# Climate-Related Disclosures Statement

## 1. Introduction

Big Yellow recognises the importance of addressing climate-related risks and opportunities in its business operations and decision-making processes. This disclosure explains how climate-related risks and opportunities are identified, assessed and managed within the Company's overall business strategy and risk management framework.

Climate risk is embedded within Big Yellow's principal risk assessment process and is evaluated using the same probability and impact methodology applied to other strategic risks. The Company's climate strategy and Science Based Targets ("SBT") are aligned with a 1.5ºC pathway consistent with the goals of the Paris Agreement. Scenario analysis and resilience assessments have been undertaken using both low and high-emissions pathways to assess the robustness of our business model, portfolio and capital allocation strategy under a range of plausible climate futures. Climate considerations are integrated into strategic planning, capital deployment and operational decision-making processes to support long-term shareholder value creation and financial resilience.

Throughout this report (*) denotes values externally assured by SGS United Kingdom Limited ("SGS").

## 2. Basis of Preparation and Framework Alignment

### i. TCFD Alignment

This disclosure has been prepared in compliance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and taking into consideration the requirements of the International Financial Reporting Standards ("IFRS") IFRS S1 and IFRS S2 as issued by the International Sustainability Standards Board ("ISSB"). It forms part of Big Yellow's general purpose financial reporting and covers the same reporting period and consolidation boundary as the consolidated financial statements, unless otherwise stated. The disclosure is structured with the four core pillars of the framework and addresses the Governance, Strategy, Risk Management, and Metrics & Targets pillars. It incorporates the additional granularity, financial effects and connectivity requirements introduced under IFRS S2. The boundary is consistent with Big Yellow's consolidated financial statements prepared under IFRS Accounting Standards. Greenhouse gas emissions are reported using the operational control approach.

### ii. Overview of IFRS S2 Architecture

Under IFRS S2, climate-related disclosures are structured around governance, strategy, risk management, and metrics and targets. It also carries additional emphasis on transparency regarding current and anticipated financial effects as well as the connectivity between sustainability information and the financial statements. Although integration with the financial statements has not yet been achieved we have aligned them closer this year and are working towards a fully integrated approach. Accordingly, this disclosure explains how climate-related risks and opportunities influence Big Yellow's business model, strategic planning and capital allocation decisions. It details how those risks are identified, assessed and monitored within the risk management framework. It discusses the metrics and targets used to manage performance, including greenhouse gas emissions.

It also specifies how climate-related assumptions and impacts are reflected in financial reporting, accounting estimates and forward-looking analysis. As such it has been prepared in alignment with IFRS S2 Climate-related disclosures as we progress towards full integration.

## 3. Governance

### i. Board Oversight

Our Chief Executive has overall responsibility for climate-related risks and opportunities. Ongoing oversight of climate-related issues is carried out by our Sustainability Committee, chaired by our Non-Executive Director for Sustainability, and attended by our Head of Sustainability and the Executive Leadership Team. The Sustainability Committee supports the Board in overseeing the management of climate-related risks and opportunities and monitoring progress against the Group's climate strategy. The Sustainability Committee meets twice yearly.

While no Board member holds a formal climate-specific qualification, the Board receives regular climate-related training and briefings on regulatory changes and solution updates being deployed across the estate. The Board receives periodic updates on climate-related opportunities such as emerging technologies and risks and regulatory updates relevant to the Group's operations and assets.

The Board is updated on relevant aspects of our sustainability strategy at each meeting and this is embedded into the standard agenda and board pack. In addition, climate-related risk has been defined as a 'principal risk' and managed as part of our standard business risk process. These risks are assessed using the same probability and impact scoring framework as other principal risks. These are reviewed by the Sustainability Committee twice a year, the Audit Committee annually and the Environmental Committee quarterly when required. If material climate matters arise between board meetings these are escalated to the executive leadership team for review.

### ii. Management's role

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 CEO, CFO and the Board for discussion. Outputs of the work will be used to submit to external benchmarks and enhance ESG reporting. The progress of the work on the TCFD is guided and monitored by the Head of Sustainability who manages the quarterly Environmental Committee. 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, including considerations of climate drivers such as extreme weather events and physical risk impacts; the Environmental Committee will provide input into the business risk process with climate-related specific risks and opportunities.

#### Incentives and Remuneration

Climate-related performance is incorporated into remuneration through our Long-Term Incentive Plans ("LTIP"). A defined proportion of LTIP vesting is linked to delivery of climate-related objectives, including progress against our Scope 1 and Scope 2 emissions reduction target through solar, battery and energy efficiency projects and external debt facilities being green loans.

Performance against these metrics is assessed over a multi-year performance period consistent with our decarbonisation pathway and transition plan milestones. The Sustainability Committee reviews performance outcomes prior to final determination by the Remuneration Committee. This structure aligns executive incentives with the climate transition strategy and long-term value creation objectives.

### iii. Linkage Between Climate Governance and Financial Reporting

Climate-related matters are integrated within Big Yellow's financial governance and reporting framework under the oversight of the Chief Financial Officer ("CFO"). The CFO is responsible for ensuring that climate-related assumptions, capital commitments and risk assessments are appropriately reflected in financial planning, budgeting processes and, where relevant, accounting estimates and disclosures within the consolidated financial statements. Sustainability data and climate-related metrics are subject to defined ownership, review and validation controls prior to publication, with oversight from the Sustainability Committee and review by the Audit Committee as part of the annual reporting cycle. Internal control processes are designed to provide consistency between climate-related disclosures and financial reporting, including reconciliation of climate-aligned capital expenditure, verification of greenhouse gas data inputs, and assessment of potential impacts on asset values, useful lives, provisions and other material accounting judgements. The Board retains ultimate responsibility for approval of climate-related disclosures as part of the general purpose financial reporting.

