

Big Yellow Group PLC
Corporate Social Responsibility Report 2010

Big Yellow leads the way in sustainable real estate

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WE ARE THE INNOVATIVE LEADERS IN THE UK SELF STORAGE INDUSTRY, PROVIDING INDIVIDUALS AND BUSINESSES WITH AN UNRIVALLED PRODUCT - THE BEST LOCATIONS, THE BEST QUALITY FACILITIES AND THE STRONGEST BRAND.

WE HAVE GREAT PEOPLE WHO DELIVER THE BEST CUSTOMER SERVICE WE ACHIEVE THIS BECAUSE WE ENCOURAGE A CULTURE OF PARTNERSHIP WITHIN THE BUSINESS AND REWARD OUR PEOPLE FOR THEIR CONTRIBUTION.

Contents

- | | | | |
|----|---|----|---|
| 02 | 1. Introduction | 11 | 5.2 Stores Gas Use Carbon Dioxide Emissions |
| 03 | 2. Highlights | 12 | 5.3 Construction 'Fit-Out' Stage – Carbon Dioxide Emissions |
| 04 | 3. Executive Summary | | 5.4 Big Yellow's Carbon Footprint |
| 05 | 4. Stakeholders | 13 | 6. Renewable Energy |
| | 4.1 Our Customers | 14 | 7. Store Planning, Design and Construction |
| 06 | 4.2 Our Staff | 15 | 8. Health and Safety |
| 07 | 4.3 Our Supply Chain | | 14. CSR Programme for 2011 |
| 09 | 4.4 Governmental Organisations | | 15. Verification Statement |
| 10 | 4.5 The Investment Community | | |
| 11 | 5. CSR Key Performance Indicators | | |
| | 5.1 Store Energy Use – Carbon Dioxide Emissions | | |



Corporate Social Responsibility Report

1. INTRODUCTION

Big Yellow is continuing to meet its CSR priority of carbon reduction through investment in long term energy efficiency programmes over its whole store portfolio. Under the regulation of the Climate Change Act: Carbon Reduction Commitment ("CRC") Big Yellow has gained the Carbon Trust Standard by reducing its absolute emissions between the years 2007 to 2009. We have investment programmes in place for measuring energy efficiency through installing Smart Meters at our stores in order to benefit from energy reduction opportunities and savings. We continue to invest in renewable energy generation in our new store development programme, which will now provide an improved return on investment through the Government's renewable energy 'cash back' scheme launched on 1 April 2010. These programmes add value to the store portfolio and financial savings in operations, for every kWh of renewable energy generated and grid electricity displaced, while reducing carbon emissions and operational costs.

CSR Policy

Big Yellow's CSR Policy commits the Group to striking the balance between its social, economic and environmental responsibilities as an operator and developer of self storage buildings. In order to continue to develop a sustainable business the Board has once more committed significant resources to the CSR aspects of its operations. Our CSR policy also sets overarching environmental and social objectives for the Group which are measured by key performance indicators ("KPIs"), the most significant of which have been reported below.

CSR Management

Overall responsibility for the CSR Policy is provided by the Operations Director, Adrian Lee, through regular CSR committee meetings chaired by the CSR Manager. The Group's Board Reports communicate progress on CSR objectives to all of the Directors. Through this structure, the CSR Manager continues to integrate social and environmental aspects of the Group's new developments and store operations into its existing management systems, balanced with its commercial objectives.

CSR Reporting and Targets

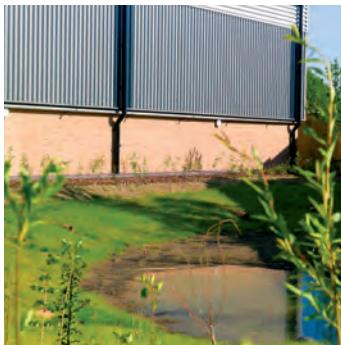
This is the Group's third annual CSR report and is largely based on the social and environmental aspects of our operations and the development of our new store portfolio. This year, we have restated our carbon emission data for the last three financial years, in line with the Department of Energy and Climate Change ("DECCs") new guide lines. We have also restated our health and safety data over the same period of time in order to introduce the more comparable Annual Injury Incidence Rate ("AIIR") indicator. Store and construction waste management performance have been measured in order to monitor these relatively lower scale, environmental impacts. The KPIs benchmark our current CSR performance and its continued improvement over the past three years. Based on the benchmark data for the year ended 31 March 2010 and external performance standards, the Group will set new targets, where appropriate, for the year ended 31 March 2011.

Scope of CSR Report

This report focuses on the establishment of our CSR policies in the new stores that were under construction and opened in the financial year ended 31 March 2010. These include our stores at: Twickenham; Edinburgh; Nottingham; Poole; Sheffield (Bramall Lane); Reading and High Wycombe. We also report on the continuing CSR performance of the existing self storage portfolio and their ongoing operations. More details of CSR policies, previous reports and awards can be found on our investor relations web site at <http://bigyellow.hemscottir.com/csr>.



Solar panels, Fulham



Wildlife pond, Twickenham



Solar display panel, Twickenham

Corporate Social Responsibility Report (continued)

2. HIGHLIGHTS

Below is a summary of the CSR highlights for this financial year:

1. The Environmental Real Estate Index

In February 2010, research commissioned by the Universities Superannuation Scheme, APG Asset Management and PGGM Investments reported that out of 688 property companies surveyed Big Yellow was the leader in the pan European 'Environmental Real Estate Index' and was ranked second globally. The index compares property companies' environmental credentials based on evidence of environmental management practices and their implementation.

2. The Carbon Trust Standard ("CTS")

In January 2010, Big Yellow received certification for achieving the CTS. The certificate was awarded because of our reduction in carbon emissions across the whole store portfolio and operations with an absolute reduction of 4.8% and a relative reduction to turnover of 7.8%. "It shows that Big Yellow is at the forefront of reducing the carbon emissions that it is directly responsible for, rather than just paying others to off-set their emissions."

