GOVERNANCE

CONTENTS

90 Chair's introduction to Governance
92 Board of Directors
96 Board statements
99 Board leadership and purpose
106 Division of responsibilities
109 Board activities
117 Nomination Committee
120 Audit Committee
126 Sustainability Committee
130 Health & Safety Committee
134 Remuneration Committee
136 Directors' Remuneration Policy
153 Annual Report on Remuneration
168 Directors' Report
171 Statement of Directors' Responsibilities

CHAIR'S INTRODUCTION TO GOVERNANCE

A SUCCESSFUL AND RESILIENT 2021

The Board's governance has supported delivery of a successful year

"The Board's response early in the pandemic, ensuring the right governance and dedicated resources were in place, has helped the business with this resilient performance through 2021"

Richard Huntingford
Chair

Through the hard work and dedication of our teams, underpinned by our robust governance and risk management framework, we have seen the business deliver a strong performance in 2021. The Board's response early in the pandemic, ensuring the right governance and dedicated resources were in place, has helped the business with this resilient performance through 2021. The Board has overseen the return to earnings growth driven by increased occupancy, whilst in parallel ensuring we enhance our portfolio by growing the development pipeline and delivering disposals.

The safety of our customers and employees has always been one of our key risks and especially so through the pandemic. It was important we remained open and fully operational, providing safe and secure homes to so many young people at such a critical part of their life, and our British Safety Council Covid Secure accreditation and our engagement with universities and public health authorities, have enabled us to do so. We took a number of key steps to ensure the safety and wellbeing of our customers, employees, and visitors to our sites. These are detailed in the Health and Safety Committee report on pages 130–131.

The challenges of Covid-19 weighed heavily on our key stakeholders, in particular our customers, whose lives and studies continued to be impacted by the pandemic. The Board recognised the ongoing disruption to students during the national lockdown in early 2021 and living our values and especially 'doing what's right', we offered additional rental discounts to students unable to use their accommodation. The Board has overseen over £100 million of financial support to students through the pandemic and believes this response has strengthened our reputation with students, parents, universities, and Government.

The Board's focus on our values and specifically 'doing what's right' and 'raising the bar together' has also driven our new Sustainability Strategy, launched in early 2021. Conscious this is a complex and dynamic area, the Board established our new Sustainability Committee early in 2021 to ensure governance and strategic oversight of the delivery of stretching new targets to reduce our environmental impact, improve opportunities for employees and raise standards across the student housing sector. Critical to the Board overseeing how we will reduce our environmental impact, is our 2030 net zero carbon roadmap, published at the end of 2021 and validated by the Science Based Targets Initiative (SBTi). This gives the Board assurance and confidence in the delivery of our Sustainability Strategy. For more detail, see the Sustainability Report on page 34 and the Sustainability Committee report on page 126.

Through the work of the Nomination Committee, we have reviewed our Board composition. Our mix of complementary skills and range of expertise across the higher education, real estate, finance, and hospitality sectors has supported us well through the pandemic. This is my first year as Chair, following Phil White stepping down on 31 March 2021, and I am grateful for Phil's leadership making Unite what it is today and helping prepare our platform for growth. During the year, Richard Akers also stepped down from the Board due to his other business commitments. I am grateful for Richard's valuable contributions to the Board with his wealth of real estate experience and sound judgement.

The Board sees growing demand for higher education in the UK together with further demand for high-quality, value-for-money student accommodation. We see this demand as a driver for the business's organic growth, whilst the Board also considers our strategy for growth through further development, University partnerships and potentially other living sectors complimentary to our operating platform and customer focus.

Engagement with our wider stakeholders continues as key to our growth, along with robust and effective governance and risk management.

The following pages explain how our governance and stakeholder engagement have supported us through 2021 and how it will continue to support our growth and sustainability in the longer-term.

Richard Huntingford
Chair
23 February 2022

BOARD OF DIRECTORS

Richard Huntingford
Chair

N A R H S

Years on the Board: 2

Richard joined the Board on 1 December 2020 and became the Chair on 1 April 2021.

Relevant skills, experience and contribution

Richard is a chartered accountant, and has over 30 years of plc board experience including as Chief Executive of Chrysalis Group plc between 2000 and 2007 and as a Non-Executive Director of Virgin Mobile Holdings (UK) plc. His Chair roles have included Wireless Group plc (formerly UTV Media plc), Creston plc and Crown Place VCT plc and Richard is currently Chair of Future plc.

Richard's proven FTSE chair, wider non-executive and executive experience helps us ensure best practice in board effectiveness and corporate governance. His wealth of experience in public company governance and leadership, corporate finance, investment, business development, investor relations and media helps us drive our strategy development and effective engagement with our wider stakeholders.

External appointments

- Future plc (Chair)
- JP Morgan Mid Cap Investment Trust plc (Non-Executive Director)

Richard Smith
Chief Executive Officer

N A R H S

Years on the Board: 10

Richard became Chief Executive Officer in June 2016 after working as Unite's Managing Director of Operations since 2011 and joining the business as Deputy Chief Financial Officer in 2010.

Relevant skills, experience and contribution

Prior to Unite, Richard spent 19 years in the transport industry, working in the UK, Europe, Australia and North America. Richard spent 14 years at National Express Group where he held a range of senior finance, strategy and operations roles, including Group Development Director and Chief Financial Officer, North America.

Richard continues to lead the successful development, communication and implementation of the Group's strategy, providing clear and valued leadership and delivery of the Group KPIs. His engagement with our investors helps ensure our strategy is well understood and valued. His operational expertise has helped ensure the business's resilience and ongoing delivery through the challenges of Covid-19 whilst ensuring the Group is well-placed for growth.

External appointments

- Industrials REIT Limited (Non-Executive Director)

Joe Lister
Chief Financial Officer

N A R H S

Years on the Board: 13

Joe joined Unite in 2002 and was appointed Chief Financial Officer in January 2008 having previously held a variety of roles including Investment Director and Corporate Finance Director.

Relevant skills, experience and contribution

Joe has continued to lead the design and delivery of the Group's sustainable growth and financial performance, which was especially tested through 2020 and 2021 by Covid-19. Joe's deep experience of our business and especially our funding arrangements has been critical in helping us navigate the challenges of the pandemic. Together with Richard, Joe ensures the development and communication of the Group's ongoing performance and strategy with our investors. Joe is the Executive Board lead for our Sustainability Strategy, our Property portfolio and our Information Systems and Technology (this includes Board responsibility for information security and data protection).

External appointments

- Helical PLC (Non-Executive Director)

Elizabeth McMeikan
Senior Independent Director

Years on the Board: 8

Elizabeth was appointed a Non-Executive Director in February 2014 and became the Senior Independent Director of Unite in January 2018.

Relevant skills, experience and contribution

Elizabeth has significant experience in customer-focused businesses previously working at Tesco and Colgate Palmolive, where she was successful in driving growth through an understanding of customer needs and an innovative marketing approach. Previously she was a Non-Executive Director of JD Wetherspoon plc, the chair of Moat Homes Ltd, a leading housing association in the South East, and CH & Co Ltd, a privately owned catering company.

Elizabeth brings her extensive consumer-focused experience, both as an executive and also on the boards of other FTSE companies, to help oversee the design and development of our customer proposition and enhanced customer service. As Senior Independent Director of Unite, Elizabeth supports the Chair in the effective running of the Board, and as Chair of the Remuneration Committee, helps ensure the Executive Directors' and broader senior leadership's remuneration is aligned to the long-term sustainable success of the Group.

External appointments

- McBride plc (Non-Executive Director)
- Dalata Hotel Group Plc (Non-Executive Director)
- Fresca Group Ltd (Non-Executive Director)
- Custodian REIT plc (Senior Independent Director)

Ross Paterson
Non-Executive Director

Years on the Board: 5

Ross joined Unite in September 2017 and became the Audit Committee Chair in January 2018.

Relevant skills, experience and contribution

Ross is the Finance Director of Stagecoach Group plc, and as a member of Stagecoach's Board is responsible for finance, business development and legal.

Ross contributes to Unite's Board using his many years' experience of managing finance in a complex operational business like our own. He also brings valued insight to innovation as we continue to enhance our service offer to our student customers. Ross uses his financial and broader business experience as Chair of the Audit Committee, helping oversee the Group's financial rigour and delivery.

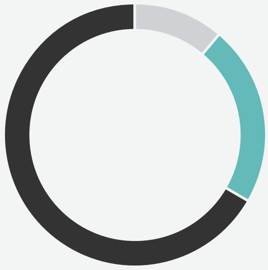
External appointments

- Stagecoach Group plc (Finance Director)
- WCT Group Holdings Limited (Non-Executive Director)
- Institute of Chartered Accountants of Scotland (Business Policy Panel member)

Committee key

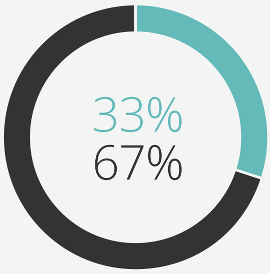
- N Nomination Committee Member
- A Audit Committee Member
- R Remuneration Committee Member
- H Health & Safety Committee Member
- S Sustainability Committee Member
- C Committee Chair

Composition of the Board



Chair	1
Executive Directors	2
Non-Executive Directors	6

Gender diversity



Female	3
Male	6

Independence

Non-Executive Directors	1
Independent Non-Executive Directors	6

BOARD OF DIRECTORS continued

Ilaria del Beato
Non-Executive Director

N A R H S

Years on the Board: 4

Ilaria was appointed a Non-Executive Director in December 2018. Ilaria is also our Designated Non-Executive Director for Workforce Engagement.

Relevant skills, experience and contribution

Ilaria is CEO of Frasers Property UK, part of Frasers Property, a global real estate group. Ilaria was formerly CEO of GE Capital UK, a regulated Bank and corporate lender and led GE Capital Real Estate UK, a commercial real estate investor, developer and lender.

Ilaria brings her 30 years of experience in real estate, including asset management, investment and lending, to the Group. This experience is vital to the Group as we navigate the ongoing and upcoming market uncertainties and increasing professionalisation of the sector.

External appointments

- Frasers Property UK (CEO)

Dame Shirley Pearce
Non-Executive Director

N A R H S

Years on the Board: 3

Dame Shirley joined the Board in November 2019 as a Non-Executive Director and Chairs our Sustainability Committee.

Relevant skills, experience and contribution

Dame Shirley has held chair, senior executive and non-executive roles at board level in Higher Education, health and policing with experience of both the public and private sectors. Shirley was Vice Chancellor of Loughborough University from 2006–2012 and was board member at the Higher Education Funding Council for England, the Universities and Colleges Employers Association, and the Healthcare commission, as well as being a Non-Executive Director of Health Education England, and the Norfolk, Suffolk and Cambridgeshire Strategic Health Authority. She has held senior governance roles at the LSE, and was appointed an independent reviewer of the Teaching Excellent Framework. She was appointed CBE in 2005 for services to education in the NHS and in 2014 appointed DBE for services to Higher Education.

Dame Shirley brings her wide ranging and hands on experience in the HE sector to the Board. This is especially critical at a time of ongoing change in the sector, where her insight and knowledge of HE and broader policy initiatives help inform the Board on our strategic direction. As Chair of Sustainability Committee, Shirley helps ensure appropriate oversight of our Sustainability Strategy.

External appointments

- Committee on Standards in Public Life (Independent member)
- Higher Education Quality Assurance Panel for the Ministry of Education in Singapore
- Royal Anniversary Trust (Trustee)
- HCA (Advisory Board member)
- Association of University Administrators AUA (Hon President)

Thomas Jackson
Non-Executive Director

N A R H S

Years on the Board: 3

Thomas joined as a Non-Executive Director in November 2019 following the Group's acquisition of Liberty Living from CPPIB.

Relevant skills, experience and contribution

Thomas has been the head of CPP Investments' UK real estate business since 2015 and is responsible for CPP Investments' entry into a number of new real estate sectors, including student housing, life sciences and the Build-to-rent sector. In addition to sitting on the Board of The Unite Group PLC, Thomas also sits on a number of CPP Investments' office, retail and logistics Joint Venture boards. Beyond the UK, Thomas is also responsible for CPP Investments' real estate investment activity in Germany and the CEE regions. Thomas originally joined CPP Investments in 2011 and was instrumental in its transaction activity in Spain, the Nordics and India.

Prior to joining CPP Investments, Thomas was a Vice President in the real estate investment banking team at Macquarie bank and focused on M&A transactions within the UK and European public and private real estate companies.

Thomas brings wide ranging real estate experience, not only from the student housing sector, but also his wider build-to-rent, retail and logistics real estate experience to the Board. His international experience will also be invaluable for the Board, helping provide a wider perspective on developments in real estate as the Board progresses further its strategic thinking.

External appointments

- Canada Pension Plan Investment Board (Managing Director, Head of Real Estate, UK)

Professor Sir Steve Smith
Non-Executive Director

N A R H S

Years on the Board: 2

Professor Sir Steve joined the Board on 1 April 2020.

Relevant skills, experience and contribution

Professor Sir Steve brings his wealth of experience in the HE sector. He was the Vice-Chancellor and Chief Executive of the University of Exeter from 2002 to August 2020. Sir Steve was the president of Universities UK (2009–2011), Chair of UCAS (2012–2019), served on the Boards of UUK and the Russell Group, and was Chair of the UUK International Policy Network (2014–2020).

Between 2007 and 2010, Sir Steve led for Higher Education on the Prime Minister's National Council of Excellence in Education, which provided advice to Government about strategy and measures to achieve world-class education performance for all children and young people. Sir Steve was knighted in 2011 for services to Higher Education locally and nationally.

Sir Steve's extensive experience in the HE sector contributes to how the Board navigates a changing HE sector. In addition, his hands-on knowledge and insight into how universities operate help us develop stronger University partnerships. Sir Steve also Chairs our Health and Safety Committee and his on-campus knowledge helps us ensure our approach to safety is well aligned with our customers, universities, employees and wider stakeholders.

External Appointments

- Chair of the Liveable Exeter Place Board
- Trustee for Fulbright Programme

Chris Szpojnarowicz
Company Secretary

N A R H S

Years with Unite: 8

Chris was appointed Company Secretary and Group Legal Director in 2013.

Relevant skills, experience and contribution

Prior to Unite, Chris held General Counsel roles at GE, MTV Networks and other multinationals. He was previously an M&A/corporate and commercial lawyer at Clifford Chance and Baker McKenzie. Chris uses his general counsel and corporate/commercial legal experience to ensure our corporate and risk governance is aligned with our business activity.

External appointments

- The West of England Friends Housing Society (Board Trustee)

Committee key

- N Nomination Committee Member
- A Audit Committee Member
- R Remuneration Committee Member
- H Health & Safety Committee Member
- S Sustainability Committee Member
- C Committee Chair

BOARD STATEMENTS

Under the UK Corporate Governance Code, the Board is required to make a number of statements. These statements are set out below

COMPLIANCE WITH THE CODE

REQUIREMENT	BOARD STATEMENT	MORE INFORMATION
The Unite Group PLC is listed on the London Stock Exchange and is subject to the requirements of the UK Corporate Governance Code 2018 (the "Code"). The Board is required to apply the principles of the Code and to either comply with the provisions of the Code or, where it does not, explain the reasons for non-compliance. The code is available at www.frc.org.uk	The Board considers that the Company has, throughout the year ended 31 December 2021, applied the principles and complied with the provisions set out in the Code except in relation to (a) Provision 19: Chair tenure: Phil White resigned as the Chair and Non-Executive Director on 31 March 2021 after serving on the Unite Board for ten years and was succeeded by Richard Huntingford as Chair on 1 April 2021, who was independent on appointment (see explanation on page 96 of 2020 Annual Report on Chair tenure and successor appointment); (b) Provision 38: alignment of Executive Director pension contributions with the workforce (see explanation on page 138 of the Directors' Remuneration Report) and (c) Provision 40 and 41: Engagement with the workforce on remuneration policy (see explanation on page 152 of the Directors' Remuneration Report).	Details on how the Company has applied the principles and complied with the provisions can be found throughout this Corporate Governance section of the Annual Report. The table below on page 98 details where disclosure against the principles of the Code can be found in this Corporate Governance report.

GOING CONCERN

REQUIREMENT	BOARD STATEMENT	MORE INFORMATION
The Board is required to confirm that the Group has adequate resources to continue in operation for the foreseeable future.	After making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these financial statements.	More details on the Going Concern statement can be found on pages 190–191.

VIABILITY STATEMENT

REQUIREMENT	BOARD STATEMENT	MORE INFORMATION
The Board is required to assess the viability of the Company taking into account the current position and the potential impact of the principal risks and uncertainties set out on pages 76–88.	Taking account of the Company's current position and principal risks, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to December 2024.	More details on the Viability statement can be found on page 78.

PRINCIPAL AND EMERGING RISKS FACING THE GROUP

REQUIREMENT	BOARD STATEMENT	MORE INFORMATION
The Board is required to confirm that it has carried out a robust assessment of the principal and emerging risks facing the Company and include a description of these principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated.	A robust assessment of the principal and emerging risks facing the Company was undertaken during the year, including those arising from climate change and Covid-19, and those that would threaten its business model, future performance, solvency or liquidity, together with an assessment of the procedures to identify emerging risks.	Information around key risks and risk management processes and how they are being managed or mitigated can be found on pages 74–88 and on pages 120–125 of the Audit Committee report.

RISK MANAGEMENT AND INTERNAL CONTROL

REQUIREMENT	BOARD STATEMENT	MORE INFORMATION
The Board is required to monitor the Company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness.	The Board conducted a review of the effectiveness of the internal controls, supported by the work of the internal auditor and their reports to the Audit Committee. No significant weaknesses were identified through the course of the reviews.	Details on the systems of risk management and internal control can be found on pages 74–88.

FAIR, BALANCED AND UNDERSTANDABLE

REQUIREMENT	BOARD STATEMENT	MORE INFORMATION
The Board should confirm that it considers the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.	The Directors consider, to the best of each person's knowledge and belief, that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.	See the Audit Committee report on pages 120–125.

BOARD STATEMENTS continued

COMPLIANCE WITH THE CODE

The Company's disclosures on its application of the principles of the Code can be found in the table below:

BOARD LEADERSHIP AND COMPANY PURPOSE	PAGE
A. Long-term sustainable success and contribution	Pages 12 to 13, 15 to 17, 34 to 49
B. Purpose, values and culture	Pages 99 to 102
C. Resources and control framework	Pages 74 to 78, 102
D. Engagement with shareholders and stakeholders	Pages 12 to 13, 15 to 17, 104
E. Workforce policies and practices	Pages 12, 15, 35, 41, 42, 46, 101, 102, 104
DIVISION OF RESPONSIBILITIES	**PAGE**
F. Board leadership	Pages 106
G. Board composition and responsibilities	Pages 106
H. Role and commitment of Non-Executive Directors	Pages 106
I. Board effectiveness	Pages 107
COMPOSITION, SUCCESSION AND EVALUATION	**PAGE**
J. Board appointments, succession plans and diversity	Pages 118 and 119
K. Board experience, skills and knowledge	Pages 92 to 95, 107
L. Board evaluation	Pages 114
AUDIT, RISK AND INTERNAL CONTROL	**PAGE**
M. Internal and external audit – independence and effectiveness	Pages 124
N. Fair, balanced and understandable	Pages 120 to 125
O. Risk management and internal controls	Pages 74 to 88, 124
REMUNERATION	**PAGE**
P. Remuneration policies and practices – long-term strategy and success	Pages 134 to 167
Q. Development of policy on remuneration	Pages 136, 142
R. Judgement and discretion	Pages 135, 142, 144, 151

BOARD LEADERSHIP AND PURPOSE

GOVERNANCE LEADERSHIP AND CORPORATE CULTURE

The Board is responsible for establishing the Company's purpose, values and strategy, promoting its culture, overseeing its conduct and affairs, and for promoting the long-term sustainable success of the Company for the benefit of its members and stakeholders.

Our Purpose – Home for Success

The Board has defined our purpose: to create a Home for Success for all our students. We do this by providing communities within our properties where students can succeed both professionally and personally. Our purpose describes our shared commitment and motivation and helps us articulate our business model, develop our strategy, operating practices, approach to risk and how we engage with our stakeholders.

Home for Success is about providing the right home experience for all the tens of thousands of students that come to live with us each year from across the globe and to enable them to achieve whatever goals and ambitions they aspire to. The Board oversees our service proposition and how we keep our students safe and secure. Our purpose of Home for Success and 'doing what's right' led to the Board's decision to offer further rental discounts in 2021 and complimentary tenancy extensions into the summer of 2021 to allow students to explore and enjoy their university cities following the ongoing Covid-19 disruption. This has enhanced our reputation with students, parents, universities and the Government and underlines our Home for Success purpose.

The Board's focus on Home for Success is also about ensuring the right platform for our University partners by understanding their long-term aspirations, accommodation requirements and evolving expectations around student welfare. This means our offer is built around the priorities of students and universities alike. Our focus on our Home for Success purpose and the quality and resilience of our operating platform has enabled all our properties to remain open during national lockdowns, providing homes to our student customers throughout Covid-19.

With our people being at the heart of our business, the Board's focus on Home for Success is also about ensuring an environment whereby our employees can grow, develop, succeed and belong. The Board is driven by our commitment to develop diverse and inclusive teams, filled with positive energy and new ideas. We provide a range of career pathways and make opportunities for progression available to all.

The Board has ultimate responsibility to Unite's shareholders for all the Group's activities as well as a broader responsibility to consider the views of other key stakeholders including our customers, universities, employees and the communities we operate in as well as considering environmental and social issues when making decisions. This responsibility is intertwined into our purpose of Home for Success.

Our values and culture

We remain committed to our purpose, continuing to evolve through our stakeholder engagement and our people. The Board's ambition is to have a 'One Team' culture, where our values can reflect the mindset, behaviours and attitudes we aspire to role model across the business. These continue to shape our culture, capture who we are, the things we believe in and how we act. They connect us and drive our behaviours. As we progress on our journey, we do so with an enhanced commitment to doing what's right. This goes beyond regulatory compliance and relates to all aspects of the business including the impact on our people and communities.

During 2021, the Board approved the formation of our 'Culture Matters' employee forum. The Board wanted to ensure our employees' voice is 'front and centre' in shaping and implementing our People strategy. This forum ensures two-way communication between the Board and the wider company, involving and engaging employees through consultation, enabling them to contribute to the success of the business. Ilaria del Beato, our Designated Non-Executive Director for Workforce Engagement, attends the forum meetings. This forum also underpins a number of employee networks already established across the business including the Women's and LGBT+ forums.

How the Board monitors our culture

Our culture defines what makes Unite a great place to work and a great company to do business with and forms the fundamental basis for our governance. The Board monitors corporate culture through interaction and dialogue with our people and also through regular employee engagement surveys and site visits. This Board interaction takes place right through the organisation, helping ensure our values and culture are well understood and giving our people the opportunity for frank and open feedback and the sharing of different views.

Our employee surveys help measure engagement through their participation rates as well as the feedback received across the broad range of topics surveyed. During 2021, the Board resumed its City visits (not possible through 2020 due to Covid-19) and visited our operations in Cardiff, a new city for Unite following our Liberty Living acquisition, and our new developments in Bristol. Our +20 HE Trust score shows universities trust us to support them and gives an insight on our culture from our external stakeholders. Our initiatives undertaken supporting our Values mentioned on pages 99–101 reflects our values led culture.

BOARD LEADERSHIP AND PURPOSE continued

Our Values and Culture continued

Our Values

The Board led the development of our values, which guide the organisation in delivering our purpose of a Home for Success, where everyone feels they belong and are treated equally.

CREATING ROOM FOR EVERYONE

Being authentic and striving for a truly diverse and inclusive environment

Unite is a business that strives to be welcoming and inclusive to all, creating an opportunity to participate and feel valued. The Board has zero tolerance of any form of discrimination and embraces cultural diversity to provide an environment that enables everyone to be their true selves, creating a sense of belonging for everyone.

- 34% female / 66% gender split in leadership team
- 66% of managerial roles filled internally
- 83 individuals hired supporting Government's Kickstart scheme
- 514 Foundation scholars supported since 2012 and 254 scholars graduated
- Signed up for Black Interns programme
- Six city team training sessions held under Leapskills programme

KEEPING US SAFE

Safety is at the heart of our brand and at the core of everything we do

The Board believes we are at our best when everyone around us is at their best. Looking after everyone's wellbeing, both physically and mentally remains the Board's key priority. Safety is not just something else we do, it is part of everything we do and is weaved through the entire business and culture.

- Seven RIDDOR accidents
- British Safety Council Covid Assurance Assessment compliant
- Over 1,000 bodycam/solo protect cameras in operation across our city teams

DOING WHAT'S RIGHT

Always operate with a highly ethical, collaborative and solution driven mindset

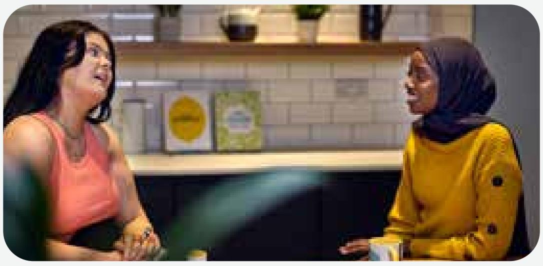
Being a responsible business is part of our DNA. The Board always looks to do the right thing in the right way, creating trust for our people, our students, our University partners and the communities we operate in. This drives the Board's actions and decisions as demonstrated by the Board's leadership in the decision to offer rent discounts and four-week complimentary summer extensions of tenancy agreements due to the pandemic. The Board challenges the status quo when needed and takes accountability for its actions.

- Net Carbon Zero commitment by 2030
- Real Living Wage employer
- Gold Investor in People accreditation
- Launch of first Culture Matters employee engagement forum
- Over £73 million invested in replacement of cladding
- Social programmes including Leapskills and Unite Foundation
- Partnership with the British Heart Foundation

RAISING THE BAR TOGETHER

Continuously focused on improving the way things are done

The Board's ambition is to constantly strive to be better, by embracing an inquisitive mindset and exploring the potential of our people's own development. This does not mean constantly trying new ideas but focusing on our own expertise and building on that. The Board uses clear insight and data to help inform us and understand what really matters to students, driving efficiency, effectiveness and a great customer experience every time.



