

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainable Finance Framework

Unite Students
22 April 2021

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green, Social and Sustainability Bonds and Loans
Relevant standards	<ul style="list-style-type: none">• International Capital Market Association's (ICMA) Green Bond Principles (GBPs), Social Bond Principles (SBPs) and Sustainability Bond Guidelines (SBGs), and against the Loan Market Association's (LMA) Green Loan Principles (GLPs) and Social Loan Principles (SLPs).
Scope of verification	<ul style="list-style-type: none">• Unite Students Sustainable Finance Framework (as of April 2021)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• As long as the Sustainable Finance Framework remains unchanged

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Scope of work

Unite Students (“the issuer”) commissioned ISS ESG to assist with its Green, Social and Sustainability Loans, Bonds and Private Placements by assessing three core elements to determine the sustainability quality of the instruments:

1. Sustainable Financing Transactions link to Unite’s sustainability strategy – drawing on Unite Students’ overall sustainability profile and framework Use of Proceeds categories.
2. The Unite Students’ Sustainable Finance Framework (April 2021 version) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBPs), Social Bond Principles (SBPs) and Sustainability Bond Guidelines (SBGs), and against the Loan Market Association’s (LMA) Green Loan Principles (GLPs) and Social Loan Principles (SLPs).
3. The eligible project categories – whether the projects contribute positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: Sustainable Financing Transactions link to issuer's sustainability strategy	<p>According to the ISS ESG Corporate Rating published on 09.04.2020, the issuer obtained a rating of C+ and the Prime status as it achieves the sustainability performance requirements defined by ISS ESG for its industry. The issuer shows a high sustainability performance against the industry peer group on key ESG issues faced by the Real Estate sector. The issuer is rated 21st out of 361 companies within the Real Estate sector.</p> <p>The Use of Proceeds financed through this framework are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing Sustainable Financing Transactions is clearly described by the issuer.</p>	Consistent with issuer's sustainability strategy
Part 2: Alignment with GBPs, SBPs, SBGs and GLPs	<p>The issuer has defined a formal concept for its Sustainable Financing Transactions regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA & LMA Principles.</p>	Positive
Part 3: Sustainability quality of the Framework	<p>The overall sustainability quality of the Sustainable Finance Framework in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG assessment. The Sustainable Financing Transactions will (re-)finance eligible asset categories which include: green buildings, energy efficiency, renewable energy, affordable housing and socio-economic advancement and empowerment.</p> <p>Those use of proceeds categories have a significant contribution to SDGs 7 'Affordable and clean energy', 10 'Reduced inequalities', 11 'Sustainable cities and communities' and 13 'Climate action' and a limited contribution to SDG 4 'Quality education'. The environmental and social risks associated with those use of proceeds categories have been well managed.</p>	Positive

¹ ISS ESG's evaluation is based on the Unite Group's Sustainable Finance Framework (April 2021 version), and on the ISS ESG Corporate Rating applicable at the SPO delivery date (updated on the 09.04.2021).

ISS ESG SPO ASSESSMENT

PART I: SUSTAINABLE FINANCING TRANSACTIONS LINK TO THE UNITE'S SUSTAINABILITY STRATEGY

A. ASSESSMENT OF THE UNITE GROUP'S ESG PERFORMANCE²

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments. It provides a rating and then designates a company as 'Prime³' or 'Not Prime' based on its performance relative to the industry sector. It is also assigned a Decile Rank, indicating this relative industry group performance, with 1 indicating a high relative ESG performance, and 10 a low relative ESG performance.

