

A large photograph of solar panels on a roof, viewed from a low angle looking up. The panels are dark blue with white grid lines. A bright sun is reflecting off one of the panels, creating a large, bright, circular flare. The sky is blue with some white clouds. In the background, a grey building is visible.

**Big Yellow Group PLC**  
**Basis of Reporting**  
**1<sup>st</sup> April 2012 – 31<sup>st</sup> March 2014**  
**Corporate Social Responsibility**

## Deloitte LLP provides independent and limited assurance of selected subject matters in our annual Corporate Social Responsibility Report

Limited assurance is in accordance with the International Standard on Assurance Engagement ISAE 3000 by the review of processes and systems used to compile the data tested. A more detailed internal Reporting Methodology for CSR KPI data collection is available to establish Big Yellow's future mandatory Greenhouse Gas (GHG) reporting in terms of Scope 1 and Scope 2 emissions after October 2013.

### Scope of Portfolio & Operations

This is the Group's sixth annual CSR report (FY's 2008 – 2013) and it covers all activities of the company as an owner, operator and developer of self storage within the UK. Big Yellow is a Real Estate Investment Trust (REIT) with the following operations and services:

- 68 Big Yellow stores and 10 managed Armadillo stores (on behalf of HSBC);
- Operations and Facilities management of the whole store portfolio, including the central Bagshot office and our Maidenhead merchandise depot; and
- Development of about one new store per year from FY 2014, by Construction management.

We report on all of our services, under our financial control. We include the 10 Armadillo stores for health and safety management data but not for financial control which ultimately lies with HSBC.

This year we opened one new store in Chiswick and a new reception was added to our existing Richmond store, within the first quarter of the financial year to 31st March 2013.

### Energy Use Data Acquisition

Store portfolio (68), offices (12) and merchandise depot (1) electricity, gas (8) and gas oil use on Fit Out construction sites (1) are measured (gas oil is converted into kWh) for a total kWh energy use.

- We obtain Half Hourly (HH) automatic data direct from our meters via our energy agent (ECM). This data is accurate (not estimated) and can be provided 24 hours after the data download;

- Smart meters on all non-half hourly meters provide real time data (via ECM) and avoid inaccurate invoice estimates.
- All gas meters have been upgraded to automatic meter readings (AMR) to avoid estimations.
- 12 stores out of 68 have flexi office services provided.
  - 2 have electric heating (Brighton and Finchley) and this kWh use is included in store electricity;
  - 2 flexi offices have GSHP's (Kennington and Bromley) and electric pump kWh use is included in store electricity use. Heat (kWh) generation is not metered;
- 8 flexi offices have supplied natural gas heating monitored by Automatic Meter Readings (AMR) meters.
- Installation of AMR's for natural gas use was completed in July 2012.
- This data is collected by ECM on a monthly basis and reported on a quarterly / annual basis to Big Yellow.
- Solar PV generated electricity (kWh) is reported on a quarterly and monthly basis from March FY 2013, for closer monitoring of PV faults.
- The inclusion of refrigerant replacement CO<sub>2</sub>e emissions for store air conditioned reception areas (~3% of total store area); and one company owned vehicle fuel emissions; are included in this report to comply with the requirement to report **Green House Gas (GHG)** emissions from October 2013, under the Companies Act (summary to be in the Director's section of The Annual Report)
- GHG emissions are expressed as tonnes of carbon dioxide equivalent that include the compounds that cause 'global warming'.