- +35 Customer satisfaction NPS
- +20 Higher Education Trust NPS
- Maintained a GRESB 4-star rating and improved score to 85
- Service improvements driven by ideas submitted by employees

For more about our culture and values, go online to:
unite-group.co.uk/cultureandvalues

BOARD LEADERSHIP AND PURPOSE continued

Fresh Start – reinvigorating our Purpose, Values and Culture

Following Covid-19 disruption through 2020, the Board was keen to reinvigorate our purpose, values and culture once physically meeting together again became possible through 2021. To support this, the business ran 19 Fresh Start events across 16 cities, with everyone across the business invited. The Board's focus for these events was to ensure we put our customers back at the heart of everything we do, empowering our teams to give a great customer experience in their cities and properties. After 18 months of working through the Covid pandemic, this also provided an opportunity to bring teams together and spend quality time as a team.

Unite Live

Unite Live provides employees with an opportunity to engage with our Chief Executive Officer and senior leadership directly through an online forum. Any question can be tabled about working in Unite with regular questions relating to safety, wellbeing and diversity.

We update our people on business developments through weekly updates from our Communications team and via a range of platforms including the employee intranet, the Hub.

BOARD SITE VISITS

5

properties visited by the Board during the year

Board oversight

The Board discharges some of its responsibilities directly and others through Committees and senior management. Terms of Reference for the Committees are available in our Governance Framework, published on www.unite-group.co.uk/about-us/corporate-governance. To discharge their broader responsibility effectively, the Group operates in an open, harmonious and transparent manner, ensuring open communication between the Board and the business and its stakeholders.

During 2021, the Board started meeting again in person where Covid-19 guidance allowed this but also held hybrid meetings ensuring there was ample opportunity to listen and hear directly from the leadership team, the wider business and our stakeholders. During 2021, this included comprehensive engagement with our employees, customers and universities on the impact of Covid-19 as well as our environmental and social impact.

The Board also receives updates on business performance from our leadership team, including the Chief Customer Officer, Group Investment & ESG Director, Group Property Director, Deputy Chief Financial Officer, Chief Strategy Officer, Head of Health & Safety, Group Communications Director, Head of Energy & Environment, Chief Technology Officer, Higher Education Engagement Director and Group Legal Director & Company Secretary (among others).

The Board is also responsible for:

- Assessing, monitoring and promoting the Company's culture, and ensuring that this closely aligns with its purpose, values and strategy (see page 99–101, Our Values and Culture).
- Ensuring the necessary resources are in place for the business to meet its strategic objectives. During 2021, this required the Board to ensure there was an appropriate balance between dedicated resources to focus on Covid-19 whilst ensuring other teams could also focus on other strategic priorities such as Fire Safety and implementing our Sustainability Strategy.
- Establishing workplace policies and business practices that align with the Company's culture and values and support its strategy (see page 104).
- Overseeing the implementation of a robust controls framework to allow effective management of risk, with this oversight delegated to the Audit Committee (see pages 120–125).
- Effective succession planning for key senior personnel, much of which is delegated to the Nomination Committee (see pages 117–119).

The Board has ultimate responsibility to Unite's shareholders for all the Group's activities as well as a broader responsibility to consider the views of other key stakeholders including our customers, universities, employees, suppliers and the communities we operate in as well as considering environmental and social issues when making decisions. All of the Board's significant decisions are considered having regard to Section 172 and specifically the likely consequences of these decisions in the long term and their impact on our stakeholders. Pages 12–17 of the Strategic Report highlight how the Board has sought to effectively consider and engage with our shareholders and wider stakeholders.

While the above summarises the key areas of Board responsibility, it is not intended to be exhaustive.

Board structure

Board Committees

The Board has delegated certain responsibilities to its Committees, as detailed on the following pages. The terms of reference for each Committee are reviewed annually.

During 2021, the Board established the Sustainability Committee to oversee the implementation of our Sustainability Strategy and ensure Unite is a responsible, resilient and sustainable business.

The current membership of each Committee of the Board is set out in the chart below:

N

NOMINATION COMMITTEE

The Nomination Committee reviews the structure, size, composition, skills and experience of the Board and focuses on succession planning with due regard to diversity.

Ⓒ **Richard Huntingford**
Elizabeth McMeikan
Ross Paterson
Ilaria del Beato
Professor Sir Steve Smith
Shirley Pearce
Thomas Jackson
Richard Smith

See **committee report** on pages 117–119

A

AUDIT COMMITTEE

The Audit Committee oversees the financial reporting, risk management and internal control procedures.

Ⓒ **Ross Paterson**
Ilaria del Beato
Professor Sir Steve Smith

See **committee report** on pages 120–125

R

REMUNERATION COMMITTEE

The Remuneration Committee determines the remuneration policy in consultation with shareholders for the remuneration of the Board and the implementation of this policy.

Ⓒ **Elizabeth McMeikan**
Ross Paterson
Shirley Pearce
Professor Sir Steve Smith

See **committee report** on pages 134–167

H

HEALTH & SAFETY COMMITTEE

The Health and Safety Committee oversees the performance of the Group's health and safety and helps drive the Group's "Safe and Secure" promise.

Ⓒ **Professor Sir Steve Smith**
Elizabeth McMeikan
Ilaria del Beato
Shirley Pearce
Richard Smith

See **committee report** on pages 130–133

S

SUSTAINABILITY COMMITTEE

The Sustainability Committee oversees the implementation of the Sustainability Strategy and helps ensure Unite is a responsible, resilient and sustainable business.

Ⓒ **Shirley Pearce**
Richard Smith
Ross Paterson
Ilaria del Beato
Thomas Jackson

See **committee report** on pages 126–129

Ⓒ Committee Chair

BOARD LEADERSHIP AND PURPOSE continued

How the Board operates and stakeholder engagement

The Board has an annual operating rhythm with an agenda of items for the forthcoming year built around our strategic objectives. The Board's meetings are split between strategy (considered in light of principal and emerging risks, opportunities and the approval of specific investments above certain thresholds as well as ESG and longer term sustainability) and routine operational, property and financial updates (providing context for the strategic discussions as well as governance oversight of in-year activity).

Meetings usually take place throughout the UK, often at universities or in our operating cities, although this was more challenging during the pandemic. These meetings enable the Board to meet Vice-Chancellors and learn about their experiences with Unite, their accommodation requirements more generally and broader developments in the Higher Education sector. In the beginning of this year meetings took place virtually or as hybrid meetings (to allow for ongoing social distancing measures) and in the summer of 2021 resumed in person meetings once this was possible.

Senior leaders are regularly invited to attend meetings and present to the Board. These meetings provide the Board, and in particular the Non-Executive Directors, with direct and open access to leaders throughout the Group and helps build a culture of openness and directness. In addition, external experts are also invited to present to the Board (such as university Vice-Chancellors and property valuers) to give the Directors a broader and independent perspective.

Stakeholder engagement on pages 12–17 explains how the Board engages and measures the views of our key stakeholders and the outcomes from this engagement.

Workforce engagement and the role of our Designated Non-Executive Director for Workforce Engagement

The Board has designated one of its Non-Executive Directors (Ilaria del Beato) to help ensure the views and concerns of the workforce are brought to the Board and taken into account following the framework of 'listen, reflect and represent'. The Board chose Ilaria since she is a CEO at a real estate group and thus well placed to understand current challenges faced by employees and also since Ilaria is a member of our Sustainability Committee which includes our Social impact as part of its ESG remit.

Her role includes:

- attending the Culture Matters forum;
- monitoring our employee engagement surveys and actions arising;
- soliciting the views of employees on remuneration structures and processes across the Group;
- collaborating with our Group People Director and the wider People team who also hear the views of the workforce directly; and
- providing feedback to the Board on People concerns and the results of surveys and other liaison.

By attending the Culture Matters forum and engaging with people across our organisation, Ilaria is able to:

- understand the concerns of the workforce and share these at Board meetings;
- ensure the Board, and in particular the Executive Directors, take appropriate steps to evaluate the impact of proposals and developments on the workforce and consider what steps should be taken to mitigate any adverse impact; and
- ensure plans are fed back to the workforce.

This chosen engagement mechanism continues to be the subject of feedback from the workforce in determining that it is an appropriate and effective mechanism for engagement and is included in the annual agenda of the Culture Matters forum.

Workforce engagement has led to shaping the Board's decision making. Through 2021, these decisions were primarily focused on our people and an increased focus on equality, diversity, inclusion and belonging as well as safety and wellbeing. This applied to both those employees who continued to work in our properties and those employees able to fulfil their roles working from home. See page 12 on how we engaged with our people in 2021. Our engagement resulted in the following:

- The recruitment of an ED&I lead who is developing our ED&I and wellbeing strategy and embedding diversity, inclusion and wellbeing into the culture of our business through a learning and development programme.
- ED&I training programmes led by Diversity specialist René Carayol and sharing of views and experiences of diversity and inclusion in the workplace. For more about these programmes see page 42.
- Employees being able to include their pronouns in their email profiles through our Better Data, Fairer Workplace project. See more under 'Providing opportunities for all' on pages 35, 42 and 128 and Equality, Diversity and Inclusion on page 42.
- Wellbeing foundational training for all employees, especially those working from home conscious this has continued for two years. The Board continues to support flexibility in our ways of working. See more on page 35 on Enhancing the health and wellbeing of our employees and students.
- Relaunch of our Positive Impact programme (see more on page 44 about this programme).

The Board, through the detailed work of the Remuneration Committee, also monitors pay and practices across the wider workforce with the Group People Director attending these meetings to update on workforce initiatives and offer an employee perspective to the Committee's deliberations.

The Board also considers diversity, inclusivity and belonging across the workforce, by considering (among other things) our gender and ethnic diversity throughout the Group as well as our gender pay gap.

Investment in workforce

The Company invests in our people, conscious that we can only deliver a home for our students, and ultimately our purpose of Home for Success, through our people. Our people are a key stakeholder and how we engage with them and measure this is set out on pages 12, 15, 17, 35, 104 and 138. The Company is a fully accredited Living Wage employer and provides recognition through pay awards, annual bonuses for all employees and our annual employee scheme, Stars Awards, recognising individuals and teams. Senior leaders are eligible to participate in the Long Term Incentive Plan. All employees are eligible to participate in the Company's SAYE scheme. As a responsible and sustainable business, creating diverse and engaged teams is critical to our on-going success.

Whistleblowing programme

The Board annually reviews our Whistleblowing programme and the nature of concerns raised. Our Whistleblowing policy and a clear explanation as to how employees can raise a concern in confidence is readily available and published on our intranet. This includes raising a concern via an independent third-party if someone feels this is necessary. Concerns raised are then investigated by the Company Secretary and escalated as appropriate.

Section 172 of the Companies Act 2006 (Section 172)

Section 172 requires the Directors to take into consideration the interests of stakeholders in their decision making. In particular, Section 172(1) states that regard should be had to the long-term consequences of decisions; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the impact of the Company maintaining a reputation for high standards of business conduct and the need to act fairly as between members of the Company. Pages 15 to 17 explains how this was considered during 2021. Further, pages 109 to 113 explain Board activity and decision making during the year which flowed from our stakeholder engagement and how this is aligned to our strategic objectives.

How we engage with our investors

The Board values effective communication with shareholders and other providers of capital to the business and welcomes their views on the Group's approach to corporate governance. The Board creates sustainable value for our three types of investors: institutional, retail and debt investors:

INSTITUTIONAL INVESTORS

Investors attend our year-end and half-year results presentations (these were held virtually this year due to Covid-19 but are usually in person). The year-end results presentation also included the launch of our new Sustainability Strategy.

After our results, our Executive Directors held meetings with investors to ensure their views were taken into consideration as we develop our strategy, help them understand the ongoing performance of the business and our approach to the reinstatement of dividends.

We held a Capital Markets Day in October in Manchester, showing investors our new properties and our City operations and sharing views on the Higher Education outlook.

We also engage with investors throughout the year on various aspects of environmental, social and governance matters.

The Board is made aware of the views of major shareholders concerning the Company through, among other means, regular analyst and broker briefings and shareholder surveys. These will continue throughout 2022. Richard Huntingford also reaches out to the top 20 shareholders each year.

INSTITUTIONAL INVESTORS: c.800

RETAIL INVESTORS

Due to continued Covid-19 disruption, we had to hold our 2021 AGM as a closed AGM. However, to ensure all shareholders were given an opportunity to raise questions of the Board, shareholders were invited to ask questions via email in advance of the meeting.

All resolutions put to the 2021 AGM received overwhelming support from our shareholders. The results of voting are available at: www.unite-group.co.uk/investors/agm. There were no resolutions with less than 80% voting in favour and therefore Code Provision 4 did not apply.

PRIVATE INVESTORS: c.450

NUMBER OF EQUITY INVESTORS: c.1,250

DEBT INVESTORS

Bond holders
Bond holders are invited to an annual meeting with senior management and Treasury to update them on performance and business strategy. Other discussions are held with bondholders on specific topics as required such as ESG and our Sustainability Strategy.

Lenders
Regular dialogue is maintained with our key relationship lenders, through meetings or conference calls with our CFO and Treasury team. Our Treasury team also actively engages with new and potential lenders. During early 2021 engagement with our lenders had focused on our Financing covenants compliance but is now once again addressing our financing commitments more generally.

Credit Rating Agencies
During the year, business and financial updates were provided by our Treasury team to Standard & Poor's and Moody's who gave us an investment grade corporate rating of BBB and Baa2, respectively.

NUMBER OF LISTED BONDS: 5

Shareholder consultation on proposed new Remuneration Policy

During 2021, the Remuneration Committee conducted a consultation with the Committee Chair engaging with the 20 largest shareholders (representing approximately two-thirds of the issued share capital) and with proxy advisors (Glass Lewis, the Investment Association and ISS) regarding proposed changes to the Company's Remuneration Policy (more detail on page 136). The Committee was grateful for investors taking the time to participate in the consultation and the constructive feedback received. The Committee used this direct feedback, along with the latest investor and shareholder proxy voting principles to refine and conclude our final proposals. The feedback received and the outcome of this engagement is set out on pages 136–138 under Review of the Directors' Remuneration Policy.

During 2021, the Company refreshed its corporate website providing insightful information for both institutional and retail investors. We continue to offer a scrip dividend alternative to shareholders, which enables them to opt for shares rather than cash with no dealing costs or stamp duty. The scheme was renewed for a further three years at the 2021 Annual General Meeting. Full details are available on our website. The Company has frequent discussions with shareholders on a range of issues affecting its performance, both following the Company's announcements and in response to specific requests. The Company regularly seeks feedback among its shareholders, the investor community more broadly and its wider stakeholders.

DIVISION OF RESPONSIBILITIES

Composition of the Board

The composition of the Board is set out in the table on page 108.

The Board currently consists of the Chair, two Executive Directors and six Non-Executive Directors.

Each of the Directors offers themselves for election or re-election at the Annual General Meeting, to be convened this year on 12 May 2022, in accordance with the requirements of the Code, Brief biographies of all the Directors and their skills, experience and contribution, are set out on pages 92 to 95. Following the individual performance evaluations of each of the Non-Executive Directors seeking re-election, it is confirmed that the performance of each of these Non-Executive Directors continues to be effective. They each demonstrate commitment to the role and add value and relevant experience to the Board.

On 15 December 2021, Richard Akers, a Non-Executive Director of the Company, stepped down from the Board in view of his other increasing business commitments. Richard has served as a Non-Executive Director of the Company since 1 September 2018.

Independence

The Board considers five of its six Non-Executive Directors to be independent. Thomas Jackson is not considered to be independent, having been nominated as a Director of the Company by its largest shareholder Canada Pension Plan Investment Board (CPPIB) pursuant to a Relationship Agreement signed as part of the Liberty Living acquisition. Accordingly, the Company meets the requirement of the Code that at least half of the Board (excluding the Chair) is made-up of independent Non-Executive Directors. In addition, Richard Huntingford (Chair of the Board) is considered independent on his appointment to the role.

Roles

The Chair and the Non-Executive Directors constructively challenge and help develop proposals on strategy, and bring strong, independent judgement, knowledge and experience to the Board's deliberations. The roles of the Chair and CEO are clearly separated. Summaries of the responsibilities of the Chair, CEO and Senior Independent Director are set out in the table below.

Role: Chair

Richard Huntingford's principal responsibilities are:

- to establish, in conjunction with the Chief Executive, the strategic objectives of the Group for approval by the Board
- to organise the business of the Board
- to enhance the standing of the Company by communicating with shareholders, the financial community and the Group's stakeholders generally

Role: Chief Executive

Richard Smith has responsibility for:

- establishing, in conjunction with the Chair, the strategic objectives of the Group, for approval by the Board
- implementing the Group's business plan and annual budget
- the overall operational and financial performance of the Group

Role: Senior Independent Director

As Senior Independent Director, Elizabeth McMeikan's principal responsibilities are to:

- act as Chair of the Board if the Chair is conflicted
- act as a conduit to the Board for the communication of shareholder concerns if other channels of communication are inappropriate
- ensure that the Chair is provided with effective feedback on his performance

The terms and conditions of appointment of the Non-Executive Directors are available for inspection at the Company's registered office and at the Annual General Meeting.

Time commitment

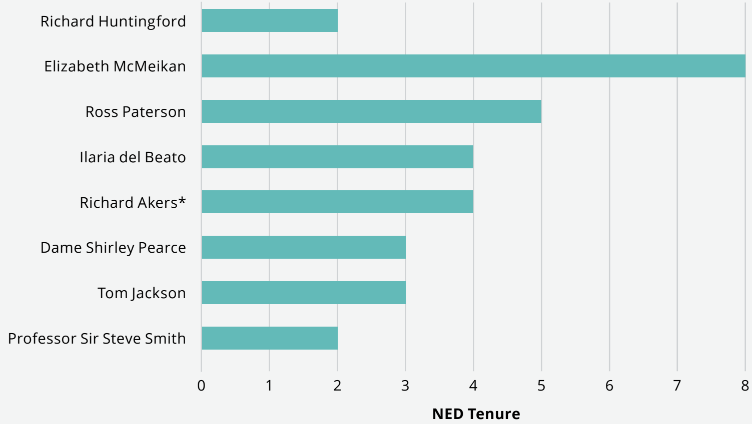
On 1 April 2021, Elizabeth McMeikan became a Senior Independent and Non-Executive Director of Custodian REIT plc. No potential conflict has been identified in relation to Elizabeth's appointment. Elizabeth's total time commitment with Custodian REIT plc is anticipated to be c.22 days per year. There are no timing issues identified with Unites' Board dates and Custodian REIT plc. Custodian REIT plc has a March financial year-end. The Board approved this appointment in advance and agreed that it would not impact Elizabeth's commitment as a Non-Executive Director of Unite.

Non-Executive Directors are expected to commit approximately 20 days per annum to the business of the Group. We have reviewed the responsibilities of all Directors and are satisfied that they can fully fulfil this commitment. During 2020 and 2021 additional time commitment was needed as a result of Covid-19 and the Directors attended regular Covid-19 Board calls in addition to the scheduled Board meetings to ensure an appropriate balance between a focused Covid-19 response and an ongoing focus on other key business areas.

It is the Board's policy to allow Executive Directors to accept directorships of other unconnected companies so long as the time commitments do not have any detrimental impact on the ability of the Director to fulfil his duties. It is considered this will broaden and enrich the business skills of Directors. Any such directorships must be undertaken with prior approval of the Board.

Board tenure

Each of the Executive Directors has a rolling contract of employment with a 12-month notice period, while Non-Executive Directors are, subject to re-election by shareholders, appointed to the Board for a term of approximately three years. The adjacent chart shows the current tenure of the Non-Executive Directors (rounded up to the nearest year).



* Richard Akers resigned on 15 December 2021

Professional advice and training

Directors are given access to independent professional advice at the Company's expense when the Directors deem it necessary in order for them to carry out their responsibilities. The Directors also have regular dialogue with, and direct access to, the advice and services of the Company Secretary, who ensures that Board processes and corporate governance practices are followed.

The Board considers it important that the Committee Chairs continue to receive sector and relevant functional training (such as on accounting, corporate governance and executive remuneration reporting developments) and accordingly the Committee Chairs attend relevant external seminars. The Board as a whole receives ongoing training on corporate governance and other relevant developments.

Board induction

On appointment to the Board, each Director takes part in a comprehensive and personalised induction programme. This induction is also supplemented with ongoing training throughout the year to ensure the Board is kept up to date with key legal, regulatory and industry updates. Any Director on appointment undergoes induction programme following this framework:

- The business and operations of the Group and the Higher Education sector; the role of the Board and matters reserved for its decisions; the terms of reference and membership of Board Committees; and powers delegated to those Committees.
- The Group's corporate governance practices and procedures and the latest financial information about the Group. The legal and regulatory responsibilities as a Director and, specifically, as a Director and Chair of a listed company.

As part of the induction programme, they meet with key senior executives, so from the outset they have access to people throughout the organisation to help them form their own independent views on the Group, its performance and the sector we operate in. In addition, they meet with representatives of the Company's key advisers. Arrangements are made for each Director to visit key locations to see our business operations and properties first-hand and the Higher Education institutions with which we partner.

DIVISION OF RESPONSIBILITIES continued

Board activities in 2021

Directors' attendance at meetings

Current Directors	Status	Date of appointment to the Board	Board	Audit Committee	Remuneration Committee	Nomination Committee	Health & Safety Committee	Sustainability Committee
Richard Huntingford	Chair / Independent	01 December 2020	11/11	–	–	100%	–	–
Elizabeth McMeikan	Independent	01 February 2014	11/11	–	100%	100%	100%	–
Joe Lister	Executive	02 January 2008	11/11	–	–	–	–	–
Richard Smith	Executive	01 January 2012	11/11	–	–	–	100%	100%
Ross Paterson	Independent	21 September 2017	11/11	100%	100%	100%	–	100%
Richard Akers[1]	Independent	01 September 2018	11/11	100%	100%	100%	–	100%
Ilaria del Beato	Independent	01 December 2018	11/11	100%	–	100%	100%	100%
Dame Shirley Pearce	Independent	01 November 2019	11/11	–	100%	100%	100%	100%
Thomas Jackson	Non-independent	29 November 2019	11/11	–	–	100%	–	100%
Professor Sir Steve Smith	Independent	01 April 2020	11/11	100%	–	100%	100%	–
Phil White[2]	Chair	21 January 2009	3/3	–	100%	–	–	–

1. Resigned on 15 December 2021.
2. Resigned on 31 March 2021.

BOARD ACTIVITIES

2021 Board activities table

	Governance	Strategy	Financial & Risk management	People	Operational and commercial
February	Higher Education sector review	Group Strategy review	Annual Tax review Valuer update	Gender pay gap review ED&I initiatives	Development market update
March	Approve Annual Report IR review	Launched Sustainability Strategy LSAV extension	Preliminary results Group cashflow review Resuming Dividend	Development safety	Post-completion review Cladding review
May	Annual General Meeting Review auditors	Development strategy and review	Review internal controls Review Information Security	Employee Wellbeing review	Disposals
June	Embedding Sustainability Strategy	Digital Upskilling programme Strategy and Growth initatives	Funding options Principal and emerging risks review	Safe and Secure promise during Covid-19 Employee engagement – Culture Matters Fire Safety	Investment market review Development and Estates update
July	Refreshing our OKRs (Objectives and Key Results in light of Covid-19) Internal Audit Cyber Security review	HE sector and Covid-19	Interim results Debt strategy	Plans for our 2021 internal Board evaluation	Covid-19 operational review
September	Climate Change risks and TCFD Higher Education sector engagement	Refreshing our Sustainability Strategy Marketing, Communications and Brand Strategy Review	Interims feedback Sustainability-linked revolving credit facility	Workforce Engagement update People & Culture Review Customer survey update	Net Zero Carbon Pathway
October	Capital Markets Day Shareholder Consultation on Remuneration Policy	Sustainabiltity progress review	Cladding Update	Student wellbeing Unite Foundation update	Property – development approval (Derby Road, Nottingham)
November	Internal Board & Committee Evaluation feedback Audit Committee expansion to Audit & Risk Committee	Data and Technology Road Map and Strategy Implementation Update	2022 budget themes	Organisational people design to deliver our Strategy	Fire safety
December	Internal Audit & Assurance	Net Zero Carbon Pathway Annual Tax strategy review & approval	Principal and emerging risks review 2022 budget approval	Employee Bonus Scheme Whistleblowing review	Liberty Living integration – review of learnings

BOARD ACTIVITIES continued

Board Decision making during 2021

STRATEGIC OBJECTIVE

DELIVERING FOR OUR CUSTOMERS AND UNIVERSITIES

BOARD'S GOVERNANCE ROLE	LINK TO PRINCIPAL RISK	WHAT THE BOARD DID IN 2021 AND ITS DECISION MAKING
Safety, health and wellbeing: Governance to ensure the health, safety, wellbeing and security of our customers is paramount. During 2021 this has continued with a particular focus on Covid-19 and fire safety.	**Operational risk – Major health and safety incident in a property or a development site on page 82**	The Board reviews the safety of our students, visitors and employees, as well as contractors at our development sites, at each Board meeting. • **Covid-19:** The Board oversees how our properties can remain open and operational throughout the pandemic and ensures we employ the appropriate range of measures across our buildings to reduce transmission of Covid-19 where possible. • **Fire safety:** The Board and the Health and Safety Committee review and challenge our fire safety programme, a critical part of our health and safety strategy. The Board is committed to the business being a leader in fire safety standards through a proactive, risk-based approach embedded across the business and ensuring that students and our employees are kept safe. The Board also oversees our cladding remediation programme and related spending. Read more about **Health & Safety Committee report** on page 130
Ensuring our product is affordable and provides good value-for-money for our customers.	**Market risks – Demand reduction: value-for-money / affordability on page 80**	Board governance of our decision and commitment to 'doing what's right' o offer further rental discounts and complimentary tenancy extensions to our customers unable to use their accommodation at the start of 2021. Board analysis of the Higher Education accommodation sector, and ensuring we continue to offer an affordable and value-for-money product. Board analysis of our customer offer and how we service undergraduate 1st-year students through lettings to universities under nomination agreements and also considering the opportunities to tailor our customer proposition to better meet the needs of returning students seeking greater independence and postgraduate and international students who may be willing to pay a premium for a higher level of service. Oversight of trials in 2021 of a postgraduate focused customer offer which delivered increases in rental income and Net Promoter Scores and our resulting increased offer of our product and service segmentation for postgraduates for the 2022/23 sales cycle. Read more about **Operations review** on pages 56–61

