

A photograph of a large array of solar panels installed on a flat roof. The panels are arranged in a grid pattern and are tilted slightly. The background shows a cloudy sky and some distant buildings.

Big Yellow Group PLC Basis of Reporting 1st April 2018 – 31st March 2019 Corporate Social Responsibility and Sustainable Development

Our mandatory Greenhouse Gas (GHG) emissions disclosures and other select voluntary disclosures have been independently assured by Deloitte LLP in accordance with the International Standard on Assurance Engagements Revised (ISAE 3000)

Our health and safety reporting is in accordance with the UK Health and Safety Executive guidance. Our energy and carbon reporting is in accordance with the DEFRA Environmental Reporting Guidelines 2013. The Carbon Reduction Commitment (CRC) Tax Conversion Factors are used with reference to report CRC carbon dioxide emissions and tax reductions for electricity, gas and 'self-supplied' solar electricity.

Part 1 SCOPE

Scope of Property Portfolio and Operations

Introduction

The annual CSR report covers the main activities of the company as an owner, operator and developer of self-storage within the UK.

Big Yellow is a FTSE 250 listed Real Estate Investment Trust (REIT) with the following store portfolio, operations and services as at **31st March 2019**:

- 75 store Portfolio ¹;
- 2 Central Administration Buildings: one Head Office (Bagshot, Surrey); and one Distribution Centre (Maidenhead, Berkshire); and
- Managed Stores (on behalf of investors in Armadillo Self Storage). Big Yellow Group has a 20% investment in Armadillo Storage Holding Company Limited and a 20% investment in Armadillo Storage Holding Company 2 Limited. Our investments are treated as **associates** using the **equity accounting method** and are therefore out of scope for environmental CSR reporting purposes; we do include Armadillo employees when reporting H&S and 'People' data.

We report on our wholly owned 'Big Yellow Self-Storage' portfolio for environmental data. We are also reporting on Social data as defined by EPRA.

We focus our reporting on our Big Yellow store portfolio, which represented 98.2% of our Scope 1 & 2 emissions during 2018/19.

We do not include Bagshot and Maidenhead in the Group energy totals. The consumption at these sites is now reported separately from the rest of our portfolio in our CSR report.

We report data for our financial year beginning 1st April to 31st March.

Reporting scope

	Big Yellow Stores	Big Yellow Bagshot & Maidenhead	Fit out construction (if any occur during the FY)	Shell construction / demolition (if any occur during the FY)
Electricity (kwh)	Scope 2	Scope 2	Scope 2 – reported separately	Scope 3 - where available
Gas (kwh)	Scope 1	No gas at these sites	Scope 1- reported separately	Scope 3 - where available
Solar generation (kwh)	Scope 2	No solar at these sites	n/a	n/a
Diesel / oil / fuel (lts/ miles)	Scope 1	n/a	Scope 1- reported separately	Scope 3 - where available
Refrigerants or other gases	Scope 1	Scope 1	None expected	n/a (unless 'discharge')

¹Battersea is expected to close on 31.03.2019 for redevelopment

Emissions (CO2e)	Scope 1&2	Scope 1&2	Scope 1&2 - reported separately	Scope 3 - where available
Waste (CO2e)	Scope 3	Scope 3	Scope 3 - reported separately	Scope 3 - where available
Water (CO2e)	in scope	in scope	reported separately	New – where available
Employees business travel	Scope 3	Scope 3	n/a	n/a

Changes during the year

- Opened one new store – Wapping and completed one store extension at Wandsworth.
- Wandsworth, Bristol Ashton Gate and Bristol Central stores all fitted with 50kWh Solar PV systems.
- Report on all EPRA indicators, including Social, where applicable.
- Changed the way we apply Defra conversion factors and restated emissions from FY2017/18 as a result (for scope 1 & 2 only).
- Included actual data for water consumption (from water bills) and a water benchmark against the Better Building Partnership 2017 benchmark.
- Applied 2011 as baseline year consistently.
- Conducted an initial analysis on customer in-store energy use – we have also published key findings.
- Included employee business travel within Scope 3 (from car mileage claims).
- Reviewed our reporting structure for Construction/ Scope 3 – commence collating a greater amount of data – [published a Sustainable Construction Policy](#)
- Published our performance and commitments via a new [Sustainability section on our refreshed Big Yellow Corporate Website](#)
- Reported ‘Current Lettable Area’ as intensity metric alongside Occupancy and Revenue – and in consequence, stopped reporting GIA and GIFA as intensity metrics.