For more detail on our governance structure and management's role in assessing and managing climate-related risks and opportunities, please see the link below. This is kept as an independent document as this is of interest to some of our stakeholders separately from our annual report and accounts.

**https://corporate.bigyellow.co.uk/download_file/view/996/236**

## 4. Strategy

### i. Climate-Related Risks and Opportunities

Big Yellow's UK property portfolio is exposed to both acute and chronic physical climate risks, including heat stress, flooding, temperature variability and precipitation changes. These risks may affect operating costs, maintenance expenditure, insurance premiums and, in certain cases, asset resilience and customer confidence. These risks and opportunities are also considered within the context of the Group's business model and long-term strategic planning. Big Yellow plans to quantify the impact and financial effects of their risks and opportunities in the following reporting year to strengthen its alignment with the UK SRS S2 disclosure requirements.

#### Physical risks

Heat stress and rising average temperatures may increase cooling demand and place additional strain on HVAC systems. Flooding and extreme rainfall events may result in episodic repair costs, business interruption exposure and potential reputational impacts where customer assets are affected. Over the long term, these risks may require targeted capital investment to maintain operational resilience and asset integrity.

While exposure varies across the portfolio, physical risks are assessed as manageable within the existing asset management and capital planning framework. Over the next reporting year, Big Yellow aims to quantify the potential impacts of the identified material physical risks.

#### Transitional risks

Transition risks arise from regulatory, market and policy responses to climate change, including tightening building performance standards, evolving carbon pricing mechanisms, increased reporting requirements and changing investor and customer expectations.

The most significant transition exposure relates to the risk of stranded assets should properties fail to meet future energy performance requirements. This risk is mitigated through proactive energy efficiency upgrades, EPC improvement programmes and alignment with decarbonisation pathways.

Additional transition risks include potential increases in carbon-related taxation, energy cost volatility and enhanced sustainability reporting obligations. These are monitored through regulatory horizon scanning and integrated within the Company's strategic planning processes.

#### Climate related opportunities

The transition to a lower-carbon economy presents opportunities to enhance asset performance, reduce operating costs and strengthen customer value propositions. Investment in renewable energy generation, battery storage, electrification of heating systems and energy efficiency improvements supports emissions reduction objectives while increasing resilience to energy market volatility.

Customer demand for low-carbon infrastructure, including electric vehicle charging and renewable-powered facilities, may further enhance brand positioning and long-term asset attractiveness.

### ii. Scenario Analysis

To assess the resilience of its business model and portfolio under a range of plausible climate futures, scenario analysis is undertaken, incorporating both transition and physical risk pathways.

#### Scenarios used

Three IPCC AR6 scenarios were modelled:

- SSP1-2.6, a low-emissions pathway representing an orderly transition broadly aligned with the goals of the Paris Agreement and a 1.5–2°C temperature outcome;
- SSP5-8.5, representing a higher-emissions pathway characterised by more severe long-term physical climate impacts; and
- SSP2-4.5, representing a moderate-emissions pathway where development follows historical trends; greenhouse gas emissions increase then decrease mid-century.

These scenarios enable assessment of risks arising from accelerated regulatory and market transition dynamics as well as heightened physical hazard exposure under delayed mitigation. For all risks, with the exception of flooding, the low and high emissions pathway is used within the risk platform. For flood risk the platform uses the low-emissions and moderate-emissions pathway due to model availability constraints on the higher-emissions pathway within the platform.

#### Time horizons

Risks were evaluated across defined short, medium and long-term horizons (2026–2031, 2032–2050 and 2051+). These modelling periods have been mapped, to our internal strategic planning cycles and asset life considerations. Although financial planning does not extend to the long-term modelling horizon, long-term projections inform resilience assessment for long-lived real estate assets.

# Climate-Related Disclosures Statement continued

| Risk timeframes | Business planning periods | Comments |
|---|---|---|
| Short<br>2026-2040 | 2026-2031<br>2032-2040 | Combining short and medium-term business planning periods |
| Medium<br>2041-2050 | 2041-2050 | In line with long-term business planning |
| Long<br>2051+ | 2051+ | Exceeds business planning to wider climate context |

### Methodology overview

Physical hazard exposure was assessed using a recognised climate risk modelling platform applying downscaled climate projections to individual asset locations. The analysis considered projected changes in temperature, precipitation and flood exposure and evaluated potential implications for operating costs, maintenance expenditure and asset resilience.

Transition risk analysis considered regulatory developments, decarbonisation pathways, building performance standards and market expectations relevant to the UK real estate sector.

### Key Findings

Under an orderly transition pathway (SSP1-2.6), transition risks, particularly regulatory tightening and energy performance requirements, represent the primary financial consideration in the short to medium term. This is repeated in the higher-emissions pathway (SSP5-8.5).

The results of this analysis inform the financial materiality assessment, resilience evaluation and climate transition planning.

## iii. Value Chain Considerations

In assessing climate-related risks and opportunities, we consider impacts not only within our directly managed operations but also across our upstream and downstream value chain. This approach is consistent with the GHG Protocol Scope 3 framework and reflects the requirement under IFRS S2 to assess climate exposure across the full business model.

### Upstream exposure

Upstream climate-related risks primarily arise from:

- construction materials and capital goods used in new store developments and refurbishments;
- facilities management and maintenance services;
- energy procurement and utilities; and
- waste management contractors and service providers.

Transition risks within the upstream value chain include increasing embodied carbon regulation, tightening building performance standards, supplier decarbonisation requirements and volatility in low-carbon technology costs. These risks may lead to increased input costs, changes to procurement practices, and greater complexity in project design and delivery.

To manage this, we assess embodied carbon in capital projects through Whole Life Carbon Assessments, and monitor supplier-related emissions using a combination of activity-based and spend-based methodologies. These exposures are incorporated into our transition planning and capital allocation decisions.