DELIVERING FOR OUR CUSTOMERS AND UNIVERSITIES CONTINUED

BOARD'S GOVERNANCE ROLE	LINK TO PRINCIPAL RISK	WHAT THE BOARD DID IN 2021 AND ITS DECISION MAKING
Governance to ensure our best-in-class operating platform delivers for our customers and University partners.	**Market risks – supply and demand on pages 79–81**	Through our direct engagement with VCs and other levels of management within universities, the Board is able to take into account the views of these stakeholders as well as monitoring and measuring our performance. Board oversight that our operating platform and our customer facing operational apps (such as the MyUnite app) deliver: • a robust booking system • an improved and scalable platform for revenue management and customer engagement • enhanced service levels for both universities and students • market differentiation. Read more about **Operations review** on page 56–61 Read more about **Stakeholder engagement** on pages 12–17, 104
Ensuring our 'safe and secure' promise extends to keeping our customers' and employees' personal data safe and secure.	**Operations risk – Information Security and Cyber threat on page 83**	Ongoing review of our information security and its governance, in particular having regard to the General Data Protection Regulation (GDPR).
Board scrutiny of our developments and portfolio recycling to ensure we partner with the right universities and enhance our long standing relationships. Building university relationships through ongoing engagement and dialogue with universities.	**Market risk – supply and demand and Property/ Development risk on pages 79–81 and pages 84–85**	Board portfolio activity focused on increasing our alignment to high and mid-ranked universities and being in the best locations with 90% of our rental portfolio and 100% of our development pipeline located in Russell Group cities and becoming more concentrated towards the strongest markets over time and our weighting towards London increasing to 44% through delivery of our development pipeline. Board approval of development/ disposals activity. Read more about **Development and University partnership activity** on page 66

BOARD ACTIVITIES continued

Board Decision making during 2021 continued

STRATEGIC OBJECTIVE

ATTRACTIVE RETURNS FOR SHAREHOLDERS

BOARD'S GOVERNANCE ROLE	LINK TO PRINCIPAL RISK	WHAT THE BOARD DID IN 2021 AND ITS DECISION MAKING
Dividend Policy: Board governance role in framing of our dividend policy.	**Financing risk on page 87**	Board focus on reinstating our dividend payments with a payout ratio of 80% of adjusted EPS as market conditions stabilised.
Development pipeline: Board scrutiny of city and site selection for new developments against a backdrop of increasing competition for the best sites. Governance of developments/ acquisitions to ensure they run to budget and schedule and are earnings accretive.	**Property/Development risk on pages 84–85**	Board oversight of our new investment focused on 8–10 cities, including London and prime regional markets with the strongest demand outlook. Through 2021, the Board led the increase in development through a development pipeline increase to 6,000 beds and £967 million in total development cost. The Board takes into account its engagement with universities about these developments when making a decision whether to proceed or not with these development schemes. Read more about **Development and partnership activity** on page 66
Disposals: Board governance of our portfolio recycling as we increase our exposure to the UK's best universities, while generating capital to invest in further development activity.	**Property/Development risk on pages 84–85**	Board oversight of the sale of £261 million of assets to enhance our overall portfolio quality and fund reinvestment into the improvement of our estate. These have reduced our footprint from 27 to 25 markets and includes disposals identified following our acquisition of Liberty Living in 2019. Read more about **Disposals** on page 69

STRATEGIC OBJECTIVE

A RESPONSIBLE AND RESILIENT BUSINESS

BOARD'S GOVERNANCE ROLE	LINK TO PRINCIPAL RISK	WHAT THE BOARD DID IN 2021 AND ITS DECISION MAKING
Sustainability: As a listed plc and responsible/trusted business, our wider stakeholders demand we proactively manage environmental, social and governance risks. The Board oversees the setting and implementation of our Sustainability Strategy which has the overarching ambition for Unite to clearly lead the student housing sector on sustainability issues and be in the leading pack of real estate companies in the wider sector.	**Sustainability/ESG risk on page 86**	During March 2021, the Board led the launch of our new Sustainability Strategy developed following extensive stakeholder engagement and materiality assessments. This new Sustainability Strategy provides a clear structure with objectives, flagship targets including net zero carbon operations and construction from 2030 and governance to ensure its successful delivery. The Board approved the Net Zero Carbon Pathway, built on science based targets validated by the SBTi, which sets out the activities and investment required to achieve our objective of becoming net zero carbon across both the Company's operations and development activities by 2030. The Board also interrogated our ongoing ESG regulatory and reporting compliance. The Board considered the Board's specific climate change risks, identifying them across: Regulatory risk; Physical risk; Transition risk; and Stakeholder risk. The Board considered the impact of these risks and oversees the assurance of the corresponding risk management.
Fire safety: Proactive Board oversight of improvements in fire safety, demonstrating leadership on removal of HPL cladding.	**Operational risk – Major health and safety incident in a property or a development site on page 82**	The Board oversaw the Group being one of the first companies to take action to remove Aluminium Composite Materials (ACM) cladding from our buildings where needed. Following this, the Board led the review of High-Pressure Laminate (HPL) cladding on our properties and the governance of our cladding remedial plan and the investment to be incurred over the next 12–36 months implementing this plan.
Employee wellbeing: Governance to ensure the health, safety, wellbeing and security of our 1,900 employees is paramount. **Diversity and inclusion**	**Operational risk – Major health and safety incident in a property or a development site on page 82**	The Board has designated one of its Non-Executive Directors (Ilaria del Beato) to help ensure the views and concerns of the workforce are brought to the Board and taken into account. The Board approved the formation of our Culture Matters forum. This puts the employee voice 'front and centre' in supporting the shaping of our People strategy and consulting on strategic change. The Board also has oversight of various wellbeing and Equality, Diversity, Inclusion & Belonging (ED&I) initiatives. We hired a Diversity, Inclusion & Belonging lead who is developing our ED&I and wellbeing strategy and embedding equality, diversity, inclusion and wellbeing into the culture of the business through a learning and development programme. Read more about **employee wellbeing** and **ED&I initiatives** under **Workforce engagement** on pages 42 and 104

BOARD ACTIVITIES continued

Board Decision making during 2021 continued

A RESPONSIBLE AND RESILIENT BUSINESS CONTINUED

BOARD'S GOVERNANCE ROLE	LINK TO PRINCIPAL RISK	WHAT THE BOARD DID IN 2021 AND ITS DECISION MAKING
HE Government Policy and Brexit: Continued focus on potential HE Government policy changes as well as our Brexit response.	**Market risk – supply and demand pages 79–81**	Ongoing Board monitoring of HE Government policy and its impact for PBSA and more widely as well as continued monitoring of how we are responding to, and mitigating the impact of, Brexit on our business.
Covenants compliance: Group Board oversight of our Covenants compliance.	**Financing risk on page 87**	Board oversight of our Financing Covenants compliance tested by the sudden, unexpected and wide ranging impact of Covid-19. During 2020 and early 2021, there has been a specific focus on ICR covenants. The Board monitors Covenants' compliance across a range of income / stress scenarios to ensure that if any risks emerge, the Board is ready to identify further action and work with lenders well in advance. Covenant compliance also has oversight in the Audit Committee and by the external audit review of our Covenant compliance through the Going Concern process. Read more about **Financial review** on page 70
Capital structure: Group Board focus on a strong and flexible capital structure, which can adapt to market conditions, and reducing and diversifying the cost of funding.	**Financing risk on page 87**	Board oversight of our capital structure, including the £450 million sustainability-linked unsecured revolving credit facility. Read more about **Financial review** on page 70
Leadership development and succession planning/talent pipeline.	**Market risk – supply and demand on pages 79–81**	The Nomination Committee focuses on Board succession as well as our broader talent pipeline and leadership development. Read more about **succession planning/talent pipeline** on page 117

2021 performance evaluation

Each year the Board, its Committees and Directors are evaluated, considering (among other things) the balance of skills, experience, independence and knowledge on the Board, its diversity (including gender), how it works together as a unit and other factors relevant to its effectiveness. The Company's policy is to conduct an externally facilitated evaluation every third year. During 2021, the evaluation was conducted internally. The previous external evaluation was in 2020 and the next external evaluation is expected to be during 2023.

Board evaluation process

The Board completed an anonymous online questionnaire using Thinking Board, provided by Independent Audit Limited that addressed a broad range of issues and which enabled it to provide comments on a range of matters. The questions covered Board performance, culture, the content and scope of topics covered at Board meetings, and the nature and dynamics of Director contributions at meetings. The question set were consistent with 2020 to provide comparative results. There were separate questionnaires for the Audit, Remuneration, Health & Safety and Nomination Committee. The conclusions were discussed by the Board and each Committee at their meetings in Q4 of 2021. Since the Sustainability Committee was only established earlier in 2021, it was not included in the formal Committee evaluation process but the Sustainability Committee considered its effectiveness in January 2022.

Conclusion from this year's Board evaluation

The general conclusion was that the Board and its Committees continue to operate to a high standard and work effectively. Other areas of strength included the skills and experience of the Non-Executive Directors both to challenge and support the Executive team, and contributions to Board discussion and decision making. The consensus is that the Board is effectively developing and reviewing its wider business strategy and Sustainability Strategy, with clear alignment around our Purpose and Values. The Directors believe that the Board fulfils its role relating to strategy, risk, governance and oversight of operational and financial performance well. The key areas where there are opportunities for further development include:

- organisation oversight, with a particular regard to succession planning, culture and values;
- a better understanding of risks and mitigation around IT and data and how this may inform our strategy and more generally understanding how our risks link to our strategy;
- a better understanding of our People issues and data; and
- upskilling in fast developing areas such as Technology, Sustainability and Net Zero.

The Board and each of its Committees reviewed the suggestions and outcomes of the Board evaluation and have developed an implementation plan. The Board also considered its and the Committees' current composition. The only change was adding Richard Smith as a member of the Nomination Committee (effective 1 February 2022) so as CEO he could share his views on the Board's structure, size and composition and helping ensure the Board has the right balance of skills, diversity and experience.

Progress against the 2020 Board Evaluation recommendations

	2020 BOARD EVALUATION RECOMMENDATIONS	2021 PROGRESS AGAINST THESE RECOMMENDATIONS
1.	Consider setting up a Sustainability Committee, reporting to the Board, to have oversight of the development, integration and communication of the Sustainability Strategy and review how climate-related change and environmental concerns are integrated into our strategy.	The Board established a Sustainability Committee in early 2021 to provide this formal oversight and challenge to the execution of the Group's Sustainability Strategy. During 2021, the Committee had three Committee meetings and expects to have four meetings per year going forwards.
2.	Create space in the Board agenda for more unstructured strategic discussion and blue-sky thinking and discussion.	One 2021 Board meeting was focused purely on our strategy development and strategy is also picked up on Board focused sessions focusing on different themes of our strategy.
3.	Continue to develop the Board's oversight of the Company's culture and approach to employee engagement.	The Board approved our new People strategy, which among other things focuses on diversity and inclusion. The creation of the Culture Matters forum and the work of our Designated Non Executive Director for Workforce Engagement helps the Board better understand our employees and the business culture.
4.	Create more opportunities for the Board members to spend more informal time together when circumstances permit.	In mid-2021, the Board transitioned to hybrid meetings and has now moved back to in person meetings together with operational City visits (which included Bristol and Cardiff in 2021).

BOARD ACTIVITIES continued

2022 governance priorities

DELIVERING FOR OUR CUSTOMERS AND UNIVERSITIES

Governance of initiatives to enhance student experience and increase customer retention.

Governance to support our university partners to deliver their accommodation needs and future growth ambitions through off-campus development, on-campus development or stock transfer.

ATTRACTIVE RETURNS FOR SHAREHOLDERS

Governance to generate attractive returns for shareholders through a combination of growing recurring income, rental growth and value add through our development activities, University partnerships and potentially other living sectors complimentary to our operating platform and customer focus.

A RESPONSIBLE AND RESILIENT BUSINESS

Governance to ensure continued progress against the five pillars of our Sustainability Strategy. Governance of our Net Zero Carbon Pathway and investments in energy initiatives.

Governance of our People strategy to ensure the Group embraces the opportunities a truly diverse and inclusive workforce brings across all levels of our business, creating a sense of belonging and ensuring our people can bring their true selves to work.

NOMINATION COMMITTEE

PEOPLE GOVERNANCE

Succession planning and diversity continue as the Committee's primary focus

NUMBER OF MEETINGS
2

ATTENDANCE
100%

Committee Membership

Richard Huntingford
Chair of the Nomination Committee

Elizabeth McMeikan
Senior Independent Director

Ross Paterson
Non-Executive Director

Ilaria del Beato
Non-Executive Director

Dame Shirley Pearce
Non-Executive Director

Thomas Jackson
Non-Executive Director

Professor Sir Steve Smith
Non-Executive Director

Richard Smith
Chief Executive Officer
(Joined effective 1 February 2022)

NOMINATION COMMITTEE continued

Nomination Committee Chair's overview

Succession planning and growing the diversity of the Board has been the primary focus of the Committee through 2021, whilst also monitoring ongoing executive succession planning and our talent and leadership development.

Composition

The Committee consists of all the Non-Executive Directors and, effective 1 February 2022, Richard Smith also joined the Committee. The Committee felt it important that the Chief Executive is a member of the Committee for Board composition and wider leadership succession discussions and planning. At the invitation of the Committee, other people may be invited to attend meetings of the Committee if considered desirable in assisting the Committee in fulfilling its role.

Role

The role of the Committee is to:

- Ensure that appropriate procedures are adopted and followed in the nomination, selection, training, evaluation and re-election of Directors and for succession planning, with due regard in all cases to the benefits of diversity on the Board, including gender
- Regularly review the structure, size, composition, skills and experience of the Board and to make recommendations with regard to any adjustments considered necessary
- When it is agreed that an appointment to the Board should be made, lead a selection process that is formal, rigorous and transparent
- Be responsible for identifying, reviewing and recommending candidates for appointment to the Board

Nomination Committee meetings

The Nomination Committee met twice with 100% attendance at these meetings.

Review of Board composition and succession planning

During the year, the Committee reviewed the Board's composition to ensure it has the correct balance of skills, experience, independence and knowledge. The Committee noted the Board was strengthened by the appointment of two Non-Executive Directors with strong HE experience (Dame Shirley Pearce and Professor Sir Steve Smith). This proved especially helpful for higher education insight as the Board navigated Covid-19 through 2020 and 2021.

The Committee believes the Board currently has the correct balance of skills, experience, independence and knowledge but is conscious of the tenure of the longer standing Non-Executive Directors. Consequently, in early 2022, the Committee created a dedicated sub-committee to start the search for a new Non-Executive Director. MWM Consulting, an external search consultancy, is leading the search for this new Non-Executive Director. MWM Consulting has no other connection with the Company or individual Directors.

Board succession planning for executive roles is also considered by the Committee, looking to ensure the business has a deep, diverse and inclusive talent pipeline for future Board appointments. As an integral part of executive succession planning, the Committee oversees our talent mapping to ensure we are growing and nurturing our talent and developing our high-performers' potential. Our diversity and inclusivity initiatives (outlined below) are aligned with this succession planning.

Diversity and inclusion

The Board recognises that diversity and inclusion is fundamental to the culture of the Group, our purpose of Home for Success and ultimately our long-term sustainability. With employees a key stakeholder and at the heart of our business, the Board's focus is on creating a workplace where people feel they belong and can bring their whole and true selves into the workplace. Our values recognise this, especially 'creating room for everyone'.

In 2021, the Board oversaw the formation of our Culture Matters forum. This puts the employee voice 'front and centre' in supporting the shaping of our People strategy and consulting on strategic change. During the year senior leaders from across the business participated in a six-module workshop development programme with Rene Cayarol, an external specialist in coaching and a pioneer in cultural diversity and inclusive leadership. To help implement our EDI strategy, we appointed a new EDI & Wellbeing Lead.

Board Diversity Policy

The Board and Nomination Committee drive the agenda for diversity across the business. We are making progress, but recognise we need to do more.

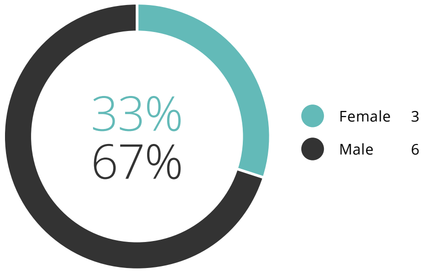
The Board's diversity policy is that Board appointments (a) are made on merit and relevant experience, while taking into account the broadest definition of diversity and (b) ensure Unite has, on an ongoing basis, the most effective Board and leadership team to operate the business for the benefit of all its stakeholders. The Committee ensures that when making Board appointments the retained search firm places an emphasis on putting forward candidates who would enhance the overall diversity of the Board. On an ongoing basis, the Committee keeps under review the tenure and experience of the Executive and Non-Executive Directors to ensure the Board has an appropriate and diverse mix of skills, experience, knowledge and diversity.

Board and senior leadership diversity

The Board embraces the Code's underlying principles with regard to Board balance and diversity, including in respect of ethnicity, gender and age.

As of 31 December 2021, the Board comprised three women and six men, meeting the recommendations of the Hampton-Alexander Review with a Board comprising at least 33% women.

Gender diversity



As of 31 December 2021, the number of women in the Executive Committee and their direct reports (including the Company Secretary as required by the Code) was 18 (out of a total of 51) representing 35% of this Group. We are looking to grow the percentage of women in leadership positions.

	Male	Female	Total
Executive Committee and Company Secretary	7	2	9
Direct Reports	26	16	42
Total	33	18	51
Total (%)	**65%**	**35%**	**100%**

The Nomination Committee is also conscious of the Parker Review and in particular one of its key recommendations that each FTSE250 Board should have at least one director of colour by 2024. Building on our diversity initiatives and having regard to this recommendation, the Nomination Committee will build a pipeline of candidates working towards the goal of making a Board appointment no later than 2024.

In addition, the Committee will continue its focus on delivering diversity for the wider business to help the Company develop a deep and diverse succession plan at more senior levels within the organisation.

Richard Huntingford

Chair – Nomination Committee

23 February 2022

AUDIT COMMITTEE

FINANCIAL GOVERNANCE

The Audit Committee provided oversight for the Board in respect of the Group's financial management and reporting

NUMBER OF MEETINGS
5

ATTENDANCE
100%

Committee Membership

Ross Paterson
Chair of the Audit Committee

Ilaria del Beato
Non-Executive Director

Professor Sir Steve Smith
Non-Executive Director

Audit Committee Chair's overview

During the year, the Audit Committee continued its key oversight role for the Board with its specific duties as set out in its terms of reference to reassure shareholders that their interests are properly protected in respect of the Group's financial management and reporting.

The Audit Committee works to a structured programme of activities, with agenda items focused to coincide with key events in the annual financial reporting cycle. The Audit Committee reports regularly to the Board on its work.

During the year, the Audit Committee has continued to monitor the integrity of the Group's financial statements and supported the Board with its ongoing monitoring of the Group's risk management and internal control systems in line with the requirements under the UK Corporate Governance Code. The Audit Committee determined the focus of the Group's internal audit activity, reviewed findings, and verified that management was appropriately implementing recommendations. The Audit Committee also challenged the approach to assessing the Group's ability to continue as a going concern and its likely loan covenant compliance, by reviewing various scenarios for future performance.

The Audit Committee undertook a review of its effectiveness in September 2021. The review found that the Audit Committee is working effectively. The review identified areas in which we can strengthen our performance and these are reflected in the Committee's priorities for 2022.

During 2021, the Audit Committee undertook a full evaluation exercise of the Deloitte audit approach to ascertain the effectiveness of the external audit function. Further to the completion of the evaluation of the external audit process, we are satisfied with both the auditor's independence and audit approach and have recommended to the Board that Deloitte be re-appointed as auditor in 2022.

We last reviewed the effectiveness of the internal auditors, PricewaterhouseCoopers (PwC), in 2020. Whilst we were satisfied with both the independence and effectiveness of the internal auditors, we undertook a full review of the overall risk assurance arrangements, including internal audit, to ensure they remained appropriate and effective for the enlarged Group following the major acquisition of Liberty Living in 2019. The review highlighted that risk and assurance for the enlarged Group would be more effective if an in-house team, with external support where appropriate, was established. The team is in the process of being established; a Group Risk and Assurance Director is now in post and further recruitment will be completed in 2022. To further support this transition from external to in-house, effective from 1 January 2022, the terms of reference of this Committee expanded to include oversight of the risk management framework and the name of this Committee changed to Audit & Risk Committee.

As noted in this Corporate Governance Statement, the Board delegates certain of its duties, responsibilities and powers to the Audit Committee, so that these can receive suitably focused attention. However, the Audit Committee acts on behalf of the full Board, and the matters reviewed and managed by the Audit Committee remain the responsibility of the Directors as a whole.

Role of the Audit Committee

The Audit Committee has delegated authority from the Board set out in its written terms of reference. The terms of reference for the Audit Committee take into account the requirements of the Code and are available for inspection at the registered office, at the Annual General Meeting and on the Group website at http://www.unite-group.co.uk/about-us/corporate-governance.

The key objectives of the Audit Committee are:

- To provide effective governance and control over the integrity of the Group's financial reporting and review significant financial reporting judgements
- To support the Board with its ongoing monitoring of the effectiveness of the Group's system of internal controls and risk management systems
- To monitor the effectiveness of the Group's internal audit function and review its material findings
- To oversee the relationship with the external auditor, including making recommendations to the Board in relation to the appointment of the external auditor and monitoring the external auditor's objectivity and independence.

Composition of the Audit Committee

The members of the Audit Committee are set out on page 103 of this Corporate Governance Statement. The Audit Committee members are all independent Non-Executives and have been selected with the aim of providing the wide range of financial and commercial expertise necessary to fulfil the Audit Committee's duties. The Board considers that as a chartered accountant and serving Finance Director of a UK-listed company, I have recent and relevant financial experience and that the Committee as a whole has competence relevant to the sector.

AUDIT COMMITTEE continued

Audit Committee meetings

The Audit Committee met five times during the year and attendance at those meetings is shown on page 108 of this Corporate Governance Statement. Meetings are scheduled to coincide with key dates in the financial reporting cycle and a forward agenda is agreed by the Committee and reviewed on an ongoing basis.

Meetings are attended, by invitation, by the Chief Financial Officer, the Deputy Chief Financial Officer, the Group Finance Director and (from December 2021) the Group Risk & Assurance Director.

I also invite our external auditor, Deloitte, to most meetings. The Audit Committee regularly meets separately with Deloitte without others being present. As appropriate, I also invite our internal auditor, PwC, to attend the meetings. Deloitte and PwC meet independently of management to ensure alignment, to update on respective findings and consider the impact on the relative approaches of their work.

Main activities of the Audit Committee during the year

Meetings of the Audit Committee generally take place just prior to a Group Board meeting and I report to the Board, as part of a separate agenda item, on the activity of the Audit Committee and matters of particular relevance to the Board in the conduct of its work. At its five meetings during the year, the Audit Committee focused on the following activities.

The Audit Committee reviewed the half-year and annual financial statements and the significant financial reporting judgements. As part of this review, the Audit Committee supported the Board by reviewing the financial viability and the basis for preparing the accounts on a going concern basis. This included challenging forecast cash headroom and reviewing scenarios, which were determined by management, to stress test the impact of a range of performance outcomes upon the viability of the business, in particular with regard to loan covenants.

The Audit Committee also reviewed and challenged the external auditor's report on these financial statements.

As discussed above, the effectiveness of the external audit function was considered during 2021. During the evaluation process the Audit Committee considered: the independence and objectivity of the external auditor; the make-up and quality of the audit team; the proposed audit approach and the scope of the audit; the execution of the audit and the quality of the audit report to the shareholders; as well as ultimately the fee structure.

The Audit Committee discussed reports from PwC, as the Group's internal auditor, on their audit and assessment of the control environment. The Committee reviewed and proposed areas of focus for the internal audit programme of review including the approach to ensure that the internal audit activity continues to be aligned to the principal Group risks.

Financial reporting

The primary focus of the Audit Committee, in relation to financial reporting in respect of the year ended 31 December 2021 was to review with both management and the external auditor the appropriateness of the half-year and annual financial statements concentrating on:

- The quality and acceptability of accounting policies and practices
- The clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements
- Material areas in which significant judgements have been applied or where there has been discussion with the external auditor
- Whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Audit Committee's assessment of the Annual Report to ensure that it is fair, balanced and understandable took into account the following considerations:

- A review of what fair, balanced and understandable means for Unite
- The high level of input from the Chief Executive Officer and Chief Financial Officer with early opportunities for the Board to review and comment on the Annual Report
- Ensuring consistency in the reporting of the Group's performance and management information (as described on pages 30–31), risk reviews (as described on pages 74–88), business model and strategy (as described on pages 8 to 13 and 32–33)
- A cross-check between Board Minutes and the Annual Report is undertaken to ensure that reporting is balanced
- Whether information is presented in a clear and concise manner, illustrated by appropriate KPIs to facilitate shareholders' access to relevant information.

To aid our review, the Audit Committee considers reports from the Group Finance Director and reports from the external auditor on the outcomes of their half-year review and annual audit. As an Audit Committee, we support Deloitte in displaying the necessary professional scepticism its role requires.

Significant issues considered by the Committee

After discussion with both management and the external auditor, the Committee determined that the key risk of misstatement of the Group's 2021 financial statements related to:

- Property valuations
- Joint venture accounting

Further information about each of these items is set out on the next page.

Property valuations

The Group's principal assets are investment properties and investment properties under development that are either owned on balance sheet or in USAF or LSAV. The investment properties are carried at fair value based on an appraisal by the Group's external valuers who carry out the valuations in accordance with the RICS Red Book valuation guide, taking into account transactional evidence during the year. The valuation of property assets involves significant judgement and changes in the core assumptions could have a significant impact on the carrying value of these assets.

Management discusses the underlying performance of each asset with the external valuers and provides detailed performance data to them including rents, university lease agreements, occupancy, property costs and costs to complete (for development properties). Management receives detailed reports from the valuers and performed a detailed review of the valuations to ensure that management considers the valuations to be appropriate. The valuation report is reviewed by the Chief Financial Officer and the Group Property Director prior to sign-off.

During the year, the Committee and/or the Board met with members of the Group's valuer panel and challenged them on the basis of their valuations and their core assumptions, including the yield for each property, rental growth and forecast costs.