COMPANY	SECTOR	RATING	STATUS	DECILE RANK	TRANSPARENCY
THE UNITE GROUP	REAL ESTATE	C+	PRIME	1	VERY HIGH

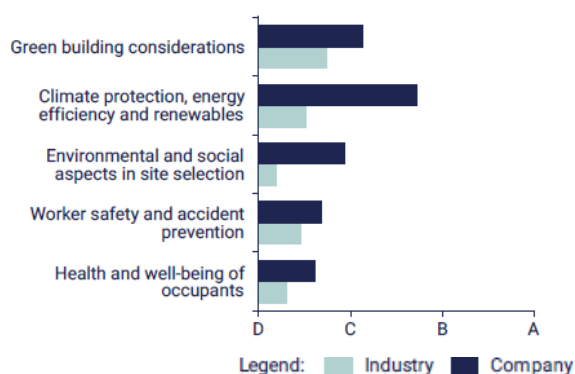
This means that the company currently shows a high sustainability performance against peers on key ESG issues faced by the Real Estate sector and obtains a Decile Rank relative to industry group of 1, given that a decile rank of 1 indicates highest relative ESG performance out of 10.

ESG performance

As of 09.04.2021, this Rating places The Unite Group 21st out of 361 rated by ISS ESG in the Real Estate sector.

Key challenges faced by companies in terms of sustainability management in this sector are displayed in the chart on the right, as well as the issuer's performance against those key challenges in comparison to the average industry peers' performance.

Key Issue Performance



Sustainability Opportunities

The company's core business is student housing. By fulfilling the housing needs of students, Unite Group makes a significant contribution to the higher education sector and contributes to the improvement of community infrastructure in the UK. On the environmental side, approximately 20% of total floorspace has been certified to the green building standard BREEAM Excellent or Very Good (as at 2020). In addition, the company commits to build all new buildings to BREEAM Excellent standards from 2018 onwards.

² In this section, ISS ESG has implemented the Corporate Rating of The Unite Group Plc, the parent company of Unite Students.

³ Prime is only awarded to the top sector performers, often less than 10% of companies within the respective sector.

Sustainability Risks

Unite Group has implemented some measures and initial strategies to address relevant sustainability risks in the areas of tenant, employee and contractor health and safety, climate change and resource efficiency of buildings. A health and safety management system covering the majority of the company's employees and some of its contractors is in place, and the company refers to a fire safety management system for its properties. On the environmental side, an environmental management system covering all of the company's assets has been implemented and comprehensive greenhouse gas emission reduction targets have been set which are under approval of the science-based target initiative. Furthermore, measures to improve the energy and water efficiency of buildings include the installation of energy efficient lighting, building management systems and real-time monitoring of water consumption. In addition, the company works to promote the environmental awareness of students through the distribution of environmental guides, environmental workshops and the provision of recycling facilities. The company's efforts are reflected in decreasing energy, carbon and water intensities. In contrast, environmental and social risks related to construction and refurbishment activities are only partially addressed by the company.




Governance opinion

Regarding Unite Group's governance structure more than half of the company's board members are independent, and the chair of the board (Richard Norman Legh Huntingford) is also independent (as at May 8, 2020). The board has established committees in charge of audit, nomination, and remuneration. All the members of the audit and remuneration committees are independent, and three-quarters of the members of the nomination committee are independent. Unite Group publicly discloses the remuneration of its CEO and the most highly paid members of the executive management team. Compensation is sub-divided according to fixed amounts, variable performance-related components and long-term incentive components, which can incentivize sustainable value creation.

Regarding Unite Group's governance of sustainability, the company has established a board-level sustainability committee, with a majority of independent members (as at December 31, 2020). In regard to remuneration, sustainability performance objectives are to a certain extent integrated into the variable remuneration of members of the executive management team. Regarding business ethics, Unite Group's code of ethics and related policies addresses important issues such as corruption, insider dealings, and conflicts of interest, in varying degrees of detail. To ensure compliance with the code, some procedures such as risk assessments, training, and non-compliance reporting channels, have been established. However, there is no evidence that further issues, such as antitrust violations have been addressed.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of The Unite Group's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product characteristics and does not include practices along The Unite Group's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE	DIRECTION OF IMPACT	UN SDGS
Student Housing	99%	CONTRIBUTION	 
Buildings certified to a comprehensive building standard (e.g. BREEAM)	20%	CONTRIBUTION	

Breaches of international norms and ESG controversies

The company is not facing any controversy.

