



Big Yellow Group

Managing climate related risks and opportunities process

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Document Author:	R. Wheeler
Document Owner:	Head of Sustainability
Document Approver:	J. Trotman

General information

Purpose of document	
To detail the climate risk and opportunity management process that has been developed that feeds into our wider annual business risk process and helps to deliver our TCFD disclosure requirements.	
Review frequency	
Annual review	
Definition and interpretation	
TCFD	Task Force on Climate-related Financial Disclosure
CSR	Corporate Social Responsibility
Env	Environmental
GRESB	Global Real Estate Sustainability Benchmark
CDP	Carbon Disclosure Project
BREEAM	Building Research Establishment Environmental Assessment Methodology
UKCP18	UK Climate Projections 2018
EPC	Energy Performance Certificate
SUDs	Sustainable Urban Drainage
GHG	Greenhouse Gas
CLA	Current Lettable Area
NREP	Net Renewable Energy Positive

Revision History

Version	Date	Revision Author	Summary of Changes
1	Nov 2020	G. Zepf	Document creation
1.1	May 2021	G. Zepf	Addition of TCFD requirements, update to governance; update to annual process; update to risk management process; update to metrics and targets
1.2	May 2022	G. Zepf	Update to risk management section; update to targets
1.3	June 2023	R. Wheeler	New format; update to intro; update to targets
1.4	April 2025	R. Wheeler	Updates of thresholds, metrics and methods to reflect new processes
1.5	September 2025	S. Lonergan	Update detailing Paris Alignment

Online distribution

Location	Link
Intranet	http://intranet/csr/policies/_layouts/15/start.aspx#/default.aspx
Corporate Website	https://corporate.bigyellow.co.uk/sustainability/governance-and-policies

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Introduction

We have developed a Climate Risk and Opportunities Management process (as risks dominate, we call it 'Climate related risk process' for short), which now formally feeds into our Business Risk process. Business risks have included physical risks prior to our work to embed TCFD; the potential physical risks to our buildings, such as flooding, are well understood and the financial impact measurable and measured.

Due to the complexity of climate related risks, the necessity to understand evolving risks under varying climate change scenarios and the likely increase in specific regulations and quasi legislation, makes it sensible to establish a climate related risk process.

Our climate related risks management process and approach are closely aligned to our Business Risk process and therefore in parts confidential.

This document represents a high-level introduction of how we manage risks and opportunities and how these feed into and are part of our Business Risk process. We have also embedded the requirements of TCFD into this process and our alignment to the Paris Agreement.

Overview of requirements of the TCFD

With the introduction of the TCFD, businesses have been asked to assess their resilience in a world impacted by a changing climate and to test the vulnerability of their business against a range of projections.

The TCFD recommends that businesses:

- A. ensure board level Governance for climate-change related risks and opportunities;
- B. develop and implement a Strategy on how to assess actual and potential impacts of climate-related risks and opportunities;
- C. define climate-related Risk Management processes and
- D. disclose Metrics and Targets.

The Company has adopted these recommendations and sets out further specifics in this document.

Governance

The Quarterly Environmental Committee

The Quarterly Environmental Committee has been tasked by the CEO with assessing climate change risk exposure and to feed that back into the Business Risk Process, the Sustainability Committee where it intersects with the Sustainability Strategy, and to the CEO. It will then be available to the CFO, CEO and the Board for discussion. Outputs of the work will be used to submit to external benchmarks and enhance CSR reporting. (Figure 1)

The progress of the work on the TCFD is guided and monitored by the Head of Sustainability who manages the Quarterly Environmental Committee. <https://corporate.bigyellow.co.uk/sustainability/governance-and-policies>