The Audit Committee questioned the external valuers on market trends and transactional evidence that supports the valuations. The Audit Committee was satisfied that the Group's valuers were appropriately qualified and provided an independent assessment of the Group's assets. The Audit Committee was satisfied that an appropriate valuation process had taken place, the core assumptions used were reasonable and hence the carrying value of investment and development properties in the financial statements was appropriate.

The external auditor explained the audit procedures to test the valuation of investment and development properties and the associated disclosures. On the basis of the audit work, the external auditor reported no inconsistencies or misstatements that were material in the context of the financial statements as a whole.

Further analysis and detail on asset valuations is set out on pages 62–69.

Joint venture accounting

Two of Unite's significant assets are its investments in USAF and LSAV which the Group has historically accounted for as joint ventures.

The Group reports under IFRS 10 – 12 which provides guidance on how an investor should account for its interests in other entities, including a definition of control and guidance on how to classify and account for jointly controlled arrangements. During the year, management undertook a detailed review of its classification for both USAF and LSAV, and following that analysis concluded that both USAF and LSAV should continue to be treated as joint ventures. The Audit Committee considered this and agreed there was no material change and accordingly it was appropriate to continue to account for USAF and LSAV as joint ventures under IFRS 11, with Unite recording its 22.0% share of the results and net assets of USAF as a joint venture using equity accounting and likewise 50% for LSAV.

Other issues considered by the Committee

Accounting for the cost of cladding remediation

The Group has provided for the estimated cost of remediating cladding on properties where there is a legal or regulatory requirement to do so. The Audit Committee reviewed, challenged and agreed the basis on which costs associated with the remediation of cladding have been included in the Financial Statements. The Committee also reviewed, challenged and agreed the extent to which the Group had any constructive obligations in respect of cladding remediation that should be provided for. Based on this, the Committee was comfortable with the process and controls adopted by management around the disclosures and estimation of costs and provisions associated with cladding remediation.

Risk management

The Group's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Audit Committee.

Our work here was driven primarily by performing an assessment of the approach to risk taken by the Group's Executive and senior leadership team Committee. In 2021 the Executive Committee took responsibility for the delivery of the Group's Risk Management Framework, which had previously been held by the Group's Risk Committee, a sub-committee of the Executive. The Audit Committee considered the work of the Executive through the year, which included a risk workshop facilitated by PwC and has approved both the Group's Risk Management Framework, and the Group's assessment of its principal risks nd uncertainties, as set out on pages 76–88.

Through these reviews, the Audit Committee considered the risk management procedures within the business and was satisfied that the key Group risks were being appropriately managed.

The risk assessment flags the importance of the internal control framework to manage risk and this forms a separate area of review for the Audit Committee.

The Board also formally reviewed the Group's principal risks at two meetings during the year.

AUDIT COMMITTEE continued

Internal controls

Led by the Group's risk assessment process, we reviewed the process by which the Group evaluated its control environment. Management is responsible for establishing and maintaining adequate internal controls. Internal controls are designed to provide reasonable assurance regarding (among other things) the reliability of financial reporting and the preparation of the financial statements for external reporting purposes. A comprehensive strategic planning, budgeting and forecasting process is in place. Monthly financial information and performance insight is reported to the Board.

The Audit Committee's work to review the effectiveness of the internal controls was driven by the Deputy Chief Financial Officer's report on internal controls, supported by the work of the internal auditor and their reports to the Audit Committee. The feedback from the Group's internal auditor on specific areas of control is tested on a periodic basis and our external auditor is requested to provide specific feedback and assessment of the Group's financial controls and highlight any areas of weakness. No significant weaknesses were identified through the course of the Audit Committee's reviews.

Internal audit

The Group continued to engage PwC through 2021 to perform internal audit activity, with this internal audit function reporting directly to the Audit Committee.

Due to the ongoing Covid-19 situation, the 2021 internal audit plan was adapted allowing us to focus on key issues. This approach resulted in PwC completing two pieces of internal audit work. The first was over debt management, in particular the contract to cash process, the second was on the integration of Liberty Living into the Unite portfolio, with a focus on the implementation of key controls at former Liberty sites and integration of former Liberty colleagues. In addition, a specialist third party audit consultant was engaged to deliver an audit over Estates compliance. Overall, both PWC and the specialist consultant concluded that there were no significant issues and controls were well designed, but noted there were some areas of improvement to be made to maximise controls and operational efficiency, which management is in the process of implementing.

External audit

The effectiveness of the external audit process is facilitated by appropriate audit risk identification at the start of the audit cycle which we receive from Deloitte in a detailed audit plan, identifying their assessment of these key risks.

For the 2021 financial year, the significant risks identified were in relation to valuation of properties, classification of joint ventures, revenue recognition and management override. These focus areas were discussed at the Audit Committee and it was agreed that they should be the principal areas of focus as they represent the areas with the greatest level of judgement and materially impact the overall performance of the Group. These risks are tracked through the year and we challenged the work done by the auditor to test management's assumptions and estimates around these areas.

We assess the effectiveness of the audit process in addressing these matters through the reporting we receive from Deloitte at both the half-year and year-end and also reports from management on how these risks are being addressed.

For the 2021 financial year, the Audit Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be good. We hold private meetings with the external auditor at each Audit Committee meeting to provide additional opportunity for open dialogue and feedback from the Audit Committee and the auditor without management being present. Matters typically discussed include:

- The auditor's assessment of business and financial statement risks and management activity thereof
- The transparency and openness of interactions with management, confirmation that there has been no restriction in scope placed on them by management and the independence of their audit
- How they have exercised professional scepticism

I also meet with the external lead audit partner outside the formal Audit Committee process.

The Audit Quality Review team of the Financial Reporting Council reviewed Deloitte's audit of the Group's financial statements for the year ended 31 December 2020. The Financial Reporting Council wrote to me setting out a summary of the scope of the review, its assessment of the audit work reviewed and examples of good practice. The Committee was satisfied with the assessment.

In October 2021, the Group received a letter from the FRC requesting further information following a review of the 2021 interim financial report. The questions related to revenue recognition associated with the LSAV performance fee. The Audit Committee reviewed and approved the Group's response to the FRC. The Group's correspondence with the FRC closed satisfactorily with agreement on enhanced disclosures.

Independence and external audit tender

The Audit Committee considers the re-appointment of the external auditor, including the rotation of the audit partner which is required every five years, each year and also assesses their independence on an ongoing basis. 2021 is the seventh year during which Deloitte has been the Group's external auditor.

The Audit Committee reviewed Deloitte's audit work and determined that appropriate plans are in place to carry out an effective and high quality audit. Deloitte confirmed to the Audit Committee that it maintained appropriate internal safeguards to ensure its independence and objectivity. As part of the Audit Committee's assessment of the on-going independence of the auditor, the Audit Committee receives details of any relationships between the Group and Deloitte that may have a bearing on their independence and receives confirmation that they are independent of the Group.

As discussed above, an assessment of Deloitte's effectiveness, its processes, audit quality and performance was undertaken in May 2021 following completion of the 2020 audit.

The Audit Committee also regularly considers when it next intends to complete a competitive tender process for the Company's external audit. As noted above, the Audit Committee remains satisfied with Deloitte's effectiveness and independence. In view of this, the Audit Committee does not currently anticipate that it will conduct an audit tender before 2024 in respect of the 2025 financial year for which a tender would be required in accordance with applicable law and regulations. The Audit Committee considers this to be in the best interests of the Company's shareholders for the reasons outlined above and will keep this decision under review.

The Committee confirms compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities Order 2014) Order 2014.

Non-audit services

To further safeguard the objectivity and independence of the external auditor from becoming compromised, the Committee has a formal policy governing the engagement of the external auditor to provide non-audit services. No material changes have been made to this policy during the year. This precludes Deloitte from providing certain services, such as valuation work or the provision of accounting services.

For certain specific permitted services (such as reporting accountant activities and compliance work), the Audit Committee has pre-approved that Deloitte can be engaged by management, subject to the policies set out above, and subject to specified fee limits for individual engagements and fee limits for each type of specific service. For all other services, or those permitted services that exceed the specified fee limits, I as Chair, or in my absence, another member, can pre-approve permitted services.

During the year, Deloitte was appointed to undertake non-audit services. Fees for non-audit work performed by Deloitte for the year ended 31 December 2021 were £0.1m (2020: £0.1m). The non-audit fees related to the work undertaken by Deloitte LLP in its role as external auditor to the Group for the review of the half year report. Further disclosure of the non-audit fees incurred during the year ended 31 December 2021 can be found in note 2.6 to the consolidated financial statements on page 205. Accordingly, the Audit Committee was satisfied that both the work performed by Deloitte LLP, and the level of non-audit fees paid to it, were appropriate and did not raise any concerns in terms of Deloitte LLP's independence as auditor to the Group.

The Audit Committee approved the fees for audit services for 2021 after a review of the level and nature of work to be performed, including additional audit procedures required as a result of Covid-19 and changes in the regulatory environment, and after being satisfied by Deloitte that the fees were appropriate for the scope of the work required.

Audit Committee evaluation

The Audit Committee's activities formed part of the evaluation of Board effectiveness performed in the year. Details of this process can be found under 'Performance evaluation'.

Ross Paterson
Chair – Audit Committee
23 February 2022

SUSTAINABILITY COMMITTEE

SUSTAINABILITY GOVERNANCE

Our Sustainability Strategy supports our growth as a responsible and resilient business

NUMBER OF MEETINGS
3

ATTENDANCE
100%

Committee Membership

Dame Shirley Pearce
Chair of the Sustainability Committee

Richard Smith
Chief Executive Officer

Ilaria del Beato
Non-Executive Director

Ross Paterson
Non-Executive Director

Tom Jackson
Non-Executive Director

It has been a pleasure to chair the Board's first Sustainability Committee, established in 2021, and provide this report to shareholders.

The Sustainability Committee was formed to oversee the implementation of our Sustainability Strategy launched in March 2021 and recommend to the Board any changes to this strategy. Our Sustainability Strategy forms a key component of our business planning and is central to delivering our "Home for Success" purpose and our values, especially "doing what's right".

The Sustainability Committee reports to the Unite Board whilst seeking input from several different working groups from across the business to ensure Unite is a responsible and resilient business.

Keeping in mind the paramount importance of our responsibility to stakeholders and the wider community, the Sustainability Committee reviews the Group's performance against its targets and ambitions whilst engaging with the workforce in accordance with Provision 5 of the UK Corporate Governance Code. With the ever-increasing prominence of environmental, social and governance matters, the Sustainability Committee's focus is on the following five pillars of our Sustainability Strategy:

Environmental		Social		Governance
Becoming net zero carbon by 2030	**Creating resilient and resource efficient assets and operations**	**Enhancing health and wellbeing of our employees and customers**	**Providing opportunities for all**	**Leading the student housing sector**
Net zero carbon for both our operations and developments	Reducing waste, energy and water use by helping students adopt sustainable living habits	Improvements to our service model, physical assets and employee support	An environment where all can succeed, whatever their background gender or ethnicity	Raising standards across the student housing sector for governance, safety and transparency

Key highlights for the year ended 31 December 2021

There was a strong focus in 2021 to identify the activity, investment and resources required to implement our Sustainability Strategy. This included an increased focus and review of our sustainability performance and disclosures which led to the publication of the Net Zero Carbon Pathway. The Sustainability Committee also reviewed the KPI reporting of the sustainability pillars in detail. The business confirmed its compliance with the Taskforce on Climate-related Financial Disclosure (TCFD) and improvements in the Global ESG Benchmark for Real Assets (GRESB) rating following input from the Sustainability Committee as further detailed on pages 50–55.

SUSTAINABILITY COMMITTEE continued

2021 saw the recruitment of an experienced and dedicated EDI & Wellbeing lead to help drive forward the development of the new EDI Strategy and launch of the Culture Matters forum. The Sustainability Committee had oversight over continued social impact engagement through the Unite Foundation, the Leapskills programme and the Positive Impact programme following its re-launch.

Environmental – Net Zero Carbon Pathway and Energy Efficiency

Our Net Zero Carbon Pathway was published on 15 December 2021. The Sustainability Committee provided oversight of the publication of our Net Zero Carbon Pathway and our pledge to be net zero carbon by 2030 in both our Developments and our Operations.

The pathway includes a detailed breakdown of our baseline carbon emissions and targeted reductions, the key activities of our delivery strategy as well as associated reporting metrics we will use to track our progress. The Sustainability Committee oversaw the validation of our net zero targets by the Science Based Targets Initiatives (SBTI) which endorses our emissions reduction targets and ensures they align with our commitment to support limiting global temperature increases to 1.5 degrees above pre-industrial levels.

Our pathway to net zero in both our Operations and Developments involves four key steps. The first step requires the reduction in absolute carbon emissions by cutting operational energy use to support this step, the Sustainability Committee ensured there is an appropriate programme driving behavioural change for our student customers and employees in the responsible use of energy, whilst overseeing significant capital investment in energy efficiency measures and a move away from gas. The second step requires the decarbonisation of our energy supply through investment in renewable energy with the Sustainability Committee considering options for onsite renewable generation (such as solar PV) as well as renewable energy purchasing. The third step focuses on reducing embodied carbon of new buildings we develop through the application alternative design and construction approaches such as modular construction, the use of lower carbon materials including timber and cement-replacements, and a focus on cutting construction activity related emissions. Finally to achieve net zero carbon, any residual emissions that cannot be removed by these first three steps will be mitigated and through appropriately certified carbon offsetting programmes.

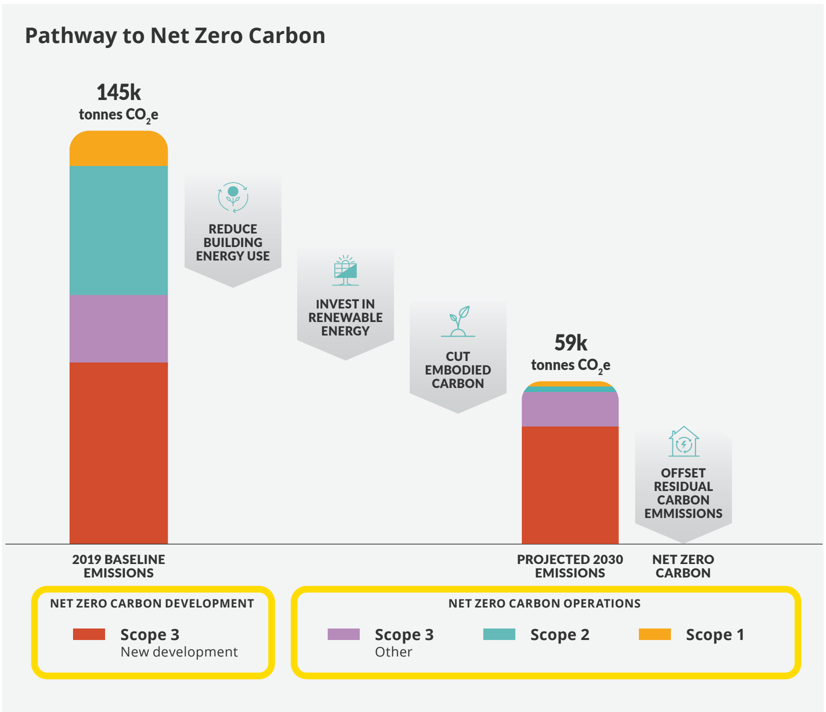
Our science based carbon targets requires a 56% reduction in combined scope 1 and 2 (market-based) carbon emissions from a 2019 base year. The Sustainability Committee oversees how these reductions will be delivered through a significant reduction in energy use and the development of property specific asset transition plans. These asset transition plans specify the physical improvements to building fabric and services and their impact on carbon emissions, energy consumption, utility costs and EPC compliance in accordance with Minimum Energy Electricity Standard (MEES) targets. For new developments, the Sustainability Committee has initially targeted at least a 20% reduction in the embodied carbon of new buildings (from the materials and construction process) with a view to achieving a 48% reduction by 2030 to achieve the RIBA 2030 Climate Challenge benchmark of 625kgCO_2, where possible. In addition, the Committee is looking towards a 75% reduction in operational energy use on completed schemes again in line with the RIBA 2030 benchmarks.

The Sustainability Committee ensures sustainability is a key consideration in all the business's major investment decisions with this now integrated within our financial approvals governance. As part of the decarbonisation of our energy supply, 2021 saw an agreement to source 20% of our annual electricity supply from a Scottish wind farm under a corporate power purchase agreement, supporting our RE100 commitment to increase annual sourcing of renewable electricity to 100% by 2030.

Social – Wellbeing and Providing Opportunities for all

In what was again a challenging year due to ongoing disruption to people's working and personal lives through the pandemic, the Sustainability Committee has had a particular focus on employee and student wellbeing. Increased support was given to our employees whilst remote working and on their gradual return to the office through training and new resources.

The Sustainability Committee oversaw the establishment of our new employee forum, the Culture Matters Group, which gives employees a voice and



offers two-way communication between the senior leadership team and the wider business by way of elected representatives. The Sustainability Committee will receive regular updates on our people through our designated Non-Executive Director for Workforce Engagement.

Our commitment to employee engagement continues evidenced by a positive employee engagement score of 75 (2020: 74). The business will focus on addressing concerns raised by all teams and seek input from the Sustainability Committee.

The Sustainability Committee has reviewed the Group's strategy for delivering positive social impact, examining areas including equality, diversity and inclusion, wellbeing of students and our employees and our initiatives to deliver a positive social impact for young people and the communities in which we operate. This includes the development of a Social Investment Fund which acts as the umbrella for all social investments carried out by the business including our contributions to the Unite Foundation. This fund helps ensure a more strategic approach to our social investments and maximising our impact, with our investments focused on activity which directly benefits young people, focusing on education, life skills and employment and/or the communities in which we operate.

The Sustainability Committee oversees that the new Sustainability Strategy is being embedded across the business, with engagement sessions with managers, Unite Live sessions with employees and the re-launch of The NUS Positive Impact programme in August 2021. This scheme is a collaboration between the business and the National Union of Students aimed at helping students adopt lasting sustainable living habits through wellbeing, community and social impact initiatives and comprised of a network of champions across the operation and support side of the business, with a keen interest and passion for sustainability.

The Sustainability Committee is keen to ensure the implementation of the Sustainability Strategy and its ambitions and targets become "business as usual" for our employees and is intrinsically aligned with "Home for Success".

Governance – Leading the Student Housing Sector and Raising Standards

Our Governance sustainability objective focuses on us Leading the Student Housing Sector and Raising Standards. To help achieve this, the Sustainability Committee considers two of the leading sustainability rating providers: GRESB and MSCI. The Group's GRESB rating has improved on a year-on-year basis to 85 (2020: 81), with the business ranked first among listed residential real estate companies. The MSCI rating has been reconfirmed at AA in the 2021 review (2020: AA). Our governance continues to score particularly highly but the Sustainability Committee has identified opportunities to enhance our rating through improved disclosure on our employee development strategy.

Alongside Governance, oversight of compliance with EPC regulations remains a key focus for the Sustainability Committee and the tightening of minimum standards to 'B' by 2030 in England and Wales, and likely to 'C' by 2027 in Scotland. At present, 53% of the Group's floorspace is rated A–C, and 100% is fully compliant with current regulations. The Sustainability Committee is overseeing the process for the creation of asset transition plans for every property to determine the investment required to ensure ongoing EPC compliance, alongside reductions in consumption, carbon emissions and cost. This includes a variety of improvement measures such as LED lighting, heating controls and air-source heat pumps. The Sustainability Committee oversees that EPC ratings are a fundamental consideration in the refurbishment of any asset and that energy improvements are delivered alongside regular lifecycle works.

Sustainable loan agreement

During 2021, as part of the renewal of the Group's revolving credit facility, it was converted into a sustainable loan agreement with three KPIs linked to our environmental and social initiatives, namely: (1) targeted reductions in Scope 1 & 2 carbon emissions, (2) improvements in the % of assets with an A–C EPC rating and (3) the value of social investments made by the business, including the Unite Foundation. The Sustainability Committee will oversee the performance of these three KPIs as part of its oversight of the business's Sustainability Strategy, being conscious that the margin on the loan agreement will be adjusted either marginally upwards or downwards depending on the performance against these KPIs.

Key focus areas for 2022

Looking ahead to 2022, the Sustainability Committee will:

- oversee the embedding and implementing of the Sustainability Strategy and regularly review the sustainability targets and performance of the business
- oversee the completion of the remaining asset transition plans for our properties
- actively encourage senior leaders to empower our people to 'bring sustainability to life' in the business including helping our students to adopt lasting responsible living habits
- oversee the commitment to support Unite Foundation scholars in the 2022/2023 academic year as well as the launch of our enhanced Leapskills programme. 2022 will also see the development of our community investment performance metrics which will be aligned to the Societal Impact (B4SI) Framework
- continue to oversee the development of the Social Investment Fund.

Dame Shirley Pearce
Chair – Sustainability Committee
23 February 2022

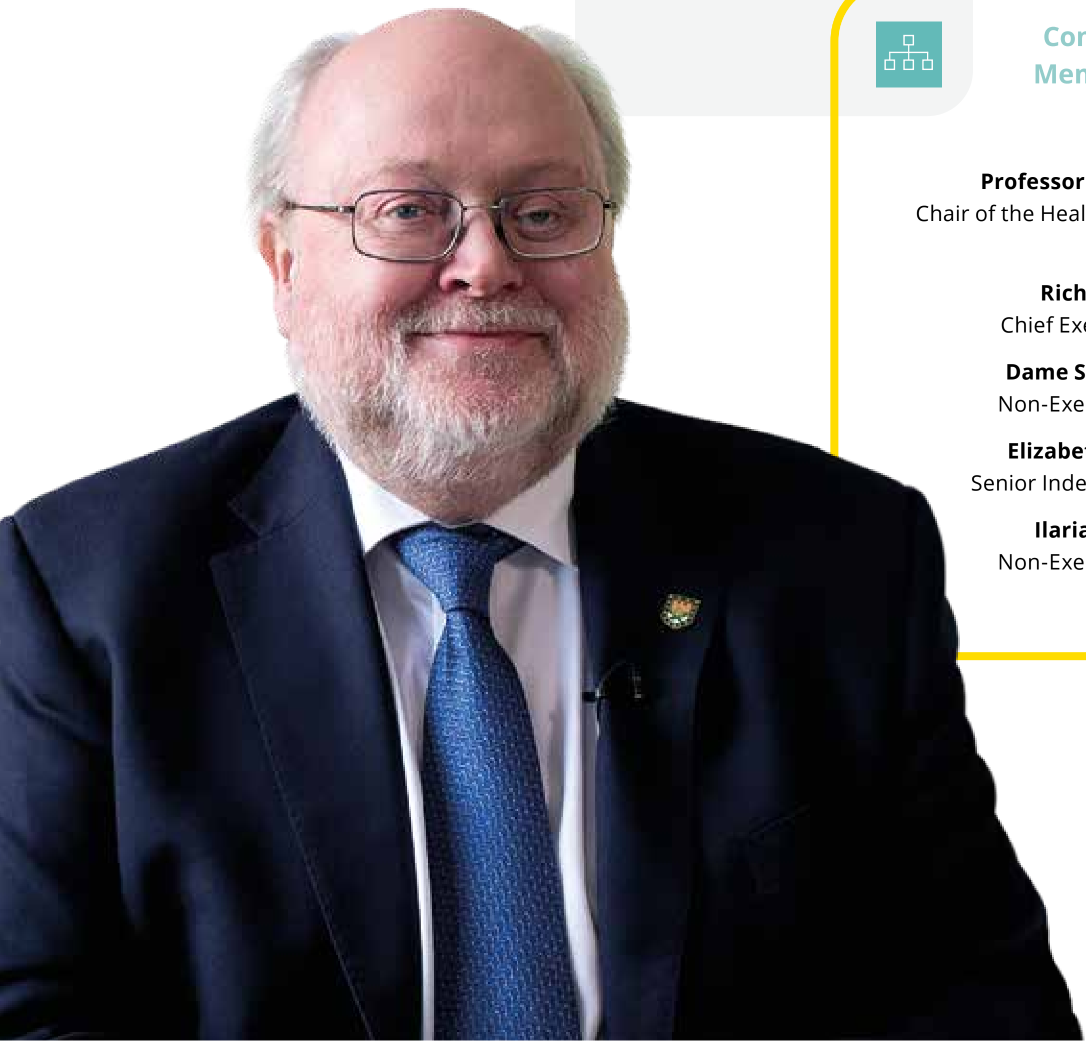
HEALTH & SAFETY COMMITTEE

HEALTH AND SAFETY GOVERNANCE

A focus on health, wellbeing, safety and security

NUMBER OF MEETINGS
4

ATTENDANCE
100%



Committee Membership

Professor Sir Steve Smith
Chair of the Health & Safety Committee

Richard Smith
Chief Executive Officer

Dame Shirley Pearce
Non-Executive Director

Elizabeth McMeikan
Senior Independent Director

Ilaria del Beato
Non-Executive Director

Highlights and Achievements from 2021

We remained Covid secure whilst still ensuring the safety of our teams at work and customers living with us. In addition, we rolled out or restarted the following initiatives:

- **Violence and assaults** – Following an increasing number of assaults and violence against our employees in 2020, the Health and Safety Committee oversaw the roll out of conflict management training across our service and safety teams. In addition, body-worn camera trials were carried out in 12 cities and body-worn camera technology has been available in all our cities from January 2022 following positive feedback from our employees.
- **Customer Check-In** – We increased our focus on Covid-19 safety check-in measures and provided the local teams with event safety guidance for local events. In October 2021, just after the majority of students had checked in, we hosted our annual student fire safety campaign focused on kitchen safety.
- **Health and Safety training** – We continued to deliver training courses to our employees on Health, Safety, Security, Fire and Wellbeing. Alongside this, we continued our mandatory e-learning modules for all employees.
- **Health and Safety Software** – In the second half of 2021 we rolled out 'AVA', new market-leading health and safety software which has reduced the need for multiple systems for reporting on safety incidents, inspections and audits. It is simpler for our teams to use and provides greater insight and improved data collection.
- **CCTV Upgrades** – We successfully upgraded the CCTV across a third of our estate, upgrading systems where the risk was greatest or systems were end-of-life. The remainder of the estate will be upgraded within the next two years, in line with the life expectancy of the systems.
- **Third party H&S and Security Inspections** – We reinstated our programme of third-party H&S and Security inspections, paused in 2020 due to Covid-19. 132 of our buildings achieved a 'green' audit status meaning they scored 90% or more across a broad spectrum of safety areas. A further 23 buildings achieved 'amber' with a score between 80–89%. Given the challenging conditions that the teams were operating in, we were pleased to see a very small number of our properties receive a 'red' report, and in all cases, the score was over 70%.

