

Our Investment Case

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 environments.

How we do it:

1 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 resilient to date in the current crisis
- Self storage is more part of the ecosystem today than it was in 2008 with increased domestic and business awareness

2 Our competitive advantage

- UK industry's most recognised brand with over 90% 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
- 5.8 million sq ft UK footprint (Big Yellow and Armadillo combined)
- Primarily freehold estate concentrated in London and South East and other large metropolitan cities
- Larger average store capacity – economies of scale, higher operating margins
- Secure financing structure with strong balance sheet

3 Evergreen income streams

- 56,500 customers from a diverse base – individuals, SMEs and national customers
- Average length of stay for existing customers of 28 months
- 35% of customers in stores greater than two-year length of stay
- Low bad debt expense (0.2% of revenue in the year), no significant deterioration since onset of current crisis

4 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
- Growth in our Armadillo platform

5 Conversion into quality returns

- Freehold assets for high operating margins and operational advantage
- Low technology and obsolescence product, maintenance capex fully expensed
- Annual compound adjusted eps growth of 15% since 2004/5
- Annual compound cash flow growth of 15% since 2004/5
- Dividend pay-out ratio of 80% of adjusted eps

Our Strategy

Brand and customer service

Our strategy from the outset has been to develop Big Yellow into the market-leading self storage brand, delivering excellent customer service, 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.

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 large metropolitan cities. 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.

Two thirds 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 83%. Any future external growth will be executed in a way to maintain a proportion of 80% or more in London and the South East with the balance in regional cities.

We currently have a pipeline of thirteen freehold development opportunities and are looking to expand that pipeline with a view to growing the Big Yellow platform to 100 stores over the medium term.

New supply and competition is a key risk to our business model, hence our focus on 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, with only two store openings in London in 2019, and we anticipate five new stores in London in 2020, including two Big Yellow openings.

Our Big Yellow stores are on average 62,500 sq ft, compared to an industry average of approximately 43,000 sq ft (source: UK Self Storage Association 2020 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, 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 8.3 times for the year ended 31 March 2020. Our objective is to not let this fall below 5 times, compared to the consolidated EBITDA covenant of 1.5 times. We did this because in running this business we have to assume an external economic shock could potentially happen at any time and low leverage allows us to manage the business through the crisis. The current Covid-19 lockdown induced downturn is a very good example of this.

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 our 56,500 customers, serve better than any 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. The current crisis and recession generated by the Covid-19 lockdown is very different and has resulted in a much larger short-term collapse in economic activity with significant restrictions for a period of time on personal freedoms. After an initial burst of activity in the immediate days after the introduction of the lockdown, our activity levels both in and out of the business fell by approximately 50%.

We traded like that through April and the first half of May, and after an initial net loss of occupancy of 47,000 sq ft from 1 April to 24 April, we have started to see occupancy increase again which has improved further following the partial lifting of the lockdown, with growth of 85,000 sq ft from 25 April to 8 June. Over 80% of our customers pay by direct debit, and we have not seen a significant deterioration in cash collection, with 96.7% of our April and May revenue collected as of 8 June, which compares to 97.3% over the same period last year. We are continuing to see some rate growth in the business, despite suspending rate increases to existing customers on 24 March. We intend to review this in July.

Overall, in the period since the introduction of the lockdown, the business is again proving to be resilient, but is clearly not immune to a collapse in economic activity, the restrictions on freedoms of movement, and the effect on consumer and business confidence, all of which have an impact on demand for our product.

Creating shareholder value

We continue to believe that the medium-term opportunity to create shareholder value will be achieved principally by increasing occupancy which will then generate average rent growth through our yield management systems in our existing platform. This will drive revenue, the majority of which flows through to the bottom line.

Our key objectives remain:



Leveraging our market-leading brand

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



Acquiring Armadillo assets

Selectively acquiring existing self storage assets into the Armadillo platform



Strengthening our customer relationships

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



A sustainable business

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



Growing occupancy

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



Big Yellow's culture

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



Focus on cost control

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



A conservative capital structure

Maintaining a conservative capital structure in the business with Group interest cover of a minimum of five times



Increasing our 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



Producing sustainable returns

Producing sustainable returns for shareholders through a relatively low leverage, low volatility, high distribution REIT

Our Key Performance Indicators

KPIs

The Group's KPIs are shown in the charts on page 13. 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 three key measures which are focused on by the Board and are reported on a weekly basis. Over the course of the past five years, both occupancy and revenue have grown significantly, albeit occupancy has fallen this year compared to the prior year following the initial impact of the UK lockdown in response to Covid-19 in March. In 2016 closing net rent increased by 2.7%, by 0.5% in 2017, by 2.7% in 2018, by 2.0% in 2019 and by 3.2% in the year to March 2020. Our key focus is on continuing to grow occupancy, with growth in net rent following once the stores have reached higher occupancy levels.

Adjusted profit before tax, adjusted earnings per share which drive the distributions to shareholders (as our dividend policy is to pay 80% of adjusted earnings as dividends) are also KPIs. The Group focuses on adjusted profit and earnings measures as they give a clearer underlying 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 8% over the past five years. Compound adjusted eps growth since 2004/5 is 15%. We have illustrated the Group's performance in these measures over the past five years on page 13.

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 81.9. This has increased by 14% over the past five years. We believe this overall score compares very favourably with other consumer facing businesses.

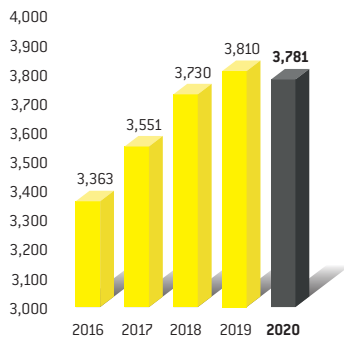
The Group has reduced its carbon intensity (our carbon emissions divided by our average occupied space) by 51% over the past five years. This has been achieved through investment in renewable technology, roof mounted solar photo-voltaic systems, and LED lighting across the Group's portfolio.

Total shareholder return

In the twenty years since flotation in May 2000, Big Yellow has delivered a Total Shareholder Return ("TSR"), including dividends reinvested, of 15.1% per annum, in aggregate 1,446% at the closing price of 1,004p on 31 March 2020. This compares to 5.1% per annum for the FTSE Real Estate Index and 3.8% 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.

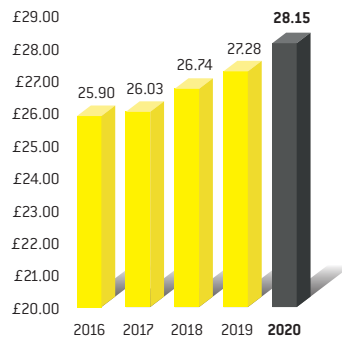
Occupancy (-29,000) sq ft
(000 sq ft)

+418,000 sq ft over 5 years



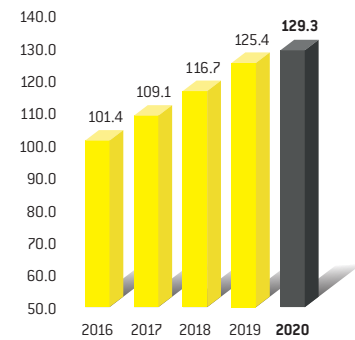
Closing net rent per sq ft (£) +3.2%

+9.9% over 5 years



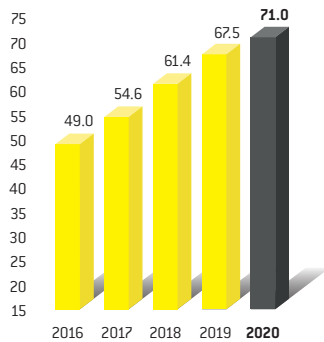
Revenue (£m) +3.1%

+28% over 5 years



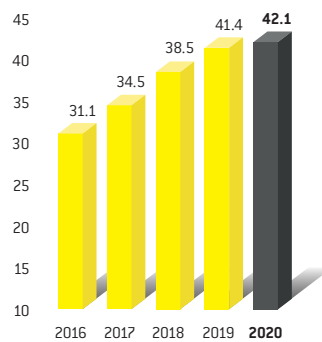
Adjusted profit before tax (£m) +5.2%

+45% over 5 years



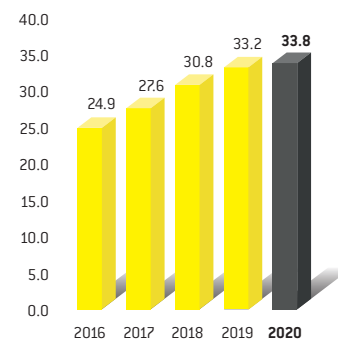
Adjusted earnings per share (pence) +1.7%

+35% over 5 years



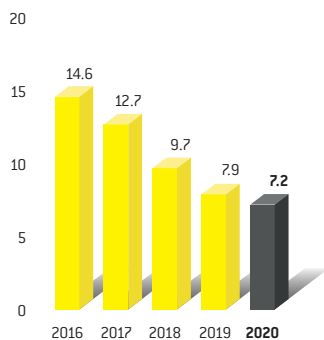
Dividend per share (pence) +1.8%

+36% over 5 years



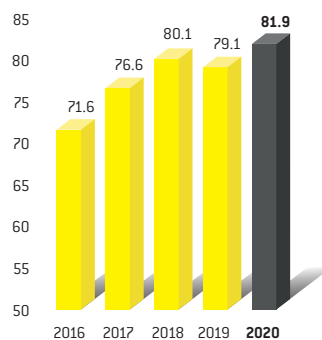
Carbon intensity (per sq m occupied) (-9%)

(-51%) over 5 years



Net Promoter Score +3.5%

+14% over 5 years



Protecting our customers and store teams

The health and safety of our team members and customers is our principal priority. Our storage facilities are large buildings yet not crowded places and generally we have a low intensity of use.

We have reviewed the updated Government's advice and carried out risk assessments to confirm our stores remain Covid-19 compliant with appropriate measures, including by way of example:

- we have limited the number of team members on site at any one time;
- we have provided Perspex barriers, floor distancing markers, face coverings, protective gloves, hand sanitisers and other washing facilities;
- we have installed appropriate Covid-19 customer signage which is kept under review;
- we are limiting the number of customers allowed into our reception area at any one time to manage social distancing;
- only one customer is allowed in a lift at a time;
- we have intensified the daily cleaning levels of our storage facilities, especially in the most commonly touched points; and
- the vast majority of our team members drive, cycle or walk to work and we have encouraged more to follow suit.

Prospective customers, should they have the need, can reserve a room, check-in online, and complete move-in documentation without needing to be present at our stores. Most customers however choose to complete the process in our receptions when they move-in, as many have never used self storage before.

Storage and distribution is one of the businesses that was requested to remain open to support essential online and offline retail. Some of our business customers are distributing medical and other essential supplies, and indeed we include the NHS and other public sector entities amongst our customers. We are also assisting food retailers and wholesalers requiring storage of dried foods.

In addition, we have customers who have had a sudden need for short-term storage triggered by the recent lockdown. Many of these are businesses whose retail outlets or distribution hubs have closed and therefore have an emergency need for the storage of their stock. Many are small entities using our services as mini logistics for e-tailing and online selling of essential goods.

We have continued to support our network of over 200 local charities to whom we provide free storage and have also provided free space to the British Red Cross in a number of our stores to support the work they are doing during the pandemic.



It has been crucial
for us to continue our support
of community and charity
groups during these unique
and challenging times...

... We have provided the following support to local communities and charities:

— **Helped our communities helping the NHS**

We have helped support local charities who have been assisting vulnerable groups and NHS frontline workers, through our donation of storage space and boxes.

— **Local Charities and Foodbanks**

We have many charities, including foodbanks who store with us free of charge and continue to do valuable work during this time.

— **British Red Cross Support**

We have provided free storage to the British Red Cross at 27 locations to assist their distribution of disability aids and food parcels to discharged hospital patients – reducing the pressure on the NHS.

— **Big Yellow Foundation**

Our Foundation supports six charities who help vulnerable adults get back into sustainable employment. Our continued fundraising through customer donations and the matching of these donations has been vital to our charities suffering from a decline in other income at this time.



**HELPING
VULNERABLE
PEOPLE
LEAD
BRIGHTER
LIVES**

We now have a portfolio of 75 open and trading Big Yellow stores, with a further 13 development sites. The current maximum lettable area of the 75 stores is 4.7 million sq ft. When fully built out the portfolio will provide approximately 5.6 million sq ft of flexible storage space.

In addition, we part-own and manage 25 Armadillo stores which are principally located in regional UK towns and cities, and operate from a platform of 1.1 million sq ft.

Operational and Marketing Review



The self storage market opportunity

In the recently published 2020 Self Storage Association UK Survey, only 48% of those surveyed had a reasonable or good awareness of self storage. Furthermore, only 10% of the 2,126 adults surveyed were currently using self storage or were thinking of using self storage in the next year. This indicates a continued opportunity for growth and with increasing use of self storage, together with the ongoing marketing efforts of everyone in the industry, we anticipate awareness will grow.

