

Governance Report

Chair's Introduction**The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed.****Dear Shareholder,**

I am pleased to present the Corporate Governance Report for 2020. This report should be read in conjunction with the report on pages 62 to 67, which set out how we have complied with the UK Corporate Governance Code in 2020.

This is the first year of adoption of the UK Corporate Governance Code issued by the Financial Reporting Council in July 2018.

As outlined in my report on pages 6 to 7, 2020 has been a solid year for the Company, with growth in revenue, cash flow and dividends, and an increase in our development pipeline to help drive the future growth of the Company.

Governance

The Board believes that the effective delivery of the Company's strategy requires the underpinning of strong corporate governance. The governance of the Group is supported by a robust structure which allows for constructive debate and challenge by its members. This allows the Directors to make effective decisions.

Engagement with our stakeholders

The Board is conscious that there are a number of stakeholders in our business and considers the interests of each of our stakeholder groups in its discussions.

We have a comprehensive investor relations programme in place, with the Executive team carrying out a significant number of meetings with our shareholders during the year. The Non-Executive Directors engage with our shareholders as appropriate. Independent feedback on presentations by the Executive Board Directors to major shareholders is provided to the Non-Executive Directors on a regular basis.

The culture of the business is a key part of our success, last year we were delighted to be recognised in the Sunday Times 100 Best Companies to Work For 2019. In the year to 31 March 2020, the Executive Board Directors visited each of the Group's stores at least once, and maintain a flat, apolitical, non-hierarchical culture within the business.

We continue to monitor the Net Promoter Score that we receive from our customers, which remains at a very high level of 81.9.

Looking ahead

Following our performance this year, our attention for the coming year is focussed on managing the business through this period of significant uncertainty induced by the Covid-19 pandemic, mitigating as much as possible the impact of the policy decisions which have led to a significant contraction in the economy. We have placed a significant emphasis during this period on ensuring the safety of our employees and customers through additional investment in Covid-19 compliance, communication, training, and employee welfare programmes. We will continue to invest in our Big Yellow Foundation and its partner charities and also work with local charities throughout our network assisting with space which they need to deliver their programmes. We are also reviewing many aspects of our business stimulated by this crisis, such as working from home, flexible working and enhanced online operations.

We will continue to focus on delivering attractive long-term shareholder returns, behaving responsibly to our stakeholders including employees, customers, suppliers and the community, and appropriately managing risk.



Nicholas Vetch
Executive Chairman

8 June 2020