Physical climate risks may also affect supplier continuity where key contractors operate in regions exposed to extreme weather events. This may lead to increased project delays and costs, influencing project viability, timing, and cost structure considerations.

### Downstream exposure

Downstream exposure primarily relates to our customers and occupiers who rely on our assets for secure storage and workspace. Physical climate risks, including flooding and heat stress, could directly affect stored goods and indirectly impact customer confidence and brand reputation while also increasing operating expenditure.

Transition-related opportunities include growing customer preference for energy-efficient, low-carbon storage solutions, renewable energy provision and electric vehicle charging infrastructure. Regulatory developments affecting property energy standards and building performance also influence future customer demand and asset desirability.

No material climate-related risks have been identified in downstream transport, processing or product use categories, consistent with our business model as a property operator.

While the majority of financial climate-related risks and opportunities exposure arises from our owned and operated estate, we recognise that material risks and opportunities extend across our value chain. These considerations are integrated into our scenario analysis, resilience assessments and long-term strategic planning.

## iv. Materiality Assessment

### Risk prioritisation logic

For the purposes of this climate disclosure, climate-related risks and opportunities have been assessed primarily through a financial materiality lens, consistent with IFRS S2 requirements. While our broader ESG reporting considers double materiality, the impacts described within this section focus on those that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium and long term. To assess the significance of climate-related risks and opportunities, we apply a combined view of potential financial and business impacts over short, medium, and long-term time horizons. Impacts are classified into four categories: negligible, low, medium, and high, based on the scale of disruption or opportunity they represent to our operations, financial performance, and strategic objectives. This framework allows us to prioritise climate-related risks and opportunities by considering both the likelihood and magnitude of impact across different timeframes, ensuring our climate resilience planning is proportionate and forward-looking.

- Negligible – impact is minimal or not expected to result in any meaningful environmental, social, or financial consequences.
- Low – impact is limited in scope or scale, with only minor implications for the business or affected stakeholders. It may be monitored but does not require strategic intervention.
- Medium – impact is notable and may influence operational, reputational, or regulatory outcomes. It warrants active management and integration into risk and opportunity assessments.
- High – impact is significant, likely to influence decision-making, financial performance, or stakeholder expectations. It requires ongoing management and is material to strategy and reporting.

| Risk Type | Description | Risk Theme | Scenario | Potential Materiality[1] Short-Term | Potential Materiality[1] Medium-Term | For visibility Long-Term | Strategic Response |
|---|---|---|---|---|---|---|---|
| **Physical Risks** | | | | | | | |
| Heat Stress | Increase in energy costs due to increased cooling needs. | **Chronic physical** | IPCC SSP1-2.6 | 🟡 | 🟡 | 🟡 | Installation of solar systems and energy efficiency measures across the estate reduce dependency on the grid. |
| | | | IPCC SSP5-8.5 | 🟡 | 🟡 | 🟡 | |
| Temperature Variability | Increase in maintenance costs following higher extreme usage. | **Chronic physical** | IPCC SSP1-2.6 | 🟡 | 🟡 | 🟡 | Refurbing our stores to ensure air conditioning units are properly sized for our reception areas. |
| | | | IPCC SSP5-8.5 | 🟡 | 🟡 | 🟡 | |
| Precipitation hydrological variability | Risk of more frequent roof leaks from faulty gutters. | **Chronic physical** | IPCC SSP1-2.6 | ⚫ | ⚫ | ⚫ | Annual gutter maintenance reduces risk of leaks. |
| | | | IPCC SSP5-8.5 | ⚫ | ⚫ | ⚫ | |
| Cold Wave | Increased energy needs in heating reception areas and office spaces | **Acute physical** | IPCC SSP1-2.6 | ⚫ | ⚫ | ⚫ | Installation of solar systems, battery systems and energy efficiency measures across the estate reduce dependency on the grid. |
| | | | IPCC SSP5-8.5 | ⚫ | ⚫ | ⚫ | |
| Flooding[2] | Increase surface flooding damaging subterranean floors. | **Acute physical** | IPCC SSP1-2.6 | ⚫ | ⚫ | ⚫ | Flood attenuation tanks for new built stores. |
| | | | IPCC SSP2-4.5 IPCC SSP5-8.5 | ⚫ | ⚫ | ⚫ | |
| Storms | Increases in strong winds damaging roofs and other external parts of our stores | **Acute physical** | IPCC SSP2-2.6 | ⚫ | ⚫ | ⚫ | Annual maintenance reduces the risk of severe damage |
| | | | IPCC SSP5-8.5 | 🟡 | 🟡 | 🟡 | |

Resultant Impact Materiality: ○ Negligible ⚫ Low 🟡 Medium 🔴 High

| Risk Type | Description | Risk Theme | Potential Materiality[1] Short-Term | Potential Materiality[1] Medium-Term | For visibility Long-Term | Strategic Response |
|---|---|---|---|---|---|---|
| Stranded assets | Assets no longer complaint with future regulations. | **Market** | ○ | 🟡 | 🟡 | We will continue to monitor the current estate through Carbon Risk Real Estate Monitor ("CRREM") analysis and emerging regulations to ensure our stores remain compliant. |
| Reputational risk | Affecting stakeholder trust and market position | **Reputation** | ○ | 🟡 | 🟡 | We will continue to update and deliver on our strategy |
| Increase in carbon/ emission taxation & fines | Exposure to taxation increases | **Current regulation** | ○ | ⚫ | ⚫ | We will continue to reduce our Scope 1 & 2 emissions. |
| Building Standards | Increase in standards, especially for buildings | **Emerging regulation** | ⚫ | ⚫ | ⚫ | We will continue to monitor emerging regulations to ensure our stores remain compliant. |
| Scope 3 reporting | A significantly higher financial reporting burden including Scope 3 | **Emerging regulation** | ⚫ | ○ | ○ | We have invested in a new platform to manage Scope 3 reporting |
| **Transitional risks are not able to be quantified during the reporting year.** | | | | | | |