Self storage is not a commoditised product and awareness is driven largely by businesses and individuals using self storage. Consequently, the increase in awareness over time has been relatively slow, with good awareness of self storage increasing from 38% in 2014 to 48% in 2020 across the UK (source: UK SSA Survey 2020). Our YouGov Survey carried out in April 2019 showed higher levels of awareness in London of 65%, up from 58% in 2014.

Occupancy rates across the UK industry at the end of 2019 of built space was 76.2%, compared with approximately 60% in December 2008. This was down slightly from 2018, impacted by the Brexit uncertainty which intensified over 2019 until the general election in December.

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. In London in the year to 31 December 2019, there were two new store openings. We are aware of five planned store openings in London in 2020, including two Big Yellow stores.

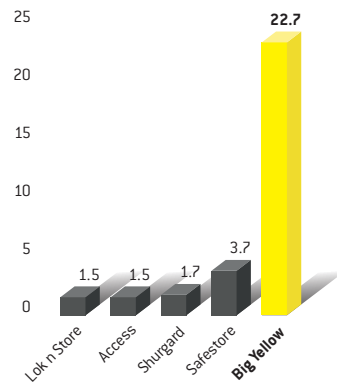
The Self Storage Association (“SSA”) estimates that the UK industry is made up of approximately 1,900 self storage facilities (of which 563 are purely container operations), providing 49 million sq ft of self storage space, equating to 0.7 sq ft per person in the UK. This compares to 9.4 sq ft per person in the US, 1.9 sq ft per person in Australia and 0.1 sq ft for mainland Europe, where the roll-out of self storage is a more recent phenomenon (sources: UK Self Storage Association Survey, May 2020 and FEDESSA European Self Storage Annual Survey 2019).

Big Yellow is well placed to benefit from the growing self storage market, given the strength of our brand, and our online platform which delivers over 90% of our prospect enquiries. Our portfolio is strategically focussed on London, the South East and large metropolitan cities, where barriers to entry and economic activity are at their highest.

The UK’s brand leader

Big Yellow is the most well known brand in self storage. The latest YouGov survey commissioned by the UK Self Storage Association “SSA” in January 2020 measures unprompted brand awareness across the UK. The results showed Big Yellow has the highest unprompted brand recall, six times higher than our nearest competitor.

Unprompted awareness for the whole UK (%)



Source: The UK Self Storage Association YouGov Survey 2020



Operational and Marketing Review *(continued)*

Store operating model

The Big Yellow store model is well established. The “typical” store has 60,000 sq ft of MLA and takes some three to four years to achieve 85% plus occupancy. The average room size occupied in the portfolio is currently 67 sq ft, in line with last year. The store is open seven days a week and is initially run by three staff, with a part time member of staff added once the store occupancy justifies the need for the extra administrative and sales support.

The drive to improve store operating standards and consistency across the portfolio remains a key focus for the Group. Excellent customer service is at the heart of our business objectives, as a satisfied customer is our best marketing tool. We measure customer service standards through a programme of mystery shopping and online customer reviews, which are externally managed. Over the year, we have achieved an average net promoter score of 81.9.

We have a team of ten area managers in place who have on average worked for Big Yellow for 13 years. They develop and support the stores to drive the growth of the business.

The store bonus structure rewards occupancy performance, sales growth and cost control through quarterly targets based on occupancy and store profitability, including the contribution from ancillary sales of insurance and packing materials. Information on bonus build-up is circulated monthly and stores are consulted in preparing their own targets and budgets each quarter, leading to improved visibility, a better understanding of sales lines and control of operating costs.

We believe that, as a consumer-facing branded business, it is paramount to maintain the quality of our estate and customer offering. We therefore continue to invest in preventative maintenance, store cleaning and the repair and replacement of essential equipment, such as lifts and gates. The ongoing annual expenditure is approximately £37,000 per store, which is included within cost of sales. This excludes our rolling programme of store makeovers, which typically take place every five years, at a cost of approximately £20,000 per store. Over the last five years we have invested £13 million in the upkeep and maintenance of our stores, all of which has been expensed in the statement of comprehensive income.

Demand

Demand for self storage is largely driven by need, with security, convenience, quality of product, service and location being key drivers. 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 spend and customer use.

We are confident that Big Yellow benefits disproportionately from this improving market for our product, due to our market-leading brand and operating platform with our focus on London, the South East and large metropolitan cities.

Customers renting storage space whilst moving within the rental or owner-occupied sectors represent 39% of move-ins during the year (2019: 41%), split broadly evenly between homeowners and renters. 12% of our customers who moved in took storage space as a spare room for decluttering (2019: 12%). 37% of our customers used the product because some event has 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 (2019: 35%). The balance of 12% of our new customer demand during the year came from businesses (2019: 12%).

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 36% of our space is businesses. Businesses occupy larger rooms on average than domestic customers and, despite being in 36% of the occupied space only represent 21% of customer numbers.

Over the past few years, there has been a growing trend towards self-employment and smaller business start-ups in the UK, dynamics that are positive for self storage. Additionally, businesses in the UK have been increasingly seeking flexible office and storage space rather than longer inflexible leases. The current crisis may be accelerating the structural changes in retail that were already occurring, resulting in more demand from online retailers looking to trade without a physical high street presence. The deindustrialisation of big cities with the conversion of commercial space into residential and other uses, is also a driver for demand from the SME market seeking flexible warehouse space.



We believe that these long-term trends may be accelerated by the current pandemic.

During 2018, the Group commissioned an external survey to assess the value the average Big Yellow store generates for its local economy. 36% of the Group's space is occupied by business customers, and the average store is home to 105 different businesses who between them employ 300 people as a direct result of their occupation. 60% of the businesses that occupy our stores are start-ups who have never rented space anywhere else before. For over half of the businesses, this is the only space they rent, for others this complements their other space. Given the growth in homeworking fuelled by the lockdown, this trend of businesses choosing to operate without needing the expense of office space may increase. Furthermore, increased homeworking in general may result in domestic customers taking small rooms to declutter and create space for home offices.

We have a dedicated national customers team for businesses who wish to occupy space in multiple stores. These customers are billed and managed centrally. We have four full time members of staff working on growing and managing our national customers. The national customers team can arrange storage at short notice at any location.



In smaller towns where we do not have representation, we have negotiated sub-contract arrangements with other operators who meet certain operating standards.

Marketing and ecommerce

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.

It was therefore pleasing that the UK Self Storage Association's annual YouGov survey (published May 2020) again confirmed that the brand awareness of Big Yellow remained ahead of other UK operators in the sector. The survey shows our unprompted brand awareness across the UK to be six times higher than our nearest competitor.

We rolled out our new customer facing website in October 2019, which presents a clean and intuitive online user experience with a focus on web conversion. With 62% of our online web visits originating from mobile devices in the year, a 'mobile first' philosophy continues to drive our thinking around any web development. The new website features a revamped and engaging size estimator tool which helps our web users to select the size of storage space they need with confidence.

The online customer experience has also been enhanced with our relaunched Live Chat. This improved feature now allows customers to communicate with us in real-time via traditional Live Chat but also through WhatsApp and Facebook Messenger. Our popular and comprehensive online FAQs provides our users with another way to ask questions they may have about the service without needing to call us directly.



Operational and Marketing Review *(continued)*

The Big Yellow website allows a user to obtain a storage price, reserve, and check-in online. This has proved useful in allowing us to manage enquiries and move-in our customers with minimal physical contact during the lockdown period.

We also offer the ability to purchase boxes and packing materials through our online BoxShop store. These can be home delivered or made available for our Click and Collect service from stores.

For the year ahead we are developing our digital experience further, allowing customers the option to move-in remotely and complete all necessary paperwork and initial payments online before they arrive at the store. This will allow new customers to visit the store and open their storage room for the first time with even less face-to-face contact with our store teams should they wish to. This is both a valuable customer experience in a Covid-19 trading environment and will also improve productivity and efficiency in our stores going forward.

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, which represents over 90% of our total enquiries.

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 continued with the design of the new website. This 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. 36% of all traffic generated from search engines to our website originated from "Big Yellow" brand searches in the year.

This clearly indicates, although self storage is a relatively immature industry with 70% to 75% of customers using it for the first time, 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 performance of existing storage centres following their acquisition, re-branding and assimilation into our business.

The sponsored search listings remain 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 has also allowed us to continue our regional targeted advertising to those in the market for self storage.

Online customer reviews

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 33,000 averaging 4.8 out of 5.

The Big Impressions programme also generates customer feedback on their move-out experience and from prospects who decided not to store with us. These customer reviews and mystery shop results are transparently accessible across the business and helps reinforce our focus on outstanding customer service.

We also gain real-time customer feedback from over 9,572 Google Reviews averaging 4.6 out of 5. These help to enhance our visibility in local search engines conveying trust in the Big Yellow brand. Additionally, we have 1,899 reviews from the independent review site TrustPilot. These reviews average a 5 out of 5-star rating, labelled as "Excellent" on the TrustPilot ratings scale.

We regularly monitor our customer reviews plus any online mentions of Big Yellow on social media, and across the web generally. We use this insight to monitor our brand and improve our service offering.

Social media

Social media continues to be complementary to our existing marketing channels and Big Yellow can be found actively posting content across Twitter, Facebook and Instagram. 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.

LinkedIn is also being used to communicate company achievements, CSR initiatives and to present an honest and engaging picture of what it is like to work for Big Yellow. LinkedIn is central in our drive towards more direct recruitment.



Artist's impression of Bracknell (opening September 2020)



The Big Yellow YouTube channel is used to allow web prospects to experience our stores online through our video guides to self storage. The online blog is updated regularly with tips and advice for homeowners and businesses, as well as summaries of our charitable and CSR initiatives.

Cyber security

The Group continues to treat Cyber Security seriously. Using in-house knowledge and external specialist advice the Group regularly reviews its security posture. Further investment in protection from the ever-evolving threat landscape to the Group is made where required. We carry out frequent penetration testing of internet facing systems, use components such as anti-phishing as well as maintaining and replacing components (such as firewalls) with the latest technology and specification.

We have recently recruited a new Data Compliance Manager to oversee our ongoing compliance with GDPR and PCI DSS. The role will also include Business Continuity and Crisis Communication management. Policies and procedures are under regular review and benchmarked against industry best practice.

There are mandatory annual training courses for all the Group's employees on cyber security and data protection.

Sustainability

Our store portfolio today is twice as energy efficient as it was in 2011. Our investments in efficiency measures over the years are paying off and 98% of our stores have an Energy Performance Certificate rating of 'C' or better. Our total location-based Scope 1 & 2 Emissions reduced by 62% from 2011 and our emission intensity is now at 5.9 per m² CLA. We remain committed to increasing our solar capacity from our current 22 solar PV installations and look to add six more installations during 2020/21 (3 on new stores; 3 on our existing stores).

We also look to support our customers in making more sustainable choices, for example by installing Electric Vehicle charging pods at our new stores. For the first time this year, we are reporting our market-based emissions, thanks to our new renewable electricity contract. We understand that there are real climate change issues affecting all of us, so we will aim to develop a Zero Carbon strategy during 2020, assisted by the arrival of our new Non-Executive Director for Sustainability, Julia Hailes.

Foundation & charitable activities

The Big Yellow Foundation has continued to support our six charity partners during the year; it has raised funds of over £150,000 and has been able to distribute over £120,000 in grants. In July 2019, the Foundation appointed an independent trustee, Jess Pallot Cook, who brings a wealth of charity experience to the Board of Trustees.

By the end of February 2020, nearly one third of our customers (the average of our move-ins and move-outs) opted to contribute to our Foundation. This level of contributions has been impacted recently due to the pandemic, but the Big Yellow Executive Directors are personally donating £50,000, and the Non-Executive Directors £11,000 this year to make up for this shortfall.

Big Yellow's community investment for the year, delivered via discounted space, was £535,000, £315,000 of which was given free of charge. Our stores allocate this 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 the British Red Cross.

The last month of the financial year was dominated by the pandemic. However, we are very pleased to say that we have been able to play our part in helping organisations reach out to vulnerable individuals and we continue to support a large number of them either through discounted or free space or boxes.



