UNITE STUDENTS 1 ARAB

The UNITE Group plc Corporate Responsibility & Sustainability Report 2014

INTRODUCTION SUSTAINABILITY MATTERS TO EVERYBODY

WELCOME FROM RICHARD SMITH

IT IS A GREAT PLEASURE TO INTRODUCE UNITE GROUP PLC'S FIRST STAND-ALONE CORPORATE RESPONSIBILITY AND SUSTAINABILITY REPORT. WHILE HIGHLIGHTS ARE SET OUT IN OUR ANNUAL REPORT AND ACCOUNTS 2014, THIS NEW AND SEPARATE FORMAT MEANS WE CAN PROVIDE GREATER INSIGHT INTO OUR ACTIVITIES.

Our business purpose – announced in 2014 but long in the making – is to provide a Home for Success to our students. Home for Success is partly characterised by 16 signature commitments to an improved student experience. As it develops, our new purpose will run much wider and deeper than these discrete areas. By most measurements Home for Success is an expression of corporate responsibility. You can find more about our business purpose on our website.

'Success' in this sense is not academic achievement alone. It can also mean:

- Encouraging students to develop sustainable living habits
- Enabling students to be at home within their communities
- Helping students from challenged backgrounds attend University

Of course, underpinning these ambitions must be a successful business providing a sustainable return for investors and a rewarding, fulfilling career for our people.



WE WILL REDUCE OUR GREENHOUSE GAS EMISSIONS, OUR ENERGY, WATER AND MATERIALS CONSUMPTION, AND INCREASE RECYCLING

OUR APPROACH TO SUSTAINABLE BUSINESS FOCUSING ON WHAT'S IMPORTANT

WHAT'S IN THIS REPORT

- 2 Responsible business
- 4 The environment
- 8 Building communities
- 9 The Unite Foundation
- 10 Developing people
- 12 What's next?

INTRODUCTION

Ensuring Unite balances economic, social and environmental factors is essential if we are to succeed in creating a Home for Success. To achieve this we focus on four areas:

RESPONSIBLE BUSINESS

We ensure we operate ethically, efficiently and effectively. We deliver quality to our customers and partners and, in doing so, generate a return for investors. We report openly and honestly, dealing fairly and transparently with our supply chain. Details of how we do this and our corporate governance are set out in the **Responsible Business** section of this report.

THE ENVIRONMENT

Ø

We recognise an increasing demand for limited global resources and the risk posed by global climate change. Our customers, investors and the Higher Education (HE) sector also expect us to improve our environmental performance. We are committed to reducing our greenhouse gas emissions, our energy, water and materials consumption, and increase recycling. Details of how we have done this in 2014 are set out in the **Environment** section of this report.

BUILDING COMMUNITIES

A Home for Success is one which builds communities within and around a student's home. An environment in which students, staff, HE bodies, residents, businesses and services work together is an ideal worth working towards. Separately, the Unite Foundation is helping students from the most underprivileged backgrounds to attend University. How this is done can be found in the **Building Communities** and Unite Foundation sections of this report. We must ensure we operate ethically, efficiently

and effectively

DEVELOPING PEOPLE

İİİ

Success is driven by people, and so maintaining a diverse, skilled and motivated team is vital. We work hard to help our staff realise their personal and professional potential in a fair, safe and rewarding environment. Details of this are found in the **Developing People** section of this report.

Taken in total this responsible approach helps us deliver a measurable and positive contribution to the experience of our five principal stakeholder groups: students, the HE sector, communities, staff and investors.

I hope you find this report valuable and informative. Contact details are listed at the end of this report and I would be delighted to hear any feedback that you may have.

RICHARD SMITH Managing Director of Operations

UNITE IS THE UK'S LEADING MANAGER AND DEVELOPER OF STUDENT ACCOMMODATION. WE PROVIDE A HOME FOR OVER 43,000 STUDENTS IN 125 PURPOSE BUILT PROPERTIES ACROSS 25 OF THE UK'S STRONGEST UNIVERSITY TOWNS AND CITIES. WE HAVE OVER 1,000 EMPLOYEES AND WORK IN PARTNERSHIP WITH MORE THAN 55 HIGHER EDUCATION PROVIDERS, AS WELL AS RENTING ROOMS DIRECTLY TO STUDENTS

RESPONSIBLE BUSINESS

FIRST PRINCIPLES

As a FTSE 250 listed company, Unite has a duty to promote the success of the business for the benefit of shareholders. We believe there is no contradiction between this goal, and behaving in a responsible and sustainable manner towards all those we affect. We must act with the highest standards of corporate governance and integrity at all times across all areas of our operations.