3. Store Energy Performance Certificates ("EPCs")

Our new store in Twickenham achieved Big Yellow's first 'net zero carbon' EPC. Net zero carbon means that over a period of one year, the predicted national grid electricity demand and associated power station carbon emissions would be equal to or less than the energy saved by increased building insulation, energy efficient design and specifications, and the supply of on-site renewable energy. Only about 3% of the whole store area required heating and cooling and the predicted EPC recorded -5 kg CO₂ emissions per square metre.

4. Building Research Establishment Environmental Assessment Methodology ("BREEAM")

In December 2009, Big Yellow's new store in Reading was the second store in the portfolio to achieve an 'Excellent' BREEAM rating, after Sheen last year. It is one of the highest benchmarks of environmental excellence required by planning authorities. Ratings were highest for design and construction energy efficiency, renewable energy, sustainable materials use, waste recycling, water efficiency and landscape biodiversity.

5. Local Authority Awards

In November 2009, Big Yellow's Liverpool store was awarded the 'Green Business Ambassador' certificate by Liverpool City Council. The award is for 'commitment to reducing environmental impacts' and 'steps taken to reduce CO₂ emissions.' In the same month our Barking store received a 'highly commended' Green Business Award covering all East London Boroughs for its energy efficient specifications, wind turbine, rainwater harvesting system and green roof. In February 2010, our Bromley store received a second award for 'Green Building of the Year' covering the development of new buildings in all South-East London Boroughs.

6. 'How Green is My Company?'

In March 2010, Big Yellow claimed 7th position out of 964 companies in the 'How Green is My Company?' part of the 'Sunday Times Best Companies to Work For' survey. Staff feedback indicated that 80.1% were in support of Big Yellow's efforts to protect the environment. Staff are engaged in initiatives such as customer waste recycling, store energy efficiency checks, renewable energy monitoring, green travel plans and a tax free 'cycle to work purchase scheme'.



Corporate Social Responsibility Report (continued)

3. EXECUTIVE SUMMARY

Our most significant social and environmental performance improvements in the last year are summarised as follows:

Big Yellow Total Carbon Dioxide Footprint

Year	2009	2010	
Store electricity emissions (tCO ₂)	6,987	6,913	(1.1%)
'Fit out' diesel & electricity emissions (tCO ₂)	196	203	3.6%
Store flexi-office gas emissions (tCO ₂)	88	89	1.1%
Absolute carbon dioxide emissions (tCO ₂)	7,271	7,205	(0.9%)

Total carbon dioxide emissions decreased in absolute terms by 0.9%. This is the second consecutive year in which Big Yellow has managed an absolute carbon reduction.

Store Electricity Use, CO₂ Emissions and Carbon Intensity

Year	2009	2010	
Electricity Use (kWh)	12,866,186	12,730,855	(1.1%)
Absolute carbon emissions (Kg CO ₂)	6,986,725	6,913,236	(1.1%)
Carbon Intensity (Kg CO ₂ / m ² total space)	23.9	23.1	(3.4%)
Carbon Intensity (Kg CO ₂ / m ² occupied space)	43.4	38.9	(10.4%)

Big Yellow achieved an absolute reduction in store carbon emissions of 1.1% and carbon emissions per square metre decreased by 3.4%, meeting our carbon intensity target for 2010.

Renewable Energy Generation and CO₂ Emission Reduction

Year	2009	2010	
Renewable energy generation (kWh)	57,000	124,722	119%
Carbon dioxide reduction (tCO ₂)	25	68	–
Renewable energy percentage of total energy use	0.3%	0.9%	–

Renewable energy generation totalled 124,722 kWh for financial year ended 31 March 2010, an increase of 119% over the previous year, resulting in a carbon emission saving of 68 tonnes of CO₂.

Considerate Constructors Scheme

Year	2009	2010	
Number of Construction Projects	6	7	
Percentage of Registered Sites > UK average	77.8%	81.8%	
Average Points Score For All Sites	30.8	32.1	

81.8% of our sites met or exceeded the CCS national average points score for all construction sites in the UK. Two sites achieved 35 points or more and enter the top 10% of construction companies in the UK to be reviewed for the Schemes National Awards. Our Reading construction site achieved a Bronze award at the CCS National Awards for 2010 and our High Wycombe construction site received a certificate for 'Performance Beyond Compliance'.

4. STAKEHOLDERS

Big Yellow confirms its commitment to CSR by engaging with all its main stakeholders. We have provided information and gained useful feedback from a wide range of stakeholders, as described below.

4.1 OUR CUSTOMERS

Big Yellow provides a high quality, safe, secure and convenient self storage environment for domestic customers who need more space to de-clutter, extend or move home. We also provide storage space for office and workshop based customers, to assist new business start up or existing business expansion.

CSR Policy and Communications

Big Yellow has made its storage customers aware of its CSR policy and has provided waste management guidance within the 'Guide to Self Storage' which is given to all new customers. Our Sales and Marketing Department has provided our customers with short CSR news articles and access to an 'Eco-Store' video via You Tube, Facebook and Twitter [<http://bigyellow.hemscottir.com/csr>]. We also provide key client accounts with tender support information on more detailed social and environmental policy, management systems and performance to meet or exceed their requirements.

Waste Recycling

This year we have drawn the attention of our domestic customers to in-store posters providing them with guidance on local recycling centres by postcode, contact telephone numbers and travel distance. We have also supported our business customers in providing additional recycling facilities for their waste in order to assist them to establish or maintain registered Environmental Management Systems.

Corporate Social Responsibility Report (continued)

4.1 OUR CUSTOMERS (continued)

Green Travel Plans

In our Sheen and Reading stores customers are encouraged to use more sustainable modes of transport other than the car, by providing them with information packs.