B. CONSISTENCY OF SUSTAINABLE FINANCE FRAMEWORK WITH THE UNITE GROUP'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

A commitment to sustainability is part of Unite Students' strategy. In 2019, the company set out a sustainability strategy building on what previously achieved to address environmental, social and governance challenges. In 2020, the issuer engaged with stakeholders to understand its environmental and social risks and opportunities, and how to do more to create a positive impact. Students are concerned about a wide range of topics related to both climate change and social justice, and such ESG issues are of increasing interest to investors, partners, customers and other stakeholders.

For this reason, Unite Students defined five overarching sustainability objectives:

- **Becoming net zero carbon by 2030:** Unite Students will reduce carbon emissions from new and existing buildings in line with climate science, ahead of the timescale set out in the Paris Climate Agreement to help avoid the worst impacts of climate change. Unite Students will follow the net zero carbon hierarchy – with a strong focus on reducing operational energy consumption through improving buildings and reducing the embodied carbon of new developments – while also strengthening renewable energy purchase ways and investing in certified carbon offsets for any residual emissions.

- **Creating resilient, resource efficient assets and operations:** Unite Students will reduce the environmental impact of new and existing buildings by improving energy and water efficiency, by engaging and encouraging student customers to adopt lasting sustainable living habits.
- **Enhancing the health and well-being of employees and students:** driving real improvements in physical and mental health and well-being based on an understanding of their needs, through improvements to service model, physical assets, and employee support programmes.
- **Providing opportunities for all:** fostering students, employees and the communities where Unite Students work to thrive, whatever their background, gender, or ethnicity.
- **Leading the student housing sector:** Unite Students will work to raise standards across the student housing sector and deliver value to customers and investors.

In 2021, Unite Students will announce targets and plans for further reductions in energy, water, waste, and resource use, as part of a long-term focus on improving the environmental performance and sustainability of buildings.

Rationale for issuance

The establishment of this Sustainable Financing Framework allows Unite Students to align its ambitions to its financing strategy. Unite Students sees in environmentally and socially impactful debt instruments an opportunity to fund the sustainability journey, providing transparency to investors and the wider stakeholder community.

Unite Students looks to attract investors which are supportive of the company goals and continues to focus on enlarging its sustainable finance investor base. The framework gives Unite Students the flexibility to issue financial instruments to support its commitment to achieve a broad range of sustainability outcomes.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under this Sustainable Finance Framework with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Real Estate sector. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds categories.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Green Buildings	✓	✓	Contribution to a material objective
Energy Efficiency	✓	✓	Contribution to a material objective
Renewable energy	✓	✓	Contribution to a material objective
Affordable Housing	✓	✓	Contribution to a material objective
Socio-economic advancement & empowerment	✓	✓	Contribution to a material objective

Opinion: ISS ESG finds that the Use of Proceeds financed through this framework are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing Sustainable Financing Transactions is clearly described by the issuer.

PART II: ALIGNMENT WITH THE ICMA AND LMA PRINCIPLES

1. Use of Proceeds

The net proceeds from any Sustainable Finance Transactions (“SFT”) will be used to finance or refinance, in whole or in part, new or existing Eligible Projects that meet one or more of the following eligibility categories (listed in the table below). Disbursements to be financed include both operating expenditures (Opex) and capital expenditures (Capex), as well as expenditures for acquisitions of eligible projects or assets.

Refinancing of Eligible Projects will have a look-back period of no longer than 36 months from the time of issuance. Unite Students will strive to fully allocate the net proceeds of each SFT within 24 months of issuance. Eligible Projects and Assets are required to meet the eligibility criteria included in the table below. The Eligible Projects and Assets are also mapped to the UN Sustainable Development Goals (SDGs) in Unite Students Sustainable Finance Framework.