Covid 19, fire safety, the mental wellbeing of employees and safety in our development activity remained key areas of focus through 2021.

Covid-19

Staying Covid secure is a priority for us. Key achievements and activities regarding Covid-19 during 2021 included:

- **Covid-19 Secure Workplace** – Our Covid-19 controls and measures were subject to regular review and updates to ensure adherence to ongoing Government guidance including the re-opening of support services in Bristol and London.
- **Working From Home/Hybrid Working Policy** – We introduced flexible working arrangements for our office-based teams alongside the phased re-opening of our support services offices in Bristol and London with physical control measures and risk assessments in place. Increased support was provided to our employees through training and the availability of new resources including an online DSE Assessment and e-learning. We also commenced a trial of a new hybrid working policy and are reviewing employee feedback.
- **Getting ready for Academic Year 2021/22** – Our in-property teams worked tirelessly through Covid-19 to ensure our properties were ready for safe occupation at the start of the academic year. Our Home Charter sets out the requirement for two-way respect between students and our teams to maintain a Covid safe environment for all.
- **Student welfare** – We have continued to work closely with our University partners to increase access to wellbeing and mental health support during the ongoing pandemic.
- **Covid support team** – We set up a cross functional Covid team providing support to our employees dealing with Covid-19 queries. This included regular updates following Government advice, calls with Public Health England and regular 'drop-in' sessions for our teams with Q&A sessions.

Fire Safety

Fire safety is critical to our health and safety programme and fundamental to being a responsible business. We are committed to being leaders in fire safety standards, through a proactive, risk-based approach, which is embedded across our entire business, to ensure that students and our employees are kept safe. The business continued its partnership with the Avon Fire and Rescue Service as our Primary Authority and worked with safety experts to provide advice and assistance on projects enhancing and maintaining our safe and secure promise.

All our properties have been confirmed as safe to operate by independent fire safety experts. This reflects our extensive approach to fire safety and fire impairment across our portfolio, with increased building patrols and additional alarm measures where required. We previously completed the removal of Aluminium Composite Materials (ACM) cladding from our buildings where needed and in 2021 conducted a thorough review of the use of High-Pressure Laminate (HPL) cladding on our properties. Four buildings with HPL were remediated during the year with limited disruption to students and works are underway at eight other buildings.

HEALTH & SAFETY COMMITTEE continued

The Health and Safety Committee oversees the ongoing remedial work in respect of other fire impairments, including smoke ventilation systems and Automatic Opening Vents (AOVs). Areas for improvement were highlighted by survey reports with a remedial plan to be completed in 2022.

We continue to anticipate the impact of evolving fire safety legislation and are currently reviewing the impact of the upcoming Building Safety Act.

Mental health and wellbeing

Through 2021, the business engaged an external provider to review our current Employee Assistance Programme and Occupational Health provision to ensure the level of support and benefits to employees were fit for purpose. The primary focus of the review was the support provided for employees following critical incidents, however, the findings of the report highlighted areas where improvements could be made to the service offerings more generally. In 2022 we plan to introduce a new Employee Welfare Framework, taking into consideration the findings of the review. The framework will include, amongst other thing, the provision of training and support for employees impacted by serious incidents and trauma.

Our focus for 2022

Our top five risks remain unchanged from 2021 and which we continue to manage through robust health and safety management systems for which the Health and Safety Committee have oversight.

Our focus for 2022 remains on the safety of our customers and people, our properties and our workplace. We will continue to strive to deliver our brand value 'Keeping uS Safe' by building relationships with universities and local Fire & Rescue services, continuing to improve fire safety knowledge and awareness and developing our occupational health and wellbeing programme. We are also aiming to provide simplified H&S and Fire Management systems for our teams, along with a programme of continued professional development in managing safety risk at an individual property level.

2022 top five safety risks

- Fire Safety
- Electrical safety
- Contractor safety
- Driving for work
- Violence and assault against our team members in the workplace

Safety in our Development activity

Throughout 2021 we progressed the development of two sites: Middlesex Street in London and Campbell House in Bristol, and development continues at Derby Road in Nottingham for the 2022/23 academic year. In addition, building improvement works for Parkway Gate, Manchester and Kincardine, Manchester commenced in 2021 despite the Covid-19 challenges and in particular, the impact of contractor self-isolation.

We continued our efforts, alongside our contractors, to ensure our sites were safe to operate and the relevant social distancing, Covid-19 testing and personal protective equipment were in place. We also continued to work with our supply chain to mitigate delays in product and material delivery to our development sites.

In light of what was again a challenging environment throughout 2021, particular focus was on:

- **Wellbeing** – Promotion of the wellbeing programme offered to construction operatives through external specialists to promote the support of British Safety Council audit recommendations. Positive feedback has been received from those subscribing to the wellbeing programme.
- **Reporting** – Encouraged reporting of near misses and working closely with the estates and development teams to encourage cross departmental collaboration and reporting.
- **Integration of project delivery** – The appointment of a new construction director who has accountability and responsibility for unifying H&S and delivery standards across all construction projects.
- **Safety Audits** – Continuing across the development and estate projects under a revised metric, which seeks to push our contractors to achieve industry leading standards which far exceed statutory compliance.

  All sites inspected under the revised metric have exceeded statutory compliance and thereby reinforces our safe and secure promise.
- **Safety KPIs** – Building on delivering year on year improvements with our safety KPIs across all developments.

Safety performance in our Development Sites and Cladding / Refurbishment works

Across our Development sites and cladding / refurbishment works in 2021, we had no RIDDOR reportable injuries and 16 minor incidents (15 in our cladding/refurbishments works and 1 at our Development sites). This represents good safety performance against the industry norm and within our Unite internal benchmarks. This is especially encouraging despite the continued challenges of Covid-19.

Development sites

Property	Total Hours Worked	Non-reportable Incidents	Reportable Incidents
Arch View House, London	23,230	0	0
Middlesex Street, London	289,124	1	0
Campbell House, Bristol	189,190	0	0
Derby Road, Nottingham	5,380	0	0
Total	**506,924**	**1**	**0**

Cladding / Refurbishment works

Property	Total Hours Worked	Non-reportable Incidents	Reportable Incidents
Chalmers Street, Edinburgh	2,421	0	0
Piccadilly Point, Manchester	21,009	0	0
Jennens Court, Birmingham	44,207	5	0
Aston Student Village – James Watt and William Murdoch, Birmingham	54,142	0	0
Aston Student Village – Mary Sturge and Harriet Martineau, Birmingham	37,710	2	0
Unite House, Bristol	14,150	1	0
Rosalind Franklin, Portsmouth	4,800	0	0
James Baillie Park, Leeds	9,556	0	0
Parkway Gate, Manchester	96,324	5	0
Phoenix Court, Bristol	4,547	1	0
Emily Bowes, London	464	1	0
New Medlock House, Manchester	460	0	0
Kincardine, Manchester	10,060	0	0
Total	**299,850**	**15**	**0**

2021 Combined Accident Reporting KPI

Incidents	KPI[1]	Benchmark
0 RIDDOR	0.00	0.30
16 Minor	1.98	5.00

1. KPI calculated as: No of incidents worked x 100,000 hours / hours worked.

Professor Sir Steve Smith
Chair – Health and Safety Committee
23 February 2022

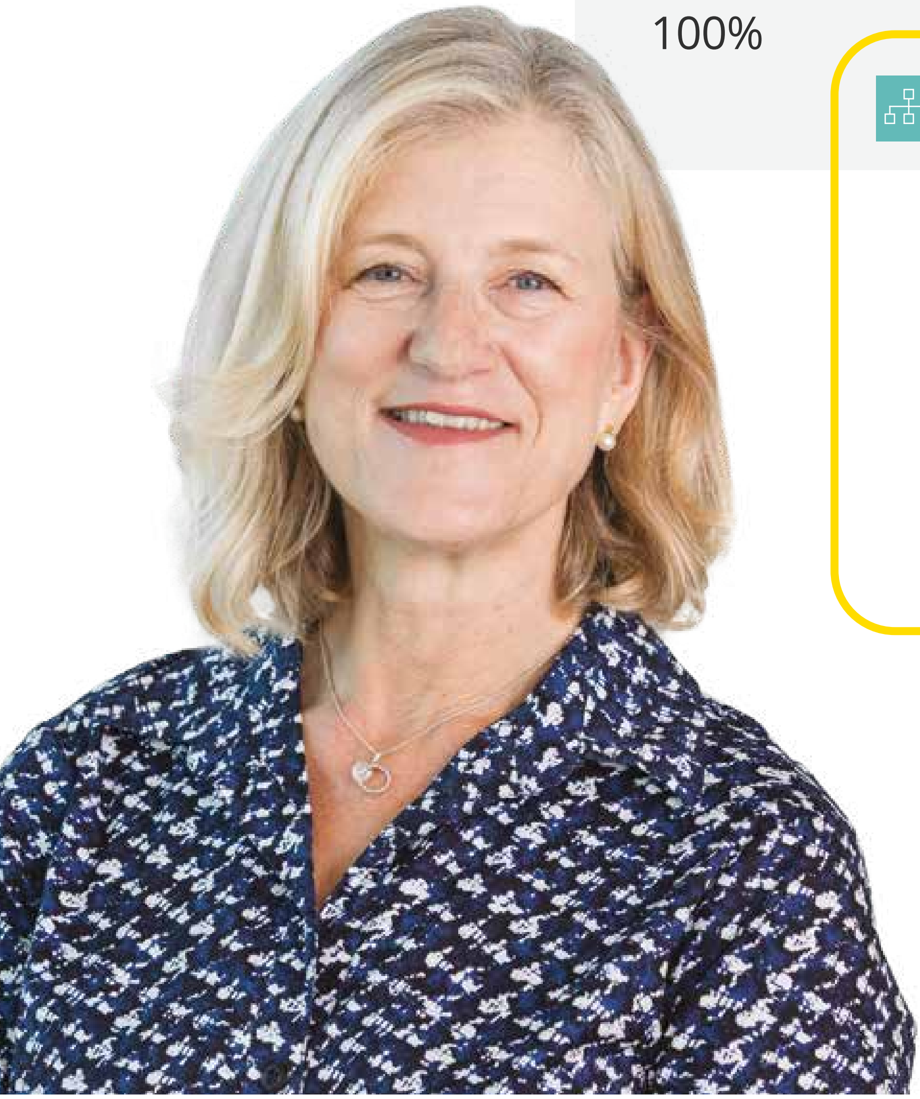
REMUNERATION COMMITTEE

REMUNERATION GOVERNANCE

On behalf of the Board, it is my pleasure to present the Directors' Remuneration Report for 2021

NUMBER OF MEETINGS
4

ATTENDANCE
100%



Committee Membership

Elizabeth McMeikan
Chair of the Remuneration Committee

Ross Paterson
Non-Executive Director

Dame Shirley Pearce
Non-Executive Director

Sir Steve Smith
Non-Executive Director

As in previous years, this report is split into three sections: this Annual Statement, the Policy Report and the Annual Report on Remuneration. This year, we are asking shareholders to approve a new Remuneration Policy at the Annual General Meeting. The background to, and the reasons for, the proposed changes are set out later in this Annual Statement.

2021 performance and reward

2021 was a successful year for Unite, with a strong recovery in financial performance and a return to growth despite the ongoing challenges of the pandemic. Financial highlights included a 20% increase in adjusted earnings (15% on a per share basis), EPRA NTA growth of 8% and a total accounting return of 10.2%. From an operations perspective, we have seen an improvement in occupancy and rental growth for the 2021/22 academic year, with a record development pipeline funded through prudent asset disposals. 2021 also saw the launch of Unite's new Sustainability Strategy which, reflecting the expectations of stakeholders, sets out our commitment to net zero carbon by 2030 and an increased investment in energy initiatives over the coming years.

Unite's focus on doing the right thing for all stakeholders throughout the pandemic was further evidenced during 2021. With thanks to our dedicated and hard-working teams, all of our properties continued to remain open and operational, and we also offered further rental discounts and complimentary tenancy extensions to those students unable to use their accommodation at the start of the year. We have continued to support our employees in these uncertain times and, as in 2020, have neither furloughed any of our staff nor utilised any Government support schemes. Finally, for shareholders, we were able to reinstate dividend payments, with a full year dividend for 2021 of 22.1p reflecting a return to a 80% payout ratio. Against this backdrop of responsible actions, the Committee is confident that its decisions with respect to executive remuneration for FY21 and FY22 are appropriate.

As disclosed in last year's report, there were no increases to Executive Director salaries for 2021, in line with the majority of the employees across the organisation. Entry level salaries were increased in line with the rates set by the Living Wage Foundation.

Having suspended the scheme in 2020, the Committee reinstated the annual bonus for Executive Directors in 2021. Following a review of performance against the targets set at the start of the year, the Committee has confirmed that Executive Directors will each receive bonuses of 102.6% of salary (cf. a maximum of 140% of salary). This overall outcome reflects a year of recovery for the Group, with at least threshold performance achieved under all measures and with full payout registered under each of the TAR, LTV and GRESB rating measures. A bonus payout which is broadly in line with the 10-year average outcome at Unite is considered by the Committee to be a fair outcome. Further details, including bonus targets and outcomes are included on page 156.

LTIP awards made in July 2019 reached the end of their performance period as at 31 December 2021. These awards were based equally on absolute EPS, relative TSR and relative TAR, with Unite's performance for both the TAR and TSR elements compared to the constituents of the FTSE350 Real Estate Supersector Index. Over the three-year performance period Unite's relative TSR ranked between median and upper quartile versus the comparator group (equating to 60.5% vesting), whilst EPS performance was below the threshold target owing to the impact of the pandemic (0% vesting). Vesting of the relative TAR element will be finalised following the publication of comparator results over the coming months, with Unite currently estimated to rank between median and upper quartile, equating to around 50% vesting. Overall anticipated vesting of the 2019 awards is therefore around 36.8% of maximum. Although somewhat lower than the 10-year average long-term incentive outcome at Unite, the Committee is satisfied that this vesting level would appropriately reflect the underlying performance of, and challenges faced by, the Company over the last three years. Awards vesting will be subject to a two-year holding period from the third anniversary of grant in July 2022, and will only be released to Executive Directors in July 2024. Further details are included on page 157.

Taken as a whole, the Committee is satisfied that overall pay outcomes in respect of the year ended 31 December 2021 are appropriate and accordingly we have not applied any discretion to this year's incentive outcomes. A significant proportion of Executive Director pay is dependent on delivery against stretching short- and long-term targets aligned with Company strategy. An annual bonus outcome between target and stretch, and an overall (estimated) LTIP outcome just above threshold reflects a year of recovery for the Group and the progress made in operational delivery.

Also during the year, Executive Directors were each granted an award under the LTIP in April 2021 which will vest based on performance over the three financial years to 31 December 2023. Consistent with previous years, vesting of these awards continues to be based on challenging absolute EPS, relative TSR and relative TAR targets, with any award vesting required to be held for an additional two-year period. Reflecting sensitivities around target setting arising from the Covid-19 pandemic, and further to last year's report, targets for the absolute EPS element of the awards were set later in the year than normal (October 2021) and disclosed in a market announcement at that time. The Committee commits to review any payout from these awards to ensure that it does not reward windfall gains, and reflects the performance of the Company and the experience of stakeholders over the period. Further details are included on page 161.

REMUNERATION COMMITTEE continued

Review of the Directors' Remuneration Policy

The 2022 AGM marks the third anniversary of the adoption of the current Directors' Remuneration Policy and in line with UK reporting regulations, we are submitting a new Policy to shareholders for approval this year.

Having considered a range of alternative approaches, the Committee is satisfied that the existing remuneration structure – consisting of salaries, pension contributions and performance-linked short- and long-term incentives – remains appropriate. Previous Policy reviews have focused on the LTIP (in 2016) and the annual bonus (in 2019), and in each instance the Committee has made adjustments to align with developments in market practice and changes in investor sentiment over the intervening period. Accordingly, we believe that the current Policy remains fit-for-purpose and are putting forward only minor refinements to the existing Policy to ensure it remains appropriate for the next three years.

The Committee conducted a detailed consultation with Unite's top 20 shareholders on the proposed changes in the latter half of 2021, and we would like to thank those investors who took the time to provide the feedback which has shaped our final proposals as outlined below.

Proposed changes to the Remuneration Policy:

Simplify the approach to annual bonus deferral, requiring 50% deferral of any bonus earned in shares for 2 years, regardless of existing shareholdings.

Unite's bonus deferral is currently determined with reference to a director's shareholding levels, with up to 50% deferral for 3 years where the relevant shareholding guideline has not been met, and deferral of any bonus earned above 100% of salary for 2 years where it has.

The Committee proposes to strengthen and simplify this deferral requirement by removing the differentiation relating to a director's shareholding levels. Going forward it is proposed that for all Executive Directors, 50% of any bonus earned will be deferred in Unite shares for 2 years. This proposal reflects feedback received from some investors in previous years, and in % of bonus deferred terms would bring Unite in line with market practice across the FTSE250 (and ahead of most real estate sector comparators). For existing Executive Directors, the proposal means that regardless of annual bonus outcome, a higher % will be deferred in shares than is currently the case.

Feedback on this proposed change during the consultation was supportive, with respondents confirming that the revised position would be consistent with current market best practice and general investor preference.

Withdrawn proposals

The Committee had proposed to give itself additional flexibility to vary the makeup of performance measures in the annual bonus each year by reducing the minimum weighting on financial measures in the annual bonus from 70% to 60% and allowing a greater weighting to be assigned to relevant non-financial metrics. Increasing the weighting on non-financial measures was aimed at allowing the Committee to capture other important ESG metrics which are both a central pillar in Unite's strategy and a clear focus area for our investors, employees and both student and university customers.

Feedback on this proposed change during the consultation was more varied. There was broad support for the proposal to introduce additional, relevant non-financial metrics aligned with our new ESG strategy; however, a number of investors suggested that this should be done through a rebalancing of existing non-financial metrics rather than through a reduction to the overall weighting assigned to financial performance. We did also receive a number of supportive responses for this proposal, as well as – in one case – the suggestion of an alternative 65/35 split.

On balance, and recognising the range of views expressed, the Committee ultimately decided to drop the proposed change to the minimum weighting on financial measures in the Remuneration Policy, and will instead maintain this at 70% as per the current Policy wording. Changes to the composition of annual bonus metrics for 2022 are set out in the section below.

Implementation of the new Policy for 2022

In addition to the proposed Policy changes outlined above, the Committee also consulted with shareholders on a number of changes to our implementation of the Policy over the next couple of years, as follows:

Proposed changes to implementation of the Policy:

A phased adjustment to Executive Director salary levels – to £578,000 for the Chief Executive, and to £440,000 for the Chief Financial Officer – over the next couple of years

Executive Director pay levels were last reviewed in detail back in late 2015, with shareholders consulted at the time on proposed increases to the salaries of the CFO and former CEO by 6% (to £291,000 and £460,000 respectively), and the salaries of the two Divisional Managing Directors by up to 18% over two years – in all cases alongside increases in the annual LTIP opportunity from 150% to 200% of salary.

In light of the resignation of the former CEO in early 2016, and following a decision by the Board to continue with a smaller executive team and to allocate responsibilities arising from Richard Smith's promotion from Managing Director, Operations to Chief Executive between the remaining directors, these increases were subsequently revised, with the CFO, for example, instead receiving a 20% increase (to £350,000). At the same time, Richard Smith's salary on appointment as CEO was set at £430,000, reflecting the Committee's view that – as his first listed company CEO role – his salary should be set at a discount to his predecessor. Salary levels for both remaining Executive Directors have since tracked the increases awarded to the broader workforce.

Noting the timing of the last comprehensive review, and the modest market positioning even then, the Committee has been mindful for a number of years that total pay levels, and in particular salaries, have not kept pace with the increase in size and scale of the company, nor with market movements. This has been particularly evidenced in the last couple of years by salary compression as a result of seeking to fill key senior roles below-Board with external hires, and the market rates required to attract these individuals to Unite. The talent market in our sector remains highly competitive. The Committee recognises that above-inflation salary adjustments for Executive Directors remain an area of significant scrutiny. However, we believe that, in order to avoid compounding this issue for the future (and in the interests of fairness for our strong performing and increasingly experienced executive team), an increase is now warranted.

In respect of the Chief Executive, the first decision taken has been to eliminate the on appointment discount to his predecessor. The Committee considers that this discount was warranted at the time, but believes that the reason for the differential (c.£33k, after adjusting for wage inflation across our wider employee population over that period) has fallen away, with Richard Smith now an experienced and high-performing CEO.

The Committee then considered what increment, if any, should be applied for both Executive Directors to reflect the considerable increase in size, scale and complexity of Unite over the last 5 years. During this period, the Executive Directors have overseen the successful acquisition and integration of Liberty Living, maintained a strong development pipeline in the face of an ever more challenging planning environment, and put in place a range of operational and strategic improvements which have contributed to the continued strong performance of the Group in a competitive sector.

Balancing different and competing stakeholder interests has, and will continue to bring additional complexity to the role of senior executives and to our operations. Executive Directors have set a clear vision for Unite to leverage its role as market-leader to help raise standards across the PBSA sector, as evidenced by the Group's decisive response to the Covid-19 pandemic, our commitment to the highest levels of health and safety performance and our ambitions around sustainability, employee and customer wellbeing, and diversity and inclusion. Determining an increment to reflect these changes is clearly subjective in nature. Having reflected, however, on a range of size metrics, and taking into account the Committee's assessment of the performance of both Executive Directors, we have concluded that a more meaningful adjustment is warranted.

The Committee considered over what period to phase any salary increases, and in particular whether this should be a one-off or cover a number of years. On balance, the Committee believes that a two-stage increase – with equal % increases in each of January 2022 and January 2023 – balances the views of different stakeholders, and has the advantage of allowing us to confirm that the second increase remains warranted by sustained strong performance and contribution over the 2022 financial year.

Combining each of these considerations, and taking into account a modest 2% per annum inflationary adjustment which might ordinarily have been applied for 2022 and 2023, our proposal for Executive Director salaries over the next couple of years is as set out in the table below.

As a final check, the Committee reviewed the proposed salary levels against market benchmarks provided by its independent advisers, looking in particular at real estate sector peers (as a whole, as well as specific operators), companies of similar market cap and the broader FTSE250.

The Committee is satisfied that the proposals are appropriate in this context and that salary and total remuneration levels for both Executive Directors would remain modestly positioned against these various reference points. It is noted that overall market positioning for the CFO would remain marginally ahead of that of the CEO and that the ratio of CFO to CEO remuneration would remain slightly ahead of market norms.

	Current 1 January 2021	Effective 1 January 2022	Effective 1 January 2023
CEO: Richard Smith	£472,313	£522,500 (+10.6%)	Up to £578,000 (+10.6%)
CFO: Joe Lister	£384,441	£411,250 (+7.0%)	Up to £440,000 (+7.0%)

However, the Committee – and indeed the CEO – are comfortable that this reflects Joe Lister's integral role as part of the senior leadership team, his experience and tenure with the Group, his breadth of responsibilities, his sustained contribution to Unite's success in recent years and the pivotal role he will play in delivering the ambitious strategic plans over the next few years.

Feedback on the proposed salary increases during the consultation was generally supportive, with a number of investors keen to explore further the underlying rationale for the proposed increases and to review the market pay data used. Our reading of investor comments received suggests that Unite has a track record of pay restraint and the Committee hopes that the strong justification for the proposed increases will encourage shareholders to support this proposal.

A revision to the scorecards of performance measures applying to both the annual bonus and LTIP to introduce additional ESG measures for 2022 cycles onwards;

Annual bonus

Noting the indications of support received for introducing additional non-financial metrics aligned to strategy, the Committee has resolved to introduce employee engagement into the Executive Director bonus for 2022 alongside customer satisfaction, Higher Education trust and GRESB rating. Each non-financial metric will be assigned a 7.5% weighting, thereby giving equal prominence to Unite's important stakeholder groups. The introduction of employee engagement coincides with the rollout of a new People strategy across the Group, and reflects the increasing importance of engaging our workforce to help deliver against an ambitious strategy.

Reflecting a general shareholder preference for objective, quantifiable targets, the employee engagement measure will be based on the outcome of the annual survey conducted by Glint, the output of which is reported in our Operational KPIs. In confirming any payout under this element, the Committee will also be mindful of the split in employee engagement levels by gender. A range of other important social indicators, including Diversity & Inclusion, the Gender Pay Gap and progress against broader sustainability objectives, will continue to be monitored by the Sustainability Committee.

REMUNERATION COMMITTEE continued

LTIP

The Committee also received positive feedback on a proposal to introduce sustainability metrics into the long-term incentive from 2022, but more varied comments about how this new element should be accommodated in relation to existing metrics. The Committee has endeavoured to find a compromise which best reflects the range of feedback received. For 2022, we have therefore determined that the LTIP will be based 16% on sustainability metrics, with relative TSR, relative TAR and EPS each equally weighted at 28%. The weighting on sustainability metrics will in turn be split equally between two environmental measures: operational energy intensity and EPC ratings, each making up 8% of the total LTIP.

The use of operational energy intensity aligns with our 2030 net zero carbon commitments and represents an environmental measure over which participants will have full control, avoiding distortions from either how Unite buys energy (which is easy to change and should not warrant an LTIP payout) and grid decarbonisation (which is outside of management's control). Progress against this measure is dependent on both a continued investment to improve the energy efficiency of the buildings which we operate, and on promoting initiatives to encourage customers and colleagues to reduce their energy use. The use of EPC ratings reflects the importance of making progress towards increasing minimum energy efficiency standards, an area currently under consultation by the UK Government. Each of these metrics lends itself to the setting of objective, quantifiable targets which can be externally reviewed and verified.

Save for these proposed changes, the Committee will implement the Policy in 2022 in a consistent manner to previous years. In line with our plan for aligning Executive Director pension contributions with the wider workforce, effective 1 January 2022 Richard Smith and Joe Lister will each receive a maximum pension contribution of 14% of salary. A final reduction to a maximum of 11% of salary will take effect from 1 January 2023. The maximum bonus opportunity will be 140% of salary and awards of 200% of salary will be made under the LTIP. Further details on each element of remuneration are included on pages 163–164.