Resultant Impact Materiality: ○ Negligible ⚫ Low 🟡 Medium 🔴 High

# Climate-Related Disclosures Statement continued

| | | Potential Materiality[1] | | For visibility |
|---|---|---|---|---|
| **Climate-related Opportunity** | **Company Response** | **Short-Term** | **Medium-Term** | **Long-Term** |
| Growth in demand for renewable energy | Investment into retrofitting existing stores with PV systems | Medium | Medium | High |
| | Aim for all new stores to be fitted with minimum 100kWp PV system | Medium | Medium | Negligible |
| | Purchasing 100% renewable energy | High | Medium | Negligible |
| Growth in solar and battery markets driven by decarbonisation | Investing in battery energy storage systems | Low | Medium | Medium |
| | Investing into retrofitting existing stores with batteries. | Low | Medium | High |
| Transition away from fossil fuelled heating and Natural Gas | Investing into retrofitting existing gas boilers with heat pumps. | Low | Negligible | Negligible |
| Resource Efficiency | Deploying energy efficiency measures throughout our stores | Low | Medium | High |
| Growth of EV transport market | Deploying electric vehicle chargers for all new stores | Low | Low | Low |

Importance: ○ Negligible ● Low ● Medium ● High

[1] Short-term is determined to be from 2026 to 2040, Medium-term from 2041 to 2050 and Long-term 2051 +

### v. Resilience Assessment

Based on the scenario analysis undertaken, including both low-emissions and higher-emissions pathways, the Group considers its business model and portfolio to be resilient to the climate-related risks identified over the short, medium and long term. While certain physical risks, particularly heat stress and flooding, may increase maintenance expenditure and insurance costs over time, and transition risks may require continued capital investment to meet evolving regulatory standards, these impacts are not expected to threaten the viability of the Group's strategy or asset base. The Group's ongoing programme of energy efficiency improvements, renewable energy deployment, EPC upgrades and proactive asset management supports resilience under a range of plausible climate futures. Climate-related risks will continue to be monitored and reassessed as part of the Group's principal risk management and capital planning processes.

Under the low-emissions SSP1-2.6 pathway, the Group's transition strategy, including renewable energy deployment, energy efficiency upgrades and portfolio-wide EPC improvements, supports continued compliance with evolving regulation and mitigates exposure to carbon pricing and stranded asset risk. Under the higher-emissions SSP5-8.5 pathway, although physical risks such as heat stress and flooding intensify over the longer term, the projected financial impacts remain manageable within the context of the Group's diversified portfolio and proactive asset management framework. Based on the analysis performed, the Group does not consider climate-related risks under either scenario to threaten the long-term viability of its business model, though ongoing monitoring and adaptive capital planning remain necessary.

### vi. Current and Anticipated Financial Effects

In accordance with IFRS S2, the Group has assessed the current and anticipated financial effects of climate-related risks and opportunities on its financial position, financial performance and cash flows over the short, medium and long term. The qualitative assessment considers both physical and transition risks, as well as climate-related opportunities, and evaluates potential impacts on revenues, operating costs, capital expenditure, asset values, financing and insurance.

The Group is working towards conducting a quantitative assessment of current and anticipated financial effects of climate-related risks and opportunities and aims to disclose a single amount or range in the next reporting year.

#### Operating costs

Physical risks, including increased heat stress, temperature variability and storms, may result in incremental increases in operating expenditure associated with higher energy consumption for cooling, increased maintenance activity and periodic repair works. Insurance premiums may also increase over time, particularly for assets located in areas with elevated flood exposure. Under the modelled scenarios, these costs are expected to rise gradually rather than abruptly and are not currently assessed as material to overall operating margins at a portfolio level, though individual asset impacts may vary.

Heat stress is expected to affect financial performance through higher cooling costs and reduced work force productivity. In a low-emissions scenario (RCP 2.6), the estimated impact is £1.6 million in the short term, increasing to £1.8 million in the long term. Under a high-emissions scenario (RCP 8.5), costs are projected to rise from £1.2 million to £3.3 million over the same period.

Temperature variability is expected to affect financial performance primarily through increased maintenance costs and operational inefficiencies. More frequent fluctuations between heating and cooling requirements can lead to accelerated wear and tear on HVAC systems, increased servicing requirements, and reduced operational efficiency across the estate. In a low-emissions (RCP 2.6) pathway, the estimated financial impact is approximately £0.1 million in the short-term, reducing to £0.07 million in the long-term as systems adapt and mitigation measures are implemented. Under a high-emissions scenario (RCP 8.5), costs are projected at £0.08 million in the short-term, increasing to £0.11 million in the long-term due to greater variability in seasonal temperature extremes.

Storm-related risks are expected to impact financial performance through damage to roofs and guttering, external structures and building fabric, as well as increased reactive maintenance, insurance claims and potential short-term business disruption. Strong wind events may also lead to temporary store closures, minor structural repairs and increased inspection and safety compliance costs. Under a high-emissions scenario (RCP 8.5), the estimated financial impact is approximately £0.07 million in the short-term, increasing to £0.11 million in the long-term as the frequency and severity of storm events intensify over time.

Flood-related risks are expected to impact financial performance through lost revenue due to rooms being taken offline following a flood event. In a low emissions scenario (RCP 2.6) this is estimated at £0.1 million in the short-term rising to £0.41 million in the long term. In a high emissions scenario this increases to £21 million in the short-term rising to £23 million in the long-term.