ELIGIBLE CATEGORY	ELIGIBILITY CRITERIA
Green Buildings	<ul style="list-style-type: none"> Projects aimed at Financing the construction of BREEAM Very Good or above or EPC B or above development: development of direct-let and university partnered purpose-built student accommodation properties. Re-financing of operational assets of BREEAM Very Good or above or EPC B or above.
Energy Efficiency	<ul style="list-style-type: none"> Financing or and Re-financing of projects aimed at improving the energy efficiency of Unite Students’ buildings: <ul style="list-style-type: none"> - At least a 30% improvement in energy efficiency; or - Two notch improvement in EPC rating.
Renewable Energy	<ul style="list-style-type: none"> Projects aimed at integrating renewables into the energy system for buildings: Installation of on-site low and zero carbon technology such as solar PV panels and retrofit of low carbon heating solutions e.g. heat pumps to replace existing direct electric hot water heating⁴; Sourcing of renewable energy, including corporate PPA contracts: long term contractual arrangement to purchase renewable electricity⁵.

⁴ All renewable energy installations will be designed, specified and installed in line with all relevant UK legislation, such as but not limited to that covering waste management, waste electrical and electronic equipment, hazardous substances, health & safety, and the construction design and management regulations.

⁵ From 100% renewable sources potentially including solar, wind, hydropower and biomass. REGO backed.

Affordable Housing	<ul style="list-style-type: none"> • Projects aimed at Financing the construction of affordable student accommodation: Bedrooms provided at a rental cost that is equal to or below a fixed percentage of the maintenance loan for a full-time student living away from home. • Projects aimed at supporting students through the COVID 19 pandemic: Preferential financial arrangements made for students returning home during the academic year and/ or those that could not arrive at or return to university. • Provide accommodation scholarships for young people attending university from the most challenging circumstances, most often from a background of care or family estrangement. This is done through the Unite Foundation, a registered charity in England and Wales⁶.
Socio-economic advancement & empowerment	<ul style="list-style-type: none"> • Projects aimed at widening participation in post-18 education: Including initiatives focused on the transition from school to higher or further education. • Support the communities where Unite Students operate: Initiatives that benefit the local community & improve engagement and relations with students living in our buildings⁷.

Opinion: ISS ESG considers the Use of Proceeds description provided by the Unite Students' Sustainable Finance Framework as aligned with the ICMA GBPs, SBPs and SBGs and with the LMA GLPs and SLPs. Environmental and social benefits are described and quantified. While it is not mandatory to define a precise look-back period for refinancing project, the Unite Group's commitment aligns with market best practices in setting Sustainability Finance Framework.

2. Process for Project Evaluation and Selection

All potential Eligible Projects and Assets first and foremost comply with the applicable environmental and social laws and regulations as well as the internal policies and standards of Unite Students, which aim to manage and mitigate ethical, environmental and governance risks.

In order to select the most suitable Eligible Projects, Unite Students has put together a Sustainable Finance Committee which is a cross divisional group including senior representatives from Finance, Strategy, Investor Relations and the Energy and Environment team. The Sustainable Finance Committee will work closely in this with Unite's Sustainability Steering Group which is responsible for coordinating sustainability more broadly across Unite.

⁶ See <https://thisisusatuni.org/> for further details of the Unite Foundation

⁷ Such as the provision of support, facilities, and knowledge.

The Terms of Reference for the Sustainable Finance Committee are:

1. To oversee the establishment of the Sustainability Framework and review the content, updating it to reflect changes in market standards (such as relevant ICMA and LMA principles) and the organization's strategy on a best-efforts basis.
2. To approve the addition of eligible projects/ expenditures.
3. To oversee the eligible project portfolio, confirming its continued compliance with Unite's Sustainability Finance Framework.
4. To exclude Projects or investments that no longer comply with the eligibility criteria or have been disposed of and replacing them on a best-efforts basis.
5. To oversee the introduction and operation of arrangements to generate the information required to produce periodic Impact Reports, in accordance with the Framework and the Principles.