Workforce remuneration considerations

The Committee continues to monitor pay and practices for other senior executives and more broadly across the wider workforce when considering the remuneration of Executive Directors. The Group People Director is invited to attend Committee meetings on a regular basis to provide updates on workforce initiatives and to offer an employee perspective to the Committee's deliberations. This year the Committee's work included reviewing the proposed workforce salary increases in light of changes to the Living Wage, and providing feedback on proposed simplifications to the broader employee bonus scheme for FY22.

We have continued to review and disclose both the statutory CEO pay ratios and additional ratios looking at both fixed pay and pay excluding long-term incentives. The Committee notes that there has been an increase in the ratios this year driven primarily by the resumption of an annual bonus scheme for Executive Directors. We are, however, satisfied that the year-on-year fluctuations mainly reflect differences in the structure of pay at different levels of seniority.

Finally, details of our gender diversity and pay gaps across the Group are provided on page 159–160, with the Committee pleased to note a further modest improvement in both the mean and median gender pay gaps in 2021. The Group's recently-launched Sustainability Strategy includes a target of 'Providing opportunities for all' and specific goal of 'Gender Equality', which, in addition to the recent recruitment of an ED&I Manager, reflects that this is an area of enduring focus for the leadership team.

Committee changes

Having served just over three years as Non-Executive Director at Unite, Richard Akers stepped down from the Remuneration Committee and the Board with effect from 15 December 2021. On behalf of the Committee, I would like to thank Richard for his insight and valuable contribution to our work over the past 3 years and wish him the very best for the future. Following year-end, effective 1 February 2022, Professor Sir Steve Smith, currently Chair of the Health & Safety Committee, also joined the Remuneration Committee. I look forward to working alongside Steve this year and to the different insights on executive remuneration that his past experience will provide us.

Looking ahead

The Committee will continue to monitor market developments throughout the 2022 AGM season and will consider the appropriateness of any emerging trends for Unite. I hope that you find this report a clear account of the Committee's decisions for the year and would be happy to answer any questions you may have at the upcoming AGM.

Elizabeth McMeikan
Chair – Remuneration Committee
23 February 2022

Overview of Unite remuneration policy and implementation

	Remuneration in respect of 2021	Overview of proposed new policy	Implementation of policy in 2022
Base salary	• Salaries unchanged on 2020 levels, as follows: – CEO, Richard Smith = £472,313 – CFO, Joe Lister = £384,441 See page 154	• Reviewed from time to time, with reference to salary levels for similar roles at comparable companies, to individual contribution to performance; and to the experience of each Executive. See page 144	• Salaries increased with effect from 1 January 2022, as follows: – CEO = £522,500 (+10.6%) – CFO = £411,250 (+7.0%) See page 163
Pension, benefits	• Pension contributions (or equivalent cash allowance) at a maximum of 17% of salary for CEO and CFO. • Benefits in line with policy. See page 154	• For existing Executive Directors: commitment to phase down contributions (or equivalent cash allowance) to the workforce rate by 1 January 2023. • For new Executive Director appointees: company pension contributions aligned with the broader workforce (11% of salary). • Benefits typically consist of the provision of a company car or a car allowance, and private health care insurance. See page 144	• Pension contributions (or equivalent cash allowance) reduced to a maximum of 14% of salary for CEO and CFO with effect from 1 January 2022. • No change to benefits for 2022. See page 163
Annual bonus	• Annual bonuses of 102.6% of salary for each Executive Director (73.3% of maximum opportunity). • Bonuses in excess of 100% of salary to be deferred in Unite shares for two years; remainder to be paid in cash. See page 156	• Maximum annual bonus opportunity for all Executive Directors of 140% of salary. • Performance measures typically include both financial and non-financial metrics, as well as the achievement of individual objectives. • 50% of any bonus earned is deferred in shares for two years. • Malus and clawback provisions apply. See page 145	• Maximum annual bonus opportunities of 140% of salary. • 2022 bonuses to be based: – 25% on adjusted EPS – 25% on TAR per share – 20% on Loan to Value – 7.5% on customer satisfaction – 7.5% on Higher Education trust – 7.5% on employee engagement – 7.5% on GRESB rating See page 163
LTIP	• 2019 LTIP final vesting to be finalised once comparator TAR results are published. Expected total vesting of 36.8% based on: – Relative TSR ranking between median and upper quartile compared to the constituents of the FTSE350 Real Estate Index; – 2021 adjusted EPS below the threshold target; – Estimated relative TAR ranking between median and upper quartile compared to the constituents of the FTSE350 Real Estate Index; See page 157	• Maximum award size for all Executive Directors of 200% of salary in normal circumstances (up to 300% of salary in exceptional circumstances). • Awards vest subject to performance over a three-year period. Vested shares are typically subject to an additional two-year holding period • Malus and clawback provisions apply. See page 146	• Awards of 200% of salary to be made to each Executive Director in 2022. • Performance to be measured over the period 1 January 2022 to 31 December 2024. Awards based: – 28% on adjusted EPS – 28% on relative TAR – 28% on relative TSR – 8% on operational energy intensity – 8% on EPC ratings • Two-year holding period will apply to all vested shares. See page 164

REMUNERATION COMMITTEE continued

2021 Remuneration at a glance

2021 Single total figure of remuneration for current Executive Directors

	Salary (£)	Taxable benefits (£)	Pension (£)	Annual Bonus (£)	LTIP (£)	Other (£)	Total (£)
Richard Smith	472,313	17,242	65,613	484,688	349,946	0	1,389,802
Joe Lister	384,441	17,269	53,406	394,513	284,809	2,483	1,136,922

2021 Annual Bonus outcomes

Measure	Weight	Threshold 30% of max	On-target 50% of max	Maximum 100% of max	Actual	Outcome (% of max)
Adjusted EPS	25%	26p	29p	31p	27.6p	41.0%
TAR per share	25%	47.5p	55.9p	64.3p	75.9p*	100.0%
Loan to Value	20%	35.0%	34.3%	32.0%	29.0%	100.0%
Customer satisfaction	10%	35	36	38	35	30.0%
Higher Education trust	10%	19	20	22	20	50.0%
GRESB rating	10%	82	83	85	85	100.0%

* Excludes impact of the extension of LSAV and the performance fee.

Executive	Max opportunity (% of salary)	Overall outcome (% of maximum)	Overall outcome (% of salary)	Overall outcome (£)
Richard Smith	140.0%	73.3%	102.6%	£484,688
Joe Lister	140.0%	73.3%	102.6%	£394,513

2019-2021 LTIP outcomes

Measure	Weight	Threshold 25% vest	Stretch 100% vest	Actual	Vesting (% of max)
2021 Adjusted EPS	1/3	46.9p*	56.2p*	27.6p	0.0%
Relative TSR performance	1/3	Median 11.7%	Upper quartile 60.3%	Between median and upper quartile: 34.7%	60.5%
Relative TAR performance	1/3	Median	Upper quartile	Current estimate**: Between median and upper quartile	50.0%

Executive	Estimated** overall vesting (% of maximum)	Estimated** interests vesting	Date vesting	Estimated** value (incl. dividends)
Richard Smith	36.8%	31,589	24 July 2022 (holding period applies until 24 July 2024)	£349,946
Joe Lister		25,747		£284,809

* Target range increased to reflect the Liberty Living acquisition plan around earnings accretion and the positive benefit of the IFRS 16 accounting standard change, as disclosed in the 2019 Directors' Remuneration Report.

** Vesting of the relative TAR element will be finalised following the publication of comparator results over the coming months, with Unite's TAR currently estimated to rank between median and upper quartile (based on performance after two full financial years). Full details will be provided in next year's report.

Overview of remuneration across the Group

ELIGIBILITY	ELEMENT OF PAY	ELEMENT OF PAY
Employees at all levels	Salary	Salaries are generally reviewed annually, taking into account Company and individual performance, experience and responsibilities. As an accredited Living Wage employer all of Unite's employees receive at least the voluntary living wage rate.
	Benefits	Employees across all levels of the business are eligible for the company-funded Health Cash Plan and an enhanced Company sick pay scheme. All employees have free 24/7 access to our employee assistance programme which provides counselling and support to employees with everyday situations and more serious concerns including up to 12 face-to-face sessions per issue per year. Life assurance cover is provided for all eligible employees at 4 x annual salary and employees can access a range of deals and discounts through our discount providers. We offer employees 25 days annual leave a year plus bank holidays and also operate a holiday purchase scheme to allow employees to purchase up to an extra week of annual leave each year. Employees can support their chosen charities by participating in our charity match or give-as-you-earn schemes. We also offer financial support to our employees through season ticket loans, student rental discounts and the bike to work scheme and employee service is recognised with long-service awards.
	Pension	All employees can participate in the UNITE Group Personal Pension scheme, with an alternative cash pension allowance available in certain circumstances. Our pension offering was reviewed and improved with effect from 1 January 2020, with all employees eligible to receive a company contribution of up to 11% of salary, subject to their own contribution level.
	SAYE	We encourage all employees to become shareholders in Unite by participating in the SAYE scheme, under which participants save monthly over 3 years with the option to acquire shares at a discount at the end of the savings period. Currently c.28% of eligible employees participate in the SAYE.
	Annual bonus – cash	All employees are eligible to participate in the annual bonus scheme, with outcomes based on company performance. Maximum opportunities, performance measures and weightings vary by grade; metrics are similar across all levels to support delivery of our strategy.
Executive Directors and other senior leaders	Long-term incentive	Executive Directors and other senior leaders may be invited to participate in the LTIP each year. Performance conditions are consistent for all participants but award sizes vary.
Executive Directors only	Annual bonus – deferred	Currently only Executive Directors are required to defer a proportion of their bonus into Unite shares, which supports shareholder alignment.
	Shareholding guidelines	While all employees are strongly encouraged to become shareholders to allow them to share in the success of the Group, currently only Executive Directors are subject to formal shareholding guidelines (both in-post and post-exit).

REMUNERATION COMMITTEE continued

This report has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It also meets the requirements of the UK Listing Authority's Listing Rules and the Disclosure and Transparency Rules.

In accordance with the Regulations, the following sections of the Remuneration Report are subject to audit: the Single total figure of remuneration for Directors and accompanying notes (pages 154 to 155, Scheme interests awarded during the financial year (pages 161 to 162), Payments to past directors (page 162), Payments for loss of office (page 160) and the statement of directors' shareholdings and share interests (pages 165 to 166). The remaining sections of the report are not subject to audit.

The 2018 UK Corporate Governance Code sets out principles against which the Committee should determine the Policy for executives. A summary of the principles and how the Unite's Remuneration Policy reflects these is set out below:

PRINCIPLE	APPROACH
Clarity – Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	The Committee operates a consistent remuneration approach that is well-understood internally and externally. The Committee regularly engages with major shareholders on executive remuneration and undertook a detailed consultation during the design of the current Policy.
Simplicity – Remuneration structures should avoid complexity, and their rationale and operation should be easy to understand.	The Group operates a market-standard remuneration structure consisting of fixed pay, an annual bonus and a single long-term incentive. The annual bonus scheme has been further simplified as part of the most recent Policy review through the standardisation of the deferral requirement regardless of existing shareholdings.
Risk – Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	Each year, incentive targets will be set which the Committee believes are stretching and achievable within the risk-appetite set by the Board. The Committee retains full discretion to override formulaic incentive outcomes under both the annual bonus and long-term incentive in the event that this would produce a result inconsistent with the Company's remuneration principles. All variable incentives incorporate recovery provisions (malus and clawback) that allow the Committee to reduce the outcomes, potentially down to zero, in specified cases. The Committee believes that these triggers are appropriately wide-ranging and enforceable.
Alignment to culture – Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	All permanent employees participate in the annual bonus, and share similar corporate performance metrics to ensure cultural alignment across the Group. We believe that aligning remuneration across the business is a key element of aligning our culture, fulfilling our values and being a strong driver of business performance.
Predictability – The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	The Committee maintains clear caps on incentive opportunities and will use its available discretion if necessary.
Proportionality – The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	The Committee ensures performance metrics are clearly aligned with the Group's strategy each year, maintaining an appropriate balance between fixed pay, short- and long-term incentive opportunities. Targets are set to be stretching but achievable, within the Board's risk appetite. Details of our approach to measure selection and target setting is included as a note to the Policy Table.

Directors' Remuneration Policy

The Committee is seeking shareholder approval for a new Remuneration Policy at the 2022 AGM. A summary of the principal changes compared to the previously approved Policy is provided in the Annual Statement above, and identified in the relevant sections below.

The Group aims to balance the need to attract, retain and motivate Executive Directors and other senior executives of an appropriate calibre with the need to be cost effective, whilst at the same time rewarding exceptional performance. The Committee has designed a Remuneration Policy that balances those factors, taking account of prevailing best practice, investor expectations and the level of remuneration and pay awards made generally to employees of the Group.

In addition to the above, the Remuneration Policy for the Executive Directors and other senior executives is based on the following key principles, which are unchanged from the last Policy review:

- A significant proportion of remuneration should be tied to the achievement of specific and stretching performance conditions that align remuneration with the creation of shareholder value and the delivery of the Group's strategic plans, taking care to consider the needs of all stakeholders;
- There should be a focus on sustained long-term performance, with performance measured over clearly specified timescales, encouraging executives to take action in line with the Group's strategic plan, using good business management principles and taking well considered risks;
- Individuals should be rewarded for success, but steps should be taken, within contractual obligations, to prevent rewards for failure – whether financial or operational; and
- Above all, executive remuneration should support the values and culture of the Group. Pay should be simple and easy to understand, with all aspects clear and openly communicated to stakeholders and with alignment with pay philosophies across the Group.

This section of the report sets out the policy for Executive Directors which the Company is asking shareholders to approve at the 2022 AGM. It is intended that the revised policy will come into effect from that date.

REMUNERATION COMMITTEE continued

Policy Table

FUNCTION	OPERATION	OPPORTUNITY	PERFORMANCE METRICS
Base salary To recognise the individual's skills and experience and to provide a competitive base reward.	Base salaries are reviewed from time to time, with reference to salary levels for similar roles at comparable companies[1], to individual contribution to performance; and to the experience of each Executive.	Any base salary increases are applied in line with the outcome of the review as part of which the Committee also considers average increases across the Group. In respect of existing Executive Directors, it is anticipated that salary increases will generally be in line with those of salaried employees as a whole. In exceptional circumstances (including, but not limited to, a material increase in job size or complexity) the Committee has discretion to make appropriate adjustments to salary levels to ensure that they remain market competitive.	None
Pension To provide an opportunity for executives to build up income upon retirement.	All Executives are either members of The UNITE Group Personal Pension scheme or receive a cash pension allowance. Salary is the only element of remuneration that is pensionable.	Existing Executive Directors receive a Company pension contribution or an equivalent cash allowance. Company contribution levels will be reduced from 1 January 2022 and 1 January 2023 to an equivalent of up to 14% and 11% of salary respectively. For future Executive Director appointees, the maximum Company pension contribution will be aligned to that offered to a majority of employees across the Group in percentage of salary terms (currently 11% of salary).	None
Benefits To provide non-cash benefits which are competitive in the market in which the executive is employed.	Executives receive benefits which consist primarily of the provision of a company car or a car allowance, and private health care insurance, although can include any such benefits that the Committee deems appropriate.	Benefits vary by role and individual circumstances; eligibility and cost is reviewed periodically. The Committee retains the discretion to approve a higher cost in certain circumstances (e.g. relocation) or in circumstances where factors outside the company's control have changed materially (e.g. increases in insurance premiums).	None
SAYE To encourage the ownership of shares in Unite.	An HMRC approved scheme whereby employees (including Executive Directors) may save up to the maximum monthly savings limit (as determined by prevailing HMRC guidelines) over a period of three years. Options granted at up to a 20% discount.	Savings are capped at the prevailing HMRC limit at the time employees are invited to participate.	None

1. Remuneration peer companies include the constituents of the FTSE350 Real Estate Index and UK-listed companies of similar market capitalisation. The Committee reviews comparator groups periodically to ensure they remain appropriate and retains the discretion to change companies.

FUNCTION	OPERATION	OPPORTUNITY	PERFORMANCE METRICS
Annual Bonus To incentivise and reward strong performance against financial and non-financial annual targets, thus delivering value to shareholders and being consistent with the delivery of the strategic plan.	Performance measures, targets and weightings are set at the start of the year. At the end of the year, the Remuneration Committee determines the extent to which targets have been achieved. From the 2022 annual bonus onwards, 50% of any bonus payable will be deferred for two years. Deferral is generally by an allocation of shares in the Company, which are generally held in the Employee Share Ownership Trust. Awards under the Annual Bonus are subject to malus and clawback provisions, further details of which are included as a note to the policy table.	For Executive Directors, the maximum annual bonus opportunity is 140% of base salary. Up to 30% of maximum will be paid for Threshold performance under each measure and up to 50% of maximum will be paid for on-target performance. A payment equal to the value of dividends which would have accrued on vested deferred bonus shares will be made following the release of awards to participants, either in the form of cash or as additional shares. It is the Committee's current intention to make any dividends payments in the form of shares.	Performance is assessed on an annual basis, as measured against specific objectives set at the start of each year. Financial measures will make up at least 70% of the total annual bonus opportunity in any given year. The remainder will be split between non-financial metrics and personal / team objectives according to business priorities, with the weighting on the latter being no more than 20% of the total annual bonus opportunity. The Committee has discretion to adjust the formulaic bonus outcomes both upwards (within the plan limits) and downwards (including down to zero) to ensure alignment of pay with performance, e.g., in the event of one of the targets under the bonus being significantly missed or unforeseen circumstances outside management control. The Committee also considers measures outside the bonus framework (e.g. H&S) to ensure there is no reward for failure. For 2022, financial metrics and non-financial metrics will make up 70% and 30% of the total annual bonus opportunity respectively. Further details of the measures, weightings and targets applicable are provided on page 163.

Changes to 2019 Policy: Delinking of bonus deferral requirement from existing shareholding levels.

REMUNERATION COMMITTEE continued

Policy Table continued

FUNCTION	OPERATION	OPPORTUNITY	PERFORMANCE METRICS
LTIP To drive sustained long-term performance that supports the creation of shareholder value.	The LTIP comprises a Performance Share Plan (PSP) and an Approved Employee Share Option Scheme (ESOS). The ESOS is used to deliver a proportion of the LTIP in a tax-efficient manner, and is subject to the same performance conditions as awards made under the PSP. Award levels and performance conditions are reviewed before each award cycle to ensure they remain appropriate. Awards under the LTIP are subject to malus and clawback provisions, further details of which are included as a note to the policy table	The LTIP provides for an award up to a normal aggregate limit of 200% of salary for Executive Directors, with an overall limit of 300% of salary in exceptional circumstances. The current intention is to grant each Executive Director awards equivalent to 200% of salary. Awards may include a grant of HMRC approved options not exceeding £6k per annum, valued on a fair value exchange. A payment equal to the value of dividends which would have accrued on vested shares will be made following the release of awards to participants, either in the form of cash or as additional shares. It is the Committee's current intention to make any future dividends payments in the form of shares.	Vesting of LTIP awards is subject to continued employment and performance against relevant metrics measured over a period of at least three years. The Committee will select performance measures ahead of each cycle to ensure that they continue to be linked to the delivery of the Company strategy. Under each measure, threshold performance will result in up to 25% of maximum vesting for that element, rising on a straight-line to full vesting. If no entitlement has been earned at the end of the relevant performance period, awards will lapse. A proportion of vested awards may, at the discretion of the Committee, be subject to a holding period following the end of a three-year vesting period. The Committee's current intention is that all awards will be required to be held for an additional two-year period post-vesting. As under the Annual Bonus, the Committee has discretion to adjust the formulaic LTIP outcomes to ensure alignment of pay with performance, i.e. to ensure the outcome is a true reflection of the performance of the Company. Details of the measures and targets to be used for 2022 LTIP awards are included in the Annual Report on Remuneration on page 164.

Notes to the policy table

The Committee is satisfied that the above remuneration policy is in the best interests of shareholders and does not promote excessive risk-taking.

For the avoidance of doubt, in approving this Directors' Remuneration Policy, authority is given to the Company to honour any commitments entered into with current or former directors (such as the vesting or exercise of past share awards).

Performance measure selection and approach to target setting

Measures used under the Annual Bonus and LTIP are selected annually to reflect the Group's main short- and long-term objectives and reflect both financial and non-financial priorities, as appropriate.

The Committee considers that EPS (currently used in both the short- and long-term incentive) is an objective and well-accepted measure of the Company's performance which reinforces the strategic objective of achieving profitable growth, whilst a focus on Total Accounting Return (also currently used in both the short- and long-term incentive) is consistent with one of our stated objectives and a key indicator of Company performance in the real estate sector. The use of relative TSR is strongly aligned with shareholders and ensures that executives are rewarded only if they exceed the returns which an investor could achieve elsewhere in our sector. Finally, from 2022, the Committee has increased the overall weighting on Sustainability metrics across variable incentives in order to support and reinforce the Group's strategy in this area.

	Captured in...		Strategic objectives supported		
2022 incentive measures	**Annual bonus**	**LTIP**	**Delivering for our customers and universities**	**Attractive returns for shareholders**	**A responsible and resilient business**
Earnings Per Share (EPS)	✓	✓		✓	
Total Accounting Return (TAR)	✓ Absolute	✓ Relative		✓	
Loan To Value (LTV)	✓				✓
Total Shareholder Return (TSR)		✓		✓	
Customer satisfaction	✓		✓		
Higher Education trust	✓		✓		
Employee engagement	✓				✓
GRESB rating	✓				✓
EPC Ratings		✓			✓
Operational energy intensity		✓			✓

Targets applying to the Annual Bonus and LTIP are reviewed annually, based on a number of internal and external reference points. Performance targets are set to be stretching but achievable, with regard to the particular strategic priorities and economic environment in a given year. Under the bonus, target performance typically requires meaningful improvement on the previous year's outturn, and, for financial measures, targets are typically set with reference to market consensus.

Remuneration policy for other employees

Unite's approach to annual salary reviews is consistent across the Group, with consideration given to the level of experience, responsibility, individual performance and salary levels in comparable companies. The Company is a fully accredited Living Wage employer.

In terms of variable incentives, all employees are eligible to participate in an annual bonus scheme with business area-specific metrics incorporated where appropriate. Senior managers are eligible to participate in the LTIP with annual awards currently up to 100% of salary. Performance conditions are consistent for all participants, while award sizes vary by level. Specific cash incentives are also in place to motivate, reward and retain staff below Board level.

All employees are eligible to participate in the Company's SAYE scheme on the same terms.

REMUNERATION COMMITTEE continued

Shareholding guidelines

The Committee continues to recognise the importance of Executive Directors aligning their interests with shareholders through building up a significant shareholding in the Company. Shareholding guidelines are in place that require Executive Directors to acquire a holding (excluding shares that remain subject to performance conditions) equivalent to 250% of base salary for the Chief Executive and 200% of base salary for each of the other Executive Directors. Until the relevant shareholding levels are acquired, up to 50% of the annual bonus payable to the relevant Director will be subject to deferral into shares. Details of the Executive Directors' current shareholdings are provided in the Annual Report on Remuneration.

In order to provide further long-term alignment with shareholders and ensure a focus on successful succession planning, Executive Directors will normally be expected to maintain a holding of Unite shares for a period after their employment as a Director of the Group. This 'post-exit' shareholding guideline will be equal to the lower of a Directors' actual shareholding at the time of their departure and the shareholding requirement in effect at the date of their departure, with such shares to be held for a period of at least two years from the date of ceasing to be a Director. The specific application of this shareholding guideline will be at the Committee's discretion.

In order to monitor and enforce the post-exit shareholding requirement, the Committee has established an internal policy document detailing which shares are covered, the valuation methodology, the holding mechanism and any discretions available. In summary, this post-exit requirement will apply to any LTIP awards or deferred bonus share awards granted on or after 9 May 2019 (being the date of approval of the 2019 Policy), with shares deposited into a Nominee Account until such time that the required post-exit shareholding level has been achieved (calculated annually). Shares held in the Nominee Account will generally be held for a period of not less than 2 years from the date an individual ceases employment as a Director of the Group.

Changes to 2019 Policy: Further detail provided on the approach to enforcing post-exit shareholding requirements.

Malus and clawback

Awards under the Annual Bonus and the LTIP are subject to malus and clawback provisions which can be applied to both vested and unvested awards. Malus and clawback provisions will apply for a period of at least two years post-vesting. Circumstances in which malus and clawback may be applied include a material misstatement of the Company's financial accounts, gross misconduct on the part of the award-holder, error in calculating the award vesting outcome and, from 2019 awards onwards, corporate failure as determined by the Remuneration Committee.

Non-Executive Director remuneration

NED	Date of service contract
E McMeikan	13 November 2013
R Paterson	21 September 2017
I Beato	20 July 2018
S Pearce	14 October 2019
T Jackson	29 November 2019
S Smith	14 October 2019
R Huntingford	26 October 2020

Subject to annual re-election by shareholders, Non-Executive Directors are appointed for an initial term of approximately three years. Subsequent terms of three years may be awarded. The appointment, re-appointment and the remuneration of Non-Executive Directors are matters reserved for the full Board.

The Non-Executive Directors are not eligible to participate in the Company's performance-related bonus plan, long-term incentive plans or pension arrangements.