Eco-labelled Packaging Materials

Big Yellow is a registered brand user of the 'Recycle Now' logo which encourages customers to recycle our cardboard boxes and packaging. The logo is owned by the Waste and Resources Action Programme, a Government-funded agency that promotes recycling in England. Our cardboard boxes and packaging materials have recycled contents ranging from 70% to 100%. Plastic storage containers are predominantly recyclable polypropylene and our collapsible container is made from 100% recycled polypropylene content. Some types of our storage shelving are made from recycled polypropylene or timber. Our loose fill packing material is made of a minimum 90% recycled polystyrene and all of our packing tissue paper is 50% recycled content.

Local Community

Big Yellow also provides services, employment and charitable support to its customers and local communities within the catchment of many of its stores.

Some storage space is provided for local charities at a discounted rate or free of charge. Big Yellow has continued to support Cancer Research UK as its preferred charity partner, at the same time assisting numerous other local charities with connections to our store, staff or customer catchments.

We provide free storage to many other charities, such as Read International, the British Heart Foundation, Diabetes UK and Smile International. The value of free storage provided to charities in the year was £277,000.

4.2 OUR STAFF

The CSR Manager continues to work with the Human Resources, Facilities and Operations Managers to raise staff awareness of the social and environmental aspects and impact of their work.

CSR Policy & Training

A CSR Policy poster was distributed to all store staff in 2008. This is displayed in poster format in each store and on the staff intranet. Initial training for new employees includes an introduction to the Group's CSR objectives. Last year the Group's training work books were improved to raise awareness and set tasks on the environmental aspects of store operations. 'Energy Efficiency Check Lists' are completed on a seasonal basis by all staff. Staff at our newest 15 'Eco-Stores' also report centrally on renewable energy generation and green travel plans status, where required.

Store Energy and Environmental Manuals

From the opening of our Sheen store in December 2008, all new stores have been provided with manuals covering their CSR Policy, energy efficiency and renewable energy installation specifications. Guidance is also provided on waste recycling facilities, rainwater harvesting installations, water saving features and biodiversity plans.



Solar panel installation, Reading



Green wall, Sutton

Corporate Social Responsibility Report (continued)

4.2 OUR STAFF (continued)

Green Travel Plans

Staff are encouraged to use more sustainable modes of transport, other than the car, in traffic congested areas and where required by Local Planning Authorities. To encourage this the Group has provided showers and changing facilities at stores to encourage walking and cycling to and from work.

Travel Carbon Footprint

Following a staff travel survey launched in Autumn 2008, our employee travel carbon footprint can now be estimated on an annual basis by the average number of staff employed each year. The estimated average carbon emissions per employee is 2.19 tCO₂ per year.

Employee Travel Carbon Footprint

Year	2008	2009	2010
Average Number of Employees	218	239	252
Estimated Annual Employee Travel Carbon Footprint	477 tCO ₂	523 tCO ₂	553 tCO₂

More details of the travel survey can be found in the case studies section at <http://bigyellow.hemscottir.com/csr>.

To encourage change to more active modes of travel, promote employee health and well being and reduce our travel carbon footprint the CSR Committee has implemented the following in the last year:

- > A tax efficient cycle purchase scheme for all employees;
- > A Group wide subscription to www.acttravelwise.org to provide guidance on 'green travel plans'; and
- > Shower and changing room facilities provided in new stores and to be considered in future store refurbishment programmes where viable.

'Your Voice' Survey 2009

Our bi-annual staff survey provides us with feedback on business communication, management, employee development and benefits. It also provides a measure of staff awareness of corporate social and environmental responsibility. The degree of engagement of store staff on CSR between the surveys in 2007 and 2009 can be summarised as follows:

- > CSR awareness and communications have improved;
- > The greatest rise in engagement was for supporting local community welfare and charitable causes;
- > Awareness of CSR policies improved; and
- > Commitment to CSR values and environmental improvement were sustained.



Avenue of trees, Twickenham



Sustainable drainage systems, Twickenham



Landscape conservation and enhancement, Poole

Corporate Social Responsibility Report (continued)

4.3 OUR SUPPLY CHAIN

Our supply chain of consultants, suppliers and contractors can significantly influence our social and environmental performance, especially in the areas of planning, design and the construction of stores. This influence is also continued in the operation of stores through our facilities management contracts.

Energy Services

Big Yellow's energy service company has provided total energy use data for the store portfolio for annual carbon emission reporting and the CTS. Our energy service company will also be providing 'Smart Meters' to analyse energy efficiency improvements for our 'Carbon Reduction Commitment'.

A major supplier of energy to our business has provided 'Carbon Reduction Commitment' workshops, 'Energy Efficiency Toolkits' for our stores and is purchasing the renewable energy that we generate at our Balham and Merton stores. Ten solar installations and two wind turbines are in the process of being transferred, under the Office of the Gas and Electricity Markets ("OFGEM") to the new 'Feed in Tariff' provided in the Energy Act. This will increase our revenue on the sale of our renewable energy to energy companies and provide an improved return on our renewable energy investments.

Renewable Energy

In Autumn 2009, we joined the 'Support Solar' campaign of our supplier to encourage the Government to increase its 'Feed in Tariff' ('cash back scheme') to companies like Big Yellow, who are making significant capital investments in renewable technology. The aim was, not only to increase the rate of return on investment, but also to help increase its uptake and create more 'green' jobs within the UK. A presentation was given by the CSR Manager at the annual Eco-Build Exhibition in March 2010, together with other industry peers and representatives from the Government.

Store Waste Management and Recycling

Store waste generation consists mainly of paper, cardboard and packaging, which has a relatively minor environmental impact in terms of cost, it represents only 3.5% of our environmental impact. Timber pallets, fluorescent lamps and small quantities of oily wastes are recycled. The table below provides estimates of the bulk volume of waste generated by a growing store portfolio.