All sustainability related risks including any associated with the projects in scope of this framework are identified, tracked, and managed by the Unite Sustainability Steering Group, and overseen by the Unite Group Board Sustainability Committee.

Opinion: ISS ESG considers the Process for Project Evaluation and Selection description provided by the Unite Students' Sustainable Finance Framework as aligned with the ICMA GBPs, SBPs and SBGs and with the LMA GLPs and SLPs. Unite Students has defined transparent eligibility criteria for its Use of Proceeds categories and describes the process applicable to identify and manage potential ESG risks associated with eligible projects, in line with best market practices. Various stakeholders are also involved in the selection process and responsibilities in this process are clearly stated.

3. Management of Proceeds

Unite Students' Sustainable Finance Committee will manage the net proceeds of SFT on a portfolio basis. As long as the SFT under this Framework are outstanding, Unite Students aims to allocate an amount equivalent to the net proceeds of these instruments towards a portfolio of Eligible Projects and Assets.

If a specific project is divested, discontinued, or does no longer meet the definition of Eligible Projects and Assets, it will be removed from the portfolio of Eligible Assets. In such a scenario, Unite Students will strive to replace the project with another Eligible Projects and Assets as soon as reasonably practicable. Unite Students aims to ensure that the total volume of issued SFT will not exceed the value of portfolio of Eligible Projects and Assets.

Pending the allocation of the net proceeds from each SFT to the portfolio of Eligible Projects and Assets, or in case insufficient Eligible Projects and Assets are available, Unite Students will temporarily hold the unallocated proceeds in money market instruments. These unallocated proceeds may be deployed at the company's discretion in cash or cash-equivalent instruments, in accordance with Unite's investments and treasury policy.

The allocation of the net proceeds from each SFT to Eligible Projects and Assets will be reviewed and approved by the Unite Group's Sustainable Finance Committee on at least an annual basis, until full allocation of the net proceeds of each SFT.

Opinion: ISS ESG finds that Management of Proceeds proposed by Unite Group's Sustainable Finance Framework as aligned with the ICMA GBPs, SBPs and SBGs and with the LMA GLPs and SLPs. Proceeds are appropriately tracked.

4. Reporting

Allocation Reporting

Unite Students will provide information on the allocation of the net proceeds from each SFT in the Group's Annual Report, ESG or Sustainability Report or website. Such information will be provided on an annual basis until substantially all the net proceeds have been allocated and in the event of any material changes until the relevant maturity date.

The allocation of the net proceeds will be reviewed by an independent third-party verifier and the information disclosed will contain the following details:

- Details of each SFT that is outstanding;
- Aggregate amount of proceeds from each SFT that has been allocated to Eligible Projects;
- Balance of unallocated proceeds from each SFT;
- A list of Eligible Projects to which proceeds from each SFT have been allocated, summary information on such projects, including information necessary to determine alignment with the Eligibility Criteria such as building certifications and energy performance data.

Impact Reporting

On an annual basis Unite Students will report on all its sustainability initiatives through its ESG reporting included in the annual report which is made publicly available via the investor section on the Unite Students corporate website, which may include the following:

Eligible Project Categories	Eligible Project Categories
Energy Efficiency	<ul style="list-style-type: none"> • CO₂ emissions saved in tCO₂e • Energy intensity against industry benchmarks(kWh/m²)
Renewable Energy	<ul style="list-style-type: none"> • # renewable energy installations • CO₂ emissions saved in tCO₂e
Green Buildings	<ul style="list-style-type: none"> • Gross Asset Value (GAV) rated BREEAM Very Good or above in portfolio • GAV rated EPC 'B' or above in portfolio • Carbon emission intensity to previous baseline (tCO₂e/m²)
Affordable Housing	<ul style="list-style-type: none"> • # of students able to extend their stay at no extra cost • # of students not charged rent for returning home early • £ value of rental concessions • Donations made to the Unite Group's Foundation

Opinion: ISS ESG finds that the reporting proposed by Unite Group's Sustainable Finance Framework as aligned with the ICMA GBPs, SBPs and SBGs and with the LMA GLPs and SLPs. The allocation and

impact reports will be made publicly available annually until full allocation of proceeds. Unite Students appropriately described in its framework the information to be disclosed, scope and duration of reporting and provided example of impact indicators for most Use of Proceeds categories.