Portfolio Summary – Big Yellow Stores

	2020				2019			
	Mature ⁽¹⁾	Established	Developing	Total	Mature	Established	Developing	Total
Number of stores	69	3	3	75	69	3	2	74
At 31 March:								
Total capacity (sq ft)	4,347,000	195,000	146,000	4,688,000	4,342,000	195,000	85,000	4,622,000
Occupied space (sq ft)	3,568,000	150,000	63,000	3,781,000	3,621,000	162,000	27,000	3,810,000
Percentage occupied	82.1%	76.9%	43.2%	80.7%	83.4%	83.1%	31.8%	82.4%
Net rent per sq ft	£28.27	£26.36	£25.58	£28.15	£27.40	£24.84	£27.39	£27.28
For the year:								
REVPAF ⁽²⁾	£27.36	£24.39	£11.95	£26.77	£26.68	£23.25	£6.48	£26.19
Average occupancy	83.8%	81.5%	35.5%	82.2%	83.7%	81.0%	20.3%	82.5%
Average annual rent psf	£27.98	£25.87	£25.62	£27.86	£27.26	£24.50	£25.52	£27.14
	£000	£000	£000	£000	£000	£000	£000	£000
Self storage income	101,890	4,110	1,293	107,293	99,807	3,866	399	104,072
Other storage related income ⁽³⁾	16,436	627	308	17,371	16,402	634	110	17,146
Ancillary store rental income	607	19	84	710	457	34	1	492
Total store revenue	118,933	4,756	1,685	125,374	116,666	4,534	510	121,710
Direct store operating costs (excluding depreciation)	(33,364)	(1,526)	(1,275)	(36,165)	(33,563)	(1,388)	(677)	(35,628)
Short and long leasehold rent ⁽⁴⁾	(1,977)	–	(14)	(1,991)	(1,988)	–	(2)	(1,990)
Store EBITDA ⁽⁵⁾	83,592	3,230	396	87,218	81,115	3,146	(169)	84,092
Store EBITDA margin	70.3%	67.9%	23.5%	69.6%	69.5%	69.4%	(33.1%)	69.1%
Deemed cost								
	£000	£000	£000	£000				
To 31 March 2020	574.9	34.4	41.7	651.0				
Capex to complete	–	–	0.5	0.5				
Total	574.9	34.4	42.1	651.5				

(1) The mature stores have been open for more than six years at 1 April 2019. The established stores have been open for between three and six years at 1 April 2019 and the developing stores have been open for fewer than three years at 1 April 2019. The Group's mature Battersea store was closed for redevelopment in the prior year. It is excluded from occupancy, but its revenue and costs up to the date of closure are included in the above.

(2) See glossary in note 33.

(3) Insurance, packing materials and other storage related fees.

(4) Rent for six mature short leasehold properties accounted for as investment properties and right-of-use assets under IFRS with total self storage capacity of 339,000 sq ft, and a long leasehold lease-up store with a capacity of 64,000 sq ft. The EBITDA margin for the 63 freehold mature stores is 72.2%, and 46.6% for the six leasehold mature stores. During the prior year the Group acquired the freehold of its mature New Malden store.

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

	Year ended 31 March 2020 £000			Year ended 31 March 2019 £000		
	Store EBITDA	Reconciling items	Gross profit per statement of comprehensive income	Store EBITDA	Reconciling items	Gross profit per statement of comprehensive income
Store revenue/Revenue ⁽⁶⁾	125,374	3,939	129,313	121,710	3,704	125,414
Cost of sales ⁽⁷⁾	(36,165)	(2,708)	(38,873)	(35,628)	(2,517)	(38,145)
Rent ⁽⁸⁾	(1,991)	1,991	–	(1,990)	1,990	–
	87,218	3,222	90,440	84,092	3,177	87,269

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

(2) See reconciliation in cost of sales section in Financial Review on page 32.

(3) The rent shown above is the cost associated with leasehold stores, only part of which is recognised within gross profit in line with right-of-use asset accounting principles. The amount included in gross profit is shown in the reconciling items in cost of sales.

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

Our Stores



Manchester, May 2019
MLA - 60,000 sq ft



Wapping, July 2018
MLA - 25,000 sq ft



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



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 - 75,000 sq ft



New Cross, February 2012
MLA - 62,000 sq ft



Stockport, September 2011
MLA - 65,000 sq ft



Eltham, April 2011
MLA - 70,000 sq ft



Camberley, January 2011
MLA - 68,000 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 - 139,000 sq ft



Balham, March 2008
MLA - 60,000 sq ft



Barking, November 2007
MLA - 64,000 sq ft



Ealing, 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 - 51,000 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



Byleet, November 2003
MLA - 48,000 sq ft



Chelmsford, April 2003
MLA - 54,000 sq ft



Finchley North, March 2003
MLA - 62,000 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 - 61,000 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 - 80,000 sq ft



Richmond, May 1999
MLA - 35,000 sq ft

Portfolio Summary – Armadillo Stores

	2020	2019
Number of stores	25	22
At 31 March:		
Total capacity (sq ft)	1,063,000	963,000
Occupied space (sq ft)	799,000	723,000
Percentage occupied	75.2%	75.1%
Net rent per sq ft	£17.84	£17.50
For the year:		
REVPAF	£16.04	£15.63
Average occupancy	77.5%	75.7%
Average annual rent psf	£17.55	£17.33
	£000	£000
Self storage income	14,195	12,645
Other storage related income	2,502	2,349
Ancillary store rental income	41	63
Total store revenue	16,738	15,057
Direct store operating costs (excluding depreciation)	(6,746)	(5,949)
Leasehold rent	(566)	(483)
Store EBITDA ⁽¹⁾	9,426	8,625
Store EBITDA margin	56.3%	57.3%
Cumulative capital expenditure		
	£m	
To 31 March 2020	83.5	
To complete	0.9	
Total capital expenditure	84.4	

(1) Store earnings before interest, tax, depreciation, amortisation, and management fees charged by Big Yellow to the Armadillo portfolios (see note 27).

The Group has a 20% interest in Armadillo. The figures shown above represent 100% of Armadillo's performance. Note 14d contains more information on the Group's share of Armadillo's financial performance.

Store Performance

The table below shows the quarterly move-in and move-out activity over the year.

Quarterly move-ins and move-outs	Total move-ins Year ended 31 March 2020	Total move-ins Year ended 31 March 2019	%	Total move-outs Year ended 31 March 2020	Total move-outs Year ended 31 March 2019	%
April to June	18,950	19,784	(4)	14,742	15,499	(5)
July to September	20,570	21,565	(5)	22,520	22,742	(1)
October to December	14,643	16,058	(9)	17,424	18,137	(4)
January to March	16,498	15,885	4	15,286	15,954	(4)
Total	70,661	73,292	(4)	69,972	72,332	(3)

The Group's activity levels during the first nine months of the year were impacted by the uncertainty surrounding Brexit, and hence both move-ins and move-outs were lower than they had been in the prior year. In January, February and up to mid-March 2020, we saw an increase in activity levels compared to the prior year, and a stronger occupancy performance than in 2019. In the last two weeks of March when a full lockdown was introduced, we did see heightened move-in and move-out activity leading to a net loss in occupancy discussed further below.

In all Big Yellow stores, occupancy for the year fell by 29,000 sq ft, against an increase of 80,000 sq ft in the prior year. The quarterly movement is shown in the table below:

Quarterly net occupancy movement	Net sq ft Year ended 31 March 2020	Net sq ft Year ended 31 March 2019	Net move-ins Year ended 31 March 2020	Net move-ins Year ended 31 March 2019
April to June	125,000	131,000	4,208	4,285
July to September	(25,000)	43,000	(1,950)	(1,177)
October to December	(165,000)	(126,000)	(2,781)	(2,079)
January to March	36,000	32,000	1,212	(69)
Total	(29,000)	80,000	689	960

We had a good quarter to June with an increase in occupancy of 125,000 sq ft, albeit lower growth than the prior year. The second quarter peaked in August and then many of our students and short-term house movers vacated in September and October, leading to a net loss in occupied rooms and sq ft occupancy. In our seasonally weakest third quarter the occupancy loss represented 3.5% of MLA, compared to 2.7% of the MLA in the prior year, with the uncertainty in the run-up to the general election weighing on consumer confidence.

In the final quarter the occupancy performance was impacted by the last two weeks in March, which are historically when we see relatively strong gains in occupancy. However, after the introduction of lockdown measures commencing in mid-March we saw heightened levels of activity both in and out of the business over the ensuing two week period to the end of March with a net overall loss of 23,000 sq ft in occupancy (2019: gain of 25,000 sq ft in the same two week period). Customer move-ins and move-outs in the business reduced significantly in April and May.

In the period from 1 April to 24 April we saw a net loss in occupancy of 47,000 sq ft compared to a loss for the same period last year of 22,000 sq ft. From 25 April to 8 June, the net growth in occupancy has been 85,000 sq ft (2019: gain of 46,000 sq ft).

The 69 mature stores are 82.1% occupied compared to 83.4% at the same time last year. The 3 established stores have fallen in occupancy from 83.1% to 76.9%, with some large space business move-outs at one of the stores during March 2020. The three developing stores added 36,000 sq ft of occupancy in the year to reach closing occupancy of 43.2%. Overall store occupancy has decreased in the year from 82.4% to 80.7%. On a like-for-like basis, excluding Manchester, which opened in May 2019, closing occupancy was 81.3%, a decrease of 1.1 percentage points.

All stores are trading profitably at the EBITDA level. The table below shows the average key metrics across the store portfolio (from the Portfolio Summary on page 22) for the year ended 31 March 2020:

	Mature stores	Established stores	Developing stores	All stores
Average store capacity	63,000	65,000	48,667	62,500
Average sq ft occupied per store at 31 March 2019	51,700	50,000	21,000	50,400
Average % occupancy	83.8%	81.5%	35.5%	82.2%
Average revenue per store (£000)	1,724	1,585	562	1,672
Average EBITDA per store (£000)	1,211	1,077	132	1,163
Average EBITDA margin	70.3%	67.9%	23.5%	69.6%

Pricing and net rent per sq ft

Our core proposition remains a high-quality product, competitively priced, with excellent customer service, providing value for money to our customers. We offer a headline opening promotion of 50% off for up to the first 8 weeks, and we continue to manage pricing dynamically, taking account of room availability, customer demand and local competition.

Our pricing model reduces promotions and increases asking prices where individual units are in scarce supply. This lowering of promotions, coupled with price increases to existing and new customers, leads to an increase in achieved net rents. Rental growth can also be driven through sub-dividing larger rooms into smaller rooms, which yield a higher net rent per sq ft.

The average rate growth in the year was 2.7%. Net achieved rent per sq ft at 31 March 2020 grew by 3.2% over the financial year. The table below shows the growth in net rent per sq ft for the portfolio over the year (excluding Manchester).

Average occupancy in the year	Number of stores	Net rent per sq ft growth from 1 April 2019 to 31 March 2020
0 to 75%	5	1.9%
75 to 85%	49	3.2%
Above 85%	20	3.8%

The net achieved rent per sq ft has grown by 1.4% since 1 April 2020, compared to 0.5% growth over the same period last year. Given the reduced number of move-ins there are fewer customers with opening offers in the business than would normally be the case. On 23 March we suspended all rate increases to existing customers. It is our intention to review this in July. Billed rent for new move-ins since 1 April has reduced by 3% compared to the same period last year.

Armadillo Self Storage

The Group has a 20% investment in Armadillo Self Storage, with the balance of 80% held by an Australian consortium. During the year Armadillo acquired three stores in Liverpool Aintree, Daventry and Grimsby, for a total consideration of £8.2 million (including costs).

This takes the Armadillo platform to 25 stores and 1.1 million sq ft of MLA. As with the other existing store acquisitions, the intention will be to upgrade and reconfigure the stores through additional investment to drive cash flow growth. In the year to 31 March 2020, £1.9 million of capital expenditure has been invested to upgrade and fit-out additional capacity in the Armadillo stores.

Armadillo is a lower-frills brand, with largely freehold conversions of existing buildings. They are in towns where we would not typically locate a Big Yellow and have an average capacity of 42,500 sq ft (lower than the 62,500 sq ft average for Big Yellow stores). Armadillo provides operational advantages to the Group, such as a wider platform to sell to national customers, more opportunities for staff promotion, and more efficient use of the Company's marketing and central overhead costs. Armadillo continues to look for opportunities to add to its platform.

Store Performance (continued)

Development pipeline

We opened our new 60,000 sq ft store in Manchester on 1 May 2019. We own a further 13 development sites, of which six have planning consent. The status of the Group's development pipeline is summarised in the table below:

Site	Location	Status	Anticipated capacity
Camberwell, London	Prominent location on Southampton Way	Planning consent granted. Construction started in November 2018, opening delayed due to lockdown, now expected July 2020.	77,000 sq ft
Battersea, London	Prominent location on junction of Lombard Road and York Road (South Circular)	Planning granted for redevelopment of original 34,000 sq ft store and redevelopment of adjoining retail into a mixed use residential led scheme. Construction started in July 2019, opening delayed due to lockdown, now expected November 2020.	71,000 sq ft
Uxbridge, London	Prominent location on Oxford Road	Planning consent granted in July 2019. Construction to commence shortly with a view to opening in Summer 2021.	55,000 sq ft
Queensbury, London	Prominent location off Honeypot Lane	Site acquired in November 2018. Planning consent granted in November 2019.	58,000 sq ft
Kings Cross, London	Prominent location on York Way	Planning application submitted in November 2019 with a decision anticipated in Summer 2020 ⁽¹⁾ .	105,000 sq ft
Hayes, London	Prominent location on Hayes Road	Site acquired in April 2019. Planning application submitted in September 2019 with a decision anticipated in June 2020 ⁽¹⁾ .	70,000 to 75,000 sq ft
North Kingston, London	Prominent location on Richmond Road, Ham	Site acquired in February 2019. Planning application submitted in December 2019 with a decision anticipated in September 2020 ⁽¹⁾ .	55,000 to 60,000 sq ft
Wembley, London	Prominent location on Towers Business Park	Site acquired in February 2019. Discussions ongoing to secure vacant possession with planning application submitted in May 2020.	65,000 to 70,000 sq ft
Harrow, London	Prominent location on Harrow View	Site acquired in June 2019. Planning discussions ongoing with a view to submitting in Summer 2020.	75,000 to 80,000 sq ft
Bracknell	Prime location on Ellesfield Avenue	Planning consent granted in January 2019 for self storage and other trade uses. Construction started in August 2019, opening delayed due to lockdown, now expected in September 2020.	57,000 sq ft
Slough	Prominent location on Bath Road	Site acquired in April 2019. Planning application to be submitted in Autumn 2020.	65,000 to 70,000 sq ft
Hove	Prominent location on Old Shoreham Road	Planning consent granted in October 2019. The site is currently occupied until Summer 2020 and it is anticipated that construction will commence in Autumn 2020 with a view to opening in Spring 2022.	58,000 sq ft
Newcastle	Prime location on Scotswood Road	Planning application to be submitted in Autumn 2020.	60,000 sq ft
Total capacity			871,000 sq ft to 896,000 sq ft

(1) Subject to the ability of local authorities to determine planning applications

The capital expenditure currently committed for the financial year ended 31 March 2021 is approximately £10 million.

