ₂ e	Total Scope 1& 2 Emissions (location-based) store and non-store	2,252.0	2,009.4
Total GHG scope 1 & 2 Total tonnes CO ₂ e	Total Scope 1 & 2 Emissions (market-based) store and non-store	115.1	52.9
kgCO ₂ e/ revenue (£000s) – location-based	GHG emissions intensity from building energy consumption	11.3	9.8
kgCO ₂ e/ revenue (£000s) – market-based	GHG emissions intensity from building energy consumption	0.6	0.3
kgCO ₂ e/ Occupied space (1,000m ²)	GHG emissions intensity from building energy consumption (scope 1 and 2 location-based)	4.8	4.3
kgCO ₂ e/ CLA (1,000m ²)	GHG emissions intensity from building energy consumption (scope 1 and 2 location-based)	3.8	3.4
Energy data	Underpinning Scope 1 and 2 emissions data (kWh)	10,939,300	9,656,425

*Please note:

Regarding restating each year, the last 3 months of our emissions data is reported using the prior year's conversion factors, due to an emission factor publication lag – we operate on a 'best available data' principle and will therefore restate each year.

Regarding Market based emissions, we purchase REGO backed 100% renewable energy, so are able to provide both location-based and market-based CO₂e emissions. The three location-based intensity metrics are calculated from the location-based Scope 1 & 2 totals. The one market-based intensity metric is calculated from the market-based Scope 1 & 2 totals.

We have previously reported on specific Scope 3 categories. The Group is currently in the process of calculating its full Scope 3 emissions for the year ended 31 March 2025, and we intend to publish our Scope 3 data for the year ended 31 March 2025 with our half year results (see further commentary on [page 56](#)).

b) Methodology for Calculating Emissions

Scope 1

Gas

Data collection: Big Yellow gas data – and some of our Armadillo gas data – is metered and automatically transmitted into our energy and emission reporting platform, UL360. Gas use for the remaining stores with gas is obtained from supplier invoices and manually uploaded onto UL360. This process is part of the assurance work undertaken by SGS each year. Any gaps are accrued.

Calculations: Our software platform, UL360, contains our consumption data as well as the current DESNZ emission factors. These are used to calculate emissions automatically when our reports are produced. Our annual data straddles two emission factor years; as soon as the latest factors are released, our partners ensure Envizi contains the most up to date set and this is applied against the relevant data set.

Scope 1

Van

Data collection: our maintenance manager records any miles driven to service our stores. The data is collected quarterly and sent to our partners for uploading into UL360. UL360 commutes the mileage data into emissions.

Calculations: km travelled x emission conversion factor for a diesel average van (up to 3.5 tonnes) in km/kgCO₂e / 1000 to convert to tCO₂e.

In the reporting period we switched to a hybrid vehicle and thus the calculation was updated.

Calculations: km travelled x emission conversion factor for a PHEV average van (up to 3.5 tonnes) in km/kgCO₂e / 1000 to convert to tCO₂e.

Scope 1

Fit-out diesel

Data collection: diesel consumption used on our fit-out construction projects is collected manually by the construction team and reported weekly in the Construction Fit-Out report. The final report for the financial year is used to assess the overall diesel consumption during the year.

Calculation: the total diesel consumption in litres converted to kWh using the gross CV kWh/litre for Diesel (average biofuel blend) x emission conversion factor in kWh (Gross CV)/kgCO₂e for a Diesel (average biofuel blend) / 1000 to convert to tCO₂e.

As we are not the principal contractor for the fit-out at our new store Slough Farnham Road, the emissions reported for this year is 0tCO₂e.

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Scope 2

Location-based, electricity

Data collection: Big Yellow electricity data – and most of our Armadillo electricity data – is metered and automatically transmitted into our energy and emission reporting platform, UL360. Electricity used for the remaining stores is obtained from supplier invoices and manually uploaded onto UL360. This process is part of the assurance work undertaken by SGS each year. Any gaps are accrued.