Part 2 DATA ACQUISITION

Data Acquisition (Scope 1 & 2) overview

Type of energy	Supplier	Data aggregator	Energy broker	Data mgt
Electricity	British Gas	IMServ ²	ECM ³	EcoAct ⁴

² IMServ provide HH actual (not estimated) data to both ECM for billing and EcoAct for reporting purposes

³ ECM (Energy and Carbon Management) are further responsible for metering and investigating meter issues, such as data transmission gaps

⁴ EcoAct (formerly known as Carbon Clear) are responsible for data management and report production, via the Envizi platform

Gas ⁵	Total	IMServ	ECM	EcoAct
	Gazprom	IMServ	ECM	EcoAct
Solar generation	Big Yellow stores	Evo Energy ⁶	n/a	EcoAct
Refrigerant gas emissions	AiA ⁷ services	GZ / EcoAct	n/a	EcoAct
Van	Premises Maintenance Manager	GZ / EcoAct	n/a	EcoAct

The portfolio

Our 75 stores and 2 back office sites (Bagshot and Maidenhead) use 'off site' / supplied National Grid electricity (Scope 2 GHG emissions). 12 of our stores contain flexi offices of which 8 use natural gas heating (Scope 1, onsite GHG emissions). 21 stores generate roof top solar electricity (Scope 1) for self-supply.

Energy Use Data Acquisition Scope 1 & 2 - Specifics

During 2018/19 we have moved to an externally managed, online reporting software ('Envizi') managed by EcoAct (formerly known as Carbon Clear).

Electricity Use:

Data acquisition was completed as per table above. Issues with meter performance during the reporting year are resolved by ECM and documented by EcoAct and Head of CSR.

Gas Use:

All gas meters (used in all 8 of our facilities with flexi offices) were upgraded to automatic meter readers in FY 2012, to improve the accuracy of the data. As of July / August 2018, 6 of the gas loggers are now transmitting HH data to IMServ, which is transmitted to EcoACT; Portsmouth and Cardiff are proving difficult, but are scheduled for January 2019.

Flexi Offices:

1. Two stores with flexi office heating have electric heating (Bromley and Finchley) and these kWh uses are included within their total store electricity (no sub-meter data);
2. Balham, Sheen, Kennington, Fulham and Bromley stores have ground source heat pumps (GSHPs). Heating and cooling electricity supply kWh are included in the total electricity use for stores and non-store administrative buildings. GSHP supplied electricity use is included within the total electricity main meter Scope 2.
3. The other eight use gas heating.

⁵ Moving onto HH data loggers during 2018/19

⁶ EvoEnergy manage our Solar PVs, installation, maintenance as well as their reporting platform

⁷ AIA manager refrigerant gas 'top up' activities

Solar PV Generation, Performance and Export Electricity (kWh):

Solar PV generation is monitored on a monthly and quarterly basis for maintenance. It is monitored on a quarterly basis for claiming 'Feed in Tariff' payments from EDF Energy and Good Energy Ltd via a Smart meter portal at Head Office. The maintenance and monitoring contract is with Evo Energy (as of February 2018). Guildford Central, Wandsworth, Bristol Ashton Gate and Bristol Central are fitted with export meters to allow us to monitor export versus use performance.

