

# Big Yellow Self Storage Company Limited

## Strategic report

### Risk and impact

### Mitigation

### Change during the year and outlook

#### Cyber risk

High profile cyber-attacks and data breaches are a regular staple in today's news. The results of any breach may result in reputational damage, fines, or customer compensation, causing a loss of market share and income.

The Company receives specialist advice and consultancy in respect of cyber security and we have dedicated in-house monitoring and regular review of our security systems, we also limit the retention of customer data to the minimum requirement.

Policies and procedures are under regular review and benchmarked against industry best practice by our consultants. These policies also include defend, detect and response policies.

We don't consider the risk to have increased any faster for the Company than anyone else; however, we consider that the threats in the entire digital landscape do continue to increase and evolve. As such we have continued to invest in cyber security upgrading or replacing components as required.

#### Climate change related risk

The Company is exposed to climate-change related transition and physical risks. Physical risks may affect the Company's stores and may result in higher maintenance and repair costs. Failing to transition to a low carbon economy may cause an increase in taxation, decrease in access to loan facilities and reputational damage.

The good working order of our stores is of critical importance to our business model.

We visually inspect each of our stores at least once per annum and planned and unplanned work is discussed immediately.

Maintenance requirements are discussed at budget reviews; proposals are made to raise climate change related issues to the Board, who may request more holistic adaptation work to be carried out.

The key mitigation strategy to address transitional risks is the delivery of the newly launched Net Renewable Energy Positive Strategy and the Net Zero Scope 1 and Scope 2 Emissions Strategy. Our investment to decarbonise our business over the next nine years is expected to mitigate fully against taxation (carbon tax) risk and reputational risks (both investors and customers).

Big Yellow PLC Group recently established a new Sustainability Committee, chaired by a Non-Executive Director, has delivered an ambitious strategic plan to 2030.

We appreciate that both physical and transition risks are expected to materialise to lesser or greater extents over the coming years and costs may go up gradually, hidden within what may be perceived as 'natural variations'. Our focus and strong governance established during the year will allow us to continue to mitigate the effects.

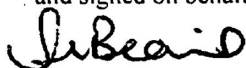
#### Internal audit

The Group employs a Head of Store Compliance responsible for reviewing store operational and financial controls. He reports to the Chief Financial Officer, and also meets with the Audit Committee at least once a year. This role is supported by three other team members, enabling additional work and support to be carried out across the Group's store portfolio. The Store Compliance team will visit each operational store twice per year to carry out a detailed store audit. These audits are unannounced, and the Store Compliance team carry out detailed tests on financial management, administrative standards, and operational standards within the stores. Part of the store staff's bonus is based on the scores they achieve in these audits. The results of each audit are reviewed by the Chief Financial Officer, the Financial Controller, and the Head of Store Operations. This is the equivalent of an internal audit function for the Group's store operations.

For the key business cycles conducted at the Group's head office, external consultants are used to review the Group's controls on a rotational basis. The consultants produce a report with recommendations which is discussed with management and reviewed by the Audit Committee of the Group. The cycles covered by this activity include construction expenditure, treasury, taxation, and facilities management.

With the combination of the store internal audit and the external assessment of the key business cycles, the Audit Committee considers that this provides a robust internal audit assessment for the Group.

Approved by the Board of Directors  
and signed on behalf of the Board



Shauna Beavis  
Secretary 30 June 2021