The Annual Report and Accounts 2014 details our overarching corporate governance. This section details elements that are important from a Corporate Responsibility and Sustainability perspective.

Committee and Working Group

The Corporate Responsibility & Sustainability Committee is chaired by Managing Director of Operations Richard Smith, who is accountable to the Board for performance in this area. During 2015 we will be setting targets for relevant Key Performance Indicators and incentives for performance improvement. The Committee is also responsible for identifying and assessing risks for escalation to the Unite's Risk Committee. A monthly working group chaired by our Communications Director brings together day-to-day activity in this area from across the business.

Code of Ethics

The Unite Code of Ethics sets out in detail the expectation placed on all colleagues, ensuring adherence to the highest standards of business behaviour. It covers honesty and integrity, non-discrimination, conflicts of interest, anti-bribery, the correct management of confidential information and encourages whistleblowing on illegal or improper conduct. It is supported by various Business and HR policies (outlined below and in the Developing People section of this report).

Corporate Gifts & Hospitality Policy and Expenses Policy

In support of the Code of Ethics, all Unite staff are subject to our Corporate Gifts & Hospitality Policy and Expenses Policy, which together leave no space for bribery, corruption or fraud. Any allegation or suspicion of impropriety or breach of these policies will be investigated immediately.



We must act with the highest standards of corporate governance at all times across all areas of our operations

Employee Share Dealing Code

Colleagues with access to specific confidential or sensitive information are subject to the Employee Share Dealing Code, which requires them to seek written permission from the Company Secretary before buying or selling shares and imposes various 'closed periods' prior to annual reporting. This is intended to prevent abuse of privileged information for personal gain or insider trading.

Whistleblowing

We provide all colleagues with guidance on reporting any concerns such as improper accounting or conduct, fraud or criminal acts, health and safety breaches, anti-competitive behaviour, discrimination, bullying, harassment, environmental damage or any other such activity. We make colleagues aware of a confidential whistleblowing service run by independent company *In Touch*.

Regulatory compliance

Unite's Company Secretary and Head of Legal, maintains a Regulatory Change Tracker in order to forewarn the business of impending legislation or regulation. This allows the necessary measures to be implemented to ensure compliance. In addition the Energy & Environment Manager maintains a Register of Legal Requirements detailing relevant environmental legislation.

DURING 2015 WE WILL BE SETTING TARGETS FOR RELEVANT KEY PERFORMANCE INDICATORS AND INCENTIVES FOR PERFORMANCE IMPROVEMENT

LED LIGHTING UPGRADE

When conducting trials it became clear LED lighting offered a wide range of student and sustainability benefits in support of Home for Success. Philips Lighting was selected as our strategic lighting partner, and £21 million set aside to install new LED lighting and controls in all areas of all of our buildings. This began in September 2014 and will complete in 2016.

EARLY RESULTS

We have already seen electricity use drop by over a fifth on some sites. Further, with lighting faults at around a third of all maintenance jobs we confidently predict a significant man-hour, hardware and waste saving. Most importantly, we have delivered improved light quality and reliability for students and colleagues.

The high-quality Philips LEDs avoid flicker, inconsistent colour temperature and unwelcome blue-light levels associated with inferior LED products, and provide great, dimmable light.

Students were given the freedom to personalise their living space with dimmer switches and colour-changing Philips LivingColors lamps in bedrooms, so rooms can be lit as our students choose, benefiting study, rest or socialising.

The project has also allowed us to move to 100% self-test emergency lighting, improving safety and reliability as well as reducing testing workload for our Compliance Team testing engineers.

Taken together, these cover the full spectrum of environmental, social and economic benefits, making this a truly sustainable project and key to providing a Home for Success for all of our students.