New Stores, larger (50 kWh) PV installation:

At low occupancy, we currently expect to export approx. 30% of the electricity we generate. As store demand increases with customer occupancy, store use increases and export reduces to approx. 10% or to '0' at 80%+ occupancy.

Refrigerant use:

Emissions (kg CO_{2e}) from air conditioner ('top up's) during annual servicing records is variable. Annual Replacement varies from '0' (not material) to several kg 'top up' per year.

Fuel from company van:

Big Yellow also owns one company van which uses diesel fuel . For completeness this is included in our total Scope 1 & 2 data.

Construction Fit Out;

Electricity use is metered on site and recorded in Construction minutes.

Where electricity is not available and a gas/ oil generator (scope 1 emissions) is used, the volume of fuel delivered or used will be recorded in Construction minutes instead and provided to Head of CSR. . Energy use for Construction fit out is reported separately.

Data Acquisition (Scope 3)

Employee business travel (car mileage)

Annual employee mileage claims from our Finance team are used to work out emissions caused through company business travel (new for 2018/19).

Store Waste Management

Collated by our waste management contractors D S Smith and provided to Head of CSR annually. Data is broken down by site and type of waste.

Construction fit out waste

Construction waste disposal and recycling is based on estimates of skip volume and conversion to tonnage Waste (m³/t) is recorded in the Construction meeting notes and provided to Head of CSR (if activities take place during the year).

Store water use

Is collated annually by ECM and provided to Head of CSR for reporting (as of FY2018/2019).

Construction fit out water use

Is reported in Construction meeting minutes and provided to Head of CSR for reporting where relevant (if activities take place during the year).

Construction ‘demolition’ and ‘shell construction’ energy and emission data

Suppliers have been asked to report performance data aligned to current project reporting. Performance data will be recorded in Construction minutes and provided to Head of CSR where available. (as of FY 2018/19 and where available and if activities take place during the year).

We intend to spend 2018/19 and 2019/20 gathering and analysing third party data with a view to publishing meaningful insights and possibly Scope 3 data by 2021.

Data Provider Review & process

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

Part 3 ENERGY USE AND EMISSIONS KPIS

Reporting KPIS- General

EPRA

We have made changes to bring us even closer in line with EPRA sBPR (EPRA sustainable best practice reporting standards). Despite the unique nature of self-storage, we assess EPRA sBPR standards as the most meaningful to us and will explain where we differ. We publish an EPRA table as part of our CSR report

GRI

During 2017/18 we published our first GRI table. We will update and refresh this table at least every other year – next review planned for FY2019/20.

Absolute and Intensity Data

We report absolute and intensity data both for ‘Energy use’ and ‘Scope 1 and 2 GHG emissions’. We provide ‘like for like’ data where available in line with EPRA sBPR standard.

Energy KPIS

KPI’s for store energy use and GHG emissions:

EPRA environmental indicators and a select number of additional data:

- Supplied electricity, gas and solar (kWh)
- Energy costs or payments (£): CRC tax; FiT payments; increases; reductions; annual averages;
- Percentage (%) of absolute kWh and CO₂e reductions / increases;
- Annual generation as a percentage of grid supply ‘solar stores’ and subsets for large Solar PV installations;
- Annual generation as a percentage of the whole store portfolio energy use;
- Total kWh use (all electricity solar, gas);

GHG Emission Reporting:

Greenhouse Gas (GHG) Emissions:

GHG emissions are reported annually (tonnes CO₂e) under the Director's summary section in the Annual Report in compliance with Companies Act 2006. GHG emissions are expressed as tonnes of carbon dioxide equivalent that include the compounds that cause global warming. This includes the seven main GHG emissions covered by the Kyoto Protocol, in line with common practice: carbon dioxide (CO₂), methane (CH₄), hydrofluorocarbons (HFCs), nitrous oxide (N₂O), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

Greenhouse Gas (GHG) Emissions conversion factors:

This year for the first time we're reporting in line with Defra best practice guidelines as to how conversion factors are chosen for relevant reporting periods, which means the following standards apply:

- DEFRA Standard Set Version 1 2017 (valid between 01.08.2017 to 31.July 2018). For our data 1st April 2018 to 31st July 2018.