## Space and energy intensity use data:

- **Store Net Internal Area (NIA) ft<sup>2</sup>** is supplied by our Architects. This data is on average between 66-67% of the **Gross Internal Area (GIA) m<sup>2</sup>** for Big Yellow stores.
- The stores are designed to achieve a ratio: **GIA = NIA x 1.5**.
- New store build **GIA (m<sup>2</sup>)** is calculated (**from ft<sup>2</sup>**), and recorded by Big Yellow Construction Fit Out spreadsheets.
- **GIA (m<sup>2</sup>)** includes useful areas used by customers for access such as: reception areas; corridors; WC's; loading bays; lifts; stair wells; and storage units;
- All of these areas have **electric lighting** (our main energy use ~65%).
- All top floors are **vented** by electric fans, as are basement levels, where installed.
- Reception areas in all of our stores are **air conditioned**.
- A relatively small number of flexi offices (12) within the shell of our stores (68) mainly have gas heating (8).
- **Final Storage Area (FSA) m<sup>2</sup>** are the planned maximum discrete storage areas (in ft<sup>2</sup>, which are converted to meter<sup>2</sup> for carbon reporting) that customers rent for self storage, when all floors are finally partitioned into units.
- **FSA** is achieved at full customer occupancy, when the store 'matures'. It does not include the other 'useful' access and service areas mentioned in GIA.
- **'Annual Average Customer Occupancy / Occupied space' AACO (m<sup>2</sup>)** is defined as the self storage space occupied by customers (in ft<sup>2</sup> / converted to m<sup>2</sup> for reporting) on a weekly basis (accounting for weekly customer 'move ins' and 'move outs').
- This improves the accuracy of the average calculations over the whole financial year (converted to m<sup>2</sup>).

- This data does not include vacant units and areas that could be partitioned in the future, up to the **FSA** maximum capacity.
- Previous year's data (2011 and 2012) will be restated.
- **Final Office Areas (only the areas of 8 offices out of 12)** are reported in ft<sup>2</sup> and are then converted to m<sup>2</sup> annually for use with gas heating data.
- Flexi-office **Final Areas** are already included within the store NIA and GIA data.
- **'Flexi Office Occupied space'** (ft: m<sup>2</sup> conversion) is defined as Final Area **occupied space by office unit** rented and excludes vacant offices, corridors, stair wells etc., and other parts of the store under the same shell construction. The data is sourced from Big Yellow Self Storage **Weekly / Monthly Sales Reports**: 'Summary by Category Tab', monthly spreadsheet to 31 March 2013 (ft<sup>2</sup> converted to m<sup>2</sup>).
- **8 x Flexi Office Gas Final areas**, within stores, exclude's non-usable space such as, office corridors, stair wells etc., that are included in the store GIA. It does not include other parts of the store, used for storage, under the same 'shell' construction.

## Energy KPI's

KPI's for store energy use and GHG emissions:

- Supplied electricity (kWh); Energy cost (£) increases / reductions using averages if comparing more than one year;
- Percentage (%) of absolute kWh and CO<sub>2</sub>e reductions or increases;
- Quarterly / Annual Solar electricity (kWh);
- Percentage (%) increases in cumulative renewable energy generation (kWh) since 2008 and comparing with previous year;
- Annual generation as a percentage of all 15 'solar stores';
- Annual generation as a percentage of the whole store portfolio energy use;
- Natural gas (kWh);

- Total kWh use (all electricity, gas, and gas oil); and
- construction generator gas oil (litres).

### **New Store Construction Site Fit Out**

No new stores developments were started this financial year. Chiswick store completion was within the first week of FY 2013. A new reception was opened in April 2013.

When a new store Fit Out managed by Big Yellow Construction is started:

- 'gas oil' quantities (litres); and
- site supplied electricity (kWh, if available); are used.

### **Absolute Carbon & Intensity Emissions**

Our total absolute carbon emissions measure (tCO<sub>2</sub>e / kgCO<sub>2</sub>e & tCO<sub>2</sub> / kgCO<sub>2</sub> for CRC) are made up of:

- supplied store electricity, including flexi office electricity (scope 2 emissions);
- natural gas for heating 8 x offices (scope 1 emissions);
- 1 x Company van fuel emissions (scope1)
- Refrigerant replacement (scope 1)
- Construction 'fit out' electricity supplied (scope 2)
- gas oil generator (scope 1 emissions);

### **Store / Flexi Office Carbon Intensity KPI's**

Emissions are recorded on our ECM energy spreadsheets. Total **CO<sub>2</sub>e** (and CO<sub>2</sub>) are normalised by the total areas as follows:

- Carbon relative to Revenue (tCO<sub>2</sub>e /£m);
- Carbon relative to GIA (kgCO<sub>2</sub>/m<sup>2</sup> gross internal area;
- Carbon kg CO<sub>2</sub>e/m<sup>2</sup> FSA, Final Storage Area;
- Carbon kg CO<sub>2</sub>e/m<sup>2</sup> AACO) Annual Average Customer Occupancy;
- Average data can be used if comparing against several years data.