Filbert Village, Leicester

THE ENVIRONMENT A YEAR OF TRANSFORMATION

OVERVIEW

Our 'significant environmental impacts' have been identified as **energy** use, **carbon** emissions, **water** use and **waste** generation. Targets for each of these are to be developed over the next 12 months. A range of initiatives are already underway to reduce them. Details of this are set out below.

Environmental Management System

The Energy & Environment Team is responsible for measuring, managing and reporting on environmental performance as well as reducing environmental impact. To help with this the team are developing an Environmental Management System based on the requirements of the internationally recognised ISO 14001 standard and it is intended that formal certification is achieved within 24 months.

Reducing energy use and carbon emissions

As well as being the source of most of our carbon emissions, energy is one of our biggest costs. A structured approach to energy management is therefore critical to ensuring the viability of the business as well as reducing our greenhouse gas emissions. With this in mind, our Energy Strategy was launched in 2012 with four energy management objectives:

EFFECTIVE PROCUREMENT	 Procure good value utilities Pay the right amount Accurately measure consumption
BE LEAN	Understand consumptionReduce energy demand
BE CLEAN	Meet demand efficientlyMinimise wastage
BE GREEN	 Renewable energy Report performance Reduce Scope 3 emissions

A simple test is applied to any proposed energy management initiative: does it help further at least one of these objectives?



OUR ACTIVITIES

Energy consumption data

Half-hourly energy-use data is available to city teams, helping to monitor and manage consumption. We have been working with De Montfort University to develop a building energy-use tracking system displaying real-time feedback to occupants. This is being trialled in 2015 across a number of sites to support student engagement.

Student and staff engagement

Unlike many businesses where employees or processes use most of the energy, up to three-quarters of Unite's energy is consumed by students and is beyond our direct control. As well as measures to make buildings as efficient as possible, active engagement with students is critical to reducing energy use.

In December 2013 we appointed a Sustainability Engagement Coordinator to the Energy & Environment Team, tasked with developing an engagement campaign to encourage students to reduce energy usage and adopt wider sustainable living habits. In summer 2014 we launched our "Up to uS" engagement campaign, and more details of this are outlined in the case study on page 7.

LED lighting and controls

The ongoing £21 million LED lighting and controls project (see case study on page 3) which commenced in summer 2014 will deliver significant energy and carbon savings. It will also eliminate the generation of hazardous waste from mercury in failed fluorescent fittings from our sites.

Heating and hot water controls

After lighting, heating and hot water have been identified as the next significant opportunities to cut energy use. This is especially the case across the high proportion of sites with direct electric space and water heating.

An investment of over £100,000 in remote monitoring to a trial site in 2013 is helping to develop data around optimised settings for our student-operated heating controls. The project is ongoing into the 2014/15 heating seasons. Similar monitoring of electric hot water cylinders is being trialled at the same time. Both promise significant energy savings in carbon and cost through reduced operation and avoidance of peak demand times.

On-site renewable and low carbon energy

Many of our new developments have incorporated on-site renewable energy. Solar PV, solar thermal, biomass boilers or gas combined heat and power have all been employed. However, in 2014 we started looking at retrofit opportunities for our existing buildings. During 2015 we aim to complete pilot installations of solar PV, and look at retrofitting central heating connected to existing city-wide district heating schemes. Both have potential to deliver significant energy, carbon and cost savings.

Reporting performance

Unite began reporting its annual greenhouse gas emissions several years ahead of the requirement to do so as a company listed on the London Stock Exchange. Our 2014 data is set out below, in comparison to 2013.

Overall emissions (tonnes CO₂e/bed)(Scopes 1+2)

We achieved a 20% reduction in gas use and 6.7% reduction in electricity use in 2014 Compared to 2013's independently verified energy consumption data, we achieved a 20% reduction in gas use and 6.7% reduction in electricity use in 2014. Although this can be partly attributed to the record mild weather it also reflects the impact of our 'Up to uS' staff and student engagement campaign, and LED lighting installations completed during the last half of the year. Scope 2 emissions increased by 3.5% as a result of an 11% increase in the DEFRA grid electricity emissions factor. However, despite this we achieved a 3.8% reduction in combined Scope 1+2 greenhouse gas emissions per bed.

Scope 3 emissions increased due to increases in DEFRA emissions factors and expansion of scope.