Transition risks may also increase operating costs where enhanced building performance standards or carbon pricing mechanisms are introduced[2]. These risks are partially mitigated through the Group's procurement of 100% renewable electricity and progressive energy efficiency improvements.

### Capital expenditure

The Group anticipates continued capital deployment in renewable energy installations, battery storage, heating system upgrades and energy efficiency measures to mitigate transition risk and enhance resilience to physical impacts. Approximately £2 million per annum has been allocated through to 2028 for retrofit and decarbonisation initiatives, subject to project viability and Board approval.

Failure to adapt assets to evolving regulatory standards could increase the risk of accelerated capital expenditure requirements or constrained leasing potential. The Group's programme of EPC improvements and CRREM pathway analysis is designed to mitigate stranded asset risk and preserve asset value.

### Asset values

Climate-related risks may affect long-term asset valuations through changes in regulatory requirements, tenant demand for energy-efficient buildings and exposure to physical climate hazards. At the reporting date, only flooding and storms have been identified as having the potential to cause direct asset damage; asset damage is calculated using % of a store's asset value at risk. Within a low-emissions (RCP 2.6) pathway, asset damage by flooding is estimated as a potential £3 million in the short-term increasing to £20 million in the long-term.

In a high-emissions pathway (RCP 4.5), the project impact is higher with an estimated impact £320 million in the short-term, reducing to £230 million in the long-term. This elevated projected financial impact is due to coastal flooding from sea level rise in a high-emission pathway.

Climate assumptions, including capital upgrade requirements and operational resilience measures, are considered in long-term asset planning and valuation sensitivity assessments where relevant.

### Revenues

Transition-related opportunities, including customer preference for energy-efficient storage solutions and electric vehicle infrastructure, may support occupancy and brand positioning. No material adverse revenue impacts have been identified under the modelled scenarios in the short to medium term. Longer-term revenue effects remain subject to regulatory developments and market evolution.

### Financing

Climate performance influences investor expectations, access to sustainable finance instruments and sustainability-linked lending arrangements. The Group has sustainability-linked loan facilities which include performance indicators relating to primary Scope 3 data coverage. Failure to meet agreed targets could affect margin ratchets, although this exposure is not currently considered material to overall financing capacity.

### Insurance

Physical risk exposure, particularly flooding, may result in increased insurance costs or changes in coverage availability over time. The Group monitors insurer feedback and maintains mitigation measures at higher-risk sites to manage potential premium volatility.

Based on current modelling and scenario analysis, climate-related risks are expected to result primarily in incremental operating and capital expenditure over time rather than sudden or systemic financial disruption. Under both modelled scenarios, the Group considers the financial effects to be manageable within existing capital planning and risk management frameworks. The Group will continue to refine quantification methodologies and enhance scenario-linked financial modelling as data quality and regulatory expectations evolve.

## vii. Climate Transition Plan

### Climate Transition Plan

The Group has established a structured transition plan designed to support alignment with a 1.5°C pathway and mitigate exposure to transition and stranded asset risks. The plan integrates emissions reduction targets, capital investment strategy, asset management priorities and governance oversight within the Group's broader financial planning framework.

### Strategic Objective

The objective of the transition plan is to:

- Deliver a 70% absolute reduction in Scope 1 and Scope 2 emissions by FY2031/32 (from a FY2019/20 baseline);
- Reduce Scope 3 emissions intensity in line with the Group's validated Science Based Target;
- Maintain regulatory compliance with evolving UK building standards;
- Minimise exposure to carbon pricing and energy market volatility; and
- Preserve long-term asset value and portfolio resilience.

[2] Transitional risks are not able to be quantified during the reporting year.

# Climate-Related Disclosures Statement continued

### Decarbonisation Levers

The principal measures supporting delivery of this plan include:

- Installation of on-site solar photovoltaic systems across the estate (minimum 100kWp for all new stores, subject to structural feasibility);
- Progressive deployment of battery energy storage systems;
- Removal of natural gas heating systems and electrification of heating across the portfolio;
- Energy efficiency upgrades including lighting, controls and HVAC optimisation; and
- Continuous improvement in Scope 3 primary data coverage to support supply chain decarbonisation.

### Capital Allocation

The Group has committed approximately £2 million per annum through to 2028 to support renewable energy deployment, electrification and efficiency upgrades, subject to Board approval and project viability. Climate-aligned capital expenditure is incorporated into annual budgeting and long-term financial planning and is reviewed by the Sustainability Committee and Board.

### Milestones and Time Horizons

Key milestones include:

- 100% of stores achieving EPC rating B or above by 2028;
- Completion of gas heating removal across the owned estate;
- Expansion of solar and battery systems across structurally suitable sites; and
- Progressive increase in primary Scope 3 data coverage linked to sustainability-linked loan KPIs.

### Governance and Oversight

Delivery of the transition plan is overseen by the Sustainability Committee, with financial oversight provided by the CFO and review by the Audit Committee where climate-related assumptions intersect with financial reporting. Progress against targets is reviewed annually and reported within the Group's general purpose financial reporting.

### Dependencies and Assumptions

Successful delivery of the transition plan is dependent upon:

- Continued access to renewable electricity markets;
- Availability and affordability of low-carbon technologies;
- Stability of regulatory frameworks; and
- No material changes to portfolio boundary or asset ownership structure.

The plan is reviewed periodically and updated where necessary in response to regulatory, technological or market developments.

## 5. Risk Management

The Group maintains a structured risk management framework through which climate-related risks and opportunities are identified, assessed, prioritised and monitored. Climate related risks are embedded within the Group's principal risk management process and is subject to the same governance, review and control mechanisms as other strategic and operational risks.

### i. Identification and Assessment Processes

Climate-related risks and opportunities are identified through a combination of:

- Scenario analysis and physical climate modelling;
- Regulatory horizon scanning and monitoring of emerging policy developments;
- Ongoing operational review by the Environmental Committee; and
- Integration within the Group's principal risk assessment cycle.