External review

Second Party Opinion

Prior to the inaugural issuance under this Framework, Unite Students has commissioned ISS to provide a Second Party Opinion for its Sustainability Finance Framework. ISS has reviewed the Unite Students Sustainable Finance Framework and issued a Second Party Opinion. The Second Party Opinion will be made available on the investor relations section of the Unite Students website.

External Verification

External verification of the tracking of the bond proceeds will be provided by Unite's external auditor, Deloitte LLP, throughout the tenor of financing and during the fund allocation process. The review will be included in Unite's mainstream financial reporting or the group Sustainability Report.

Opinion: *ISS ESG finds that the external review proposed by Unite Group's Sustainable Finance Framework as aligned with the ICMA & LMA Principles.*

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE












A. CONTRIBUTION OF THE SUSTAINABLE FINANCING TRANSACTIONS TO THE UN SDGs







Based on the assessment of the sustainability quality of the Sustainable Finance Framework and using a proprietary methodology, ISS ESG assessed the contribution of the Unite Students' Sustainable Financing Transactions to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
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Each of the Sustainable Finance Framework's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
GREEN CATEGORIES		
Commercial Green Buildings <i>Buildings obtaining BREEAM Very Good label or above</i>	Significant contribution	
Commercial Green Buildings <i>Buildings obtaining EPC B certificate or above</i>	Limited Contribution	 
Energy efficiency <i>Improvement of energy efficiency of buildings</i>	Limited Contribution	 
Renewable energy <i>On-site solar PV</i>	Significant contribution	 
Renewable energy <i>Heat pumps</i>	Limited Contribution	 
Renewable energy <i>Purchase of renewable energy from solar and wind power primarily</i>	Significant contribution	 

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
SOCIAL CATEGORIES		
Affordable Housing Construction of affordable student accommodation	Significant Contribution	 
Affordable Housing Financial support for students throughout Covid-19 pandemic	Limited Contribution	
Affordable housing Scholarships for underprivileged students	Significant Contribution	
	Limited Contribution	
Socio-economic advancement & empowerment	Limited Contribution	

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE ELIGIBLE PROJECT CATEGORIES

The table below presents the findings of an ISS ESG assessment of the Eligible Project Categories against ISS ESG KPIs.

ASSESSMENT AGAINST ISS ESG KPI

Sustainability labels obtained by buildings

- ✓ All eligible buildings have received a BREEAM label “Very Good” or above demonstrating the overall good sustainability quality of the buildings, or an EPC certificate “B” or above which equates to the top 15% in the UK market in terms of energy efficiency of the buildings⁸.

Environmental impact of eligible project categories

Impact of buildings on biodiversity

- ✓ All eligible buildings are covered by a company-wide Environmental Management System covering impact of the operations of the company on biodiversity. While this Environmental Management System includes relevant measures (e.g. formal environmental management policy, targets and objectives, training and awareness programs, audits), it is not certified to an international standard.
- All eligible buildings are covered by a company policy committing to make use of brownfield sites instead of greenfield sites to the largest extent possible. However, no information is available on site selection avoiding protected areas and areas of high biodiversity value.

Waste management & pollution prevention for building construction and decommissioning

- ✓ All eligible buildings are covered by a company-wide Environmental Management System covering decommissioning phase, waste management and pollution prevention. While this Environmental Management System includes relevant measures (e.g. formal environmental management policy, targets and objectives, training and awareness programs, audits), it is not certified to an international standard.