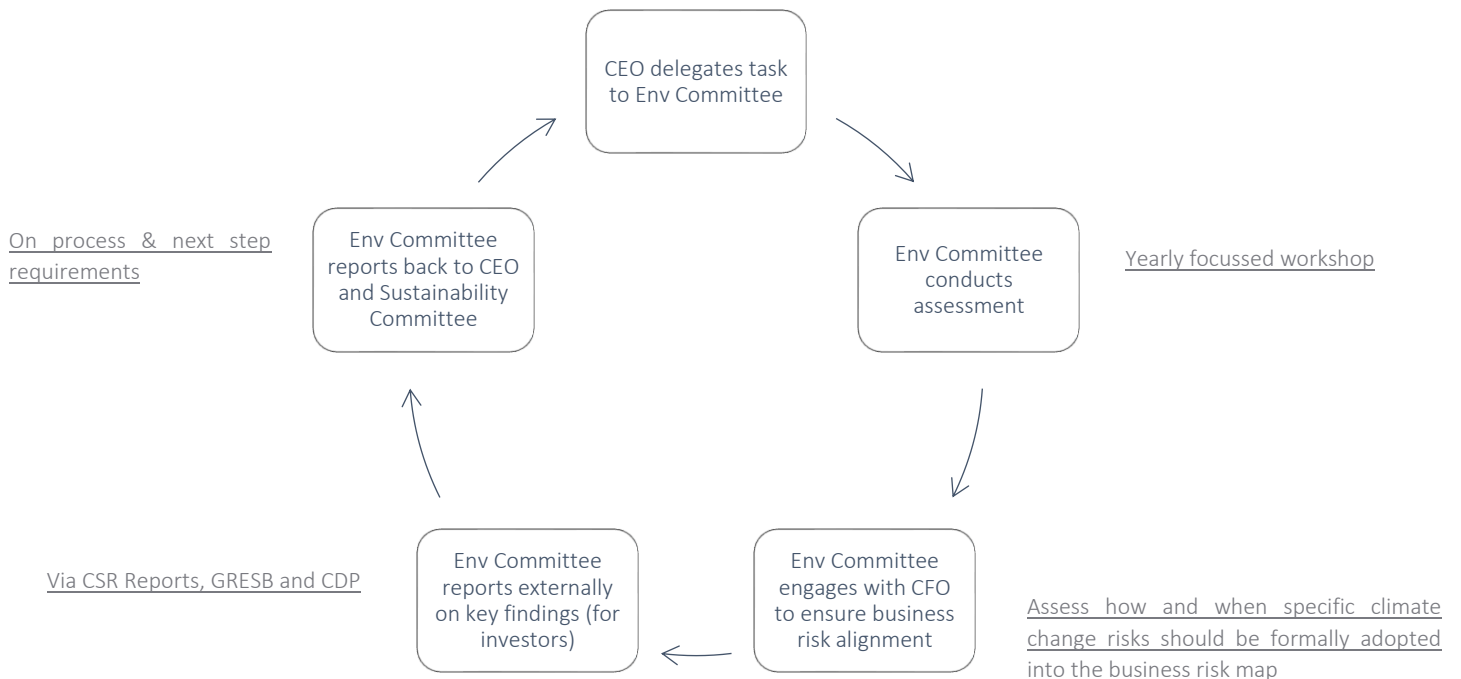


Figure 1 Delegation and Internal process steps – TCFD and Business Risk at Big Yellow

TCFD and Business Risk Process

As part of the existing business risk process, the Company assesses amongst other things the impact the (temporary) loss of a store has on the business. That loss could occur through any number of reasons; the Environmental Committee will provide input into the business risk process with climate-related specific risks and opportunities. <https://corporate.bigyellow.co.uk/investors/corporate-governance>

Strategy

The Environmental Committee meets quarterly and has dedicated a full working session per annum to the TCFD. At all other Environmental Committee sessions, the TCFD is managed as a standing item on the agenda, to allow progression on actions.

Topic	Q1 review meeting (July)	Q2 review meeting (October)	Q3 review meeting (January)	Q4 review meeting (April)
TCFD & climate related risk	Agenda item	Agenda item	Dedicated working session	Agenda item

Testing its business strategy against the key aspect of the TCFD is an integral requirement of the TCFD recommendations.

The composition of the Environmental Committee covers the key departmental areas that manage physical, market and legislative risks in the Company, both on a day to day as well as long-term strategic basis.

Company plans for new stores for example can be adapted to ensure risks are managed and opportunities explored. The Environmental Committee agreed to install EV charging pods at all new stores, to address the Company’s service offering to its customers, but also its staff (‘Market Risk’).

Only for significant financial investments does the Environmental Committee make a formal proposal to the CFO and if necessary, to the Board Sustainability Committee. In the case of setting a minimum BREEAM Standard, where the total commitment is on average £500k for BREEAM Very Good, certified, a proposal was made by the Environmental Committee to the Sustainability Committee. The latter accepted the Environmental Committee’s recommendations and the Company has now set a new BREEAM standard of Very Good, certified, unless Planning requirements are for BREEAM Excellent.