2012

1.344

Change

2012

1.363

CARBON EMISSIONS DATA

Absolute energy use

	annual report	verified	annual report	2013-2014
Total gas (kWh)	22,882	28,718	28,564	\downarrow
Total electricity (kWh)	105,457	113,030	111,528	\downarrow
Company car use (km)	423,060	401,921	847,940	1
Absolute CO.e emissions				

2014

1.311

Absolute CO ₂ e ethissions				
	2014	2013	2013	change
Total gas emissions (tonnes CO_2e)(Scope 1)	4,233	5,285	5,257	\checkmark
Total electricity emissions (tonnes CO_2e)(Scope 2)	52,123	50,353	49,683	1
Company car (tonnes CO ₂ e)(Scope 1)	82	76	161	1
Overall emissions (tonnes CO_2e)(Scopes 1+2)	56,438	55,714	54,940	1
CO ₂ e emissions per bed	2014	2013		change
Total gas emissions (tonnes CO ₂ e/bed)(Scope 1)	0.098	0.129	0.129	\checkmark
Total electricity emissions (tonnes CO_2e/bed)(Scope 2)	1.211	1.232	1.215	\checkmark
Company car (kg CO ₂ e/bed)(Scope 1)	1.901	1.870	3.940	1

* Carbon emissions factors used are from the 2014 Department for Environment Food and Rural Affairs Greenhouse Gas Conversion Factor Repository using the following factors: natural gas (kgCO₂ e/kWh) 0.18497, grid electricity (kgCO₂ e/kWh) 0.49425 and company cars (kgCO₂ e/kWh) 0.18546 for diesel and 0.19388 for petrol cars.

The dataset used to calculate greenhouse-gas emissions reported in the Annual Report 2013 included a small proportion of consumption estimates, where we were awaiting final consumption data from the utilities suppliers. By the time we submitted carbon data under the Carbon Reduction Commitment Energy Efficiency Scheme (CRC), the former Carbon Disclosure Project (CDP) and the Global Real Estate Sustainability Benchmark (GRESB) these estimates had been superseded by actual readings. It is this latter data that was submitted to leading inspection, verification, testing and certification company SGS for independent verification against the requirements of the World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD) Green House Gas Protocol Corporate Accounting & Reporting Standard, in line with the requirements of ISO 14064-3:2006 (Specification & Guidance for Validation and Verification of Greenhouse Gas Assertions).

This year, again due to outstanding data from suppliers, a small number of consumption estimates have been used to calculate 2014's total emissions, potentially introducing possible variance of less than 1%. Again, it is expected that full data will be received in time to allow our greenhouse gas emissions calculations to be updated and independently verified ahead of disclosure to schemes such as CRC, CDP and GRESB later in the year, and details of this will be published in due course. For clarity, 2014 emissions are reported here alongside the verified 2013 data used for CRC, CDP and GRESB disclosures.

THE ENVIRONMENT CONTINUED

Disclosing information

We report under the UK Government carbon reduction commitment CRC and respond annually to the CDP and GRESB.

In 2014 we were pleased to achieve a marked improvement in our GRESB rating – from 32 in 2013 to 63 in 2014 – and were also awarded coveted 'Green Star' status.

Our CDP result improved from 56E in 2013 to 86B in 2014, and was independently verified by SGS in line with ISO 14064-3:2006 against the requirements of the Greenhouse Gas Protocol. Unite was also listed on the FTSE4Good UK Index, having satisfied their criteria for environmental, social and governance factors.

Reducing water usage

In 2014 we undertook trials of water-efficient shower heads, and as a result will only be installing these going forward. We are also working with our various water suppliers to get accurate detailed consumption data to help identify savings and leaks, and to complete water efficiency audits across a number of high-usage sites.

Waste and recycling

Waste is collected from our properties by local authorities in the same way it is from households. Gathering meaningful waste data from 23 local authorities with differing methods and criteria has made creating a management strategy difficult.

For that reason in summer 2014 we undertook an audit of waste and recycling facilities across all our sites, and over 2015 will be developing a waste management and recycling strategy to help reduce waste generation and increase recycling. Reducing waste and increasing recycling is also one of the central themes of the Up to uS engagement campaign (see case study opposite).