Estimates of Store Non Hazardous Bulk Waste Volume

Year	2008	2009	2010
Estimated total bulk waste volume (m ³)	4,248	4,369	4,380
Number of stores	48	54	60

Our waste disposal costs have risen by 7.8% in 2008 and 16.3% in 2010. In March 2010, a 'snapshot' survey of 22 of our 60 stores was undertaken to estimate bin waste destination percentages to recycling centres and landfills over the past three years.

This survey indicated that the waste from 87% of the sample went to recycling centres, but an unknown quantity of residual waste was sent to landfill after sorting. It was also estimated that waste from about 13% of stores went direct to landfill.

A review of waste management to improve the quantity of recycling at our stores was implemented by the Facilities and Administration teams last year. A new waste contractor was selected because they use waste as a source of raw materials for their cardboard production. The contractor carried out surveys at 16 stores and this has identified that the majority of waste is mixed dry recyclables. The remaining general waste – food, food packaging, glass and other non-recyclable items will be sent to a sorting station to identify further recyclables, before the residual waste is sent to landfill.

In the next financial year our contractor will continue to carry out surveys at other Big Yellow stores and will discuss existing waste volumes with the store teams so they can advise us on the appropriate bin sizes and collection frequencies for all stores. Once the surveys are complete, delivery of bins, information packs and posters will start to arrive, so each store has all the information and equipment needed for the start of a new waste management scheme.

Corporate Social Responsibility Report (continued)

4.3 OUR SUPPLY CHAIN (continued)

Construction Waste Management

Big Yellow selects waste contractors for the 'fit-out' stages of our new store construction that can provide waste management and recycling data. This data is used for performance improvements in Building Research Establishment Environmental Assessment Methodology ("BREEAM") ratings, where required. Demolition and excavation wastes are excluded in the BREEAM assessment and their standard is to divert at least 75% by weight or 65% by volume of non-hazardous waste from landfill. Generic recycling and landfill disposal percentages, including demolition and excavation wastes, have been provided by one of our main contractors for Bromley and Twickenham in the table below. These waste figures represent the total tonnage processed by the contractor, including other construction sites, during the period that Big Yellow was fitting out Bromley and Reading.

Example: Contractor Recycling and Landfill Disposal Percentages for Bromley and Twickenham

Fit Out Periods	April 2009 – June 2009	July 2009 – September 2009
Total contractor waste (tonnes)	45,307	44,951
Total contractor waste – recycled (%)	93.2	89.9
Total contractor waste – landfill (%)	6.8	10.1

This information indicates that relatively high percentages of our construction waste were recycled from our Bromley and Twickenham sites. Reading fit out waste recycling will be reported next year. High percentages of timber are recycled during fit out. Smaller amounts (<1%) of iron, top soil, paper/cardboard, plasterboard and plastics are also recycled. Big Yellow's construction waste management performance for all of our development sites in the financial years 2009 and 2010, are summarised in the table below.

'Fit Out' Construction Non Hazardous Waste

Year	2008	2009*	2010**
Total waste skip volume (m ³)	No data	1,912	1,754
Average Waste Resource Efficiency m ³ /100m ² GIA of store***	No data	36.4	34.1
Plasterboard recycled – supplier 'take back' (m ³)	No data	189	216

* 6 stores included

** 5 stores included

*** GIA = Gross Internal Area of the new store

This table excludes demolition and shell construction waste, but helps Big Yellow compare performance between sites by the ratio of waste volume over the building area [our average waste resource efficiency] during the 'fit out' phase of build that is managed by Big Yellow Construction. Typically, total annual waste volumes for five or six stores remain under 2,000 m³ per year and we recycle plasterboard directly back to the supplier.

The Considerate Constructors Scheme ("CCS")

All Big Yellow's contractors for demolition, shell and fit out works are instructed to register with the CCS and all sites have been in compliance with their minimum standards since 2008. Sites are monitored against a Code of Considerate Practice providing guidelines that are beyond statutory requirements. Areas of management performance include the environment, the workforce and the general public. A maximum of 5 points can be gained by site workers for each of the following categories: being considerate; protecting the environment; maintaining cleanliness; being a good neighbour; respectability; safety; responsiveness; and accountability. CCS auditors visit our sites and assess performances out of a maximum score of 40 points. Reports are then sent to the Construction Director and CSR Manager for review and actions if required.

Considerate Constructors Scheme Performance

Year	2008	2009	2010	2011 Target**
Number of Construction Projects	6	6	7	–
Percentage of Registered Sites > UK average*	76.5%	77.8%	81.8%	–
Average Points Score For All Sites	30.9	30.8	32.1	31.0

Compliance with the schemes code = 24 points and above

* Achieving the UK average score of all registered sites = 31 points

** CCS have indicated they will be reviewing their scoring system in 2010. Our 2011 target may need to be adjusted to reflect this.

81.8% of our sites met or exceeded the CCS national average points score for all construction sites in the UK. Out of 11 site reports, 8 scored above the UK average of 31 points. We exceeded our average points score target set for 2010 (30 points) by achieving 32 points, an improvement of 4.2% on last year. Sheffield [Bramall Lane] and Reading 'fit out' sites both achieved 35 points or above and enter the top 10% of construction companies in the UK to be reviewed for the CCS National Awards Scheme. Reading and High Wycombe received a certificate for 'Performance Beyond Compliance' on 5 March 2010. The Reading site also achieved a Bronze award at the CCS National Awards for 2010.

Corporate Social Responsibility Report (continued)

4.4 GOVERNMENTAL ORGANISATIONS

Government organisations that Big Yellow has engaged with last year included the Department of Environment and Climate Change on the 'Carbon Reduction Commitment', and the Environment Agency ("EA") who will be managing the legislations implementation. We have also engaged with OFGEM, which secures Britain's energy supplies, contributes to reducing climate change and aims at increasing sustainable development in the energy industries. Big Yellow has also engaged with trusts that the Government has set up, such as the Carbon Trust and the Building Research Establishment.