Water use minimization in buildings

- ✓ All eligible buildings are covered by a company-wide strategy and specific measures for the reduction of water use covering relevant aspects such as water metering, high-efficiency fixtures and fittings, high-efficiency appliances, leak control and repair, efficient landscape irrigation and rainwater/greywater harvesting and recycling.

Social impact of eligible project categories

Inclusion of socially disadvantaged groups

- ✓ All eligible projects are dedicated to providing student housing and enabling students to access education. The company has measures in place to ensure affordability of student housing to disadvantaged groups (e.g. subsidies of rent throughout Covid-19 pandemic, scholarships).

⁸ According to the Climate Bond Initiative's [Location Specific Criteria for Residential Buildings](#), as of 22.04.2021

Responsible treatment of tenants with payment problems

- ✓ All eligible projects are subject to policies regarding responsible treatment of tenants with payment problems (e.g. providing counselling, notification period before expulsion, etc.).

Labour and Health & Safety standards

- ✓ All eligible projects are located in the United Kingdom where high labour standards are in place (e.g. ILO core conventions).

All eligible projects are subject to a company-wide health and safety management system covering 100% of Unite's employee and some contractors. While this health and safety

- ✓ management system includes relevant measures (e.g. formal environmental management policy, targets and objectives, training and awareness programs, audits), it is not certified to an international standard.

Dialogue with local communities at building construction phase

- ✓ All eligible projects are covered by a company policy insuring that local communities are informed on Unite's operations. However, no information is available on grievance or feedback mechanisms.

Safety of building users

- ✓ For all eligible projects, measures are in place to ensure building users safety (e.g. fire alarms, passive fire protection, emergency exits and lightning, evacuation procedures).

DISCLAIMER

1. Validity of the SPO: As long as the Sustainable Finance Framework remains unchanged.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
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ANNEX 1: Methodology

ISS ESG GREEN, SOCIAL AND SUSTAINABILITY BOND KPIS

The ISS ESG Green, Social and Sustainability Bond KPIS serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of the Unite Group's Green, Social and Sustainability Bonds.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

To review the KPIS used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

Environmental and social risks assessment methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green, Social and Sustainability Bonds KPIS.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment "no or limited information is available" either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green, Social and Sustainability Bonds KPIS.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by the Unite Group (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which the Unite Group's Sustainable Financing Transactions contributes to related SDGs.

ANNEX 2: ISS ESG Corporate Rating Methodology

The following pages contain methodology description of the ISS ESG Corporate Rating.

The UNITE Group Plc

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

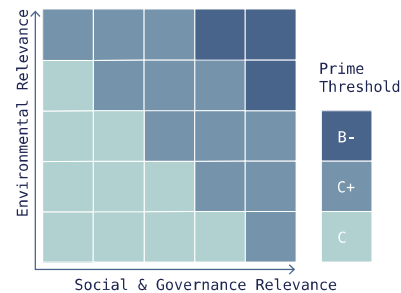
Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

The UNITE Group Plc

Methodology - Overview

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 3: Quality management processes

SCOPE

The Unite Group commissioned ISS ESG to compile a Sustainable Financing Transactions SPO. The Second Party Opinion process includes verifying whether the Sustainable Finance Framework aligns with the Green, Social and Sustainability Bonds Principles and to assess the sustainability credentials of its Sustainable Financing Transactions, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green, Social and Sustainability Bonds Principles
- LMA Green and Social Loan Principles
- ISS ESG KPIs relevant for eligible project categories under Unite Students Financing Framework

ISSUER'S RESPONSIBILITY

The Unite Group's responsibility was to provide information and documentation on:

- Framework
- Asset pool / Eligibility criteria
- Documentation of ESG risks management at the asset level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Sustainable Financing Transactions to be issued by The Unite Group based on ISS ESG methodology and in line with the ICMA Green, Social and Sustainability Bonds Principles.

The engagement with The Unite Group took place from February to April 2021.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For Information about SPO services, contact:

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