In 2014 we were pleased to achieve a marked improvement in our GRESB rating... and were also awarded coveted 'Green Star' status

New developments

In summer 2014 we opened our new 1,001-bed home opposite the Olympic Park, Stratford ONE, which achieved an interim BREEAM 'Excellent' rating. The building incorporates features which reduced its environmental impact during construction, and again in occupation. These include off-site prefabricated bathrooms, solar PV and high thermal efficiency. Another London property, opened in 2014, St Pancras Way, achieved a BREEAM 'Very Good' rating at design stage.

2015 ESOS compliance

We have been working throughout 2014 with a number of suppliers to best determine how to make the most of the upcoming Energy Savings Opportunity Scheme (ESOS). We plan to be fully compliant well ahead of the December 2015 deadline.

IN SUMMER 2014 WE UNDERTOOK AN AUDIT OF WASTE AND RECYCLING FACILITIES ACROSS OUR SITES, AND OVER 2015 WILL BE DEVELOPING A WASTE MANAGEMENT AND RECYCLING STRATEGY

UP TO US ENGAGEMENT CAMPAIGN



'Up to uS' is a sustainability engagement initiative which empowers students and employees to make Unite a sustainable place to work and live.

It focuses on five key areas: energy, food, waste, water and travel. Each term is themed:

Term one: Get smart – reducing energy consumption with a different focus each month, including cooking smart, using heating properly and turning out the lights.

Term two: Get active – spreading the sustainability message and sharing good habits with fellow students; topics include more sustainable ways to travel and get fit.

Term three: Get recycling – ahead of check-out, this term focuses on upcycling, recycling and donating unwanted belongings before students leave.

Our network of trained Sustainability Champions run face-to-face activities across our estate, to further embed these themes in our student communities. Everything is backed by a communication plan including social media.

The National Union of Students (NUS) Green Impact scheme measures the impact and rewards improvements through a Bronze, Silver or Gold mark for each property. Our students, meanwhile, gain an invaluable CV boost by applying to be NUS Green Impact Consultants and Auditors.

Unite House, Bristol

Sorted...

BUILDING COMMUNITIES UNDERSTANDING THE NEEDS OF OUR STAKEHOLDERS

POSITIVE IMPACT

Unite recognises all of its activity must have a positive impact on the people it affects. Recent years have seen considerable investment into our relationships with communities, charities, businesses, Universities, our staff and – of course – the students who have made Unite their home.

In addition to the Unite Foundation, Unite supports three charitable organisations which align with our Home for Success business purpose: IntoUniversity, Enactus and LandAid.

IntoUniversity operates local learning centres to support children from disadvantaged backgrounds to attain a University place, and other further learning opportunities or career aspirations. As well as an annual donation, Unite staff volunteered as mentors to children and participated in day-long workshops to develop project skills and lateral thinking (see page opposite).

Also during 2014, Unite agreed a national partnership with **Cancer Research UK** following a successful regional pilot in London. Unwanted goods within the properties resulted in £125,000 worth of stock being provided to the Cancer Research UK retail stores.

This, combined with our other charitable fundraising activities across our business, has helped to achieve an annual fundraising total of £180,000.

2014 HIGHLIGHTS

- Our **Leeds** team worked with the West Yorkshire Fire Service, letting them train for life-and-death situations in one of Unites' buildings by simulating specific situations on the 19th floor of our Sky Plaza building
- In London the city team has been working with Colin Winter House, a retirement home in Tower Hamlets, giving afternoon teas to residents. Our students and staff hosted guests at nearby Unite property Sherren House, providing a spread of cakes the team had baked themselves
- At Curzon Gateway in **Birmingham** we teamed up with the **National Citizen Service** to provide life skills workshops for 15 to 17-year-olds. Staff volunteered to run days for the teenagers to take teamwork challenges

Recent years have seen considerable investment into our relationships with communities,

communities, charities, businesses, Universities, our staff and – of course – the students who have made Unite their home

BRISTOL BIG GIVE



"This year has been a positive step forward in joining Unite with Bristol Big Give. The Bristol Big Give team, British Heart Foundation and Unite worked together to secure locations for extra temporary donation banks and coordinated collections smoothly. Unite properties have donated 888 bags to the campaign."

