

Materiality and Materiality Assessments

Company background

As a long-standing developer and operator of self storage facilities since 1999, Big Yellow has consistently expanded through site acquisitions and development. With this growth comes a responsibility to understand and address our Environmental, Social, and Governance (“ESG”) impacts.

Sustainability at Big Yellow

As ESG expectations continue to evolve; driven by regulation, stakeholder scrutiny, and global sustainability challenges, we are committed to aligning our strategy with these shifts. This includes updating our approach to materiality assessments in line with best practices such as including GRI Global Reporting Initiative (“GRI”) and Sustainability Accounting Standards Board (“SASB”), which both emphasize **double materiality**.

The aim of a double materiality assessment is to identify the most important ESG topics to a company based on stakeholder perceptions and industry trends. This is carried out by considering two perspectives: impact and financial materiality.

The evolution from single materiality assessments to double materiality assessments reflects the increased understanding of companies impacts on their surrounding environments and communities. A materiality assessment identifies issues relevant to a company's business and stakeholders, while a double materiality assessment expands that focus to include both how a company impacts its environment and society (impact materiality) and how sustainability issues affect the company's financial performance (financial materiality). In essence, double materiality provides a broader, more holistic view of sustainability risks and opportunities

Double Materiality

As mentioned, double materiality is designed to identify and prioritise the ESG issues that are most relevant to Big Yellow, both in terms of our impact on the world and the financial implications for our business. This process evaluates two dimensions:

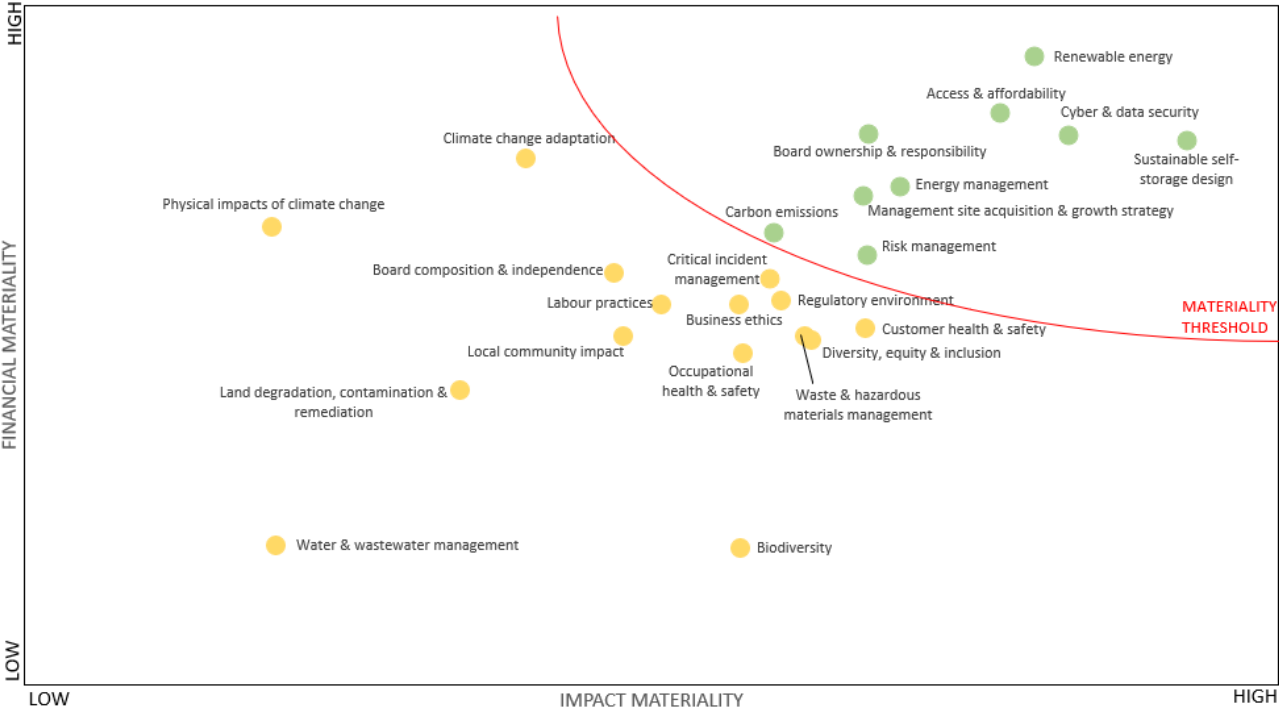
- **Financial Materiality Perspective:** An ESG topic is financially material if it triggers or could reasonably be expected to trigger financial effects for the company. These effects may include impacts on the business model, financial position, performance, cash flows, access to finance, or cost of capital. It also considers financial effects from business relationships beyond the scope of consolidation and operational control.
- **Impact Perspective:** Materiality from an impact perspective considers the actual or potential positive and negative impacts a company can have on people or the environment. These impacts may be related to the company's operations, value chain (both upstream and downstream), products, services, or business relationships.