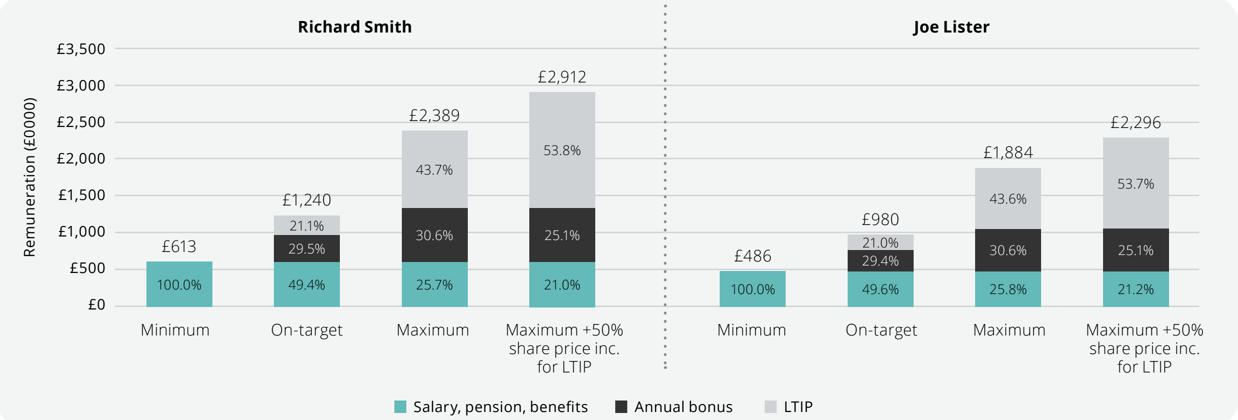
Details of the policy on fees paid to our Non-Executive Directors are set out in the table opposite:

FUNCTION	OPERATION	OPPORTUNITY	PERFORMANCE METRICS
Fees To attract and retain Non-Executive Directors of the highest calibre with broad commercial and other experience relevant to the Company.	Fee levels are reviewed annually, with any adjustments typically effective 1 January in the year following review. The fees paid to the Chair are determined by the Committee, whilst the fees of the Non-Executive Directors are determined by the Board. Additional fees are payable for acting as Senior Independent Director and as Chair of any of the Board's Committees (Audit, Remuneration, Nomination, Health & Safety, Sustainability). Fee levels are benchmarked against sector comparators and FTSE-listed companies of similar size and complexity. Time commitment and responsibility are taken into account when reviewing fee levels. Expenses incurred by the Chair and the Non-Executive Directors in the performance of their duties (including taxable travel and accommodation benefits) may be reimbursed or paid for directly by the Company, as appropriate.	Non-Executive Director fee increases are applied in line with the outcome of the annual fee review. Fees for the year commencing 1 January 2022 are set out in the Annual Report on Remuneration. Fee levels will be next reviewed during 2022, with any increase effective 1 January 2023. It is expected that increases to Non-Executive Director fee levels will be in line with salaried employees over the life of the policy. However, in the event that there is a material misalignment with the market or a change in the complexity, responsibility or time commitment required to fulfil a Non-Executive Director role, the Board has discretion to make an appropriate adjustment to the fee level.	None

Pay for performance scenarios

The charts below provide an illustration of the potential future reward opportunities for the Executive Directors, and the potential split between the different elements of remuneration under four different performance scenarios: 'Minimum', 'On-target', 'Maximum' and 'Maximum including the impact of a 50% share price appreciation on LTIP awards'.

Potential reward opportunities are based on Unite's remuneration policy, applied to the base salaries effective 1 January 2022. Pension contributions reflect the agreed reduction to a maximum of 14% of salary effective 1 January 2022. The annual bonus and LTIP are based on the maximum opportunities set out under the Remuneration Policy, being 140% of salary under the annual bonus and a 2022 LTIP grant of 200% of salary. Note that the LTIP awards granted in a year do not normally vest until the third anniversary of the date of grant, and the projected value is based on the face value at award rather than vesting (i.e. the scenarios exclude the impact of any share price movement over the period). The exception to this is the last scenario which, in line with the requirements of the UK Corporate Governance Code, illustrates the maximum outcome assuming 50% share price appreciation for the purpose of LTIP value.



REMUNERATION COMMITTEE continued

The ‘minimum’ scenario reflects base salary, pension and benefits (i.e. fixed remuneration) which are the only elements of the Executive’s remuneration packages not linked to performance.

The ‘on-target’ scenario reflects fixed remuneration as above, plus bonus payout of 70% of salary and LTIP threshold vesting at 25% of maximum award (50% of salary).

The ‘maximum’ scenario is shown on two bases: excluding and including the impact of share price appreciation on the value of LTIP outcomes. In both cases, the scenario includes fixed remuneration and full payout of all incentives (140% of salary under the annual bonus and 200% of salary under the LTIP), with the final scenario also including the impact of a 50% increase in Unite’s share price on the value of the LTIP (in effect valuing this element of pay at 300% of salary).

	Salary	Benefits (based on FY21)	Pension	2022 maximum annual bonus	2022 LTIP award face value
CEO	£522,500	£17,242	14% of salary	140% of salary	200% of salary
CFO	£411,250	£17,269	14% of salary	140% of salary	200% of salary

Approach to recruitment remuneration

External appointment to the Board

In the cases of hiring or appointing a new Executive Director from outside the Company, the Remuneration Committee may make use of all the existing components of remuneration, as follows:

COMPONENT	APPROACH	MAXIMUM ANNUAL GRANT VALUE
Base salary	The base salaries of new appointees will be determined by reference to relevant market data, experience and skills of the individual, internal relativities and their current basic salary. Where new appointees have initial basic salaries set below market, any shortfall may be managed with phased increases over a period of two to three years subject to the individual’s development in the role.	
Pension	New appointees will receive Company pension contributions or an equivalent cash supplement aligned to that offered to a majority of employees across the Group at the time of appointment (currently 11% of salary).	
Benefits	New appointees will be eligible to receive benefits which may include (but are not limited to) the provision of a company car or cash alternative, private medical insurance and any necessary relocation expenses. New appointees will also be eligible to participate in all-employee share schemes.	
SAYE		
Annual Bonus	The structure described in the policy table will apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of employment over the year. Targets for the individual element will be tailored to each executive.	140% of salary
LTIP	New appointees will be granted awards under the LTIP on the same terms as other executives, as described in the policy table. The normal aggregate limit of 200% of salary will apply, save in exceptional circumstances where up to 300% of salary may be awarded.	300% of salary

In determining appropriate remuneration, the Remuneration Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate was recruited) to ensure that arrangements are in the best interests of both Unite and its shareholders. The Committee may make an award in respect of a new appointment to 'buy out' incentive arrangements forfeited on leaving a previous employer on a like-for-like basis, which may be awarded in addition to the remuneration structure outlined in the table above. In doing so, the Committee will consider relevant factors including time to vesting, any performance conditions attached to these awards and the likelihood of those conditions being met. Any such 'buy-out' awards will typically be made under the existing annual bonus and LTIP schemes, although in exceptional circumstances the Committee may exercise the discretion available under Listing Rule 9.4.2 R to make awards using a different structure. Any 'buy-out' awards would have a fair value no higher than the awards forfeited.

Internal promotion to the Board

In cases of appointing a new Executive Director by way of internal promotion, the Remuneration Committee and Board will be consistent with the policy for external appointees detailed above. Where an individual has contractual commitments made prior to their promotion to Executive Director level, the Company will continue to honour these arrangements. With regards to pension contributions, as above, this would be aligned to that offered to a majority of employees across the Group at the time of promotion to the Board. The Remuneration Policy for other employees is set out on page 147. Incentive opportunities for below Board employees are typically no higher than Executive Directors, but measures may vary to provide better line-of-sight.

Non-Executive Directors

In recruiting a new Non-Executive Director, the Remuneration Committee will utilise the policy as set out in the table on page 149. A base fee in line with the prevailing fee schedule would be payable for Board membership, with additional fees payable for acting as Senior Independent Director and /or as Chair of the Board's Committees.

Service contracts and treatment for leavers and change of control

Executive	Date of service contract
J Lister	28 March 2002
R Smith	28 September 2011

Executive Director service contracts, including arrangements for early termination, are carefully considered by the Committee. In accordance with general market practice, each of the Executive Directors has a rolling service contract requiring 12 months' notice of termination on either side. Such contracts contain no specific provision for compensation for loss of office, other than an obligation to pay for any notice period waived by the Company, where pay is defined as salary, benefits and any other statutory payments only. Where a payment is made in equal monthly instalments, the Committee will expect the Director to mitigate his / her losses by undertaking to seek and take up, as soon as reasonably practicable, any suitable / similar opportunity to earn alternative income over the period in which the instalments are to be made. The instalment payments will be reduced (including to zero) by the amount of such income that the employee earns and / or is entitled to earn over the applicable period. Executive Director service contracts are available to view at the Company's registered office.

The Remuneration Committee will exercise discretion in making appropriate payments in the context of outplacement, settling legal claims or potential legal claims by a departing Executive Director, including any other amounts reasonably due to the Executive Director, for example to meet the legal fees incurred by them in connection with the termination of employment, where the Company wishes to enter into a settlement agreement and the individual must seek independent legal advice.

REMUNERATION COMMITTEE continued

When considering exit payments, the Committee reviews all potential incentive outcomes to ensure they are fair to both shareholders and participants. The table below summarises how the awards under the annual bonus and LTIP are typically treated in specific circumstances, with the final treatment remaining subject to the Committee's discretion:

	Calculation of vesting / payment
Annual bonus	
Cash element	In the event of retirement, ill health, death, disability, redundancy or any other circumstance at the discretion of the Remuneration Committee, or in the event of a change of control, Executive Directors may receive a bonus payment for the year in which they cease employment. This payment will normally be pro-rated for time and will only be paid to the extent that financial and individual objectives set at the beginning of the plan year have been met. Otherwise, Executive Directors must be employed at the date of payment to receive a bonus.
Deferred element	Deferred bonus shares will normally be retained and will be released in full following completion of the applicable deferral period.
LTIP	
Leavers before the end of the performance period	In the event of retirement, ill health, death, disability, redundancy or any other circumstance at the discretion of the Remuneration Committee, or in the event of a change of control, the Committee determines whether and to what extent outstanding awards vest based on the extent to which performance conditions have been achieved and the proportion of the vesting period worked. This determination will be made as soon as reasonably practical following the end of the performance period or such earlier date as the Committee may agree (within 12 months in the event of death). In the event of a change of control, awards may alternatively be exchanged for new equivalent awards in the acquirer where appropriate. If participants leave for any other reason before the end of the performance period, their award will normally lapse.
Leavers after the end of the performance period	Any awards in a holding period will normally vest following completion of the holding period.

External appointments

With the approval of the Board in each case, and subject to the overriding requirements of the Group, Executive Directors may accept external appointments as Non-Executive Directors of other companies and retain any fees received. Joe Lister was appointed as a Non-Executive Director on the Board of Helical Plc effective 1 September 2018 and received a fee of c.£58,000 in respect of his service for 2021. Richard Smith was appointed as a Non-Executive Director on the Board of Industrials REIT (formerly Stenprop Limited) effective 4 November 2020 and received a fee of c.£40,000 in respect of his service for 2021.

Consideration of conditions elsewhere in the Company

When making decisions on Executive Director remuneration, the Committee considers pay and conditions across Unite and reflects on available data such as the Gender Pay Gap reporting and the CEO pay ratio analyses. Prior to the annual salary review, the Group People Director provides the Committee with a summary of the proposed level of increase for overall employee pay. The Remuneration Committee did not formally consult with employees in designing the above executive remuneration policy. The Culture Matters forum, launched in October and attended by the employee engagement NED, will, in future, provide the Board and Committee with a greater opportunity to solicit the views of employees on remuneration structures and processes across the Group. Specifically, this forum will include as part of its agenda an opportunity to discuss remuneration issues, answer any questions around pay practices, and to explain to the workforce how executive pay arrangements align with the wider pay policy.

Consideration of shareholder views

During 2021, the Remuneration Committee consulted with Unite's top 20 investors and with proxy advisors (Glass Lewis, the Investment Association and ISS) to seek their views on the proposed changes to the Remuneration Policy, as well as remuneration at Unite more broadly. Further details are included in the Annual Statement of this report.

The Committee thanks investors taking the time to participate in the consultation and we welcomed the positive and constructive feedback received. The Committee used this feedback, along with updates to investor body principles published around the time of the review, to refine and further develop the final proposals. The Committee will continue to monitor trends and developments in corporate governance and market practice to ensure the structure of the executive remuneration remains appropriate.

Annual Report on Remuneration

The following section provides details of how Unite's remuneration policy was implemented during the financial year ended 31 December 2021 and how it will be implemented in 2022.

Remuneration Committee membership in 2021

The primary role of the Committee is to:

- Review, recommend and monitor the level and structure of remuneration for the Executive Directors and other senior executives;
- Approve the remuneration packages for the Executive Directors and ensure that pay outcomes reflect the performance of he Company; and
- Determine the balance between base pay and performance-related elements of the package so as to align Directors' interests to those of shareholders.

The Committee's terms of reference are set out on the Company's website. As of 31 December 2021, the Remuneration Committee comprised three independent Non-Executive Directors.

- Elizabeth McMeikan (Committee Chair)
- Ross Paterson
- Dame Shirley Pearce

Richard Akers served on the Committee prior to stepping down as a Non-Executive Director with effect from 15 December 2021. Certain Executives, including Richard Smith (Chief Executive) and Helene Murphy (Group People Director), are invited to attend meetings of the Committee, and the Company Secretary, Christopher Szpojnarowicz, acts as secretary to the Committee. Richard Huntingford and Thomas Jackson are also invited to attend meetings. No individuals are involved in decisions relating to their own remuneration. The Remuneration Committee convened four times during the year and details of members' attendance at meetings are provided in the Corporate Governance section on page 108.

Key activities of the Remuneration Committee in 2021 included:

- Reviewed and approved the Executive Directors' performance against 2018 LTIP targets and approved vesting;
- Approved the Directors' Remuneration Report for 2020;
- Determined the Executive Directors' bonus and LTIP performance targets for 2021 in line with the strategic plan and approved grant of awards under the LTIP in April 2021;
- Considered remuneration market trends and corporate governance developments;
- Reviewed the Remuneration Policy and conducted shareholder consultations on the proposed changes;
- Reviewed the CEO pay ratio and gender pay data and disclosures; and
- Commenced preparation of the 2021 Directors' Remuneration Report.

Advisors

Ellason LLP was appointed as the independent remuneration advisor to the Committee effective 1 January 2021 and retained during the year. The Committee undertakes due diligence periodically to ensure that Ellason is independent and that the advice provided is impartial and objective. During 2021, Ellason provided independent advice including support on the review of the Remuneration Policy and consultation, supporting benchmarking for Executive Directors, updates on the external remuneration environment, performance testing for long-term incentive plans and Directors' Remuneration Report drafting support. Ellason reports directly to the Chair of the Remuneration Committee and does not advise the Company on any other issues. Their total fees for the provision of remuneration services to the Committee in 2021 were £43,113 (2020: £36,788 to Mercer) on the basis of time and materials.

Ellason is member and signatory of the Code of Conduct for Remuneration Consultants, details of which can be found at www.remunerationconsultantsgroup.com. None of the individual Directors have a personal connection with Ellason.

REMUNERATION COMMITTEE continued

Summary of shareholder voting at AGMs

The following table shows the results of the advisory vote on the 2020 Annual Report on Remuneration at the 2021 AGM and the binding vote on the 2019 Directors' Remuneration Policy at the 2019 AGM:

	2020 Annual Report on Remuneration		Directors' Remuneration Policy	
For (including discretionary)	344,430,454	97.76%	213,670,741	96.85%
Against	7,902,466	2.24%	6,938,947	3.15%
Total votes cast (excluding withheld votes)	352,332,920		220,609,688	
Votes withheld	1,024,435		0	
Total votes cast (including withheld votes)	353,357,355		220,609,688	

Single total figure of remuneration for Executive Directors (audited)

The table below sets out a single figure for the total remuneration received for 2020 and 2021 by each Executive Director who served in the year ended 31 December 2021:

£		Salary	Taxable benefits	Pension	Annual Bonus	LTIP	Other	Total Single Figure	Total Fixed	Total Variable
		Note 1	Note 2	Notes 1, 3	Note 4	Note 5	Note 6			
R Smith	2021	472,313	17,242	65,613	484,688	349,946	0	**1,389,802**	555,168	834,634
	2020	425,082	16,202	73,738	0	418,918	0	**933,940**	515,022	418,918
J Lister	2021	384,441	17,269	53,406	394,513	284,809	2,483	**1,136,922**	455,117	681,805
	2020	345,997	17,498	59,626	0	341,057	2,248	**766,425**	423,120	343,305

1. 2020 salary and pension figures reflect the 30% reduction for Executive Directors which applied for a 4-month period from 1 April 2020.
2. Taxable benefits for 2021 consist primarily of company car or car allowance and private health care insurance. The figures above include car benefits of £15,000 for Messrs. Smith and Lister.
3. Pension figures include contributions to the UNITE Group Personal Pension Scheme and cash allowances, where applicable. Pension contributions were reduced to a maximum of 17% of salary with effect from 1 January 2021.
4. The 2020 annual bonus scheme was suspended for the Chief Executive and Chief Financial Officer.
5. 2020 figures: The 2018 awards are valued based on the market price on the date of vesting (10 April 2021) of 1,083.5p. These amounts have been revised upwards from last year's report to reflect the actual share price on the date of vesting.
   2021 figures: For the 2019 awards, vesting of the relative TAR element will be finalised following the publication of comparator results over the coming months, with Unite currently estimated to rank between median and upper quartile, equating to c.50% vesting. Overall anticipated vesting of the 2019 awards used in this single figure is therefore around 36.84% of maximum. Similarly, the market price on the date of vesting for these awards is currently unknown and so the value shown is estimated using the average market value over the last quarter of 2021 of 1,085.5p. See following sections for further details. The value of the vested 2019 awards shown reflects the impact of a c.1% increase in the vesting share price compared to the share price at grant. Overall, the impact of the share price increase on the awards represents c.1% of the LTIP value, equivalent to c.£3k for Richard Smith and c.£2k for Joe Lister.
   For both 2020 and 2021, LTIP figures include the (estimated) value of dividends for vested awards, in both cases paid as additional shares. Awards in the form of HMRC-approved options are valued based on the embedded gain at vesting (i.e. subtracting the applicable exercise price) and attract no dividends.
6. 'Other' includes the embedded value of SAYE options at grant.

Single total figure of remuneration for Non-Executive Directors (audited)

The table below sets out a single figure for the total remuneration received for 2020 and 2021 by each Non-Executive Director who served in the year ended 31 December 2021:

£		Base fee	Committee Chair / SID fees	Taxable benefits	Total Single Figure
Note 1		**Note 2**	**Note 2**	**Note 3**	
R Huntingford(i)	2021	181,110	–	74	**181,184**
	2020	4,120	–	–	**4,120**
E McMeikan	2021	49,440	16,120	39	**65,599**
	2020	44,496	14,508	133	**59,137**
R Paterson	2021	49,440	10,300	3	**59,743**
	2020	44,496	9,270	9	**53,775**
R Akers(ii)	2021	47,235	–	–	**47,235**
	2020	44,496	–	9	**44,505**
I Beato	2021	49,440	–	3	**49,443**
	2020	44,496	–	–	**44,496**
S Pearce(iii)	2021	49,440	8,279	3	**57,721**
	2020	44,496	–	9	**44,505**
T Jackson(iv)	2021	–	–	17	**17**
	2020	–	–	–	**–**
S Smith(v)	2021	49,440	10,300	49	**59,789**
	2020	32,136	4,735	–	**36,871**
P White(vi)	2021	49,806	–	–	**49,806**
	2020	179,302	–	252	**179,555**

1. Changes in Non-Executive Directors and responsibilities as follows:
   i. Richard Huntingford joined the Board as Chair Designate on 1 December 2020 and assumed the role of Chair on 1 April 2021.
   ii. Richard Akers stepped down as a Non-Executive Director with effect from 15 December 2021.
   iii. Dame Shirley Pearce became Chair of the Sustainability Committee with effect from 12 March 2021.
   iv. Thomas Jackson joined the Board on completion of the acquisition of Liberty Living Group plc on 29 November 2019. Reflecting the Relationship Agreement with CPPIB Holdco, Thomas will not receive any fees in respect of his Non-Executive Director position with Unite.
   v. Professor Sir Steve Smith joined the Board on 1 April 2020 and became Chair of the Health and Safety Committee from this date.
   vi. Phil White stepped down as Chair of the Board with effect from 31 March 2021.
2. 2020 figures reflects the 30% reduction to base fees and additional fees for Non-Executive Directors which applied for a 4-month period from 1 April 2020.
3. Taxable benefits relate primarily to certain travel expenses.

REMUNERATION COMMITTEE continued

Incentive outcomes for the year ended 31 December 2021 (audited)

Annual Bonus in respect of 2021 performance

The maximum bonus opportunity for each Executive Director in 2021 was 140% of base salary, with threshold and on-target performance paying 30% and 50% of maximum respectively under each performance measure. The 2021 annual bonus was based on an additive combination of financial (weighted 70%) and non-financial (30%) metrics, with Loan to Value (LTV) replacing net debt to EBITDA ratio and GRESB rating replacing individual / team objectives as compared to the 2019 scheme. Further details, including the targets set and performance against each of the metrics, are provided in the tables below:

	Measure	Weight	Threshold 30% of max	On-target 50% of max	Maximum 100% of max	Actual	Outcome (% of max)
Financial (70%)	Adjusted EPS	25%	26.0p	29.0p	31.0p	27.6p	41.0%
	TAR per share	25%	47.5p	55.9p	64.3p	75.9p*	100.0%
	Loan to Value	20%	35.0%	34.3%	32.0%	29.0%	100.0%
Non-financial (30%)	Customer satisfaction	10%	35	36	38	35	30.0%
	Higher Education trust	10%	19	20	22	20	50.0%
	GRESB rating	10%	82	83	85	85	100.0%

* Excludes impact of the extension of LSAV and the performance fee

In confirming outcomes under the GRESB measure, the Committee considered, with input from the Sustainability Committee, how the constituent elements forming the overall GRESB rating had changed year-on-year, as well as the progress made on the Group's Diversity & Inclusion agenda.

Executive	Overall outcome (% of maximum)	Overall outcome (% of salary)	Overall outcome (£)
Richard Smith	73.3%	102.6%	£484,688
Joe Lister	73.3%	102.6%	£394,513

The Committee is satisfied that the overall bonus outcome of 102.6% of salary (cf. a maximum of 140% of salary) in respect of 2021 is appropriate. The overall outcome is around the 10-year average payout and reflects a year of recovery for Unite and the significant contributions made by both Directors. Reflecting the previous Policy under which the 2021 bonus operated, and having already reached their respective share ownership guidelines, each Executive Director will receive the first 100% of salary of their bonus awards in cash, with the remainder (2.6% of salary) deferred in shares for 2 years.

2019 LTIP vesting (vested on performance to 31 December 2021)

Awards in 2019 were made under the LTIP, consisting of the Unite Group Performance Share Plan and the Unite Group Approved Employee Share Option Scheme. Vesting of the awards was dependent on three equally-weighted measures over a three-year performance period: absolute EPS, relative TSR and relative TAR, with Unite's performance for both the TSR and TAR elements compared to the constituents of the FTSE350 Real Estate Supersector Index. There was no retest provision. Further details, including vesting schedules and performance against each of the metrics, are provided in the table below:

Vesting of the relative TAR element will be finalised following the publication of comparator results over the coming months, with Unite currently estimated to rank between median and upper quartile, equating to c.50% vesting under this element and 36.84% vesting overall. Awards vesting will then be subject to an additional two-year holding period.

Measure	Weight	Targets	Outcome	Vest %
2021 Adjusted EPS	1/3	0% vesting below 46.9 pence 25% vesting for 46.9 pence 100% vesting for 56.2 pence or more; Straight-line vesting between these points	27.6 pence	0.0%
TSR ranking vs. constituents of the FTSE350 Real Estate Supersector Index	1/3	0% vesting below median 25% vesting for performance in line with median 100% vesting for performance in line with upper quartile or above; Straight-line vesting between these points	+34.7%: between median (+11.7%) and upper quartile (+60.3%)	60.5%
TAR ranking vs. constituents of the FTSE350 Real Estate Supersector Index	1/3	0% vesting below median 25% vesting for performance in line with median 100% vesting for performance in line with upper quartile or above; Straight-line vesting between these points	Estimated: Between median and upper quartile	Estimated: 50.0%

Note: As disclosed in the 2019 report, the EPS target range was increased to reflect the Liberty Living acquisition plan around earnings accretion and the positive benefit of the IFRS16 accounting standard change. The original target range was 42.1–49.2 pence

Total estimated LTIP vesting (sum product of weighting and vest %)	36.84%

Executive	Interests held	Estimated vesting %	Estimated interests vesting	Date vesting	Assumed market price	Estimated value...	... of which, value due to share price growth
	Note 1					Note 2	
Richard Smith	85,747	36.84%	31,589	24 July 2022	1,085.5p	£349,946	£2,996 (0.9% of total)
Joe Lister	69,890		25,747			£284,809	£2,442 (0.9% of total)

1. In each case, interests held includes 577 HMRC-approved options under the ESOS.
2. Estimated value of HMRC-approved options is based on embedded gain (i.e. after subtracting 1,076.0p exercise price). Value includes the accumulated dividends on vested shares.

In line with reporting regulations, the value disclosed above and in the single total figure of remuneration table on page 154 captures the estimated full number of interests vesting (i.e. excluding the two-year holding period). As the market price on the date of vesting is unknown at the time of reporting, the value is estimated using the average market value over the last quarter of 2021 of 1,085.5p. Values will be trued-up in the 2022 Annual Report on Remuneration to reflect actual relative TAR vesting and the actual share price at the date of vesting for these awards.

The estimated values include the impact of a c.1% increase in the assumed market price compared to the share price at grant (1,076.0p). Executives also became entitled to additional shares representing the dividends payable on vested LTIP shares over the three-year performance period. The estimated value of these additional shares is included in the row entitled 'LTIP' in the single total figure of remuneration table on page 154, and equates to £9,258 and £7,535 for Messrs. Smith and Lister respectively. Actual dividends payable will be determined on finalising vesting of the TAR element of awards.

REMUNERATION COMMITTEE continued

Percentage change in remuneration of Directors and employees

This table is produced in accordance with the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and shows the change in remuneration of Unite Directors and employees over time.

Executive Director remuneration includes base salary, taxable benefits and annual bonus (where eligible). Non-Executive Director remuneration includes base fee and any additional fees paid, and taxable benefits. The pay for all employees is calculated using the increase in the earnings of full-time employees for the relevant tax years. The analysis excludes part-time employees and growth rates are based on a consistent set of employees, i.e. the same individuals appear in the 2021 and 2020 populations for the 2021 analysis and so on.