JULIE PAFFETT Regional Stock Generator British Heart Foundation

UNITE RECOGNISES ALL OF ITS ACTIVITY MUST HAVE A POSITIVE IMPACT ON THE PEOPLE IT AFFECTS

THE UNITE FOUNDATION ENABLING ACCESS TO HIGHER EDUCATION

JENNY SHAW



The **Unite Foundation** is a charitable trust set-up by The Unite Group plc. It provides free University accommodation and a generous annual scholarship to young people in the UK who aspire to a degree, but face the most challenging circumstances. Particular emphasis is placed on **supporting students for whom a secure home is of particular significance**.

The Unite Foundation has experienced a significant year; one that represents its coming of age as an independent charitable foundation. The charity, which celebrates its third birthday this year, has sharpened its focus and secured its financial future.

During the year we focused our work more closely around the needs of students for whom a secure home is particularly significant. Our flagship scholarship scheme – one of the most intensive support packages in the sector – currently provides support for 90 students who have been in care, who are estranged from their families or who have been otherwise homeless or insecurely housed. This directly reflects the business purpose of Unite as our main supporter.

Last October we were delighted to announce an £8.5 million, five-year funding plan courtesy of our founder, The Unite Group plc – safeguarding the work of the charity into 2021. This means a further 300 students can be supported over the coming years.

For the charity and its stakeholders, securing a funding stream of this magnitude is a huge boost to confidence. The news was especially warmly received amongst HE partners. The Twitter announcement alone reached around 50,000 people!

Secure funding meant our ambition to provide Scholarships in partnership with more Universities could become a reality. We announced this year that University College London, Plymouth University and the University of Portsmouth are set to join the scheme for the 2015/16 academic year.

A special moment in 2014 was Sheffield Hallam University's surprise decision to support an extra Scholarship place in partnership with the Foundation.

<u>Unite</u>



A special moment in 2014 was Sheffield Hallam University's surprise decision to support an extra scholarship place in partnership with the Foundation The 'Vice Chancellor's Unite Scholarship' is co-funded by the University and is a very real – and equally welcome – indicator of the trust our partner Universities place in us.

Finally, and on a personal note, I assumed the role of Chair in October last year. I come into the role just as we are ready to grow. It is a huge honour and, together with the Trustees and my team, I look forward to seeing the impact of our work on the lives of young people.

This summer we will witness the first cohort of Foundation students collect their degrees. It is more than a little symbolic that our scholars come of age just as we launch into an exciting new phase of our own.

JENNY SHAW Chair, the Unite Foundation

LIVERPOOL JOHN MOORES UNIVERSITY



"Since 2013, Liverpool John Moores University has been able to provide 10 life-changing Unite Foundation Scholarships to young people who, prior to joining the University, had faced significant barriers to accessing Higher Education due to their irreconcilable estrangement from their families.

"The Scholarship Scheme has provided these vulnerable young people with the stability and security which, in many cases, had been previously lacking in their lives.

"Our Unite Scholars have made significant academic and personal achievements in the past two years, including undertaking volunteering work in India, performing in internationally renowned dance revues and a range of sporting activities. Both our Scholars and the University are incredibly grateful to the Foundation for their continued and invaluable support."

PHIL BAKSTAD

Liverpool John Moores University Care Leavers Project Coordinator

DEVELOPING PEOPLE SUPPORTING SUCCESS

OVERVIEW

Unite's goal is for all its employees to have the support and opportunity to realise their full professional and personal potential.

As part of Home for Success we recognise investing in our people is critical to delivering this purpose. Unite therefore continues to make great progress in growing diverse, talented and engaged teams.

Unite's HR team has developed a sharper focus on employee needs and engagement during the year. As a result, we moved to a new employee survey tool which now examines factors beyond satisfaction, exploring both employee enablement and engagement. This change – combined with our highest ever survey participation rate – provides us with detailed insight into the motivations, drivers and needs of our employees.

Unite committed to becoming a Living Wage employer at the launch of Home for Success.

Development

In 2014 we celebrated 85% of our Becoming a Supervisor 2013 graduates securing internal supervisory positions. The second phase of Becoming a Supervisor was launched in May with 36 delegates. In 2014 we also launched our first ever Becoming a Manager programme, which saw 10 delegates start their journey on this 12-month development programme.