The Group manages the construction and fit-out of its stores in-house, as we believe it provides both better control and quality, and we have an excellent record of building stores on time and on budget.

During the year the Group sold the part of the Wyvern Industrial Estate in New Malden, London that it does not occupy for £11.8 million.

James Gibson
Chief Executive Officer

8 June 2020

Financial Review

Revenue

Total revenue for the year was £129.3 million, an increase of £3.9 million (3.1%) from £125.4 million in the prior year. Like-for-like revenue for the year was £128.2 million, an increase of 3.8% from the prior year (2019: £123.5 million). Like-for-like revenue excludes Manchester, which opened in May 2019 and Battersea which was closed for redevelopment in March 2019.

Other sales (included within the above), comprising the selling of insurance, packing materials and storage related charges, represented 13.9% of total store revenue for the year (2019: 14.1%) and generated revenue of £17.4 million for the year compared to £17.1 million in 2019.

The other revenue earned by the Group is management fee income from Armadillo and tenant income on sites where we have not started development. During the year, the Group recognised in revenue a £1 million performance fee due from Armadillo Storage Holding Company 2 Limited, for the performance of the fund over its initial five-year term.

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.

Given the relative resilience of our trading to date, we have taken the decision not to furlough any employees to date.

The breakdown of the portfolio's operating costs compared to the prior year is shown in the table below:

Category	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000	% change	% of store operating costs in 2020
Cost of sales (insurance and packing materials)	2,791	2,866	(3%)	8%
Staff costs	9,593	9,240	4%	26%
General & Admin	1,241	1,262	(2%)	3%
Utilities	1,100	1,373	(20%)	3%
Property rates	11,599	11,311	3%	32%
Marketing	5,474	5,294	3%	15%
Repairs & Maintenance	2,777	2,741	1%	8%
Insurance	938	934	0%	3%
Computer costs	638	587	9%	2%
Irrecoverable VAT	14	20	(30%)	0%
Total per portfolio summary	36,165	35,628	2%	

Store operating costs have increased by £0.5 million (2%) compared to the same period last year. Our new stores at Wapping and Manchester carry incremental costs of £0.6 million. Our marketing expenditure has increased by £0.2 million (3%) and includes significant variable cost associated with PPC demand. Our Battersea store has been closed for redevelopment saving £0.4 million of operating costs in this period.

The expenditure on utilities has reduced by £0.3 million following a significant backdated recharge of electricity costs to a third-party telecoms mast provider. The other increases in store operating costs of £0.4 million are mainly inflationary.

Financial Review (continued)

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 2020 £000	Year ended 31 March 2019 £000
Direct store operating costs per portfolio summary (excluding rent)	36,165	35,628
Rent included in cost of sales (total rent payable is included in portfolio summary)	1,276	1,075
Depreciation charged to cost of sales	348	393
Head office and other operational management costs charged to cost of sales	1,084	1,049
Cost of sales per statement of comprehensive income	38,873	38,145

Store EBITDA

Store EBITDA for the year was £87.2 million, an increase of £3.1 million (3.7%) from £84.1 million for the year ended 31 March 2019 (see Portfolio Summary). The overall EBITDA margin for all Big Yellow stores increased to 69.6% (2019: 69.1%).

Administrative expenses

Administrative expenses in the statement of comprehensive income of £10.5 million were down £0.1 million compared to the prior year. The reduction is due to a fall in the IFRS 2 share-based payments charge, and a lower vesting percentage for the Directors' deferred bonus plan in the year.

The non-cash share-based payments charge represents £2.3 million of the overall £10.5 million expense.

Interest expense on bank borrowings

The gross bank interest expense for the year was £10.6 million, an increase of £0.7 million from the prior year. The average cost of borrowing during the year was 2.6% compared to 2.9% in the prior year. Average debt levels were higher than in the prior year.

Capitalised interest increased by £0.8 million from the prior year. The interest capitalised in the year is principally on our developments at Camberwell, Battersea, Bracknell and Uxbridge.

Total finance costs in the statement of comprehensive income decreased to £10.8 million from £11.2 million in the prior year.

Profit before tax

The Group made a profit before tax in the year of £93.4 million, compared to a profit of £126.9 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 £71.0 million, up 5% from £67.5 million in 2019.

	2020 £m	2019 £m
Profit before tax analysis		
Profit before tax	93,447	126,855
Gain on revaluation of investment properties	(23,193)	(58,898)
Movement in fair value on interest rate derivatives	908	1,123
Gain on disposal of investment property	(57)	–
Share of associate fair value gains and losses	(107)	(1,615)
Adjusted profit before tax	70,998	67,465

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 2019	67.5
Increase in gross profit	3.2
Increase in net interest payable	(0.6)
Reduction in administrative expenses	0.1
Increase in capitalised interest	0.8
Adjusted profit before tax – year ended 31 March 2020	71.0

Basic earnings per share for the year was 55.8p (2019: 78.3p) and fully diluted earnings per share was 55.6p (2019: 78.0p). Diluted EPRA earnings per share based on adjusted profit after tax was up 2% to 42.1p (2019: 41.4p) (see note 12). EPRA earnings per share equates to the Company's adjusted earnings per share in the current year.

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, and fees earned from the management of the Armadillo portfolio.

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 will be exempt from corporation tax on chargeable gains, provided certain criteria are met.

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 tax charge in the current year of £0.9 million. This compares to a charge in the prior year of £0.4 million. The current year tax charge reflects an increase in profits in our residual business, in part due to lower deductions allowed in the current year for tax purposes from the exercise of share options.

Dividends

The Board is recommending the payment of a final dividend of 16.7 pence per share in addition to the interim dividend of 17.1 pence, giving a total dividend for the year of 33.8 pence, an increase of 1.8% from the prior year.

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 30.6 pence per share is payable (31 March 2019: 29.2 pence). The balance of the total annual dividend represents an ordinary dividend declared at the discretion of the Board, in line with our policy to distribute 80% of our adjusted earnings per share in each reporting period. The PID for the year to 31 March 2020 accounts for 91% of the total dividend. The table below summarises the declared dividend for the year:

Dividend (pence per share)	31 March 2020	31 March 2019
Interim dividend – PID	17.1p	16.7p
– discretionary	nil p	nil p
– total	17.1p	16.7p
Final dividend – PID	13.5p	12.5p
– discretionary	3.2p	4.0p
– total	16.7p	16.5p
Total dividend – PID	30.6p	29.2p
– discretionary	3.2p	4.0p
– total	33.8p	33.2p

Subject to approval by shareholders at the Annual General Meeting to be held on 5 August 2020, the final dividend will be paid on 10 August 2020. The ex-div date is 18 June 2020 and the record date is 19 June 2020.

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 for the year was £73.6 million, an increase of 2% from £72.2 million in the prior year.

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Cash generated from operations	85,074	82,912
Net finance costs	(10,178)	(9,629)
Interest on obligations under lease liabilities	(820)	(915)
Tax	(461)	(195)
Cash flow from operating activities	73,615	72,173
Capital expenditure	(63,748)	(83,038)
Proceeds on disposal of investment property	14,105	–
Receipt from Capital Goods Scheme	1,226	1,876
Dividends received from associates	649	550
Cash flow after investing activities	25,847	(8,439)
Ordinary dividends	(55,706)	(52,058)
Issue of share capital	853	65,962
Obligations under lease liabilities payments	(963)	(1,075)
Loan arrangement fees paid	(918)	(367)
Drawing of new Aviva loan	35,000	–
Increase in borrowings	29,403	7,026
Net cash inflow	33,516	11,049
Opening cash and cash equivalents	17,902	6,853
Closing cash and cash equivalents	51,418	17,902
Closing debt	(402,028)	(337,625)
Closing net debt	(350,610)	(319,723)

In the year capital expenditure outflows were £63.7 million, down from £83.0 million in the prior year. The capital expenditure during the year principally relates to the purchase of land for new stores (£38.9 million), and construction capital expenditure (£24.8 million).

The cash flow after investing activities was a net inflow of £25.8 million in the year, compared to an outflow of £8.4 million in 2019, due to the lower capital expenditure in the year, and the proceeds from the disposal of investment property at New Malden and Slough.

Placing

On 20 April 2020, the Group announced that it was issuing 8.3 million shares, raising £79.9 million (net of expenses). The Group intends to continue adding to its pipeline over the next few years, which will be funded principally by the proceeds from this placing. This will allow a continued focus on expansion primarily in London and its commuter towns whilst maintaining a conservative capital structure.

Financial Review (continued)

Balance sheet

Property

The Group's open stores and stores under development owned at 31 March 2020, which are classified as investment properties, have been valued individually by CBRE. This is the first external valuation that CBRE have carried out for the Group, having been appointed to replace Cushman & Wakefield LLP during the year. The external valuation has resulted in an investment property asset value of £1,521.4 million, comprising £1,352.7 million (89%) for the freehold (including three long leaseholds) open stores, £32.4 million (2%) for the short leasehold open stores and £136.3 million (9%) for the freehold investment properties under construction.

Investment property

The valuations in the current year have grown from the prior year, with a revaluation surplus of £23.4 million arising on the open Big Yellow stores (see note 15 for the detailed valuation methodology). The average exit capitalisation rate used in the valuations was 6.1% in the current year, in line with the prior year, with the discount rate adopted remaining at 9.3%. The increase in value compared to the prior year is principally due to the growth in cash flow from the assets and changes to the operating assumptions adopted in the valuations.

The valuation is based on an average occupancy over the 10-year cash flow period of 83.8% across the whole portfolio.

	Mature Leasehold	Mature Freehold	Established Freehold	Developed Freehold	Total
Number of stores	6	63	3	3	75 ⁽¹⁾
MLA capacity (sq ft)	339,000	4,008,000	195,000	146,000	4,688,000
Valuation at 31 March 2020 (£m)	£32.4m	£1,223.0m	£51.9m	£36.3m	£1,343.6m
Value per sq ft	£96	£305	£266	£249	£286
Occupancy at 31 March 2020	79.9%	82.3%	76.9%	43.2%	80.7%
Stabilised occupancy assumed	84.3%	84.3%	85.5%	86.0%	84.4%
Net initial yield pre-admin expenses	12.5%	6.1%	5.8%	2.8%	6.1%
Stabilised yield assuming no rental growth	14.1%	6.5%	6.8%	9.2%	6.8%

(1) Excluding Battersea which was closed in March 2019 for redevelopment, but in line with the Group's accounting policy has been shown in investment property at the year end.

The initial yield pre-administration expenses assuming no rental growth is 6.1% (2019: 6.4%) rising to a stabilised yield of 6.8% (2019: 6.7%). The stores are assumed to grow to stabilised occupancy in 21 months on average. Note 15 contains more detail on the assumptions underpinning the valuations.

Material valuation uncertainty due to Novel Coronavirus (Covid-19)

CBRE's report comments that the outbreak of the Novel Coronavirus (Covid-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Observable market activity – that provides the empirical data for CBRE to have an adequate level of certainty in the valuation – is being impacted in the case of the properties valued. For these properties, as at the valuation date, CBRE consider that they can attach less weight to previous market evidence for comparison purposes, to inform their opinion of value. Indeed, the current response to Covid-19 means that they are faced with an unprecedented set of circumstances on which to base a judgement.

CBRE's valuation is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the Red Book. Consequently, less certainty – and a higher degree of caution – should be attached to CBRE's valuation than would normally be the case. Given the unknown future impact that Covid-19 might have on the real estate market, CBRE recommend that the Group keep the valuation of the whole portfolio under frequent review.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances

– less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

CBRE's valuation report further confirms that the properties have been valued individually but that if the portfolio were to be sold as a single lot or in selected groups of properties, the total value could differ significantly. CBRE state that in current market conditions they are of the view that there could be a material portfolio premium.

Investment property under construction

The investment property under construction valuation has increased by £45.2 million in the year. Capital expenditure accounts for £56.9 million of this increase, notably on the site purchases discussed above, and construction expenditure, principally on Camberwell and Bracknell (Battersea is included with investment property). This has been partly offset by Manchester transferring to open stores. The valuation movement on the investment property under construction was a small deficit of £0.2 million.

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 2020 of £1,612.3 million (£90.9 million higher than the value recorded in the financial statements). With the share of uplift on the revaluation of the Armadillo stores (£0.9 million), this translates to 54.8 pence per share.