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017>

- DEFRA Standard Set Version 1 2018 (valid between 01.08.2018 to 31.July 2019) . For our data from 1st August 2018 to 31st March 2019.

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018>

The new application will be used for our report 2018/19 and 2017/18 emissions figure will be restated where necessary.

GHG Baseline Year

2018/19 will see all baseline years set to 2011 – data will not be restated.

Construction Fit Out;

- Scope 2 kWh use is metered on site and recorded in Construction minutes. tCO₂e emission are calculated by the CSR Manager and:
 - Reported separately alongside operational carbon data
 - Water use (m³) is reported in the Construction minutes; and
 - Waste (m³/t) is recorded and reported where significant.
- These KPI's are reported each year of Construction development; however due to the variable nature of fit-out activities, will not be included in Big Yellows carbon footprint, but reported separately.

Carbon Intensity KPI's

Total CO₂e (and CO₂) are normalised by the total areas as follows:

- Carbon relative to Revenue (kgCO₂e /£m);

- Carbon kg CO₂e/m² Annual Average Customer Occupancy;
- Carbon kg relative to Current Lettable Area ('CCL')

Average data can be used if comparing against 'year on year' / several year's data.

Scope 3 – Voluntary GHG emissions

Total CO₂e (and CO₂) are reported for:

- Electricity supply and distribution GHG emission losses,
- Store Waste,
- New store construction 'fit-out' waste,
- New store construction 'fit-out' energy/ emissions data – no materiality threshold, however, will not be included in either energy or emissions totals (**change to prior years**),
- Store water use (**change to prior years**)
- Employee business travel by car (**new**)
- Construction 'demolition' and 'shell construction' energy & emission data where available (**new, subject to contractual arrangements with suppliers**)

Store Waste Management

(GHG Emissions Scope 3 Supply Chain)

Operational store waste is reported by our contractor 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. Residual GHG emissions are usually <1% of combined Scope 1 and 2 emissions and are therefore not materials.

Store Water Use

(GHG Emissions Scope 3 Supply Chain).

Water use at Big Yellow has a low impact on our business and the environment. Water use is very low due to low staff numbers at each store (1-3 store staff) and providing one WC's for customers' use. A kitchen sink is available for staff.

In line with EPRA sustainability best practice reporting we have gathered water data from bills issued during 2018/2019. .

Please note that the billed data is unlikely to be complete, however, we believe it allows us to establish a 'good enough' indicator that shows the low impact our water use has when compared to industry benchmarks.

We have used the data from this year to conduct a Better Building Partnership benchmark, using the following data (Better Building Partnership's (BBP) 2017 Real Estate Environmental Benchmarks (Water)⁸ . We have selected : 'Water Benchmarks – Enclosed Shopping Centres' – 'Water Intensity' – Water Intensity by space (litres/m² CPA⁹/ year.):

⁸ For methodology, please see the [BBP Benchmark report here](#)

⁹ CPA (Common Part Area) at Big Yellow means our customer occupied space – we have used the data as of 31.03.2019

using the absolute data we currently have

Water Intensity - Enclosed Shopping Centres, Common Parts Area			
	date	number	unit
occupied area	31.03.2019	353,936.40	m2
water consumption	Feb-19	25,175.14	m3
water consumption	Feb-19	25,175,000.00	litres
Better Building Partnership - Water intensity (litres/ m2 CPA/ year)	2017		
Big Yellow Water intensity (litres/ m2 occupied space/ year)	31.03.2019	71.13	litres
Better Building Partnership 'good practice'		459	litres
Better Building Partnership 'typical practice'		935	litres

Business Travel

(GHG Emissions Scope 3 Business Travel)

New to reporting year 2018/19. Please note, this is an element of our total Business travel emissions; currently we do not capture business travel via trains, planes or other forms of transport).