In 2014 we celebrated 85% of our Becoming a Supervisor 2013 graduates securing internal supervisory positions We also launched an online career-development signposting tool called *Pathways*, offering inclusive and accessible support and development for our employees.

Values

Our company values were redefined through a series of employee workshops run throughout the development of Home for Success.

We identified our core values to be: We Care, We Lead, We Unite and We Deliver. More detailed definitions have been developed around each.

A programme of activities ran throughout the summer to embed these across the business, seeing senior management travel the UK to bring our values to life through fun interactive presentations and teamfocused activities.

This work will continue into 2015 as we fully roll out our values in the areas of resourcing, learning and development and performance management practices.

Recruitment practices

Due to the clarity provided by Home for Success we have been able to enhance our recruitment communications and take the first steps to evolving Unite's identity into that of an employer of choice.

We promote the business from the first telephone interview stage; ensuring the values, purpose and brand are understood by candidates. Our work has only just begun in this area. The year 2015 will be punctuated with further internal training for interviewers, more user-friendly interview guidance and targeted advertising efforts.

DIVERSITY

Unite diversity policy

Unite values diversity amongst its workforce. Our aim is that our workforce will be truly representative of all sections of society and each employee will feel respected and able to give their best.

The purpose of this policy is to promote a culture of equality and fairness for all and ensure no person acting on our behalf shall discriminate in any situation against another individual or group, directly or indirectly, because of any of the nine 'protected characteristics' stated in the Equality Act 2010. The protected characteristics are:

- age
- disability
- gender reassignment
- marriage and civil partnership
- pregnancy and maternityrace
- religion or belief
- sex
- sexual orientation

We are committed to a workplace free from processes, attitudes and behaviours which amount to any kind of discrimination or bullying.

All employees, whether part-time, full-time or temporary, will be treated fairly and with respect. Selection for employment, promotion or training will be on the basis of aptitude and ability.

The talents and resources of the workforce will be fully used to maximise the efficiency of the organisation.

We strive to be an employer of choice and expect positive behaviour from our entire workforce to help create an environment which encourages equality.

All of our employees have a responsibility to embrace and support this policy and must challenge processes, behaviour and attitudes that prevent us from achieving our Equality & Diversity Aims.

Unite opposes and will challenge all forms of unfair discrimination.

DIVERSITY

Male	595
Female	550
Senior managers	
Operations and Property Boards and their direct re	norts
Male	30
Female	9

We believe

human rights

are universal and recognise the UN Guiding Principles on Business and Human Rights set a standard of conduct expected of companies

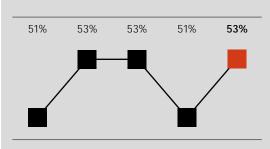
Group board

All employees

Chairman, Executive and Non-Executive Directors

Male	7
Female	2

EMPLOYEE EFFECTIVENESS



Commentary

This year we achieved our highest ever survey participation rate: our new survey results provided detailed insight into the motivations and drivers of our employees and positions us 6% above the General UK Industry Benchmark (47%), and 1% behind the High Performing Industry Benchmark (54%) in our first year. Our ongoing focus to continue improving employee effectiveness will enable Unite to improve the management of the business model and deliver our strategic priorities.

Target

In 2015 we will focus on people development, reward and recognition, alongside line management and empowering teams in order to grow employee effectiveness as a core strength. We are targeting a 2% increase next year and a move into the High Performing Industry Benchmark.

NURTURING TALENT



Resourcing Manager Carrie Daniels was nominated for Unite's Becoming a Supervisor 2013 course by her line manager.

Carrie said: "Before joining Unite my previous job was supervisory, and I enjoyed leading and supervising a team at Unite for two years, but I had not experienced any formal training in the area of people management and development.

"The Becoming a Supervisor course was brilliant. It makes you aware of the tools which are really useful – such as defining strengths and weaknesses. It's challenging, but I found it really, really beneficial.

"In a broader sense, as well as learning about management, you get a better idea of how Unite want to see their managers work and manage their people. Since graduating I have been promoted into a formal management role and look after a very busy team of four people who are responsible for the recruitment of over 600 new employees per year into the business."