This revised valuation translates into an adjusted net asset value per share of 751.9 pence (2019: 724.4 pence) after the dilutive effect of outstanding share options.

Receivables

As of 8 June, we have collected 96.7% of our April and May revenue, which compares to 97.3% over the same period last year.

At 31 March 2020 we have a receivable of £1.4 million in respect of payments due back to the Group under the Capital Goods Scheme, as a consequence of the introduction of VAT on self storage from 1 October 2012. The receivable relates to VAT to be recovered on historic store development expenditure.

The debtor has been discounted in accordance with International Accounting Standards to the net present value using the Group's average cost of debt, with £0.1 million of the discount being unwound through interest receivable in the year. The Group has received £14.4 million to date under the Scheme, of which £1.2 million was received in the year.

Net asset value

The adjusted net asset value is 751.9 pence per share (see note 13), up 4% from 724.4 pence per share at 31 March 2019. The table below reconciles the movement from 31 March 2019:

Movement in adjusted net asset value	£m	Adjusted NAV pence per share
31 March 2019	1,209.8	724.4
Adjusted profit after tax	70.1	41.9
Equity dividends paid	(55.7)	(33.3)
Revaluation movements (including share of associate)	23.5	14.0
Movement in purchaser's cost adjustment	8.0	4.8
Other movements (e.g. share schemes)	2.9	0.1
31 March 2020	1,258.6	751.9

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.

During the year the Group extended the term of its bank loan by a further year. The Group also increased the quantum of the bank loan by £30 million during the period, with Bank of Ireland joining the facility taking this additional debt. The Group also has an option to increase the amount of revolving loan by a further £30 million during the course of the loan's term.

In March 2020, the Group agreed a new 7 year debt facility with Aviva of £35 million at an all-in cost of 1.96%, secured over the existing Aviva security pool of 15 stores. The all-in cost of this tranche of the loan reduces to 1.91% following the installation of 50 kWh capacity solar panels at three of the stores. The total debt facilities from Aviva are now £117.5 million of which £82.5 million will continue to amortise down to £60 million over the remaining seven years of the loan.

The table below summarises the Group's debt facilities at 31 March 2020. The average cost of debt is 2.5% (March 2019: 2.9%).

Debt	Expiry	Facility	Drawn	Average interest cost
Aviva Loan	April 2027	£117.5 million	£117.5 million	4.0%
M&G loan	June 2023	£70 million	£70 million	3.0%
Bank loan	October 2024	£240 million	£214.5 million	1.6%
Total	Average term 4.9 years	£427.5 million	£402.0 million	2.5%

Subsequent to the placing in April 2020, variable rate revolving bank debt was repaid, the effect of which has been to increase the Group's average cost of debt to approximately 3.1%. The Group's net debt at 8 June 2020 was £265 million with available liquidity of £162 million.

The Group was comfortably in compliance with its banking covenants at 31 March 2020. Further details of the Group's covenants are provided in note 19 of the accounts. For the year we had Group interest cover of 8.3 times (2019: 8.6 times) based on pre-interest operating cash flow against interest paid. Following the placing, raising £79.9 million (net of expenses) and subsequent repayment of debt, this interest cover has increased. The net debt to gross property assets ratio is 23% (2019: 22%) and the net debt to adjusted net assets ratio (see net asset value section above) is 28% (2019: 26%).

At 31 March 2020, the fair value on the Group's interest rate derivatives was a liability of £0.3 million. The Group does not hedge account its interest rate derivatives. As recommended by EPRA, the fair value movements are eliminated from adjusted profit before tax, diluted EPRA 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.

Financial Review (continued)

Share capital

The share capital of the Company totalled £16.7 million at 31 March 2020 (2019: £16.7 million), consisting of 167,138,527 ordinary shares of 10p each (2019: 166,665,158 shares). 0.5 million shares were issued for the exercise of options during the year at an average exercise price of 988p (2019: 0.9 million shares at an average price of 910p).

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.

	2020 No.	2019 No.
Opening shares	166,665,158	158,570,574
Shares issued in placing	–	7,204,301
Shares issued for the exercise of options	473,369	890,283
Closing shares in issue	167,138,527	166,665,158
Shares held in EBT	(1,122,907)	(1,122,907)
Closing shares for NAV purposes	166,015,620	165,542,251

80.3 million shares were traded in the market during the year ended 31 March 2020 (2019: 79.2 million). The average mid-market price of shares traded during the year was 1,071p with a high of 1,245p and a low of 630p.

Investment in Armadillo

The Group has a 20% investment in Armadillo Storage Holding Company Limited and a 20% investment in Armadillo Storage Holding Company 2 Limited. In the consolidated accounts of Big Yellow Group PLC, our investments in the vehicles are treated as associates using the equity accounting method. The investments are Limited companies, but the Group does also refer to them as Partnerships in these financial statements.

During the year, Armadillo acquired three existing stores in Daventry, Grimsby and Liverpool, with a combined capacity of 97,000 sq ft

The occupancy of the Armadillo stores at 31 March 2020 was 799,000 sq ft on a MLA of 1,063,000, representing 75.2% (31 March 2019: 75.1%).

The net rent achieved at 31 March 2020 by the Armadillo stores is £17.84 per sq ft, an increase of 2% from the same time last year. Revenue increased by 11% to £16.7 million for the year to 31 March 2020 (2019: £15.1 million); the like-for-like increase in revenue was 5%.

Included within administrative expenses in Armadillo 2 is a £1 million accrual for a performance fee payable to Big Yellow. The fee calculation has been based on a 31 January 2020 external property valuation for the Armadillo 2 portfolio.

The Armadillo Partnerships made a combined operating profit of £6.7 million in the year, of which Big Yellow's share is £1.3 million. After net interest costs, the revaluation of investment properties (valued by Jones Lang LaSalle), deferred tax on the revaluation surplus and movement in interest rate derivatives, the profit for the year was £4.3 million, of which the Group's share was £0.9 million.

The loans within both Armadillo Partnerships were refinanced subsequent to the year end, and now expire in April 2023.

Big Yellow has a management contract in place in each Partnership. For the year to 31 March 2020 the Group earned management fees of £2.2 million, including the performance fee referred to above. The Group's share of the dividend for the year is £0.6 million, representing a 14% yield on our equity invested.

Section 172 Statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, 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 doing 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 62 to 67.

Further information

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

— Employees

Operational and Marketing Review (pages 16 to 21)
Risk Management (page 40)
Governance (pages 66 and 67)

— Customers

Operational and Marketing Review (pages 16 to 21)
CSR Report (page 48)
Governance (page 66)

— Suppliers

CSR report (page 49)
Governance (page 66)

— Investors

Chairman's Statement (pages 6 to 7)
Operational and Financial Review (pages 16 to 36)
Governance (page 66)

— Environment

Operational and Marketing Review (page 21)
CSR Report (pages 42 to 57)

— Long term

Chairman's Statement (page 6)
Our investment case (pages 8 to 9)
Operational and Financial Review (pages 16 to 36)
Risk Management (pages 38 to 40)
Viability Statement (page 41)

Principal Risks and Uncertainties

The Directors have carried out a robust assessment of the 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 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. 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 metropolitan cities within the sector have slowed significantly over the past few years.</p> <p>Our performance during the Global Financial Crisis ("GFC") was relatively resilient, although not immune. We believe that the resilience of our performance is due to a combination of factors including:</p> <ul style="list-style-type: none"> – a prime portfolio of freehold properties; – a focus on London and the South East and other large metropolitan cities, which proved more resilient during the GFC and where the drivers in the self storage market are at their strongest and the barriers to competition are at their highest; – the strength of operational and sales management; – continuing innovation to deliver the highest levels of customer service; – the UK's leading self storage brand, with high public awareness and online strength; and – strong cash flow generation and high operating margins, from a secure capital structure. <p>We have a large current storage customer base of approximately 56,500 spread across the portfolio of stores and hundreds of thousands more who have used Big Yellow 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 Covid-19 pandemic has caused a significant contraction in the forecast economic growth for the UK for 2020, with some commentators estimating Q2 GDP may fall by up to 30%.</p> <p>This is clearly a recent and still emerging uncertainty and risk, and the range of outcomes for the global economy are still unknown.</p> <p>The market risk has clearly increased over the past few months given the macroeconomic outlook. The Group's trade since the pandemic started, whilst impacted, has so far proved resilient.</p> <p>In addition to the pandemic, there is also increased macroeconomic uncertainty associated with the UK's exit from the EU and whether a trade deal will be agreed. The uncertainty in the run up to Brexit impacted consumer behaviour, which caused lower occupancy growth for the Group in the year ended March 2020.</p>
<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. 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>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. We carried out an external benchmarking of our construction costs and tendering programme three years ago, which had satisfactory results.</p>	<p>The Group has acquired seven sites over the past couple of years, taking its total pipeline to 13 sites which, when opened, would expand the Group's current MLA by 19%.</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>The current pandemic has meant in-person planning committee meetings have been suspended, and we are awaiting to see how the planning authorities respond to this. This may cause delay in the Group receiving planning consents.</p> <p>We currently have planning consent on six of the 13 development sites.</p>

Risk and impact	Mitigation	Change during the year and outlook
<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 valuations are carried out by independent, qualified external valuers who have significant experience in the UK self storage industry.</p> <p>The portfolio is diverse with approximately 56,500 customers currently using our stores for a wide variety of reasons.</p> <p>There is significant headroom on our loan to value banking covenants.</p>	<p>The revaluation surplus on the Group's open store investment properties was £23.4 million in the year (an uplift of 2%), principally due to an improvement in underlying cash flows used in the valuations.</p> <p>There continues to be transactional evidence in the sector, with a number of portfolio transactions taking place in the current year. There have been no material transactions since the start of the pandemic, and the valuers have drawn attention in their report to material valuation uncertainty arising from the current situation.</p>
<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 LTV in the range 20% to 30% 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 seven years remaining. This loan was increased by £35 million in March 2020. The Group has a £70 million loan from M&G Investments, which is 50% fixed and 50% floating, repayable in 2023. For our bank debt, we borrow at floating rates of interest and use swaps to hedge our interest rate exposure. Our policy is to have at least 40% of our total borrowings fixed, with the balance floating. At 31 March 2020 45% of the Group's total 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>Interest rates were reduced to 10bps in March 2020, and the long-term forecast is for rates to remain at low levels for the foreseeable future. A significant proportion of the Group's debt is floating, and hence the Group will benefit from this reduction in base rates.</p> <p>Debt providers currently remain supportive to companies with a strong capital structure, as evidenced by the Group completing on the loan from Aviva after the pandemic started. That said, the current environment is likely to adversely affect liquidity and pricing.</p> <p>The Group's interest cover ratio for the year ended 31 March 2020 was 8.3 times, comfortably ahead of our internal target of 5 times and ahead of our banking covenants, as disclosed in note 19.</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 UK's future exit from the EU creates uncertainty over the future UK tax and regulatory environment.</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>In addition to the regulatory and tax uncertainty linked to the UK's exit from the EU, the Group experienced an increase in cost in 2018 following the Government's review of business rates.</p> <p>There is a risk that tax rates will rise in the short to medium-term to fund the increased government deficits that have arisen from the policy response to the pandemic.</p>

Principal Risks and Uncertainties (continued)

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>We were ranked in the Sunday Times 100 Best Companies to Work For survey in February 2019, showing strong levels of engagement from our employees.</p> <p>The Group carried out an engagement survey of its employees during the year, which showed very pleasing results of the level of engagement of our teams.</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.</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>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>During 2018, we developed a crisis response plan with external consultants to ensure the Group is well placed to deal with a major incident more effectively.</p> <p>During the year, we carried out an exercise to stress-test the crisis response plan with a scenario based on a disaster at one of the Group's stores.</p> <p>We have explained in the Operational and Marketing Review how we have reacted operationally to the Covid-19 pandemic and ensured our staff and customers remain safe.</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 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 regularly review and implement improvements to our security processes and procedures.</p>
<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 any faster for the Group than anyone else; 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>

Internal audit

The Group does not have a formal internal audit function because the Board has concluded that the internal controls systems are sufficient for the Group at this time. 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 two other team members, enabling additional work and support to be carried out across the Group's store portfolio. The Store Compliance team will visit 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 Head of Store Operations.

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 in 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.

The Group issued 8.3 million shares in April 2020 by way of a placing, raising £79.9 million (net of expenses). At 8 June 2020 the Group had available liquidity of £162 million, from a combination of cash and undrawn bank debt facilities. The Group is cash generative and for the year ended 31 March 2020, had operational cash flow of £73.6 million, with capital commitments at the balance sheet date of £10 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 2021 and projections contained in the longer-term business plan which cover the period to March 2024. 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 economic shock brought on by the Covid-19 pandemic, taking into account the trading performance of the Group from the onset of the pandemic to the date of these financial statements. The Directors have also taken into account the performance of the business during the Global Financial Crisis. The Directors modelled a number of 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 financial statements.

Viability statement

The Directors have assessed the Group's viability over a four-year period to March 2024. 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 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 Covid-19 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 relatively resilient in its trading since the onset of the pandemic.

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 2024.