Identified risks are categorised as either physical or transition risks and assessed using the Group's established probability and impact scoring framework. Financial impact thresholds, as described in the Financial Materiality Assessment section, are applied to evaluate the potential effect on revenues, operating costs, capital expenditure, asset values and financing. Risks are assessed over defined short, medium and long-term time horizons to ensure alignment with strategic planning cycles and asset life considerations.

### ii. Integration with Business Risk Framework

Climate-related risks are incorporated within the Group's principal risk register where they are considered capable of materially affecting the business model or financial performance. The Environmental Committee conducts periodic reviews of climate-related exposures and reports findings to the Sustainability Committee, which meets twice annually. Climate-related matters are escalated to the Executive Leadership Team and, where appropriate, to the Board.

The Audit Committee reviews principal risks, including climate-related risks, as part of its annual oversight of risk management and internal control systems. This ensures that climate considerations are embedded within enterprise risk management, capital planning and strategic decision-making processes.

### iii. Monitoring and Controls

The Group applies ongoing monitoring mechanisms to track climate-related risk exposure and emerging trends.

For physical risks, monitoring includes:

- Annual site inspections conducted by Executive Directors and the Head of Estates and Facilities;
- Review of maintenance expenditure trends through the budgeting process;
- Periodic reassessment of flood exposure and mitigation infrastructure; and
- Engagement with insurers regarding evolving risk profiles and coverage terms.

For transition risks, monitoring includes:

- Regulatory and policy horizon scanning;
- Review of building performance standards and EPC compliance;
- Monitoring of sustainability-linked loan performance metrics; and
- Oversight of progress against emissions reduction and energy efficiency targets.

Where monitoring identifies material changes in exposure or performance, these are escalated through established governance channels for consideration of mitigating actions, capital allocation adjustments or strategic response.

Through this structured framework, climate-related risks are integrated into ongoing operational oversight and strategic planning, ensuring that risk management processes remain proportionate, forward-looking and aligned with the Group's financial governance framework.

## 6. Metrics and Targets

We have created a broad range of environmental metrics and targets with the intention of enabling our stakeholders to make informed decisions. The full comprehensive list has been compiled in response to the full Double Materiality Assessment that has been conducted in 2024. We have also aligned these metrics with other reporting frameworks, including but not restricted to CDP, GRESB, EPRA, CRREM and GRI.

### i. Greenhouse Gas Emissions

GHG emissions are prepared in accordance with the Greenhouse Gas Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard. Emissions are reported using the operational control approach and include all assets and activities under our operational control within the United Kingdom for the year ended 31 March 2026.

Our baseline year for Scope 1, Scope 2 and Scope 3 emissions is FY 2019/20, consistent with our Science Based Target (SBT).

| Emissions Scope | FY 2019/20 total ($tCO_2e$) | FY 2025/26 total ($tCO_2e$) | Assurance level |
|---|---|---|---|
| Scope 1 | 248 | **23*** | Reasonable |
| Scope 2 – location-based | 2,911 | **1,443*** | Reasonable |
| Scope 2 – market-based | 1,410 | **0*** | Reasonable |
| Scope 3 – total (SBT footprint) | 3.3 $kgCO_2e$/ Sqft | **3.5* $kgCO_2e$/ Sqft** | Limited (Intensity figure) |
| Scope 3 – total (whole footprint) | 33,372 | **35,148** | None |

- Scope 1 emissions comprise natural gas consumption, refrigerant leakage and company-owned vehicle use.
- Scope 2 emissions arise from purchased electricity. We report both:
  - Location-based emissions using UK grid average factors; and
  - Market-based emissions reflecting procurement of 100% REGO-backed renewable electricity.
- Scope 3 emissions are calculated across relevant upstream and downstream categories as defined under the GHG Protocol.

* Externally assured by SGS

We apply two defined Scope 3 boundaries:

- Whole Footprint Boundary – covering all material categories identified in our Basis of Reporting; and
- SBT Boundary – covering categories included within our validated Science Based Target.

The principal Scope 3 categories included within our SBT footprint are:

- Category 1: Purchased goods and services (construction, facilities, stock and water);
- Category 2: Capital goods (whole life carbon assessments and PG&S data); and
- Category 3: Fuel and energy-related activities.

Additional calculated categories (not within SBT boundary):

- Category 1: Purchased goods and services (all other categories);
- Category 5: Waste generated in operations;
- Category 6: Business travel;
- Category 7: Employee commuting;
- Category 9: Downstream transport and distribution; and
- Category 12: End of life treatment.

Upstream transportation, downstream leased assets, franchises and investments are not material to our current business model and are excluded in accordance with GHG Protocol guidance.

### ii. Methodologies and Data Quality

#### Scope 1 and 2 methodology

Scope 1 and Scope 2 emissions are calculated using actual consumption data from:

- Utilities invoices;
- Energy management systems; and
- Service records (refrigerants).

Emission factors are sourced from the latest UK Government (DESNZ/DEFRA) conversion factors applicable to the reporting year.

Solar generation is excluded from upstream emission calculations where no material upstream emissions arise.

#### Scope 3 methodology

A combination of methodologies is applied:

- Activity-based: Water and waste emissions calculated using metered volumes or contractor weight data multiplied by DEFRA emission factors;
- Lifecycle assessment (LCA): Capital goods emissions derived from externally conducted Whole Life Carbon Assessments (RIBA Stage 6); and
- Spend-based (EEIO): Purchased goods and services mapped to CEDA emission factors using supplier spend data.

Transmission and distribution losses associated with electricity and gas are included within Category 3.

#### Data quality

We continue to increase the proportion of primary and supplier-specific data used in emissions calculations.