The Department of Environment and Climate Change ("DECC")

In the UK, the Climate Change Act has recently introduced the 'Carbon Reduction Commitment' ("CRC") to thousands of non-intensive business users of energy. These companies will form a league table that will trade in carbon deficits and surpluses. In order to prepare for this legislation Big Yellow has been measuring and reporting its total energy use and carbon emissions in its Annual Report since 2008. The CRC legislation is an economic instrument that requires companies to conduct long term planning and investment to deliver energy efficiencies. Big Yellow has successfully demonstrated a reduction in the absolute amount of carbon it has been emitting year on year; even whilst undertaking a substantial expansion in its store opening programme in the last 12 months. This achievement was certified by obtaining the Carbon Trust Standard in 2010.

The Carbon Trust Standard ("CTS")

Big Yellow achieved CTS certification for its reduction in carbon emissions for the financial year ending 2009 against the average emissions for the financial years ended 2007 and 2008. In absolute terms the reduction in carbon emissions was 4.8% and relative to annual turnover it was 7.8%. The CTS certification indicates that Big Yellow is taking real action on climate change and has committed to ongoing emission reductions. The CTS requires Big Yellow to keep reducing its carbon footprint and to recertify every two years.

Office of the Gas and Electricity Markets ("OFGEM")

The Renewable Energy Obligation requires a proportion of the energy used at our stores to be supplied by on-site renewable energy and is increasingly being implemented through the planning process. Big Yellow considers this significant capital expenditure as a long term investment in its development programme. With the establishment of the Governments 'Feed in Tariff' for renewable energy we are working through OFGEM to register all of our solar and wind renewable energy installations into the new 'cash back' scheme, for an improved return on investment.

Energy Performance Certificates ("EPC")

Since October 2008, EPCs are required for all commercial buildings whether built, rented or sold. The EPC records how energy efficient a property is as a building and provides ratings from A to G. This allows prospective investors, buyers and tenants to see information on the energy efficiency and carbon emissions from their building so they can consider energy costs as part of their investment. Since October 2008, most new Big Yellow stores have been certified at or one level above expected energy efficiency benchmarks for new buildings in England or Scotland. In the case of our Twickenham store, it achieved a net zero CO₂ emission rating.

Local Planning Authorities ("LPAs")

An increasing number of LPAs are requiring higher levels of achievement in the Building Research Establishment's Environmental Assessment Methodology ("BREEAM"). Big Yellow's Sheen and Reading stores have achieved 'Excellent' BREEAM ratings. They scored highly in sustainable building design, energy efficiency, water conservation, waste management and biodiversity. All of these improvements will help to protect the environment and reduce the stores' operational costs over both the short and long term. In recent years Big Yellow's efforts have been recognised by different LPAs, with Green Building Awards won for the Group's new stores at Barking, Bromley, Liverpool and Merton. The performance of the new renewable energy technologies, together with rain-water harvesting, are remotely monitored by a system providing the LPAs with ongoing information about the most effective forms of technology being used. By being part of this research effort Big Yellow aims to lead and inform the debate on the benefits of the new technologies and help others to make the right decision.



Considerate Constructors Scheme,
Reading



Wind turbine, Barking

Corporate Social Responsibility Report (continued)

4.5 THE INVESTMENT COMMUNITY

The investment community includes ethical and environmental investors, analysts, and research and information services. It also includes sustainable business index series and their associated eco-funds.

FTSE4Good and the Ethical Investment Research and Information Service ("EIRIS")

In the year ended 31 March 2009, Big Yellow received feedback from EIRIS on its 2009 CSR Report that it satisfied their social and environmental standards for membership to the 'FTSE4Good' index series. In 2010 Big Yellow will be updating their information on the progress made on our policy objectives, management systems and key performance indicators.

The Carbon Disclosure Project ("CDP")

Big Yellow took part in the sixth Carbon Disclosure Project ("CDP") in the year ended 31 March 2009. The CDP is an independent 'not-for-profit' organisation aiming to create a relationship between shareholders and companies regarding the implications for shareholder value and commercial operations presented by climate change. The CDP provides a coordinating secretariat for institutional investors with a combined US \$57 trillion of assets under management.

The Environmental Real Estate Index

In 2009, Maastricht University were commissioned by the Universities Superannuation Scheme, APG Asset Management and PGGM Investments to conduct a report into the environmental performance of European property investment and development companies. They reported that out of 688 European companies surveyed, Big Yellow was the leader in the 'Environmental Real Estate Index' and was ranked second globally. The index compares property companies' environmental credentials based on the evidence of environmental management practices and their implementation. The survey results were announced in February 2010 and measured what real estate companies were doing to reduce material risk and to benefit from sustainable business opportunities through environmental key performance indicators. The survey represented 80% of the listed European property market. The Maastricht survey is likely to be repeated every other year and to become an increasingly important part of the property investor's decision-making process.

5. CSR KEY PERFORMANCE INDICATORS

The most significant environmental impact of Big Yellow's activities is its carbon emissions from operational stores. This is due to the longer term use of energy in these stores, compared to the shorter demands from store construction and work related travel. Big Yellow has re-calculated its carbon dioxide (CO₂) emissions for the past three years using the new DEFRA / DECC conversion factors published on 30 September, 2009.