John Trotman
Chief Financial Officer

8 June 2020

1.0 Introduction

Big Yellow Group PLC ('Big Yellow') is committed to responsible and sustainable business practices. Big Yellow's 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 private individuals and businesses by providing the storage space for their domestic and / or commercial needs, whilst aiding local employment and contributing to the local community.

The result of operating responsibly is the social value that we create.

Corporate and Social Responsibility Report



2.0 CSR Executive Summary

This has been a year of change: at a macro-level, two themes have really driven internal and external debate: Company Purpose and the financial risks posed by Climate Change.

We have worked hard to address both of these topics: our company purpose – “to ensure the hopes of people and businesses are never held back by a lack of space” has really come to life this year and I am very pleased to share them with you in the ‘About us’ section of our Corporate site.

Our purpose and values act as a blueprint to guide our interactions with all our Stakeholders.

Our work as part of the Task Force on Climate Related Financial Disclosure (‘TCFD’) recommendations has continued; we have started to align the output from our workshop with our Business Risk process; we are committed to ensuring all relevant risks, including the transition risk to a low carbon economy, are clearly understood and mitigated where appropriate. We are in a strong position and will continue to manage our business cautiously with long-term sustainability at its heart.

We are also very pleased to announce that we have appointed Julia Hailes to the Big Yellow Board as Non-Executive Director – Sustainability. We hope that her input will allow us to adapt to a changing business landscape and ensure Big Yellow continues to do its best by all its stakeholders.

Sadly, the recent months have seen all of us grapple with Covid-19. Forming part of the storage and distribution network, and therefore considered to be an ‘essential’ business, we have remained open throughout the lockdown, particularly for those customers who are doing invaluable work to keep distribution chains open so our collective needs can be met. We have continued to support our network of over 200 local charities to whom we provide free or discounted storage, and have also provided free space to the British Red Cross in a number of our stores to support the work they are doing during the pandemic.

We sincerely wish all our customers, employees, communities good health. We want to do our part in supporting us all to a speedy and full recovery.

James Gibson

Chief Executive Officer

8 June 2020

2.1 Highlights

Building on our CSR success over the last two years, we have continued to deliver strong results:

- We have maintained our inclusion in the FTSE4Good indices and improved on last year’s rating.
- We have obtained our first ever EPRA sBPR “silver” award.
- We have swiftly moved to support our customers, communities and employees through the Covid-19 challenges.
- We have met both our Foundation income and grant making expectations, with the Foundation having received an income of £155,602 to March 2020 and having paid out grants of £122,000 in the same time period.
- We have enhanced our Foundation pages on our corporate website to showcase the work we have done with our charity partners to support vulnerable individuals.
- We have refreshed several HR policies; created an Energy Management Policy and Process and underpinned our TCFD work with a Risk Management Process document which sets out alignment to our existing business risk processes.

There were no fines, notifications, penalties or settlements during 2019/20.

Corporate and Social Responsibility Report *(continued)*

2.2 Performance Overview

Please find below a table of all our commitments, the progress we have made against them and our plans going forwards. They are aligned to our 3 strategic themes:

Provide the place and space to make lives easier

Target / Commitment	Year ended 31 March	Progress during the year	Plans for 2020 and beyond
To raise £150,000 Foundation donations from our customers, Employee fundraising contributions and Big Yellow matched amounts	2020	£155,602 raised	This is a yearly target and will remain in place
Grants allocated to Big Yellow Foundation Charity partners: 75% of income allocated to charity partners	2020	78% granted	This is a yearly target and will remain in place
100% of stores with volunteering opportunities	2022	Not due	Please see the community section (full CSR Report) Target remains in place
10% of volunteering days taken up by employees	2020	Not achieved	Please see the community section (full CSR Report) Target remains in place
Four individuals on work placement contract provided and supported by a BYF charity partner by 2022	2022	Not due	Please see the community section (full CSR Report) Target remains in place
Number of individuals offered a permanent position from the above cohort – 100% of yearly cohort	2022	Not due	Please see the community section (full CSR Report) Target remains in place
Maintain Customer Engagement as measured by engagement with the Big Yellow Foundation: Monitor move-in / move-out donations – aim for maintaining 2017/18 performance	2020	Achieved	Monitored and included in Director store visit discussion Target will remain in place
Business Customers & National Accounts: Assess needs and define engagement approach	2019	Not achieved	Not achieved, but commitment remains, due date to be extended to 31 March 2021

Treat everyone fairly and respectfully, as a partner

Target / Commitment	Year ended 31 March	Progress during the year	Plans for 2020 and beyond
Report on 'prompt payment' statistics: % of invoices received & paid within 30 days Actual paid statistics	2020	All reported as per commitment Please see our Supplier section for specifics (full CSR Report)	Target remains in place
We continue to submit to all relevant Benchmarks, namely GRESB, CDP and FTSE ESG	Annual	Achieved GRESB latest: 4 Star 85% CDP latest: 'B' rating	Target remains in place
We will continue to reference and meet our most relevant standard: EPRA	Annual	Achieved EPRA Silver sBPR Award received	Target remains in place
Conduct a review of current supply chain practices and gather meaningful data to conduct a risk profile	2020	Achieved – please see our UK Modern Slavery Statement and our full annual CSR report for further information	We intend to conduct further supplier assessments
It is our aim to keep everyone safe when visiting or working at our stores. Any accident or incident is investigated and – where within our control – efforts are made to learn from the incident so that there are no repeats.	Annual	No fatalities – accident statistics are published in the H&S section of this report.	Target remains in place

Plan and act for a Sustainable Future

Target / Commitment	Year ended 31 March	Progress during the year	Plans for 2020 and beyond
Scope 1 & 2 Stores Emissions (from 2011 baseline year) reduction of 34% by 2020	2020	62.3% reduction achieved	We aim to bring our mid to long-term targets in line with a zero-carbon target during 2020/21
Scope 1 & 2 Emissions (from 2011 baseline year) reduction of 80% by 2050	2050	On track 62.3% reduction achieved	We aim to bring our mid to long-term targets in line with a zero-carbon target during 2020/21
New Energy Intensity target: 60% decrease by 2030 from our 2011 baseline	2030	On track 53.8%	Target remains in place
Achieve less than 10 tCO ₂ e per m ² occupied intensity metric	2020	Achieved 7.2 intensity metric	We will review our target during 2020/21 to assess our potential for an increase in ambition
Contractors signing up to CCS scheme with a target score of 35 points for both fit-out and shell	Annual	No fit-out CCS audits during the financial year	Target remains in place
Increase total Solar PV generation capacity by at least 10%	Annual	Achieved 28.5% increase in solar from prior year	Three new stores to be opened during 2020/21 all with planned 50kWh solar capacity each Three existing stores due to be retro fitted with 50kWh solar capacity each
Remove 1,600 kg single use plastics	2022	Achieved	By March 2020 we had sold through all items with single use plastic packaging – this KPI has been achieved ahead of time. We will be looking at other areas of our business
Educate and engage store teams to improve recycling performance – send zero waste to landfill	2025	On track 10.7% sent to landfill	Target remains in place
Review in-store water consumption against self storage benchmark	2020	Our water intensity rate is 56 m ³ of water / m ² occupied space	We have set a new intensity target of 25% improvements against 2019 baseline
100% CLA (Current Lettable Area) covered by Green aspects (%)	2025	Achieved 100%	We scaled up our EPC assessments and have reached 100% earlier than planned – we now look to maintain this
90% of our certified stores achieve an EPC performance of C or above	2025	Achieved 98.7%	We will continue to report as part of our efficiency narrative; however, this target is now complete
New-built stores pre-construction BREEAM standards 'Very Good' or above	Annual	Met	
New built stores fitted with Electric Vehicle pods (where space allows)	Annual	Met	

Corporate and Social Responsibility Report *(continued)*

3.0 People

Our people are at the heart of Big Yellow's business, bringing our values to life through the service that they provide and through the energy and passion that drives us to become an ever more responsible and sustainable business.

We use our internal engagement survey (called Viewpoint) to access employee views on Company specific aspects such as our benefits, culture and working environment and to highlight those areas where we need to focus our attention and make any further improvements.



3.1 Highlights

- Responded swiftly to keep our employees safe and continue to support everyone through the Covid-19 crisis.
- Our proportion of female Store Managers has increased from 26% in 2018 to 30% in March 2020.
- At 31st March 2020, 38% of our Store Managers / Assistant Store Managers were female compared to 33% as at the end of March 2018.
- Our refreshed recruitment social media platforms have reduced our reliance on Agencies by nearly 60%;
- We have appointed 14 Wellbeing Experts and trained 16 Mental Health First Aiders across the business.
- Just over 50% of eligible employees are participating in our Sharesave Scheme at 31 March 2020.
- Just under 80% of eligible employees are participating in our Company Stakeholder Pension Scheme at 31 March 2020, with employee and Company contributions paid equally at 4%.
- We have internally promoted 14 Store team members into a more senior role;
- More women have been encouraged to take part in our management development programmes. In the year to January 2020, 29% of Store Manager participants who completed the programme were female; more than double the 12.5% in 2019;
- Our employee engagement level assessed as part of our Performance Reviews for the year ended 31 March 2020, resulted in a score of 4.3 out of 5;
- For the year ended 31 March 2020, a total of 14,168 hours training were provided across the Company which equates to 35.2 hours per person;

4.0 Our Communities

Our communities are made up of all the people who work and store in our facilities and everyone who lives around us.

In March 2020, when Covid-19 tested our collective resilience and willingness to help each other, we extended our support further and helped organisations, large and small, with free or discounted boxes and storage space. We play our part in strengthening the local economy and enhancing our communities during this crisis and at all other times.

In addition to our Covid-19 response, we deliver community support in two main ways:

- Firstly, through our direct community investment and engagement programme; and
- Secondly, through our Big Yellow Foundation.

4.1 Highlights

- Donated £315,000 of free space to several charitable organisations;
- Provided storage discounted by 50% or more for community or charity use, worth £218,000
- Raised £155,602 for the Big Yellow Foundation and distributed £122,700 to our 6 charity partners;

4.2 Community Investment

Free space donated for community or charity use (£)	£315,000
Space discounted by 50% or more for community or charity use (£)	£218,000
Total employee Big Yellow Foundation fundraising & Big Yellow matched funds (£)	£2,301
Total Community Investment	£535,301

Notes to the table: Definition of free space: space that cost the charitable organisation 1% or less of the space's market value

4.3 Big Yellow Foundation

Big Yellow and our customers and employees provide the income to the Big Yellow Foundation. Our Big Yellow Foundation Steering team, who meet on a quarterly basis, determines how best to raise funds and promote the Foundation to our employees, customers and suppliers. This year we have achieved:

- Raising just over £155,000 for the Foundation.
- Paying out £122,000 to our six charity partners, mainly in unrestricted funds.
- Now collecting Gift Aid.
- Big Yellow supports the Foundation with over £10,000 in donations in kind per year.

The Big Yellow Foundation is a registered charity. Our charity number is: 1171232. It has been registered as a Charitable Incorporate Organisation ('CIO').

The latest Big Yellow Foundation Annual Report and Financial Statement can be viewed on the Charity Commission website.

By the end of February 2020, nearly one third of our customers (the average of our move-ins and move-outs) opted to contribute to our Foundation. This level of contributions has been impacted recently due to the pandemic, but the Big Yellow Executive Directors are personally donating £50,000, and the Non-Executive Directors £11,000 this year to make up for this shortfall.

Fundraising
Over £155,000 raised for the Foundation in the year



HELPING VULNERABLE PEOPLE LEAD BRIGHTER LIVES

The six charities supported by the Big Yellow Foundation



Corporate and Social Responsibility Report (continued)

5.0 Our Customers

Our most material commitment to all of our customers is a safe, secure, welcoming and friendly storage environment.

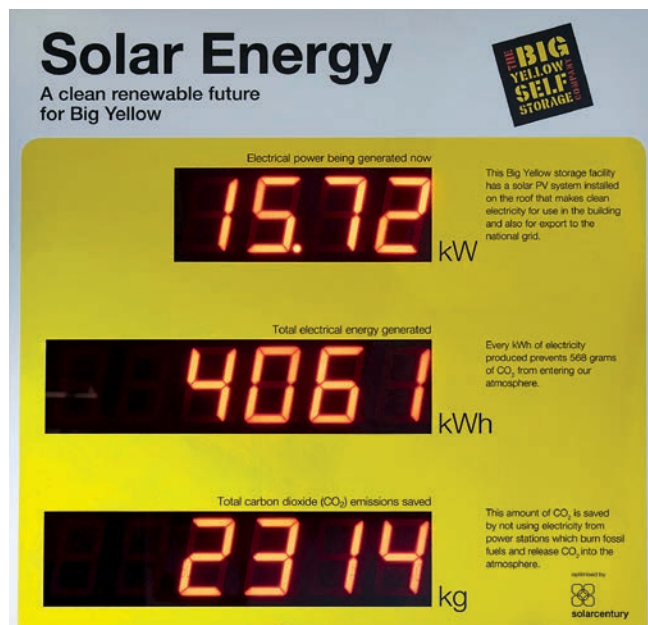
With Covid-19 impacting us at the end of our financial year, we took swift measures to ensure our customers were kept safe when accessing their storage rooms: our staff wear masks and gloves (when necessary) and keep the appropriate distance from our customers; all our stores have received additional cleaning materials and the routines for cleaning were increased.