Calculations: Our software platform, UL360, contains our consumption data as well as the current DESNZ emission factors. These are used to calculate emissions automatically when reports are produced. Our annual data straddles two emission factor years; as soon as the latest factors are released, our partners ensure UL360 contains the most up to date set and this is applied against the relevant data set.

Scope 2

Market-based, electricity

Data collection: the same as for location-based electricity.

Calculations: instead of applying the location-based emission factors, we manually set electricity emissions at 0 as we have been purchasing 100% Rego backed electricity since 1 October 2019. For total Scope 1 & 2 emissions, market-based, we set Scope 2 at 0 and Scope 1 the same as per above.

Scope 3

We have previously reported on specific Scope 3 categories. The Group is currently in the process of calculating its full Scope 3 emissions for the year ended 31 March 2025, and we intend to publish our Scope 3 data for the year ended 31 March 2025 with our half year results (see further commentary on [page 56](#)).

c) Energy Efficiency Measures

Background

We have a long-standing strategy of pro-actively managing our energy consumption and seeking to become an ever more efficient business. We have reported progress over the years both in our Annual Reports as well as in our standalone annual ESG Reports; all these are available online in our Investor and Sustainability sections respectively.

Although most of the lighting upgrades to LED was completed, a small number of 'mop-up' LED activities continue to take place, especially where we have not been able to gain access to customers' units to execute the changeover.

All other stores' electricity meters and gas meters are fitted with HH automatic meter readers; the data is available to us via an externally hosted platform and used by the internal Environmental Committee to review our performance on a quarterly basis.

Three years ago, we commenced a programme to remove the gas central heating and hot water boilers at a number of our stores with the aim of decarbonising our business by 2030. We have removed gas from our owned estate and as a result we have focused our efforts on energy efficiency to ensure the continued reduction of our scope 1 & 2 emissions. A pilot of energy efficiency solutions has been completed this year. We've successfully trialled 10 solutions across 9 stores, achieving an aggregated energy saving of 17%.

We have retrofitted 36 Big Yellow stores that currently do not have solar with solar systems. We have also committed to expanding this programme to cover all stores that are able to hold solar, to date we have 48 retrofitted systems meaning we have installed 7.0MWp of solar as part of the retrofit programme.

The one new store that were opened during the year (Slough Farnham Road) was fitted with a 195kWp solar installation.

Most recent ESOS assessment findings & resulting actions

We have completed our ESOS Phase 3 assessment and submitted our Action Plan. The assessment has continued to emphasise the limited amount of potential energy saving measures we are able to undertake. Our independent ESOS assessor recommendations have remained similar to that of our Phase 2 assessor; we have continued to focus on increasing our Solar PV estate in line with our sustainability strategy.

During the year, we have installed solar systems at 13 stores:

- One newly built store, with a total installed capacity of 195kWp
- 12 stores were retrofitted with solar totalling a capacity of 1,621kWp

During the year, we have generated 4,831 MWh of solar energy (an increase of 42% from the previous year), thereby (a) reducing our energy demand from the grid by the kWh we are using on site and (b) increasing the grid's renewable mix by exporting part of our energy as the size of our solar installations exceed our demand.

Capital structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 22. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Details of employee share schemes are set out in note 23, and details of shares held by the Company's Employee Benefit Trust are set out in note 22.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Corporate Governance Code, the Companies Acts and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Report on Corporate Governance on [page 83](#).

There are a number of agreements that take effect, alter, or terminate upon a change of control of the Company such as commercial contracts, bank loan agreements, property lease arrangements and employee share plans. The Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

During the year the Company issued 519,409 shares to satisfy the exercise of share options (2024: 289,102).