5.1 STORE ENERGY USE – CARBON DIOXIDE EMISSIONS

Store energy use is predominantly electricity from 'offsite' national grid supply for lighting, lifts, heating, cooling and ventilation. This type of emission is classified as 'Scope 2' from power station combustion. The table below summarises the Company's usage and emissions over the last three years:

Year	2008	2009	2010	2011 Target
Electricity Use (kWh)	13,899,604	12,866,186	12,730,855	(1.1%)
Absolute carbon emissions (Kg CO ₂)	7,547,902	6,986,725	6,913,236	(1.1%)
Carbon Intensity (Kg CO ₂ / m ² total space)	27.6	23.9	23.1	(3.4%)
Carbon Intensity (Kg CO ₂ / m ² occupied space)	44.7	43.4	38.9	(10.4%)

Big Yellow achieved a second absolute reduction in store energy use and carbon emissions of 1% (2009: 7.4%). Last year's reduction was largely due to the installation of motion sensor lighting in store corridors. Carbon dioxide emissions per square metre of total storage space, also known as 'Carbon Intensity', takes into account the growth of the store portfolio. This measure decreased by 3.4%, exceeding our 3% Carbon Intensity reduction target for 2010. Carbon reduction relative to occupied space, taking into account business activity; showed a significant 10.4% saving in energy use and carbon emissions compared to previous years. Our target will be to continue to reduce carbon intensity by 3% for 2011. This will become a more challenging target to achieve, as the benefit of our investments in store energy efficiency become less able to deliver significant savings.

Corporate Social Responsibility Report (continued)

5.2 STORES GAS USE CARBON DIOXIDE EMISSIONS

Flexi-office services are provided alongside self storage in eleven of the sixty open stores. Most stores with flexi-offices use gas heating, which causes 'onsite' combustion, known as 'Scope 1' carbon emissions.

Stores Flexi-offices Gas Usage

Year	2008	2009	2010	2011 Target
Flexi-office gas energy use (kWh / year)	366,523	479,354	482,229	0.6% –
Carbon dioxide emissions (Kg CO ₂)	67,286	88,000	88,528	0.6% (1%)
Final Office Area (m ²)	2,955	3,282	3,401	3.6% –
Flexi-office carbon intensity (Kg CO ₂ / m ²)	22.8	26.8	26.0	(3.0%) (3%)

More stores with flexi-offices were opened in 2009 and 2010. Therefore increased gas use caused an absolute carbon dioxide emissions increase of 0.6%. However, carbon dioxide emissions per square metre of office space (carbon intensity), decreased by 0.8 kg CO₂ / m² meeting our reduction target of 3%. A programme for increasing gas boiler energy efficiency will be considered for the future. A small reduction in carbon emissions from ground source heat pumps has contributed to carbon reductions relative to office areas at Bromley and Kennington.

5.3 CONSTRUCTION 'FIT-OUT' STAGE – CARBON DIOXIDE EMISSIONS

Annual construction 'fit-out' energy usage is determined by the number of stores built in each year, the availability of a grid electricity supply, and the size and the local site conditions of each project. Store 'fit out' is the final stage of construction which Big Yellow directly controls. This year seven stores were either fully or partly under 'fit-out' construction and diesel consumption and grid electricity usage is recorded in the table below.

Big Yellow 'Fit Out' Energy Use & Carbon Dioxide Emissions

Year	2008	2009	2010	
Total fit out diesel use (litres)	60,532	37,962	50,571	33.2%
Total fit out electricity use (kWh)	135,699	177,047	127,643	(27.9%)
Carbon dioxide emissions per area (kgCO ₂ / m ²)	5.0	4.8	4.4	(8.3%)
Absolute total metric tons (tCO ₂)	233	196	203	3.5%

An absolute increase in carbon emissions of 3.5% occurred due to the increased use of diesel. However, the carbon intensity or emissions per square metre of new build, decreased by 8.3% indicating a more efficient management of energy resources on site compared to the previous years.

5.4 BIG YELLOW'S CARBON FOOTPRINT

Big Yellow's carbon footprint is set out in the table below.

Big Yellow – Absolute Carbon Foot Print

Year	2008	2009	2010	2011 target
Store electricity carbon dioxide emissions (tCO ₂)	7,548	6,987	6,913	(1.1 %) (1%)
'Fit out' diesel & electricity carbon dioxide emissions (tCO ₂)	233	196	203	3.6 % (1%)
Store flexi-office carbon dioxide emissions (tCO ₂)	67	88	89	1.1 % (1%)
Total carbon dioxide emissions (tCO ₂)*	7,848	7,271	7,205	(0.9 %) (1%)

* Expressed as metric tonnes of carbon dioxide

Total carbon dioxide emissions for combined store and operational emissions decreased in absolute terms by 0.9%. This is the second consecutive year in which Big Yellow has managed an absolute carbon reduction. In financial year 2011 Big Yellow plans to continue its programme of installing energy efficient lamps and the installation of Smart Meters to assess energy use in our stores more accurately. Longer term energy efficiency programmes will also be reviewed where appropriate technologies can be identified.

Corporate Social Responsibility Report (continued)

5.5 RENEWABLE ENERGY

In the year ended 31 March 2010 a further four stores generating renewable energy were added to the portfolio. To date Big Yellow has renewable energy assets that include ten solar photo-voltaic installations, five ground source heat pumps and two wind turbines. The generation from ground source heat pumps has been estimated using manufacturers' specifications. Next year guidance from the Feed in Tariff for ground source heat pumps will be used for more accurate readings.

Renewable Energy Generation and CO₂ Emission Reduction

Year	2008	2009	2010	2011 Targets	
Renewable energy generation (kWh)	3,297	57,000	124,722	119%	+35%
Carbon dioxide reduction (tCO ₂)	2	25	68	172%	
Renewable energy as a % of energy use	0.03%	0.3%	0.9%	–	

Energy generation totalled 124,722 kWh for financial year ending 31 March 2010, an increase of 119% over the previous year, resulting in a carbon emission saving of 68 tonnes of CO₂. Solar photovoltaic energy has proved to be the most reliable technology for meeting Local Planning Authority carbon dioxide reduction targets. Also, due to the financial incentive of the 'Feed in Tariff' return on investment has reduced to about 10 years and can potentially provide a significant income stream in the longer term. A further three stores with solar photo-voltaic installations (Edinburgh, Nottingham and Reading) have been opened during the year. Renewable energy generated from these stores will be measured at the end of next year to compare specification against actual performance and to gain 'cash back' from the 'Feed in Tariff' for energy generated and used on site.