We continue to provide our customers with easy access to relevant environmental and broader CSR information and actively engage with them through our Big Yellow Foundation. Each store with a Solar PV (Photo Voltaic) energy supply for example has a display in either the reception or loading bay areas.

5.1 Highlights

- Solar PV generation now at 22 stores.
- Net promoter score of 81.9 ['NPS']⁽¹⁾.
- 98.6% of our stores have an EPC rating of 'C' or above for Energy efficiency.
- We have removed all single-use plastic from our packing products.
- Over two thirds of our customers surveyed were aware of our Big Yellow Foundation.

For further information on Customer Health & Safety, Customer Service Performance and our commitment to the Environment and local Communities please see our Annual Reports and Accounts and our full CSR Report 2019/20.



(1) We measure customer service standards – Net Promoter Score – through a programme of mystery shopping and customer feedback surveys on an annual basis. It is one of our key non-financial metrics.

6.0 Our Suppliers

Big Yellow recognises that it can have a significant impact on its suppliers and that its supply base can represent an important aspect to help Big Yellow to deliver against its wider 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.

Towards the end of this year, with Covid-19 impacting on all our lives, we benefited from the professionalism, speed of response and dedication to us as a customer from all our suppliers, all of whom had to adapt to rapidly changing circumstances.

6.1 Highlights

- We pay 97% of our invoices within 60 days.
- Average time to pay an invoice: 30 days.
- Transparency in the Supply Chain: No issues raised via our confidential Whistleblowing Helpline.
- During 2019/20 we have formally assessed one of our suppliers who has passed the assessments with some minor recommendations for improvements.
- We are happy to report that we have been able to retain our Prompt Payment Code (PPC) performance certificate due to our continued strong payment performance.

6.2 Supplier Payment Terms

Days	April to September 19		October 19 to March 20		Year ended 31 March 2020	
	Number of invoices	% paid	Number of invoices	% paid	Number of invoices	% paid
< 30	3,336	55%	4,358	75%	7,694	65%
30 – 60	2,543	42%	1,218	21%	3,761	32%
> 60	153	3%	197	3%	350	3%
Total	6,032		5,773		11,805	



6.3 Supplier Initiatives

This year, our Construction team signed up to the Hard Hats Recycling Scheme and engaged with our main construction supplier to join us. Every year, the UK throws away several million end-of-life hard hats. The National Hard Hat Recycling Scheme aims to change that by diverting hard hats into a dedicated waste processing facility, thereby ensuring all hat waste is fully recycled.

Our new Non-Executive Director for Sustainability, Julia Hailes, proposed this initiative in March 2020; please read more about the Scheme at www.yesrecycling.org/hard-hat-recycling.



6.4 Supply Chain Risk

We successfully audited one of our key suppliers and are happy to report that no major points of failure were identified. We provide more information in our UK Modern Slavery Act Statement (to be published August 2020) and share our approach to auditing in our CSR Report 2019/20.

Corporate and Social Responsibility Report *(continued)*

7.0 Our Health & Safety

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

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.

Towards the end of our Financial Year with the outbreak of Covid-19, we took swift action to protect our staff, customers and visitors as much as possible by, amongst other measures:

- Issuing specific guidance on [additional] cleaning procedures;
- Making available extra cleaning products and personal protective equipment, such as hand sanitiser gel, facemasks and gloves, to our staff;
- Introduced home working for all head office-based staff who can work from home;
- Paid for taxis / hire cars for store staff to help minimise and avoid the use of public transport; and
- Reduced our reception trading hours and controlled access to our receptions to minimise the direct contact with our customers.

7.1 Highlights

Covid-19: We do not usually report on sickness absence and do not intend to do so this year. We have had a number of staff self-isolating and some have reported Covid-19 symptoms. However, due to the unavailability of testing, we are unable to share specific data. We are asking staff with symptoms or underlying health conditions to stay at / work from home in order to protect themselves, their colleagues and our customers.

7.2 KPIs

Store Customer, Contractor and Visitor Health & Safety

Year ended 31 March	2017	2018	2019	2020
Number of Customer Move-ins	71,715	73,928	73,292	70,661
Number of Minor Injuries	41	61	55	56*
Number of Reportable Injuries (RIDDOR)	1	1	4	0*
RIDDOR per 100,000 Customer Move-ins	1.4	1.3	5.5	0*

+ Indicates data reviewed by SGS as part of their assurance work. See page 56 for the independent assurance. Please note normalising data is provided by the central finance team and audited as part of our third-party financial audit.

Notes: RIDDOR = Reporting of Injuries, Diseases and Dangerous Occurrences.

Big Yellow Staff Health & Safety (Stores & Head Office)

Year ended 31 March	2017	2018	2019	2020
Average Number of Staff	329	335	347.3	361.1
Number of Minor Injuries	9	13	14	10*
Number of Reportable Injuries ("RIDDOR")	0	1	0	0*
AIIR per 100,000 staff	0*	299	0	0*

+ Indicates data reviewed by SGS as part of their assurance work. See page 56 for the independent assurance. Please note normalising data is provided by the central finance team and audited as part of our third-party financial audit.

Notes: Annual Injury Incident Rate = the number of staff reportable injuries / average number of staff (x100,000).

To date, we are very thankful and relieved to report that none of our current employees have lost their lives due to Covid-19.

- There were no "Fatal Injuries, Notices or Prosecutions" during the year ended 31 March 2020 in any part of our operations.
- We can confirm that we had no reportable accidents either in our Operational activities or our Fit-out Construction activities during the year.
- We published a refreshed Health and Safety policy in September 2019; please access this on the 'Policies' section of our corporate website – Sustainability.
- Out of the 44 minor injuries to our customers over the last year, nearly 60% were the result of minor cuts. Our staff only suffered 10 minor injuries, for a variety of reasons, including cuts and trips. Most of these injuries and those of 'visitors' could have been avoided by wearing personal protective gloves and footwear.
- There were 2,667 'Man Days' worked on new store construction 'Fit Out' projects in 2019/20. These were at our new store developments in Camberwell and Bracknell.
- During the year, we opened our new store in Manchester (in May 2019). We reported on our pleasing Considerate Constructors Scheme ('CCS') results in last year's CSR report. Our two Fit-out Construction sites inspections for this year at Bracknell and Camberwell, were delayed due to Covid-19. These visits will be conducted as soon as possible and reported in our next annual report.

Big Yellow Construction 'Fit Out' Health & Safety

Year ended 31 March	2017	2018	2019	2020
Number of Total Man Days worked	1,111	2,726	2,473	2,667
Number of Minor Injuries	0	3	2	1*
Number of Reportable Injuries (RIDDOR)	0	0	0	0*

+ Indicates data reviewed by SGS as part of their assurance work. See page 56 for the independent assurance. Please note normalising data is provided by the central finance team and audited as part of our third-party financial audit.

Notes: RIDDOR = Reporting of Injuries, Diseases and Dangerous Occurrences.

8.0 Our Environment

Environmental Responsibilities

Our CSR Policy sets out the aspects of what we manage. Our CSR 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.

During 2020/21 we will be reviewing our long-term emission reduction targets.

External Benchmarking

We use the detail in this CSR Report to participate in several benchmarks, such as the annual Carbon Disclosure Project (CDP) and the Global Real Estate Sustainability Benchmark (GRESB) to engage with our other Ethical Investors. For more details, please see the CSR Benchmarking section of our corporate website.

Compliance

We have commissioned SGS United Kingdom Ltd to carry out independent assurance of our Greenhouse Gas (GHG) emissions disclosures and other select voluntary disclosures, at a limited level of assurance according to the International Organization for Standardization's (2006) ISO 14064-3.

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 'Silver' status in terms of transparency and quality of our reporting during 2018/19 we continue to present our data in this format.

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. As we have made a few changes, we have tabled them listed them in our Basis of Reporting document.

Materiality threshold: our energy and emissions data completeness are at 100%. With 99.9% actual data for energy (0.1% accrued) and 99.9% actual data for emissions (0.1% accrued).

Reporting Materiality: UK grid bought electricity represents 88.6% of our total operational energy consumption. Solar represents 5.4%, with the remaining 6% due to gas consumption.

Assurance of Data

We have commissioned SGS United Kingdom Ltd to carry out independent assurance of our Greenhouse Gas (GHG) emissions disclosures and other select voluntary disclosures, 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 CSR Report 2020. The list of assured indicators can be found on page 56 of this report.

8.1 Highlights

- Our absolute electricity use had a very small decrease of just under 1%; our Like for Like (LfL) store portfolio electricity use has a stronger decrease of 1.5%. LfL excludes our new store in Manchester.
- We increased our estate with Solar PV installations from 21 to 22 stores and our two retro fit installations in Bristol have now had a full year to generate electricity, which means that operational electricity from Solar as % of Grid Use has increased from 4.2% to 6.1%.
- As of October 2019, we now purchase REGO-backed⁽²⁾, 100% renewable electricity from Opus Energy, which allows us to report our market-based electricity as 'zero carbon'.
- We achieved 100% Energy Performance Certification.
- Our absolute Scope 1 and Scope 2 Store and non-Store portfolio saw a decrease of 7.8%, largely due to a favourable UK fuel mix.
- Our GHG intensity metrics have all further improved by just over 10%.
- In 2019/20 total Scope 1 and Scope 2 Store GHG Emissions achieved a reduction of 62.3% from our peak GHG emission year of 2011. This reduction is in part due to our significant investment in efficient energy lighting and motion sensor, a favourable UK fuel mix and our investment in on-site renewable generation.

(2) Rego = 'Renewable Energy Guarantees Origin'. The Renewable Energy Guarantees of Origin (REGO) scheme provides transparency to consumers about the proportion of electricity that suppliers source from renewable generation

Corporate and Social Responsibility Report (continued)

8.0 Our Environment (continued)

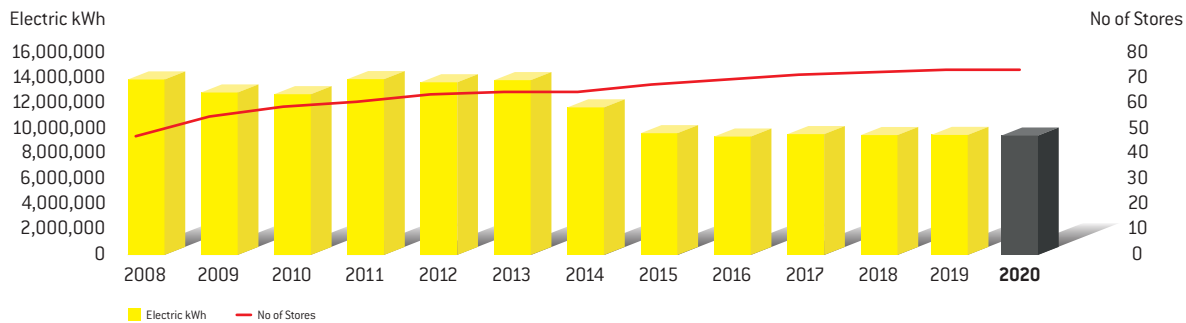
8.2 Energy

Store Portfolio Long-term Electricity:

With increasing store numbers open, our long-term electricity use is remaining pleasingly stable. This is because new stores coming on board are built efficiently, using the best technology available.

The chart shows how electricity used in our stores between 2008 and 2020 has changed over time:

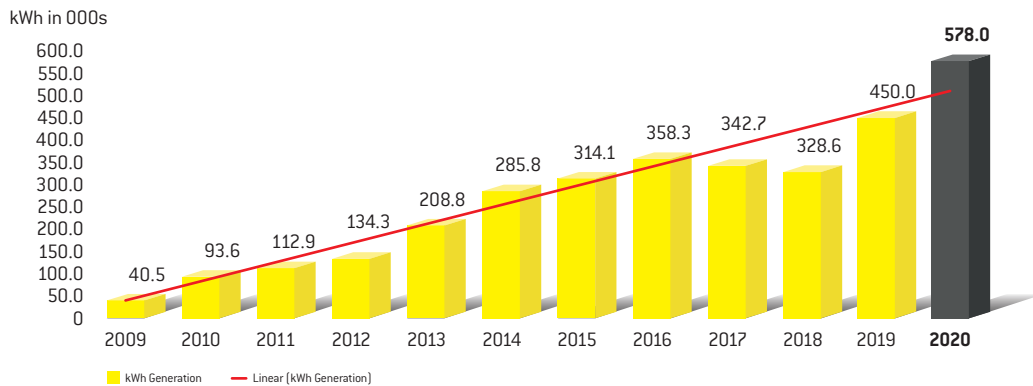
Long Term Electricity Use



Store Portfolio Long Term Solar Electricity Generation (2009 to 2020)

Our portfolio of stores with roof-mounted solar PV installations generate low carbon electricity that is monitored for performance and receives financial payments from energy companies we export to. There are 22 stores with solar PV installations, now including Manchester with an installed capacity of 50kWh.