Using 'miles travelled' information from our expenses system we have converted £s expenses paid to miles:

X miles / £0.45 (for first 10,000 miles)

X miles / £0.25 (for any miles above 10,000)

We then apply DEFRA standard for 'average car size' and 'unknown fuel'.

Reporting KPIs- Definitions of 'space', 'area' and 'occupancy'

- **Maximum Lettable Area (MLA)** (also sometimes referred to as the Final Storage Area) represents the sum of all the storage rooms in a facility, when fully fitted out with self-storage partitioning (kg CO2e/m2 MLA).
- **Current Lettable Area (CLA)**, is the sum of all the storage rooms in a facility that have currently been fitted out; there may be more space that can be fitted out in a facility in the future; once a facility is fully fitted out, the area of all the storage rooms becomes the MLA). As of 2018/19 this is our key indicator and is closely aligned to our main financial reporting structure (NEW to 2018/19). One of 3 intensity metrics used for the Director's report section of our Annual Report.
- **Gross Internal Area (GIA)** m2 (also sometimes referred to as the Gross Internal Floor Area (GIFA) m2) is used as it approximates to 'total useable floor area' as defined by Energy Performance

Certification (EPC's) or by customer access to all part of the building via lighted reception area; loading bay; corridor's; stairwells; lifts; storage space, office space etc. It is calculated by multiplying the MLA by 3, then dividing by 2. This measure is no longer used for intensity calculations.

- **Annual Average Customer Occupied Space** Occupancy intensity, using annual average occupied space (sq. ft) looks to smooth out peaks and troughs that naturally occur during the year due to varying customer. One of 3 intensity metrics used for the Director's report section of our Annual Report. It is defined as the self-storage space occupied by customers on a weekly basis (accounting for weekly customer 'move ins' and 'move outs'). This data does not include vacant units and unfitted areas in upper floors that could be partitioned in the future.
- **Final Flexi Office Areas** of 8 gas heated offices reported annually for gas use and emissions.
- **Flexi Office Occupied space** (ft:m² conversion) is defined as Final Area occupied space by office unit rented and
- **Total Absolute Carbon Emissions Measure**
(tCO₂e / kgCO₂e) are made up of:
 - o **Supplied Electricity**, including flexi office electricity (scope 2 emissions);
 - o **Natural Gas** for heating 8 x flexi offices (scope 1 emissions);
 - o **Refrigerant** for air conditioning 'top up' or replacement (scope 1) when required;
 - o **Grid Electricity** supplied to construction for 'fit out' electricity (scope 2)
 - o **Gas Oil** generator (scope 1 emissions) if used;
 - o **Diesel fuel** for one company van (scope 1 emissions) if used
- **8 x Flexi Office Gas Final Areas**, within stores, excludes non-usable space such as, office corridors, stair wells etc., It does not include other parts of the store, used for storage, under the same 'shell' construction.

PART 4 Group Targets

We set group targets that take into account Big Yellow's 'material' / significant environmental, social and governance (ESG) business impacts that we have on the environment, our employees, communities, suppliers and customers, taking into account the views of our wider stakeholder community such as investors and government organisations.

Targets are set regularly and reviewed annually against financial year 2011 (= 'baseline year').

We assess what is achievable based on energy efficiency programmes and other sustainable key performance indicators (KPI's). External benchmarks are also referred to, such as external, longer term Government GHG emission reduction commitment to 2020 and 2050. With the UN IPCC report published in October 2018, we are reviewing our short to midterm carbon reduction initiatives.

Science-based Targets

We have started considering setting science-based targets during 2018/19 but with the implementation of our reporting software, expansion of data collection into Scope 3 and work we are conducting on TCFD and general climate-related risk management, have moved science-based target considerations to 2019/20.

PART 5 Health and Safety

From 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).

Annual Injury Incident Rate (AIIR) and / or RIDDOR” are used 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.