6. STORE PLANNING, DESIGN AND CONSTRUCTION

The following section summarises Big Yellow's initiatives to reduce its carbon footprint and increase its environmental performance through store design, specification and the installation of renewable energy technologies.

Planning authorities require environmental assessments of new building designs and construction to be undertaken. In December 2009 our new Reading Store achieved an 'Excellent' rating from the Building Research Establishment's Environmental Assessment Methodology (BREEAM). The environmental performance of the Reading store performed well in the design and construction stages for energy efficiency, renewable energy, materials selection, waste management, water conservation and landscape biodiversity amongst other criteria. The 'excellent' BREEAM rating at Reading follows on from the same rating we achieved in 2009 at Sheen. These types of environmental assessments are required for several of our future stores and we aim for more 'Excellent' and 'Very Good' ratings in the future. The tables below summarises all the environmental performance improvement features from our most recent stores developments (our "Eco-stores").

Improvements in Sustainable Development & Eco-Efficient Store Operations 2007 – 2010

Eco-store	Motion Sensor Lighting	Energy Efficient Lighting	Renewable Energy	Green Travel Plans	Rain Water Harvesting	Green Roofs	Improved Ecology
Sutton ⁽¹⁾	✓	–	–	–	✓	✓	✓
Barking ⁽²⁾	✓	–	✓	–	✓	✓	✓
Ealing	✓	–	–	–	–	–	✓
Balham ⁽³⁾	✓	–	✓	✓	–	–	✓
Fulham ⁽³⁾	✓	–	✓	✓	–	✓	✓
Merton ⁽⁴⁾	✓	–	✓	–	✓	–	✓
Kennington ⁽³⁾	✓	✓	✓	–	–	–	✓
Sheffield Hillsborough	✓	✓	–	–	–	✓	✓
Sheen ⁽⁵⁾	✓	✓	✓	✓	–	–	✓
Bromley ⁽³⁾	✓	✓	✓	–	–	–	✓
Birmingham	✓	✓	–	✓	–	–	✓
Liverpool	✓	✓	–	–	✓	–	✓
Twickenham ^(6,7)	✓	✓	✓	–	–	–	✓
Edinburgh ⁽⁶⁾	✓	✓	✓	–	–	–	✓
Nottingham ⁽⁶⁾	✓	✓	✓	–	–	–	✓
Poole	✓	✓	–	–	–	–	✓
Sheffield Bramall Lane	✓	✓	–	–	✓	–	✓
Reading ⁽⁵⁾	✓	✓	✓	–	–	–	✓

(1) Green wall

(2) Wind turbine

(3) Solar panels and Ground Source Heat Pumps

(4) Solar panels and wind turbine

(5) 'Excellent' Building Research Establishment Environmental Assessment Methodology (BREEAM) Rating

(6) Solar panels only

(7) Net zero carbon Energy Performance Certificate

Corporate Social Responsibility Report (continued)

6. STORE PLANNING, DESIGN AND CONSTRUCTION (continued)

All Big Yellow store managers have responsibility for a seasonal 'Energy Efficiency Walk Round' checklist and, where indicated in the table above, responsibility for travel plans, biodiversity plans and renewable energy generation reporting. Travel plans are implemented where traffic congestion in inner city or urban environments are a planning issue and can offer information on modes of transport for our staff and for our customers other than the car. Rainwater harvesting and sustainable urban drainage systems ("SUDS") are installed where advised by LPAs usually in association with an adjacent flood risk area. Green roofs, green walls and landscape add opportunities for improvement in biodiversity and habitat. They also reduce the impact of the 'urban heat island affect' and flooding by water retention. All stores have motion sensor lighting as standard and energy efficient lighting has been standard in all new stores from Kennington onwards. The Facilities Team is rolling out a programme of energy efficient T5 re-lamping in the existing store portfolio and this will have a significant effect on energy demand reduction going forward. Reliable solar pv energy generation will also improve our carbon emission reductions and contribute to Energy Performance Certification ("EPC") above the national benchmarks for new and existing buildings.

7. HEALTH AND SAFETY

The Group has established self storage, construction and office health and safety policies and management systems to protect our staff, customers, visitors and contractors. These policies were reviewed in the year ended 31 March 2010 and an overarching Group Policy was put into the public realm on the Investor Relations website. Health and safety data is monitored and recorded by the Facilities team and the Construction team for our wholly owned stores, partnership stores and Armadillo stores that we manage on behalf of third party investors.

Store Customers, Contractors and Visitors

There were no customer, contractor and visitor Near Misses and a reduction in Minor Injuries of approximately 30%.

* RIDDOR = Reporting of Injuries, Diseases and Dangerous Occurrences Regulation 1995

Big Yellow Self Storage – Store Customer & Visitor Health and Safety

Year	2008	2009	2010
Total number of customers (move-ins)	40,421	34,169	39,297
Minor Injuries	54	75	53
Reportable Injuries (RIDDOR)	1	–	1
Annual Injury Incidence Rate (AIIR) per 100,000 customers	2.47	–	2.54

Minor Injuries were predominantly related to the handling of personal possessions by customers when putting them in or taking them out of storage. One reportable injury in 2010 has resulted in a relatively low Annual Injury Incidence Rate (AIIR) of 2.54 using the number of "move-ins" per year. No fatal injuries, notices or prosecutions occurred.



Solar panels, Twickenham



Green roof, Fulham

Corporate Social Responsibility Report (continued)

7. HEALTH AND SAFETY (continued)

Store and Office Staff

With an increase of about 5% in annual average employment over the previous year, there have been no Near Misses and a 54% reduction in Minor Injuries.