- Scope 1 and 2: 100% primary activity data.
- Scope 3:
  - Category 1 – Purchased goods and services: predominantly secondary, spend-based emission factors;
  - Category 2 – Capital goods: a mixture of primary LCA data and secondary, spend-based emission factors; and
  - Category 3 – Water and waste: primarily activity-based. primary data.

# Climate-Related Disclosures Statement continued

Overall, approximately 57%* of Scope 3 Cat 1 & 2 emissions are currently derived from primary or supplier-specific data, with the remainder based on recognised secondary emission factor databases. This figure is audited by a third party.

Improving primary data coverage across Scope 3 remains a strategic priority and linked to one of our sustainability linked loans.

Scope 1 and Scope 2 emissions are considered low estimation uncertainty due to reliance on metered energy data and assured conversion factors.

Scope 3 emissions carry a higher inherent degree of uncertainty, particularly where spend-based methodologies are applied. Key sources of uncertainty include:

- Variability in supplier carbon intensity not reflected in average EEIO factors;
- Timing differences between capital expenditure and embodied emissions; and
- Partial data coverage for new assets.

We apply conservative assumptions to minimise risk of underreporting.

Based on internal review and assurance findings:

- Scope 1 & 2: Low uncertainty;
- Scope 3 (activity-based & LCA categories): Moderate uncertainty;and
- Scope 3 (spend-based categories): Moderate to elevated uncertainty.

We continue to refine supplier mapping and data granularity to reduce uncertainty over time.

Selected environmental indicators, including Scope 1, Scope 2 and defined Scope 3 categories (Categories 1, 2 and 3 within the SBT boundary), are subject to independent third-party assurance in accordance with ISAE3000 assurance standard.

Categories outside the assurance scope have undergone internal validation and variance analysis.

During the reporting year, we enhanced our data management systems to improve Scope 3 capture and supplier mapping. We expect the proportion of primary Scope 3 data to increase materially in future reporting cycles. We have an assured indicator to track the progress of this, with the ambition of achieving primary data acquisition of Categories 1 & 2 by 2028.

The metrics found below are taken from the Double Materiality Assessment results and are those that are relevant to the main risk themes defined by the TCFD framework detailed at the beginning of the report.

### iii. Industry-Based Metrics

In addition to entity-wide greenhouse gas disclosures, we monitor and report sector-specific performance indicators aligned with industry-based guidance incorporated within the ISSB standards for the Real Estate industry. These metrics provide investors with asset-level insight into operational efficiency, transition risk exposure and climate resilience.

The following industry-relevant climate metrics are monitored across our directly managed UK portfolio:

| Metric | Unit | | FY 24–25 restated | FY 25–26 | | Target / Commentary |
|---|---|---|---|---|---|---|
| Total energy consumption | MWh | | 12,425 | **11,750*** | | Monitored annually |
| Energy intensity (per CLA) | MWh / m² | | 0.021 | **0.19*** | | Continuous efficiency improvement |
| GHG emissions intensity (Scope 1 & 2) | $tCO_2e$ / m² CLA | | 0.032 | **0.024*** | | Aligned with Sustainability Strategy |
| % electricity from renewable sources (market-based) | % | | 100% | **100%*** | | Maintain 100% renewable procurement |
| % total energy from renewable sources (solar + grid renewable) | % | | 100% | **100%*** | | 100%+ by 2030 |
| Portfolio EPC rating – % B or above | % of stores | | 94% | **98.2%*** | | 100% B or above by 2028 |
| EPC distribution (A+ – D) | % breakdown | A+ | 5.5 | **A+** | **6.2** | Supporting stranded asset mitigation |
| | | A | 27.5 | **A** | **38.1** | |
| | | B | 61.5 | **B** | **54.0** | |
| | | C | 4.6 | **C** | **1.8** | |
| | | D | 0.9 | **D** | **0** | |
| % stores with on-site solar PV | % of portfolio | | 71.6% | **75.2%** | | Solar installed where structurally feasible |
| Total installed renewable capacity | MWp | | 8.5 | **9.6*** | | Expand annually |
| % stores identified as high flood risk (scenario-based) | % of portfolio | | New of 2025/26 | **16%** | | Mitigation measures in place where material |
| Stores with flood mitigation infrastructure | # / % | | 11% | **14%** | | All new builds incorporate attenuation where required |
| Climate-aligned capital expenditure | £m | | 6.0 | **4.5** | | c. £2m p.a. to 2028 |
| Climate-aligned capex as % of total capex | % | | 6% | **4%** | | Monitored as part of transition plan |

### iv. Capital Allocation and Carbon Pricing

#### Capital allocation

During the reporting period, the Group invested £4 million towards addressing climate-related risks and opportunities. This includes capital expenditure on solar photovoltaic installations, battery energy storage systems, building energy efficiency upgrades and associated infrastructure works.

Climate-related capital expenditure represented 4% of total capital expenditure for the year.

These investments are directed toward reducing operational emissions, mitigating regulatory exposure, improving energy resilience and supporting delivery of our Science Based Target.

Looking forward, the Group has committed to investing approximately £2 million per annum through to 2028 in retrofit and energy efficiency initiatives across the estate, subject to project viability and Board approval. All new store developments are designed to incorporate low-carbon technologies as standard, including a minimum 100kWp solar photovoltaic installation where structurally feasible.

Climate-related capital allocation decisions are reviewed through established governance processes and integrated into annual budgeting and long-term strategic planning.

#### Carbon pricing and offsetting

The Group does not currently apply an internal carbon price in capital allocation decisions or investment appraisal processes. Climate-related investments are assessed based on energy cost savings, regulatory compliance requirements and strategic decarbonisation objectives. The Board will continue to monitor developments in carbon pricing frameworks and may consider internal pricing mechanisms as regulatory environments evolve.