### **Group Targets**

We set group targets that take into account Big Yellow's significant environmental, social and governance (CSR / ESG) business aspects on

behalf of our main stakeholders (investors, customers, staff, governmental etc). Targets are set annually against financial year 2011, a base year of peak energy use / carbon emissions. We assess what is achievable based on energy efficiency programmes and other sustainable key performance indicators (KPI's)

### **Responsibility: CSR Manager**

The CSR Manager reviews Big Yellow activities and services to identify significant environmental, social and financial aspects of the business. These aspects may have impacts that need to be managed for sustainable opportunities and risk prevention:

1. The Manager identifies raw data sources across all processes for data collection and recording. The scope is from the development of new stores to the operations of the whole store portfolio;
2. Data checking and validation to ensure the information is complete, correct, consistent and is in the right format;
3. Selecting and applying CSR / ESG and GHG emission conversion factors correctly for calculations; and
4. The development of the CSR / ESG report format that is in line with Government legislation and non-Government guide lines, (Companies Act, GHG emissions, CRC etc) and Real Estate sector Sustainability Reporting best practice requirements.

- Monthly, quarterly and Annual Data management and collection throughout the year;
- Use of the **DEFRA DECC '2012 Guidelines for GHG Conversion Factors for Company Reporting', Version 1.0 Final, Updated 28/05/2012;** and
- Accurate carbon dioxide equivalent tonnes of CO<sub>2</sub>e emissions;
- Management of Energy Agent (ECM) procurement of annual and quarterly spreadsheet electricity, gas, carbon (CO<sub>2</sub>e & CO<sub>2</sub>), tax and cost data:

- Energy use HH and NHH with AMR data is provided by IMSERV and ECM; and
- Energy Suppliers (EON and British Gas) to ECM.

- **Store based monthly, quarterly, annual solar kWh generation reporting:**

- 15 x Solar PV installations using store Manager digital photo's and documented readings;
- Back up web based data monitoring; (Operational checking of 5 x Ground Source Heats Pump installations and 1 x Wind Turbine)

**Construction Fit Out Gas Oil and electricity;**

- tCO<sub>2</sub>e calculations and tables;
- Inclusion in the Groups carbon footprint.
- Data from Gas Oil (Crown Oil) delivery notes;
- Spreadsheets for Gas Oil and electricity use;
- Crown Oil to confirm annual Quantities; and
- water use (m<sup>3</sup>) and waste (m<sup>3</sup>/t) are recorded and reported.

These KPI's are only used when successive years of Construction development are a significant aspect of Big Yellow's activities.

The **DEFRA Grid Rolling average electricity** to CO<sub>2</sub>e conversion factor of 0.52037, in the table below, is used to convert kWh to kg CO<sub>2</sub>e.

**Solar PV data** is collected by the CSR Manager on a quarterly basis, from store manager digital photo meter readings.

- At the end of every month all 'solar stores' under Due Diligence report their meter, inverters and public display panels for kWh generation.
- Quarterly kWh generation meter readings are used report generation, annual generation and revenue expected for annual reporting.
- A shared intranet spreadsheet with Finance converts kWh generated to FIT payments by suppliers.

**Absolute electricity or gas use** and costs from electricity suppliers and electricity (kWh) generated by Big Yellow Solar PV are recorded.

Big Yellow's Energy Agent (ECM) records average annual kWh cost data:

FY 2013 = 10.68 p/kWh;  
 FY 2012 = 10.16 p/kWh;  
 FY 2011 = 10.28 p/kWh;

Carbon emission saving (tCO<sub>2</sub>e) resulting from solar electricity generation = tCO<sub>2</sub>e x £12 (FY 2013) for carbon displaced and reported as financial savings.

Self generated solar electricity (kWh) is also reported as a percentage of store electricity use (kWh) supplied, and as a total for all solar against kWh's supplied across the whole portfolio, annually.

**Health and Safety**

Guidance is taken on "AIIR and / or RIDDOR" for:

- health and safety annual reporting on customers (stores including flexi offices);
- visitors (non staff or non contract);
- contractors (with contract); and
- staff (employed by Big Yellow),

involved in work related incidents.

**Reportable incidents** are in keeping with the UK Health and Safety Executive (HSE): 'Reporting accidents and incidents at work: a brief guide to the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR).