Big Yellow Self Storage – Staff Health and Safety

Year	2008	2009	2010
Average Number of Staff	218	239	252
Near Misses	1	–	–
Minor Injuries	32	39	16
Reportable Injuries (RIDDOR)*	–	1	1
Annual Injury Incidence Rate (AIIR) per 100,000 staff	–	418	397
Notices	1	–	–

* RIDDOR = Reporting of Injuries, Diseases and Dangerous Occurrences Regulation 1995

No fatal injuries, notices or prosecutions occurred. Only one reportable injury occurred but the Annual Injury Incidence Rate (AIIR) reduced by 5%. Health and safety risks are assessed by independent consultants for Stores and Head Office. Approximately six stores per year are audited by an external consultant and their feedback has helped to reduce the total number of incidents against a rising number of staff, customers and store openings. Employees are trained in first aid and all are retrained every three years.

Big Yellow Construction Company Limited

An average number of 12 staff per site per year are employed during the 'fit-out' stage of construction.

Big Yellow Construction Company Limited – Fit out Stage Health and Safety

Year	2008	2009	2010
Average number of staff	72	78	84
Near Misses	–	–	1
Minor Injuries	2	7	2

No reportable injuries, fatal injuries, notices or prosecutions occurred in the year ended 31 March 2010 and for the previous two years. Two Minor Injuries represented a 70% reduction from the previous year, indicating a well controlled environment for staff and contractors on site. Construction Design Management Regulation training was completed for the year ended 31 March 2010.

8. CSR PROGRAMME FOR 2011

Strategy	Programme	Objectives / Targets (2011)
The Carbon Reduction Commitment (CRC)	Complete registration for the 6 month period to 30 September 2010 and report financial savings	Position in the upper half of the CRC league table
The Carbon Trust Standard (CTS)	Maintain CTS certification for carbon reduction and efficiency initiatives	Certification from 1 April 2011 to 31 March 2013
Energy Efficiency	To install Smart Meters where required to gain a real-time and accurate analysis of energy use of all stores	Investment to be completed by 31 March 2011
Renewable Energy Revenues	To transfer all existing and new renewable energy generating stores to the 'Feed in Tariff'	Claim 'cash back' from the new scheme (October 2010)
Improving Real Estate Value	To aim for the highest BREEAM standards in new store eco-efficiency: energy; materials; waste; water etc	Increased asset value and lower operating costs
Energy Performance Certificates (EPCs)	To achieve carbon emission ratings on new stores better than the UK average on existing and new stock	Certificate ratings > average new build of a similar design
Environmental Real Estate Index	Maintain environmental policies, management systems and reporting on implementation of programmes	To maintain a leading position in the real estate investment sector
FTSE4Good Index Series	Maintain social and environmental policies, management systems and reporting for membership	Submission to Ethical Investors Research ("EIRIS")
Store Waste Recycling	To carry out waste surveys for waste types and volumes and to adjust the waste collection program accordingly	Provide appropriate recycling bin sizes and collections

Corporate Social Responsibility Report (continued)



JONES LANG
LASALLE®

VERIFICATION STATEMENT

Scope

Upstream Sustainability Services, Jones Lang LaSalle has been appointed by Big Yellow Group PLC ('Big Yellow') to conduct an independent verification of the Company's 2010 CSR Report, covering the period 1 April 2009 to 31 March 2010. This statement is intended to provide Big Yellow's stakeholders with assurance that the information contained within this report is accurate and reliable. The objectives of the verification assignment are to:

- > Provide limited assurance of selected report content, including all Key Performance Indicator (KPI) data for the year ended 31 March 2010 and a limited number of factual statements relating to the Company's CSR activities in the year ended 31 March 2010.
- > Test the underlying systems and processes that are in place for the gathering and analysis of selected information contained within this report. This statement does not seek to provide a commentary on Big Yellow's CSR policies, targets, performance or strategy, nor performance prior to the financial year ended 31 March 2010.

The limited scope of the verification statement means that it is not intended to be used as the basis for any decisions, including financial or investment decisions.

Methodology

As part of this verification assignment, Jones Lang LaSalle undertook the following:

- > A review of management reports and data spreadsheets produced in the period 1 April 2009 to 31 March 2010 by Big Yellow. The purpose of this review was to verify the factual statements and KPI data included within the scope of this assignment. As such, we have only verified data collection systems and processes. We have not verified data or factual statements at source.
- > Interviewed the CSR Manager at Big Yellow to corroborate findings from management reports and data spreadsheets to build a picture of the underlying data collection systems and processes.

Findings and recommendations

Based on the findings of this verification assignment, it is Jones Lang LaSalle's opinion that:

- > The KPI data and factual statements reviewed accurately reflect the data recorded by Big Yellow as part of standard management reporting and data collation processes for the CSR report.
- > The underlying management systems for recording KPI data across stores, fit out and construction activities appears to be sufficiently robust for reporting purposes. In certain circumstances these systems could be improved to make the verification process more efficient and to make performance measurement more effective, particularly with regards to waste data. Jones Lang LaSalle therefore recommends that Big Yellow develops more formal data capture and recording systems for waste KPIs in particular.

Declaration of independence

The verification team assigned to this project do not have any involvement with Big Yellow and there are no conflicts of interest that would undermine the rigour of our conclusions. Furthermore, the Upstream Sustainability Services business unit has no financial dependencies on Big Yellow beyond the scope of this engagement.

A handwritten signature in black ink, appearing to read 'Abigail Dean'.

Abigail Dean
Senior Consultant
Dated: 14 May 2010

A handwritten signature in black ink, appearing to read 'Jonny McCaig'.

Jonny McCaig
Consultant

bigyellow.co.uk

You can access more information about us on our website

Overview

- Introduction
- Financial Highlights
- Our Nationwide Coverage
- Customer Service
- Online
- Social Responsibility

Chairman's Statement

Business Review

Financial Review

Accounts

- Report on Corporate Governance
- Corporate Social Responsibility Report
- Directors' Report
- Remuneration Report
- Full Statutory Accounts



Portfolio

- Summary
- Our Stores



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