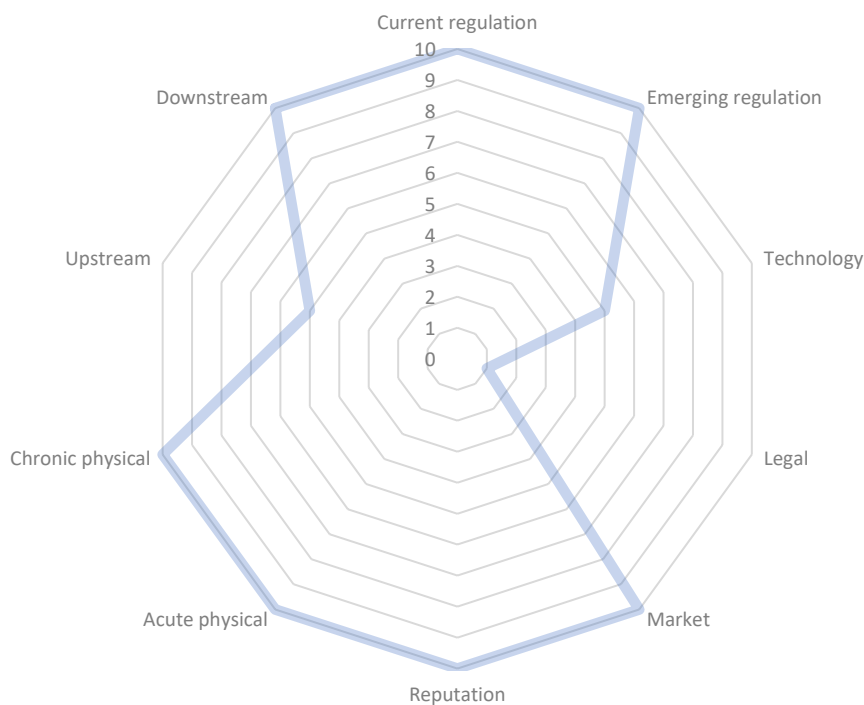
Transparent reporting on how climate change will impact the business is particularly relevant to investors and therefore the inclusion in external investor benchmarks of TCFD or Resilience Modules is a natural development.

Risk Management

Defining priority themes

The Environmental Committee deemed seven of the TCFD climate-related risk themes as ‘relevant, always included’, two ‘relevant, sometimes included’ and one ‘not relevant, included’ (Using CDP terminology).

They can be grouped into three core themes: physical risks, regulations and market risks. With regulations and market risks both deemed transitional



Defining timeframes

Our climate risk modelling is based on standard scientific time horizons: 2021–2040 (short-term), 2041–2060 (medium-term), and 2081–2100 (long-term), consistent with global scenario analysis frameworks. These have been mapped to our internal business planning cycles (2025–2030, 2031–2040, and 2041+) to support meaningful integration of climate-related risks and opportunities into investment decision-making and strategic planning. While our business planning does not currently

extend to the 2081–2100 period, we have used long-term climate modelling to inform resilience thinking and high-level risk exposure over the life cycle of long-lived assets.

TCFD/Climate Tool Timeframe	Definition	Mapped Business Planning Period
Short-term (2021–2040)	Emerging transition risks	2025–2030 & 2031–2040
Medium-term (2041–2060)	Escalating transition/physical risks	2041–2050 (earliest long-term plan)
Long-term (2081–2100)	Major physical risk exposure	Beyond business planning horizon

Defining impact in financial terms

To assess and prioritise climate-related risks and opportunities, we have developed a financial impact rating framework with defined monetary thresholds. These thresholds have been calibrated to reflect the scale and nature of our operations, providing a consistent basis for evaluating materiality across a range of scenarios. We classify financial impacts as low (up to £250,000), medium (£251,000 to £1 million), and high (£1 million to £5 million), based on potential direct and indirect effects on revenue, costs, or asset value. These thresholds align with our internal financial planning, risk appetite, and historic variance levels, ensuring that identified risks and opportunities are meaningful to our business context and support informed decision-making.

Defining an approach to scenario analysis

The Environmental Committee agreed on the following using a new physical climate risk assessment platform. The platform uses multiple climate models to assess each of our store’s exposure to a variety of hazards. The platform is also used to determine the potential financial impact of the same climate hazards. This is then combined to evaluate the resultant impact.