For employees this is defined as major injuries and over **seven day injuries**.

**For customers, visitors and contractors** we report an accident to the HSE (i.e. reportable) if the person is injured (minor or major injury)

AND taken to hospital directly from the site

AND, the inclusion of reportable injuries, where it is not deemed the fault of Big Yellow'.

This definition was revised in January 2013, and prior to this, these incidents were only reported if they were 'in connection with work

**Big Yellow Construction** (Fit Out) work related health and safety performance is reported for Fit Out contractors and visitors, and can be compared against total 'man days' for that year.

## Scope: Stores & Construction

Includes all operational buildings and Big Yellow Construction Fit out Stage:

- 68 wholly owned, Joint venture and managed Operational stores (+ 10 Armadillo stores);
- 1 x Bagshot Main Office;
- 1 x Maidenhead Merchandise Depot; and
- Fit Out Construction sites if operational.

## Annual Data Request

### Health and Safety Policies:

H&S review meetings are held bi-annually by the Group H&S Committee.

Group H&S Committee & Data Collection	
Stores, Bagshot, Maidenhead	Construction Fit Out
Operations Director	Construction Director
Facilities Management (spreadsheet)	Construction Manager (spreadsheet)
CSR Manager Performance Reporting	

## Big Yellow & Armadillo Staff

### RIDDOR Calculation:

Number **reportable** injuries / Average number of staff employed x 100,000 = **Annual Injury Incident Rate (AIIR)**

Guidance is taken from **RIDDOR** for determining when to report an accident to the HSE. For **employees**, an accident is reported if it is a major injury **OR** an absence **over seven days** and it occurs **whilst at work**. The three day absence means we report the accident even if it is minor because it is the **absence** that we are required to report from 06.04.2012

For **customers, visitors** and **contractors**, we report the accident if the person is injured (minor or major injury) AND taken to hospital AND it is on our **property**. '**Reportable Injuries**' where it is not deemed the fault of Big Yellow are included. **All incidents are publically reported** (from FY 2013 and restated for FY's 2012 and 2011 for performance records). This definition was revised in January 2013, and prior to this,

these incidents were only reported if they were 'in connection with work

Minor incidents and notices are also reported if they occur within the financial year.

## Considerate Constructors Scheme

All Big Yellow Construction Company contractors for demolition, shell and fit out have been instructed to sign up to the Considerate Constructors Scheme (CCS).

Sites that register with the Scheme are monitored against a Code of Considerate Practice, designed to encourage best practice beyond statutory requirements. The main areas of performance assessment fall into three categories:

- the environment;
- the workforce; and
- The general public.

Site managers can gain a maximum of 5 points for each of 8 main categories and are responsible for site workers performance in the following areas:

- being considerate;
- environmental protection;
- maintaining cleanliness;
- being a good neighbour;
- respectability;
- safety;
- responsiveness; and
- accountability

CCS auditors visit the sites and assess each of the eight category performances for a maximum score of 40 points. Reports are sent to the Construction Director and CSR Manager for review and actions if required. This KPI is only used when successive years of Construction development is a significant aspect of Big Yellow's activities.

## Store Waste Management

Operational store waste is reported by our contractor DS Smith, but is not included in this Assurance. The data covers all stores and our

merchandise warehouse. Waste data is measured in tonnes (t's), cost (£'s) including Landfill Tax savings, and the percentages (%) of mixed dry recyclables and mixed papers by mass balance. The percentage sent to landfills for further recycling and disposal is not estimated.

## **Construction Waste Management**

Construction waste disposal and recycling is based on estimates of skip volume and conversion to tonnage. This KPI is only used when successive years of Construction development is a significant aspect and environmental impact from Big Yellow's activities.

## **Store Water Use**

Water use at Big Yellow is assessed as a low to medium environmental impact of our business on the environment. Water use data (m<sup>3</sup>) is reported based on water company invoice quantities (m<sup>3</sup>) and cost. ECM, our utility agent, has reviewed water invoices based on existing water meters and all new stores have had water meters installed, to improve accuracy. This data will be presented in financial year 2013, as a baseline for water use performance reporting in future years.

## **Data Provider Review**

Draft sections of the CSR report are sent back to the data providers for review of the narrative prior to final review by Operations and CFO review. Signed copies are provided.

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