Store Portfolio Long Term Solar Electricity Generation (2009 to 2020)



Next Steps: We have committed to installing three retrofitted 50kWh Solar PV systems in 2020/21 on our stores at Norwich, Tunbridge Wells and Watford (subject to the necessary local permits); also, our new stores due to open during 2020/21 will each have a 50kWh Solar PV installation. We remain committed to increasing our onsite renewables capacity.

8.3 Emissions

Broader Scope 1 and 2 GHG Emission Intensity

Scope 1 and 2 GHG Emission Intensity / Occupancy, Revenue & CLA (GHG-Int.)

Year end 31 March	2018	2019	2019 restated	2020
Total GHG Scope 1 & 2 Emissions location based				
Total tonnes CO ₂ e	3,340.0	2,853.9	2,798.8	2,571 ⁺
Total GHG Scope 1 & 2 Emissions market based				
Total tonnes CO ₂ e	n/a	n/a	New for 2019/20	1,274
Scope 3 Electricity Transmission Losses and Employee Business travel				
Total tonnes CO ₂ e	312	134	366	315
tCO ₂ e/ revenue (£000s) – location based	28.6	22.8	22.3	19.9 ⁺
tCO ₂ e/ revenue (£000s) – market based	n/a	n/a	New for 2019/20	9.9
kgCO ₂ e/ Occupied space	9.7	8.0	7.9	7.2 ⁺
kgCO ₂ e/ CLA (m ²)	7.8	6.6	6.5	5.9 ⁺

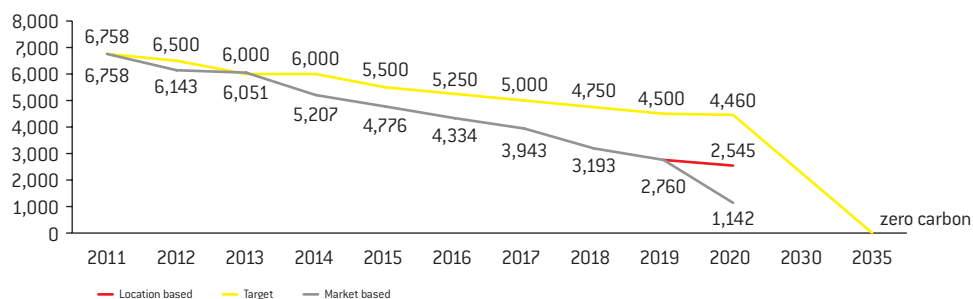
+ Indicates data reviewed by SGS. See page 56 for their independent assurance report.

Please note, the scope of the data presented here varies slightly from the data presented in the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SECR') section of our Annual Report and Accounts.

Long Term Scope 1 & 2 Greenhouse Gas Emissions Stores (2008 to 2020) and UK targets

We have now exceeded the government set 2020 target of a 34% reduction and are on track to meet the 2050 target of an 80% total Scope 1 and Scope 2 GHG Emissions reduction. Since the completion of our five-year investment programme in LED lighting and motion sensor controls in 2017, our further emission reductions are largely due to a favourable UK fuel mix. However, our decision to purchase a 100% renewable electricity contract in October 2019 has had a significant impact on our market-based emissions. Our continued investment in onsite renewables has this year made a material difference (6.1% Solar % of Grid Use) and will do so increasingly in the coming year, with six further 50kWh Solar PV installations planned for 2020/21.

Long Term Scope 1 & 2 Greenhouse Gas Emissions Stores (2008 to 2020) and Target



Corporate and Social Responsibility Report *(continued)*

8.0 Our Environment *(continued)*

8.4 Water

We have been working hard on improving our data collection for water as we want to make sure we play our part in managing our precious resources, even if our consumption is not material. We assess materiality by conducting regular benchmarking exercises with industry best practice.

During the year, the Better Building Partnership (BBP) have refreshed their Real Estate Environmental Benchmarks (Water). We have selected: 'Water Benchmarks – Enclosed Shopping Centres' – 'Water Intensity' – Water Intensity by space (litres/m² CPA⁽³⁾/year).

At '56' (19,677m³ of water / 351,271m² occupied space), we're very pleased to share that our water consumption remains significantly lower than BBP 'Good'.

We have asked our auditors to conduct a pre-assurance gap analysis for 'Water' to their programme of work. This should allow us to identify if there are any further opportunities for data collection.

Flooding & Droughts

As we have further developed our work as part of the Task Force on Climate related Financial Disclosure (TCFD) flooding and droughts have been moved into our Risks and Opportunities section.

8.5 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. Please note, our waste contractor provides further waste segregation and recycling services post collection.

During the year, we have had increased demand from our business customers for waste services. In several instances, we facilitated the separate collection of customers' waste (which is not reported here) but understand some stores are likely to have permitted Big Yellow bins to be used. This has impacted on our overall performance.

8.6 Resource use

We are committed to using our resources carefully to meet our present requirement without compromising the ability of future generations to meet their own needs. The eight product lines we had identified for modification by 2022 have all now had their single use plastic packaging removed. That means our initial target of removing 1,600kg of single use plastic packaging by 2022 has been achieved early and is now closed.

We will be looking at other areas of our business, such as reducing paper throughout our operations. Our first commitment is to go to a paperless move-in process during 2020/21.

8.7 Green store portfolio

Highlights

- We added to our solar PV estate by equipping our newest store – Manchester – with a 50kWhs installation.
- 100% CLA (Current Lettable Area) covered by Green aspects (%).
- 98.7% of our certified stores achieve an EPC performance of C or above.
- All of our estate is covered by an Energy Performance Certificate.
- Three stores have been identified for retrofitting Solar PV during 2020/21.
- Electric Vehicle Charging pods now as standard for all new stores (starting with Manchester).

9. Benchmarks and standards

Highlights

- We achieved a "silver" standard for EPRA sBPR (sustainable best practice reporting).
- We increased our GRESB score to 85% (4 stars).
- We achieved a 'B' (Management) rating from CDP 2019.
- We maintained our MSCI score of 'AA'.
- We maintained our FTSE4Good scores.
- We have developed a 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').

10. Legislation

Our full CSR Report and the relevant sections within our Annual Reports and Accounts (Director's report and CSR 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 CSR report has been reported in accordance with the WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard.

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'); We have submitted our ESOS Phase 2 notification on 25th November 2019.
- Energy Performance Certificate ('EPCs') – please see 'asset list & green store portfolio' section in this report for more information.

(3) CPA (Common Part Area) at Big Yellow means our 'customer occupied space'.

11. Managing risks and opportunities

We have significantly developed our work considering climate related risk using the framework set by the TCFD recommendations. The TCFD structured its recommendations around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets.

We have documented our internal approach to climate related risks and have established the internal mechanism for feeding these into our business risk process. Please see the our Managing Risks and Opportunities section in our CSR Report 2019/20 for a full update.

We have met our Pre-Phase 1 and Phase 1 strategic objectives.

Metrics

1. Our CDP score for Risk Management Process and Risk Disclosure was a most credible 'B'.
2. Our GRESB score for their Risk and Opportunities section, which is broader than the TCFD requirements, was 15 out of 18 achievable points

Targets

We had set a trigger point of an increase of 10% or more in relevant Facilities spend – we have not reached that trigger point during 2019/2020.

12. Targets

Our Performance Section sets out our CSR plans for 2020 and beyond in detail.

13. 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 key stakeholder groups. They are identified as (1) our employees, (2) our shareholders, (3) our customers, (4) our suppliers and (5) our communities. Please note that in our full 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 in the 'Governance' section of our Corporate Website – Sustainability.

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.

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, both in the UK and internationally.

We also provide specific information on request to other investor benchmarks, where available. Please contact csr@bigyellow.co.uk should you require support.

Corporate and Social Responsibility Report *(continued)*



SGS United Kingdom Ltd's assurance opinion on selected sustainability KPIs in Big Yellow's Corporate Social Responsibility Report 2019/20

Nature, scope and purpose of the assurance

SGS United Kingdom Ltd was commissioned by Big Yellow Group plc (Big Yellow) to conduct an independent assurance of selected sustainability KPI data in their Corporate Social Responsibility Report 2019/20 ('the Report'). The scope of the assurance included FY2019 data only for the following KPIs:

Carbon footprint (Scope 1 & 2) data:

- Store electricity (tCO₂e)
- Store flexi-office gas emissions (tCO₂e)
- Refrigerant emissions (tCO₂e)
- Absolute carbon dioxide emissions (tCO₂e)
- Store Electricity use (kWh)
- Like-for-like electricity use (tCO₂e)
- Absolute carbon emissions (tCO₂e)
- Carbon intensity (kgCO₂e/m² current lettable area)
- Carbon intensity (kgCO₂e/m² occupied space)
- Carbon intensity (tCO₂e/£000s revenue)
- Total renewable energy (kWh)
- Renewable energy percentage of total store use (%)

Health & Safety data:

- Staff, customer, and visitor minor Injuries
- Staff, customer, and visitor reportable injuries (RIDDOR)
- Staff, customer, and visitor annual Injury Incidence rate (AIR) per 100,000 staff
- Staff, customer, and visitor notices
- Construction 'fit-out' minor Injuries
- Construction 'fit-out' reportable injuries (RIDDOR)

We conducted a pre-assurance gap analysis of data for water consumption and landlord-obtained waste. The purpose of this was to support Big Yellow to identify opportunities for improvements to its data collection and reporting systems. The findings from this review are included in our report to Big Yellow management.

Financial data and other data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. This includes data used to normalise figures: revenue; average number of employees; current lettable area; occupied space.

The purpose of this assurance exercise was, by review of objective evidence, to independently review whether the KPI data is as declared by Big Yellow, and reported in the Report, is accurate, complete, consistent, transparent and free of material error or omission.

The Report has been assured at a limited level of assurance according to ISAE3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, to evaluate veracity of specific KPIs as described above using SGS Sustainability Report Assurance protocols, including the Global Reporting Initiative (GRI) Principles of for Report Content and Quality to enable robust evaluation of data subject to verification.

Greenhouse Gas (GHG) Data

CO₂ emissions from own operations were verified at a limited level of assurance according to standard EN ISO14064-3:2006 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 2020' 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%, 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 2020', 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 and fugitive emissions;
 - Scope 2 – purchased electricity and solar generation;
- Types of GHGs included: CO₂, N₂O, CH₄ (HFCs, PFCs, SF₆ and NF₃ are excluded)
- Directed actions: none

Methodology

The assurance comprised a combination of pre-assurance research, interviews with relevant management representatives and external data management providers, documentation and record review. 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 criteria described above.

SGS' approach is risk-based, drawing on an understanding of the risks associated with modelling GHG emission and other 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.

Statement of responsibilities, independence and competence

The information in the Report and its presentation, including the underlying systems, procedures and records, are the responsibility of the Directors and the management of Big Yellow. SGS United Kingdom Ltd 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 data within the scope of verification with the intention to inform Big Yellow's stakeholders.

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 United Kingdom Ltd affirm our independence from Big Yellow, 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 conducted the assurance in accordance with the SGS Code of Integrity.

Assurance opinion and conclusion

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 KPI data within the scope of our verification as reported by Big Yellow in the Report is not, in all material respects, fairly stated. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

Greenhouse Gas (GHG) Data

SGS concludes with limited assurance that there is no evidence to suggest that the presented CO₂ equivalent assertion 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 2020', 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 01/04/2019 – 31/03/2020 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 2020' and the WRI/WBCSD GHG Protocol. The GHG information for the period 01/04/2019 – 31/03/2020 disclosing gross emissions of 2,571 metric tonnes of CO₂ equivalent 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): 132 tCO₂e
- Scope 2 – Location based (Indirect): 2,439 tCO₂e

Health & safety data

SGS concludes with limited assurance that there is no evidence to suggest that the presented data is not materially correct and is not a fair representation of data and information, and is not prepared

following the requirements of Big Yellow's 'Basis of reporting 2020', and the GRI Report Quality principles of transparency accuracy, consistency, relevance and completeness.

Good practice and opportunities for improvement

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 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 Practice

- We note that there have been a number of improvements to the Health & Safety Management System this year, including developments in the Accident Reporting procedures to improve the accuracy and reliability of reported data
- Big Yellow operates a robust data collection process and the data reporting platform used was found to be robust enough to provide accurate and consistent data reporting when tested.

Opportunities for Improvement

- There are further opportunities to strengthen the central review and analysis of incoming forms and data. We welcome the fact that Big Yellow has already implemented measures to address this in 2020.
- We recommend that for its future Greenhouse Gas reporting Big Yellow considers inclusion of verified Scope 2 market-based reporting.
- We welcome the decision to carry out a pre-assurance gap analysis of water and waste data this year, and we encourage Big Yellow to include this data in the scope of the full assurance in future years.

Signed:

Authorised by:



H. Crick

UK Business Manager

For and on behalf of SGS United Kingdom Ltd

Reg Office: Rossmore Business Park, Ellesmere Port, Cheshire CH65 3EN
Registered in England No: 1193985

Date 12 May 2020

Note: This Statement is issued, on behalf of Big Yellow, by SGS United Kingdom Ltd, Rossmore Business Park, Inward Way, Ellesmere Port, Cheshire, CH65 3EN ("SGS") under its General Conditions for GHG Validation and Verification Services. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement and the supporting GHG Assertion may be consulted at Big Yellow and address. This Statement does not relieve Big Yellow from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Big Yellow.