The platform uses three IPCC-aligned climate scenarios,

1. **SSP1 (RCP 2.6)** – aligned with a ~+2°C increase.
2. **SSP2 (RCP 4.5)** – aligned with ~+2.5°C warming.
3. **SSP5 (RCP 8.5)** – aligned with ~+4°C.

We have used SSP1 to report on the resultant impact materiality for our risk themes. For flood risk the SSP 2 was used as the other scenarios do not have enough data to model the damage accurately.

For asset specific risks, the resultant impact has been supplemented with internal detailed site knowledge (built up from original planning assessments, knowledge of past flooding events / other issues, knowledge of maintenance strategy, etc.).

What the range of projections mean for Big Yellow

The Company anticipates that government, business, and society will act to limit global warming to a 1.5 - 2°C scenario, (aligning with the Paris Agreement). While we have evaluated climate-related risks under both 2°C and 4°C warming pathways, our financial and operational impact assessments are primarily based on the 2°C scenario, which we consider the most likely and relevant for long-term planning. This transition is expected to increase operational costs, as carbon pricing, regulatory changes, and climate-related legislation add cost and complexity to doing business. We also anticipate

increased capital expenditure to enhance the resilience of existing and future stores, particularly those located in areas at greater risk of flooding.

Metrics and Targets

The key metrics available to the Company are the supplier costs associated with the maintenance of our stores. A high-level review of activities will be published in the Full ESG Report; more detailed financial assessments will be disclosed via the CDP and GRESB.

Benchmark metrics

CDP asks for detailed, financial risk assessments. Respondents are asked to indicate how relevant a particular TCFD aspect is and whether it is included in the company’s risk assessment.

Specifically, it asks about the company’s assessments under each of the key headings: Current regulations, Emerging regulation, Technology, Legal, Market, Reputation, Acute physical, Chronic physical, Upstream and Downstream.

Respondents are not only asked to include a potential financial impact of a risk, but also the cost to mitigate it. CDP provide guidance notes on how it incorporates the TCFD recommendations within its benchmark.

GRESB has taken a different approach. It has created a new Resilience Module to sit alongside its main questionnaire and has pre-determined that for the Real Estate Industry, ‘Physical risks’ (both chronic and acute), ‘Transition risks’ and ‘Social risks (for Big Yellow this will cover physical security, cyber risk and Modern Slavery) are the most appropriate risks to respond to.

The Resilience Module seeks to provide investors with information needed to understand how real estate and infrastructure companies and funds are preparing for potentially disruptive events and changing conditions, assessing long-term trends and becoming more resilient over time.

Climate-related Risks and Opportunities metrics

Below are our current risks and opportunities metrics. These provide an insight into the Company’s current level of risk and the opportunities we have identified.

Updates on these are provided in the ESG Report and / or the Annual Reports and Accounts.

Climate-related Risks

Aspect	KPI
Regulation	EPCs at least a B
Extreme Weather	% of stores built in year with flood attenuation tanks
	% of stores with gutter maintenance completed in year

Climate-related Opportunities

Aspect	KPI
Transitioning to a low carbon economy	% of total energy from renewable energy generation ¹
	Investment in retro-fitting activities to drive decarbonisation (approx..) ²
	% of electricity purchased from renewable sources (‘market based)
	Greenhouse Gas (GHG) emissions intensity from building energy consumption (Scope 1 & 2) – tCO ₂ e/CLA(m ²)
Market opportunities	Deploy electric vehicle charging pods for customers and employees at each newly built store

¹ We have updated this indicator to be include total energy as the sum of import gird use, solar used and gas used

² Figure includes removal of gas boilers, retrofitting of solar installations all energy efficiency related projects and PHEV

Targets

We have set out our full pathway for all Scope 1, 2 and 3 Emissions to 2032 in our Sustainability Strategy.

We have set and had externally verified science-based targets – please refer to our Benchmarks and Standards section in the Full ESG Report.

We continue to monitor re-active Facilities spend against our cost tolerance threshold of 10% to ascertain the impact of climate-related events.

As Facility spend is considered confidential, the Company intends to report on whether that 10% threshold has been reached or not. The Environmental Committee will also include narratives on any substantial mitigation measures the Company has undertaken in any financial year.

Sign off



John Trotman
Chief Financial Officer

September 2025