Best Practice:

- Employee Reportable Injuries: $\neq / > 3$ days
- (Requires, recording only);
- Employee Major Injuries: $\neq / > 7$ days (requires mandatory reporting) = 0
- ‘Fatal Injuries’: 0
- ‘Notices’ = 0
- ‘Prosecutions’ = 0

Reporting of accidents

For employees, an accident is reported if it is a specified 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 classified as minor. For customers, visitors, and contractors, we report the accident if the person is injured (minor or major injury) AND taken to hospital AND within the control of Big Yellow.

‘Reportable Injuries’ where it is not deemed within the control of Big Yellow are not included.

This definition was revised in the year ended 31 March 2017, and prior to this, these incidents were reported if they were sustained in connection with work. The definition of ‘reportable’ was revised to only include incidents suffered by non-employees that were deemed within the control of Big Yellow’

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. No part of Deloitte's limited assurance scope.

Scope: Stores & Construction

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

- 75 wholly owned operational stores;
- 1 x Bagshot Main Office;
- 1 x Maidenhead Merchandise Depot; and
- 'Fit Out' Construction sites, when operational. (during 2017/18 that was applicable to Guildford Central, which opened in March 2018 and has therefore been accounted for in the total store numbers)

Health and Safety Policies

Health and Safety meetings are held quarterly by the Group H&S Committee.

Staff Data Gathering & RIDDOR calculations are from data gathered from our HR database taking account of individual contract type and region defined as Bagshot or Stores and Full Time (over 37.5 hours per week), Head Office and 40 hours per week Stores. Casual workers included as permanent employees.

Construction Man days worked are calculated using aggregated sign in and out data for each operative on a daily basis. The site manager counts up and notes number of attendees in the site diary. These numbers are reported to Big Yellow Construction at the end of the job, or at end of year if required.

Health and Safety Training

All new starters undertake an induction via a series of e-learning modules within the first week of their induction. H&S is covered; the new starter is required to familiarise themselves with the relevant policy and procedure for their job role / location.

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 specified 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 classified as minor.

For customers, visitors, and contractors, we report the accident if the person is injured (minor or major injury) **AND** taken to hospital **AND** within the control of Big Yellow.

'Reportable Injuries' where it is not deemed the fault of Big Yellow are not included. All incidents are publicly reported (from FY 2013). This definition was revised in the year ended 31 March 2017, and prior to this, all incidents were reported. Minor incidents and notices are also reported if they occur within the financial year.

Calculations

Big Yellow Staff RIDDOR Calculation:

Number reportable injuries / Average number of staff employed x 100,000 =

Man Days worked Data Gathering and

Construction (Fit Out) RIDDOR Calculation:

Number reportable injuries / Total Man days worked x 100,000 =

Considerate Constructors Scheme (Supply Chain)

For our Big Yellow construction activities, we subscribe to the externally monitored and certified Considerate Constructors Scheme. Please find out more on our [Sustainable Construction website](#) and [Policy](#).

PART 6 Responsibilities

The Head of CSR reviews Big Yellow self-storage activities, portfolio and services to identify significant environmental, social and financial aspects of the business that could be made more sustainable, efficient and viable. These aspects may have impacts that need to be managed for sustainable investment opportunities or risk management

It is the responsibility of the Head of CSR that data is gathered in the most effective and credible way to ensure Big Yellow can meet its legal reporting obligations as well as the various external benchmarking activities it chooses to take part in.

Data is used internally by the CSR forum and the Big Yellow Management to make sustainable decisions, such as investment in Solar PV or energy reduction initiatives.

For specific roles and responsibilities please see the [‘Governance’ section on our Corporate Website/ Sustainability](#).

Changes to the Annual Reporting (Director’s report) format

Kg CO2e/GIFA m2 will be replaced with kg CO2e/CLA (‘Current Lettable Area) m2.

Kg CO2e/ Annual Revenue (£) will be replaced with Kg CO2e/ Annual Revenue (£000).

END