Directors

The Directors of the Company who served throughout the year and to the date of approval of the financial statements were as follows:

Jim Gibson	Chief Executive Officer
Anna Keay	Non-Executive Director
Vince Niblett	Senior Independent Director
Michael O'Donnell	Non-Executive Director
Heather Savory	Non-Executive Director
Laela Pakpour Tabrizi	Non-Executive Director
John Trotman	Chief Financial Officer
Nicholas Vetch	Executive Chairman

The Company's policy is that all Directors who are seeking re-election will be put forward to a shareholder vote at each Annual General Meeting.

Biographical details of the Executive and Non-Executive Directors standing for re-election are set out on [page 80](#).

Directors' indemnities

The Company purchases liability insurance covering the Directors and officers of the Company and its subsidiaries, which remains in force at the date of these accounts.

Political contributions

No political donations were made by the Company in either the current or preceding financial year.

Substantial shareholdings

The Company had been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency rules, of the following voting rights as a shareholder of the Company at 31 March 2025 and 15 May 2025.

	No. of ordinary shares 31 March 2025	Percentage of voting rights and issued share capital 31 March 2025	No. of ordinary shares 15 May 2025	Percentage of voting rights and issued share capital 15 May 2025
Blackrock Inc	20,235,809	10.3%	20,452,662	10.4%
Resolution Capital	16,106,373	8.2%	16,422,867	8.4%
The Vanguard Group Inc	10,616,820	5.4%	10,693,805	5.4%
MFS Investment Management	8,212,288	4.2%	7,797,370	4.0%
CPP Investment Board	7,370,532	3.7%	7,370,532	3.7%
T Rowe Price	7,066,486	3.6%	7,641,755	3.9%
Cohen & Steers Inc	6,275,137	3.2%	6,354,707	3.2%

The interest of the Directors in the share capital of the Company is shown on [page 113](#) of the Remuneration Report.

Directors' Report continued

Purchase of own shares

The Company was granted authority at the AGM in 2024 to purchase its own shares up to a total aggregate value of 10% of the issued nominal capital. That authority expires at this year's AGM and a resolution will be proposed for its renewal. During the year the Company made no purchases of its own shares.

Suppliers and customers

Details on how the Group engages with Suppliers, Customers, and others in business relationships with the Company can be found on **page 88**.

Employee consultation

The Group seeks to ensure employee commitment to its objectives in a number of ways. Strategic changes are communicated directly to all staff who are encouraged to address queries to the Executive Directors. The Directors' executive meetings are frequently held in stores and in addition Directors and senior management visit the stores on a regular basis. Furthermore, there are regular team briefings at store level to provide employees with information about the performance of and initiatives in their store. A wide range of information is also communicated across the Group's Intranet, including the e-publication of the Group's financial results and all press releases, and regular updates from each Department.

As discussed in the Corporate Governance Report, the Board has appointed a designated Non-Executive Director, Anna Keay, to act as the primary method of workforce engagement for Big Yellow in accordance with the Corporate Governance Code.

Employees are encouraged to participate in the Group's performance through Employee Share Schemes and performance related bonuses. 50% of eligible employees participate in the Group's Sharesave Scheme.

The Group's recruitment policy is committed to promote equality, judging neither by race, nationality, religion, age, gender, disability, sexual orientation, nor political opinion and to treat all stakeholders fairly.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Human Rights

Big Yellow respects Human Rights and aims to provide assurance to internal and external stakeholders that we are committed to human rights and the principles of the Universal Declaration of Human Rights.

We are committed to creating and maintaining a positive and professional work environment that reflects and respects the basic rights of freedom to lead a dignified life, free from fear or want, and where stakeholders are free to express their independent beliefs. Our employment policies and practices reflect a culture where decisions are made solely on the basis of individual capability and potential in relation to the needs of the business.

Modern Slavery Act

The Group is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Anti-slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains. Our policy is published in full on our website.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/ she ought to have taken as a Director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

This confirmation is given and should be interpreted in accordance with s418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board

Shauna Beavis
Company Secretary

19 May 2025