Both dimensions are assessed by considering risks, opportunities, and impacts during the double materiality assessment. This involves using industry and scientific resources and engaging with stakeholders. Stakeholders, including affected individuals or groups and users of sustainability statements, play a crucial role in the organization. Involving them in the process ensures a comprehensive understanding of ESG issues, reveals blind spots, informs decision-making, and builds stakeholder trust.

Our Materiality results

Our material ESG topics are highlighted in the upper right-hand corner of the matrix chart. These topics received high ratings from stakeholders in terms of both impact materiality and financial materiality. We've set a materiality threshold to focus our future ESG strategy on the nine key topics identified as most important by stakeholders. Whilst environmental and governance considerations dominate, social topics are well-managed by the group.

Big Yellow Double Materiality Results



(1) Renewable Energy: this topic covers Big Yellow's solar photovoltaic (PV) panel and EV charging point programmes. The solar program is an opportunity on several fronts; it generates additional revenue from feed-in tariffs, delivers savings in energy costs, makes Big Yellow attractive to investors, and reduces interest rate costs on some of Big Yellow's debt facilities.

There is also recognition of the positive impact Big Yellow can have on the environment through reduced carbon emissions by implementing solar and removing gas boilers from its storage locations.

(2) Energy management: energy usage directly impacts costs and climate risk. By reducing energy use through energy management Big Yellow can position themselves better for long-term success. It would also reduce Big Yellow's impact materiality through reduction in emissions from energy drawn in from the grid.

(3) Carbon emissions: a focus on carbon emissions will aid Big Yellow in reducing its impact on the planet from an impact materiality perspective and is an opportunity for creating efficiencies. Generally, carbon disclosure is a key factor in ESG due diligence for investors and comprehensive data is key for securing future investments.

(4) Risk management: climate related risk management is critical for ensuring business continuity, protecting stakeholder value, and maintaining regulatory compliance.

(5) Sustainable self-storage design: both a financial risk (due to upfront costs) and an opportunity (via enhanced ESG credentials). Sustainable building design supports better community outcomes and investor interest—especially through embodied carbon metrics and ESG benchmarks.

(6) Board ownership & responsibility: good board ownership and responsibility is an opportunity for Big Yellow to establish a thorough reputation as a leader in ESG.

(7) Cyber & data security: primarily a risk, data breaches can lead to legal, financial, and reputational damage. Big Yellow's strong controls reduce this risk, but continued vigilance is required as technologies evolve, including AI risks.

(8) Access & affordability: access and affordability is an opportunity for revenue generation since factors such as convenience and competitive prices are viewed as important for customer attraction. A key social topic Big Yellow can have a positive impact on society by making storage spaces as accessible as possible; most people look for storage in life-changing situations, such as when moving.

(9) Management site acquisition & growth strategy: good management site acquisition is essential, as good storage locations can translate to higher occupancy levels. This also reflects a positive impact on society since job security can alleviate stress for employees and their relatives.

Managing Material Topics

Material topics 1 to 6 are assessed and managed by the Head of CSR and the Environmental Committee, and reported up to the Board Level, as documented within our “[Managing Climate Related Risk and opportunities](#)”. Our climate related risks are reviewed annually, and this process is detailed within our TCFD statement, in our Annual Report. It outlines the individual risks and opportunities, such as growth in renewable energy market. For more detail, please see TCFD report in our Annual Report and Accounts.

The below material topics are assessed by the relevant party and reported to the director level:

- Material topic 7 is assessed and managed by the Data Protection Officer
- Material topic 8 is assessed and managed by Operations department
- Material topic 9 is assessed and managed by Site Acquisitions department

We intend to regularly review our Materiality Assessment every three to five years, to ensure our business remains sustainable in the long-term.

Any questions on this Double Materiality Assessment can be directed to our Head of Sustainability, CSR@BigYellow.co.uk

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