Big Yellow does not use carbon offsets or purchased credits to meet its emissions reduction targets, and reported greenhouse gas reductions reflect gross emissions abatement achieved through operational and energy efficiency measures.

#### Carbon-related remuneration

Climate-related performance is incorporated into remuneration through our LTIP, linking the delivery of climate-related objectives, including progress against our Scope 1 and Scope 2 emissions reduction target to executive remuneration.

### v. Targets

The Group has established climate-related targets designed to mitigate transition risks, enhance asset resilience and support delivery of our long-term decarbonisation strategy. These targets are aligned with our identified material climate-related risks and opportunities and are reviewed periodically to ensure continued relevance.

| Topic | Target | 2026 Target/ Interim target (if applicable) | 2026 Performance | Target and target year |
|---|---|---|---|---|
| **Emission reduction (SBTi validated)** | 70% absolute reduction in Scope 1 and 2 emissions (market-based) vs. FY2019/20 baseline of 3,159 | 2,053 or 35% reduction from baseline | 1,466* 54% reduction from baseline | 948 by 2032 |
| **Scope 3 data quality** | 40% primary data for Scope 3 Cat 1&2 by 2028 | 20% | 57%* | 40% by 2028 |
| **Portfolio energy performance** | 100% of stores achieve an EPC rating of B or above | 96% | 98.2% | 100% by 2028 |

* Externally assured by SGS

The Group has decided to focus on Scope 3 data quality initially as it believes improving the accuracy of the data initially will enable improvement and increased engagement with the value chain.

#### Emissions Reduction Targets

The Group has adopted Science Based Targets aligned with a 1.5°C pathway. Our targets combine an absolute reduction pathway for operational emissions (Scope 1 and 2) with an intensity-based target for Scope 3 emissions.

The Scope 1 and 2 absolute reduction target to reduce absolute Scope 1 and 2 GHG emissions 70% by FY2032 from a FY2020 base year has been set to mitigate exposure to:

- Carbon pricing and taxation;
- Energy price volatility;
- Regulatory tightening of building standards; and
- Stranded asset risk.

The Scope 3 intensity target to reduce Scope 3 GHG emissions from purchased goods and services, capital goods, and fuel and energy related activities by 61.1% per square foot also by 2032 reflects the structure of our value chain emissions and is normalised to current lettable area ("CLA") to ensure comparability over time as the portfolio evolves.

Progress against both targets is monitored annually through verified GHG disclosures and overseen by the Sustainability Committee and Board.

# Climate-Related Disclosures Statement continued

### Portfolio Energy Performance Target

To mitigate regulatory and market risks associated with tightening building standards, the Group has committed to ensuring:

100% of stores achieve an EPC rating of B or above by 2028.

At the reporting date, 98%* of the portfolio meets this threshold.

This target supports:

- Compliance with evolving UK Minimum Energy Efficiency Standards ("MEES");
- Reduced exposure to regulatory penalties;
- Enhanced asset attractiveness and tenant retention; and
- Alignment with CRREM decarbonisation pathways.

Where assets fall below threshold, targeted refurbishment, solar deployment and heating system upgrades are prioritised.

## 7. Connectivity with Financial Statements

### i. Accounting Assumptions and Estimates

In accordance with IFRS S2, the Group has considered the extent to which climate-related risks and opportunities are reflected within the consolidated financial statements and related accounting estimates. Climate-related assumptions are incorporated, where relevant, into impairment assessments, useful economic lives of assets, capital expenditure planning and long-term cash flow projections.

Property valuations and impairment testing consider expected future capital expenditure required to maintain regulatory compliance, including upgrades necessary to meet evolving building performance standards and energy efficiency requirements. Where applicable, forecast operating costs reflect anticipated changes in energy consumption, maintenance expenditure and insurance costs arising from physical climate risk exposure.

At the reporting date, no material impairments have been recognised as a direct consequence of climate-related factors. However, the Group continues to monitor regulatory developments, carbon pricing mechanisms and emerging physical risk data which may influence future asset valuations and capital allocation decisions.

### ii. Capital Commitments and Financing

#### Capital Commitments and Transition Investments

Climate-aligned capital expenditure disclosed within this report is consistent with capital expenditure reported within the consolidated financial statements. Investments in solar photovoltaic systems, battery storage, heating system electrification and energy efficiency upgrades are recognised within property, plant and equipment additions in the period incurred. Forward-looking retrofit commitments are incorporated within approved capital budgets and long-term financial planning assumptions.

#### Provisions, Contingent Liabilities and Insurance

The Group has assessed whether climate-related risks give rise to provisions or contingent liabilities under applicable accounting standards. At the reporting date, no material climate-specific provisions have been recognised. Insurance arrangements are reviewed periodically to ensure appropriate coverage for physical climate risks, including flooding and extreme weather events. Any changes in premium costs or deductibles are recognised within operating expenditure in the relevant reporting period.

#### Financing and Sustainability-Linked Arrangements

The Group's sustainability-linked loan facilities contain performance metrics associated with climate-related targets. Where applicable, margin adjustments arising from performance against these metrics are reflected within finance costs. These arrangements link climate performance directly to financing terms, reinforcing alignment between sustainability objectives and financial reporting.

### iii. Reconciliation and Cross-Referencing

Climate-related metrics, capital expenditure disclosures and emissions data presented within this section are prepared using the same reporting boundary and consolidation basis as the consolidated financial statements, unless otherwise stated. Cross-references have been provided where climate-related assumptions materially interact with accounting judgements or forward-looking disclosures to ensure consistency and transparency across general purpose financial reporting.

## 8. Sign off and Approval

Approved by the Board of Directors on 18 May 2026 and signed on its behalf by:

**John Trotman**
Chief Financial Officer

The Board retains overall responsibility for climate-related governance and disclosure.