HUMAN RIGHTS

We believe human rights are universal and recognise the UN Guiding Principles on Business and Human Rights set a standard of conduct expected of companies. We do our best to ensure anyone and everyone involved in our operations, including staff, interviewees, customers, partners, suppliers and third-parties, are protected and treated in a completely fair manner and subject to our Anti-bribery and Corruption Policies, Health & Safety Policy and various HR policies covering data protection, disciplinary, performance management, flexible working, grievance, leave, equality and diversity.

WHAT'S NEXT? FAST FORWARD...

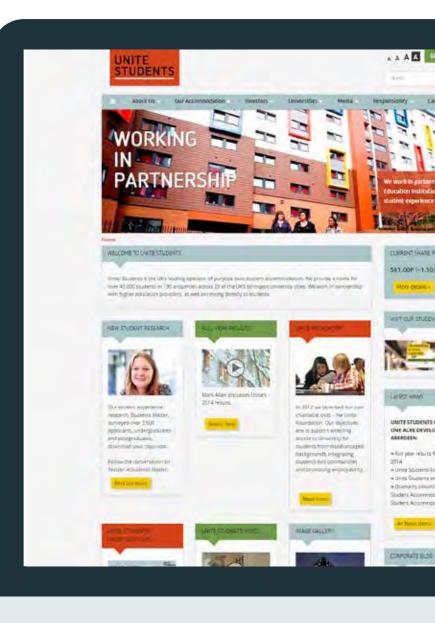
THE ENVIRONMENT	• We will be continuing our LED lighting upgrade, installing in over 50 sites during 2015, and completing our whole estate during 2016
	• We aim to complete pilot installations of solar PV, as well as connecting to a city-wide district heating scheme in Aberdeen. Both have potential to deliver significant energy, carbon and cost savings
	• In line with our aspiration to achieve ISO 140001 certification for our commercial management system, we are also planning to develop our Energy Management System in line with the requirements of the internationally recognised ISO 50001 standard and hope to achieve certification over the next 24 months
BUILDING COMMUNITIES	The focus for 2015 is volunteering
	 We are rolling out an employee volunteering scheme, allowing our colleagues to take a day's paid leave to volunteer with charitable organisations over and above their annual holiday allowance
	 For students, we will provide volunteering opportunities they can access easily, ranging from one-offs to year-long placements – providing invaluable CV enhancing experience
	Both of these initiatives will continue our integration with local communities while contributing to the local economy and helping students achieve more from their time at University
THE UNITE FOUNDATION	 We will celebrate our first cohort of graduates having been supported for all years of their degree
	The number of partner Universities will grow from seven to 10
Unite	 We have begun to develop corporate partnerships. That will be supported and accelerated in 2015 with a small-scale brand refresh and new fundraising and aspiration-raising videos and materials
	 Our researched thought leadership output will begin in 2015, providing new insight to an HE audience
	Our Scholar numbers will rise from 90 to around 125
DEVELOPING PEOPLE	 March 2015 saw Unite pay Living Wage to all direct employees. This will impact around 229 employees and see minimum hourly rates of £9.15 in London and £7.85 across the rest of the UK
	 A review of the employee benefits package and an evaluation of how we recognise exceptional employee contributions to the business
	 A pilot internship programme to strengthen undergraduate students' employability
	 Further progress towards becoming a Learning Organisation – a business made up of people who continuously learn and develop, in turn enabling the business to continually transform

WHERE TO FIND OUT MORE

With this first Corporate Responsibility and Sustainability Report we have tried to show how our business purpose, Home for Success, is in a very real sense a guide to our conduct. Our brand strength, 'We act responsibly', is a key reference point for all new or ongoing activity.

For each of the four business areas detailed here – **Business, Environment, Communities** and **People** – there is more detail on our corporate website: www.unite-group.co.uk. The **Unite Foundation**, as an independent charitable trust, has its own site: www.unitefoundation.co.uk

If there are any specific questions you wish answered or have feedback to share, please email info@unite-students.co.uk or call 0117 302 7000.



The Unite Group plc

The Core 40 St Thomas Street Bristol BS1 6JX +44 (0) 117 302 7000 info@unite-students.com

www.unite-group.co.uk www.unite-students.com