Director Note 1	Basic salary/total fee Note 2		Taxable benefits Note 3		Annual bonus Note 4	
	2021	2020	2021	2020	2021	2020
R Smith	11.1%	(6.9)%	6.4%	0.0%	n/m	(100.0)%
J Lister	11.1%	(6.9)%	(1.3)%	3.4%	n/m	(100.0)%
R Huntingford	266.3%	n/a	n/m	n/a	n/a	n/a
E McMeikan	11.1%	(7.3)%	(70.5)%	(60.2)%	n/a	n/a
R Paterson	11.1%	(7.3)%	(71.1)%	100.0%	n/a	n/a
R Akers	11.1%	(7.3)%	(100.0)%	(98.2)%	n/a	n/a
I Beato	11.1%	(7.3)%	n/m	(100.0)%	n/a	n/a
S Pearce	29.7%	(7.3)%	(71.1)%	100.0%	n/a	n/a
T Jackson	n/a	n/a	n/m	n/a	n/a	n/a
S Smith	17.0%	n/a	n/m	n/a	n/a	n/a
P White	11.1%	(7.3)%	(100.0)%	(84.5)%	n/a	n/a
All employees	2.9%	4.4%	2.3%	2.3%	285.0%	(67.8)%

1. Changes in Directors and responsibilities during the 2020 and 2021 financial years as follows:
   - Richard Huntingford joined the Board as Chair Designate on 1 December 2020 and assumed the role of Chair on 1 April 2021.
   - Dame Shirley Pearce became Chair of the new Sustainability Committee from 12 March 2021.
   - Thomas Jackson joined the Board on completion of the acquisition of Liberty Living Group plc on 29 November 2019. Reflecting the Relationship Agreement with CPPIB Holdco, Thomas will not receive any fees in respect of his Non-Executive Director position with Unite.
   - Professor Sir Steve Smith joined the Board on 1 April 2020 and became Chair of the Health and Safety Committee from this date.
   - Richard Akers stepped down as a Non-Executive Director with effect from 15 December 2021
   - Phil White stepped down as Chair of the Board with effect from 31 March 2021.
2. The basic salary/total fee figures shown are based on full-time equivalent comparisons. All Directors agreed a temporary 30% reduction to their salary/fees for the period of four months ended 31 July 2020 which is reflected in the year-on-year comparisons for both 2020 and 2021.
3. For Executive Directors, taxable benefits consist primarily of company car or car allowance and private health care insurance. For Non-Executive Directors, taxable benefits relate primarily to certain travel expenses and accommodation which, given the relatively small numbers involved, can produce sizeable % changes from year to year.
4. The figures shown are reflective of any bonus earned during the respective financial year. Non-Executive Directors are not eligible to participate in the annual bonus scheme.

Relative importance of spend on pay

The table below shows shareholder distributions (i.e. dividends and share buybacks) and total employee pay expenditure for the financial years ended 31 December 2020 and 31 December 2021, along with the percentage change in both.

	2021 £m	2020 £m	% change 2020–21
Total employee pay expenditure	65.0	64.7	0.5%
Distributions to shareholders	68.0	0.0	n/m

Distributions to shareholders reflects actual payments made during the relevant financial year. Employee remuneration excludes social security costs.

Relationship between the remuneration of the CEO and all employees

The Company's approach to remuneration is consistent for all employees.

Consistent with previous years, given the significant undertaking required to calculate the single figure of remuneration for all UK employees, the Committee opted to use data already available from the gender pay reporting as the basis for identifying employees at P25, P50 and P75 ('Option B'). We believe this provides a reasonable estimate for employees' pay at these levels within the organisation. Further details on the specific steps used in calculating the above ratios are as follows:

- We used the most recent gender pay gap data from 5 April 2021 to rank the hourly rates of all UK employees. From this initial ranking we identified those individuals positioned at P25, P50 and P75, as well as the immediate employees either side of P25, P50 and P75.
- Employees selected as P25, P50 and P75 were checked to confirm that they were employed for the whole of the 2021 financial year.
- Total FTE remuneration for each of these individuals was then calculated to 31 December 2021 on the same basis as used in the single figure table for our CEO. All figures are total amounts paid to full-time employees covering the whole 2021 financial year. Overtime pay, where received during the year, has been excluded so that the figures are comparable with the Chief Executive.
- In reviewing the employee pay data, the Committee is comfortable that the P25, P50 and P75 individuals identified appropriately reflect the employee pay profile at those quartiles, and that the overall picture presented by the ratios is consistent with our pay, reward and progression policies.

The Committee notes that the statutory CEO pay ratios have risen in 2021 as compared to 2020, with , for example, the ratio of CEO total remuneration to the median employee, for example, increasing from 38.1 to 55:1. This change reflects a number of factors, most notably the resumption of the annual bonus scheme for Executive Directors in 2021.

Reflecting that a significant proportion of the CEO's remuneration is linked to Group performance and share price movements over the longer-term and as a result that changes in the headline ratios may be volatile, the Committee also reviews ratios for salary and salary plus annual bonus. Participation in the Group's long-term incentives is currently limited to c.60 senior leaders, with none of the individuals identified as P25, P50 and P75 in this group. On the other hand, the significant majority of our employees are eligible to participate in annual bonus arrangements – and so the Committee considers this ratio, as well as the ratio comparing just salaries, to provide helpful additional context.

Having reviewed these additional data points, the Committee is satisfied that the fluctuation in the headline ratios this year reflects appropriate differences in the structure of remuneration at different levels of seniority. Unite's total pay ratios have, in some years, been high relative to the broader FTSE250; however, the Committee believes that these differences are driven primarily by the Group's staffing model and the proportion of the workforce employed in our frontline teams, rather than excessive pay outcomes at a senior level.

REMUNERATION COMMITTEE continued

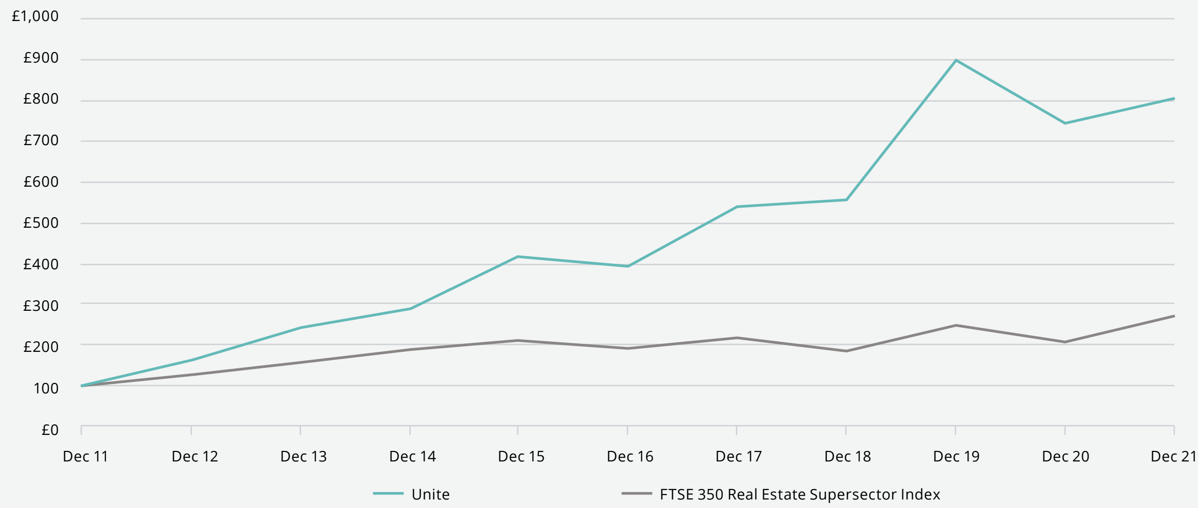
Relationship between the remuneration of the CEO and all employees

CEO pay ratio	2021	2020	2019
		Note 1	
Methodology used	**B**	B	B
Average number of employees	**1,900**	1,756	1,450
Ratio of CEO single figure total remuneration:			
– To employee at the 25th percentile	**57:1**	44.1	113:1
– To employee at the 50th percentile	**55:1**	38.1	96:1
– To employee at the 75th percentile	**42:1**	29:1	70:1
Ratio of CEO base salary plus annual bonus figure:			
– To employee at the 25th percentile	**42:1**	21:1	49:1
– To employee at the 50th percentile	**40:1**	18:1	41:1
– To employee at the 75th percentile	**31:1**	14:1	30:1
Ratio of CEO base salary figure:			
– To employee at the 25th percentile	**22:1**	22:1	25:1
– To employee at the 50th percentile	**22:1**	19:1	21:1
– To employee at the 75th percentile	**17:1**	14:1	15:1
Additional details			
CEO total single figure (£'000)	**1,390**	934	2,336
CEO base salary (£'000)	**472**	425	457
Employees total pay and benefits (£'000)			
– at the 25th percentile	**24.4**	21.2	20.6
– at the 50th percentile	**25.3**	24.6	24.4
– at the 75th percentile	**32.8**	32.0	33.5
Employees base salary (£'000)			
– at the 25th percentile	**21.1**	19.6	18.1
– at the 50th percentile	**21.8**	22.6	21.7
– at the 75th percentile	**28.5**	29.4	29.6

1. 2020 CEO single figure of remuneration has been trued-up from last year's report to reflect the actual market price on the date of vesting for 2018 LTIP awards, with ratios updated accordingly.

Review of past performance

The following graph charts the TSR of the Company and the FTSE350 Real Estate Supersector Index over the ten-year period from 1 January 2012 to 31 December 2021. Whilst there is no comparator index or group of companies that truly reflects the activities of the Group, the FTSE350 Real Estate Index (the constituent members of which are all property holding and / or development companies or real estate investment trusts within the UK), was chosen as it reflects trends within the UK property market generally and tends to be the index against which analysts judge the performance of the Company. The table below details the Chief Executive's single figure remuneration over the same period.



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	M Allan	M Allan	M Allan	M Allan	M Allan R Smith	R Smith	R Smith	R Smith	R Smith	R Smith
									Note 1,2	Note 3
CEO single figure of remuneration (£000)	£994	£1,944	£2,987	£2,382	£223 £1,239	£1,456	£2,131	£2,336	£934	£1,390
Annual bonus outcome (% of maximum)	63.4%	84.0%	89.4%	88.2%	n/a 43.4%	63.6%	74.3%	80.9%	n/a	73.3%
LTIP outcome (% of maximum)	26.3%	83.1%	95.2%	100.0%	n/a 100.0%	96.1%	81.9%	97.1%	33.33%	36.84%

1. 2020 CEO single figure of remuneration has been trued-up from last year's report to reflect the market price on the date of vesting for 2018 LTIP awards.
2. 2020 annual bonus scheme was cancelled for Executive Directors in April 2020.
3. 2021 CEO single figure and LTIP outcome are based on an estimate of the vesting of the TAR element, see page 152 for further details.

Scheme interests awarded in 2021 (audited)

LTIP

In April 2021, Executive Directors were granted awards under the LTIP with a face value of 200% of their respective salaries. Any awards vesting for performance will be subject to an additional two-year holding period.

Executive	Date of grant	Shares over which awards granted	Market price at date of award	Face value
		Note 1		
Richard Smith	12 April 2021	87,549	1,083.5p	£948,593
Joe Lister	12 April 2021	71,329	1,083.5p	£772,850

1. Combination of HMRC-approved options under the ESOS (479) and nil cost options under the PSP calculated using a share price of 1,083.5p, being the closing mid-market price on the day the awards were calculated.

REMUNERATION COMMITTEE continued

Scheme interests awarded in 2021 (audited) continued

Vesting of the awards is dependent on three equally-weighted measures over a three-year performance period: absolute Adjusted EPS, relative TAR and relative TSR, with Unite's performance for both the TAR and TSR elements compared to the constituents of the FTSE350 Real Estate Supersector Index. Targets for TAR and TSR measures are consistent with those disclosed prospectively in the 2020 Directors' Remuneration Report. Reflecting sensitivities around target setting arising from the Covid-19 pandemic, the Committee agreed targets for the absolute EPS element of awards later in the year than normal (October 2021) and disclosed these in a market announcement at the time. The Committee is satisfied that any vesting in 2024 will require exceptional performance over the remainder of the performance period. Details of the vesting schedules are provided below:

Measure	Weight	Targets
2023 Adjusted EPS	1/3	0% vesting below 44.0 pence; 25% vesting for 44.0 pence; 100% vesting for 51.5 pence or more; Straight-line vesting between these points
TSR ranking vs. constituents of the FTSE350 Real Estate Supersector Index (2021–2023)	1/3	0% vesting for performance below median; 25% vesting for performance in line with median; 100% vesting for performance at upper quartile or above; Straight-line vesting between these points.
TAR per share ranking vs. constituents of the FTSE350 Real Estate Supersector Index (2021–2023)	1/3	0% vesting for performance below median; 25% vesting for performance in line with median; 100% vesting for performance at upper quartile or above; Straight-line vesting between these points.

The Committee retains overarching discretion under the Remuneration Policy to approve the vesting of these awards. Any payout will be scrutinised by the Committee to ensure that it does not reward windfall gains, and reflects the performance of the Company and the experience of stakeholders over the period.

Deferred annual bonus

Given the suspension of the 2020 annual bonus scheme for Executive Directors, there were no deferred bonus awards granted during the 2021 financial year.

SAYE

During 2021, Joe Lister entered into a new savings contract under the SAYE plan. Details of all outstanding awards under this plan are included in the table on page 167.

Exit payments made in the year (audited)

There have been no exit payments during the year ended 31 December 2021.

Payments to past directors (audited)

There have been no payments (2020: £Nil) in excess of the de minimis threshold to former Directors during the year ended 31 December 2021 in respect of their former roles as Directors. The Company has set a de minimis threshold of £5,000 under which it would not report such payments.

Implementation of Executive Director Remuneration Policy for 2022

Base salary

As detailed in the Annual Statement on pages 135–137, following a detailed review by the Committee it was determined to increase Executive Director salaries to reflect the increase in size, scale and scope of the Group in recent years, and in respect of the CEO, to eliminate the on-appointment discount to his predecessor. The first of this two-stage increase took effect from 1 January 2022 as shown in the table below. A similar % increase will apply with effect from 1 January 2023 subject to Committee confirmation based on each Director's performance and contribution over 2022.

Executive	Base salary from 1 January 2021	Base salary from 1 January 2022	Percentage increase
Richard Smith	£472,313	£522,500	10.6%
Joe Lister	£384,441	£411,250	7.0%

Salary increases across the Group for 2022 averaged 3.0%. Reflecting our commitment to being an accredited Real Living Wage employer, entry level salaries were increased by the higher of the rates set by the Living Wage Foundation (c.1.8% in London and c.4.2% in the rest of the UK) and the 3.0% groupwide increase.

Pension

Executive Directors will continue to receive a pension scheme contribution, a cash allowance of equivalent cost to the company or a combination of both. With effect from 1 January 2022, total employer pension contributions will be further reduced to an equivalent of up to 14% of salary for both Executive Directors. A final reduction next year will align both Executive Directors with the wider workforce.

Annual Bonus

For 2022, the maximum bonus opportunity for each executive will be 140% of salary, with threshold and on-target performance paying 30% and 50% of maximum respectively under each performance measure.

			Threshold	On-target	Maximum
	Corporate measures	Weight	30% max	50% max	100% max
Financial 70%	Adjusted EPS	25.0%	Targets considered commercially sensitive and will be disclosed retrospectively in the 2022 DRR		
	TAR per share	25.0%			
	Loan to Value (LTV)	20.0%			
Non-financial 30%	Customer satisfaction	7.5%	36	37	38
	Higher Education trust	7.5%	21	22	23
	Employee engagement	7.5%	Targets considered commercially sensitive and will be disclosed retrospectively in the 2022 DRR		
	GRESB rating	7.5%			

As disclosed in the Annual Statement on pages 137–138, there will be a change to the performance measures and weightings for the 2022 bonus scheme. The financial element of the bonus will continue to be based on a combination of EPS, TAR and Loan to Value (LTV), with the non-financial element to be split between customer satisfaction, Higher Education trust, GRESB rating and a new measure, employee engagement, each weighted 7.5%. The introduction of employee engagement coincides with the rollout of a new People strategy across the Group, and reflects the increasing importance of engaging our workforce to help deliver against an ambitious new strategy. Targets and outcomes for this measure will be based on the annual survey conducted by Glint, the output of which is reported in our Operational KPIs.

For both the financial and non-financial elements, proposed target levels have been set to be challenging relative to business plan. Targets for the financial elements are deemed to be commercially sensitive, as are the Employee Engagement and GRESB rating non-financial elements, and will be disclosed retrospectively in the 2022 Directors Remuneration Report. The Customer satisfaction and Higher Education reputation targets of the non-financial elements are not deemed to be commercially sensitive and are disclosed in the table above.

Subject to approval of the new Remuneration Policy, 50% of any bonus earned will be satisfied by an allocation of shares in the Company deferred for two years. Clawback and malus provisions apply to all awards.

REMUNERATION COMMITTEE continued

LTIP

During 2022, Executive Directors will each receive an award equivalent to a maximum of 200% of salary delivered through a combination of the PSP and ESOS, with the final level of vesting dependent on the achievement of three-year performance targets. As disclosed in the Annual Statement on page 138, we are introducing two sustainability metrics linked to the Group's new strategy for 2022.

The use of operational energy intensity aligns with our 2030 net zero carbon commitments and represents an environmental measure over which participants will have full control, avoiding distortions from either how Unite buys energy (which is easy to change and should not warrant an LTIP payout) and grid decarbonisation (which is outside of management's control). Progress against this measure is dependent on both a continued investment to improve the energy efficiency of the buildings which we operate, and on promoting initiatives to encourage customers and colleagues to reduce their energy use. The use of EPC ratings reflects the importance of making progress towards increasing minimum energy efficiency standards, an area currently under consultation by the UK Government.

Measure	Weight	Threshold 25% vesting	Stretch 100% vesting
2024 Adjusted EPS	28.0%	48.5 pence	53.6 pence
TSR ranking vs. constituents of the FTSE350 Real Estate Supersector Index (2022–2024)	28.0%	In line with median	In line with upper quartile
TAR per share ranking vs. constituents of the FTSE350 Real Estate Supersector Index (2022–2024)	28.0%	In line with median	In line with upper quartile
Operational energy intensity: cumulative reduction; 2024 vs 2019 baseline (kWh/m2)	8.0%	6.3% cumulative reduction	12.6 % cumulative reduction
EPC ratings: % of floorspace A–C rated in 2024	8.0%	67% of floorspace	79% of floorspace

No vesting below Threshold; straight-line vesting between Threshold and Stretch.

Any awards vesting for performance will be subject to an additional two-year holding period, during which time clawback provisions will also apply. Further details of the grant date and number of interests awarded will be disclosed in next year's report.

Implementation of Non-Executive Director Remuneration Policy for 2022

Chair and Non-Executive Director Fees

During the final quarter of 2021, the Board undertook its annual review of Non-Executive Director fees. Following consideration of salary increases across the Group and indicative fee increases at sector and FTSE comparators, the Board determined that the basic fee should be increased by 3.0% from £49,440 p.a. to £50,925 p.a. and that additional fees should be increased by a similar rate. The Committee, in considering similar factors, determined that the fee payable to the Chair of the Board should be increased by a similar rate from £225,000 to £231,750. Each of these fee increases is in line with increases applied to the broader employee population.

A summary of the fee increases, which are effective 1 January 2022, is set out in the table below.

Position		2021 fees	2022 fees
Base fees			
Chair		£225,000	**£231,750**
Non-Executive Director		£49,440	**£50,925**
Additional fees			
Senior Independent Director		£5,820	**£5,995**
Audit Committee Chair		£10,300	**£10,600**
Remuneration Committee Chair		£10,300	**£10,600**
Nomination Committee Chair	Note 1	n/a	**n/a**
Health and Safety Committee Chair		£10,300	**£10,600**
Sustainability Committee	Note 2	£10,300	**£10,600**

1. Role is undertaken by the Chair of the Board, with no any additional fee payable in respect of chairing this Committee.
2. Fee payable with effect from 12 March 2021.

Directors' interests (audited)

A table setting out the beneficial interests of the current Directors and their families in the share capital of the Company as at 31 December 2021 is set out below. None of the Directors has a beneficial interest in the shares of any other Group company. Since 31 December 2021, there have been no changes in the Directors' interests in shares.

	Ordinary shares of 25p each at 31 December 2021	Ordinary shares of 25p each at 31 December 2020
R Smith	**295,586**	232,361
J Lister	**518,006**	464,875
R Huntingford	**10,135**	10,000
E McMeikan	**7,824**	7,721
R Paterson	**8,312**	8,312
I Beato	**1,724**	1,724
S Pearce	**1,163**	1,149
T Jackson	**0**	0
S Smith	**0**	0

Details of Executive Directors' interests in share-based incentives are set out in the tables below.

Share price information

As at 31 December 2021 the middle market price for ordinary shares in the Company was 1,110.5p per share. During the course of the year, the market price of the Company's shares ranged from 930p to 1,237p per ordinary share.

Executive Directors' shareholding requirements (audited)

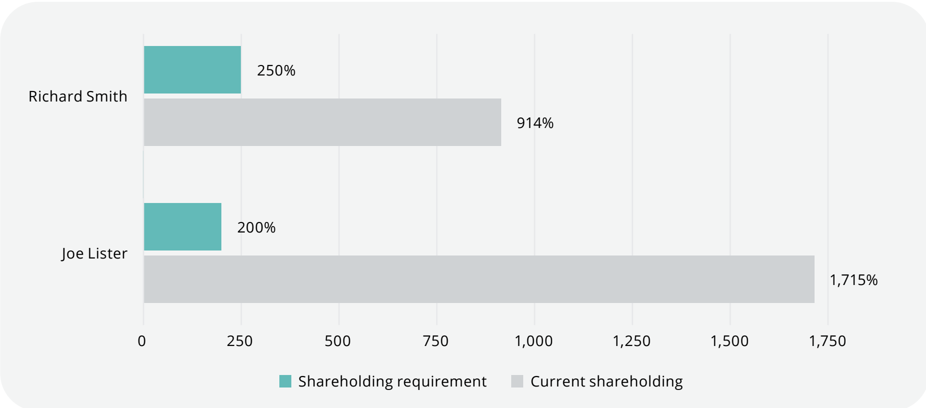
The table below shows the shareholding of each Executive Director against their respective shareholding requirement as at 31 December 2021:

	Interests							
	Owned outright	Subject to deferral / holding period		Unvested and / or subject to perf. conditions		Shareholding requirement % of salary / base fee	Current shareholding % of salary / base fee	Requirement met?
		Shares / nil-cost options	Options / HMRC options	Shares / nil-cost options	Options / HMRC options			
		Note 1			Note 2			
R Smith	295,586	174,375	1,152	289,643	1,782	250%	914%	Yes
J Lister	518,006	141,908	1,152	235,693	1,782	200%	1,715%	Yes
R Huntingford	10,135						50%	
E McMeikan	7,824						176%	
R Paterson	8,312						187%	
R Akers Note 3	20,000						449%	
I Beato	1,724						39%	
S Pearce	1,163						26%	
T Jackson	0						0%	
S Smith	0						0%	
P White Note 4	15,290						85%	

1. Includes shares subject to a holding period under the LTIP and deferred bonus shares, where applicable. Excludes SAYE options.
2. Based on share price as at 31 December 2021 of 1,110.5p. Shares subject to deferral / holding periods are taken on a 'net of tax' basis for the purposes of the current shareholding calculation.
3. As at the date of stepping down from the Board on 15 December 2021.

REMUNERATION COMMITTEE continued

Executive Directors' shareholding requirements (audited) continued



4. As at the date of stepping down from the Board on 31 March 2021.

Executive	Interests held at 01.01.21	Granted during the year	Lapsed during the year	Vested during the year	Interests held at 31.12.21	End of deferral period
Richard Smith	5,067	–	–	–	5,067	27.02.22
Joe Lister	4,124	–	–	–	4,124	27.02.22

Directors' interests in shares and options under Unite incentives (audited)

Deferred bonus

Executive	Plan	Interests held at 01.01.21	Interests awarded during the year	ESOS exercise price	Interests vested during the year	Interests lapsed during the year	Interests outstanding at 31.12.21	Period of qualifying conditions
					Note 1			
Richard Smith	PSP	110,258	–	–	36,748	73,510	–	10.04.18 – 10.04.21
	ESOS	739	–	811.0p	246	493	–	
	PSP	85,190	–	–	–	–	85,190	24.07.19 – 24.07.22
	ESOS	557	–	1,076.0p	–	–	557	
	PSP	117,383	–	–	–	–	117,383	23.04.20 – 23.04.23
	ESOS	746	–	803.5p	–	–	746	
	PSP	–	87,070	–	–	–	87,070	12.04.21 – 12.04.24
	ESOS	–	479	1,083.5p	–	–	479	
		314,873	**87,549**		**36,994**	**74,003**	**291,425**	
Joe Lister	PSP	89,732	–	–	29,907	59,825	–	10.04.18 – 10.04.21
	ESOS	739	–	811.0p	246	493	–	
	PSP	69,333	–	–	–	–	69,333	24.07.19 – 24.07.22
	ESOS	557	–	1,076.0p	–	–	557	
	PSP	95,510	–	–	–	–	95,510	23.04.20 – 23.04.23
	ESOS	746	–	803.5p	–	–	746	
	PSP	–	70,850	–	–	–	70,850	12.04.21 – 12.04.24
	ESOS	–	479	1,083.5p	–	–	479	
		256,617	**71,329**		**30,153**	**60,318**	**237,475**	

LTIP awards

Executive	Options held at 01.01.21	Granted during the year	Exercised during the year	Option price per share	Options held at 31.12.21	Maturity date
					Note 1	
Joe Lister	1,266	–	–	710.8p	1,266	01.12.21
	1,182	–	–	760.8p	1,182	01.12.23
	–	913	–	985.2p	913	01.12.24
Richard Smith	2,122	–	–	848.0p	2,122	01.12.22

1. All awards vesting for performance during the year are subject to an additional two-year holding period.

SAYE

1. As at year end, Joe Lister held 1,266 options under the 2018 scheme which had matured but not yet been exercised.

The highest, lowest and closing share prices for 2021 are shown on page 165.

Details of the qualifying performance conditions in relation to the above referred-to awards made in prior years are set out on previous pages or in earlier reports.

Awards made in prior years took the form of a combination of nil cost options under the PSP and HMRC-approved options

Executive	2021 £	2020 £
Richard Smith	444,937	342,046
Joe Lister	362,552	278,839

under the ESOS. No variations have been made to the terms or conditions of any awards.

The fair value in respect of Directors' share options and LTIP awards recognised in the Income Statement is as follows:

The Directors' Remuneration Report has been approved by the Remuneration Committee and signed on its behalf by:

Elizabeth McMeikan
Chair – Remuneration Committee
23 February 2022

DIRECTORS' REPORT

As at 31 December 2021, the Company had received notifications from the following companies and institutions of themselves and their clients holding 3% or more of the issued share capital of the Company. There have been no significant changes since that date through to 23 February 2022.

SHARE CAPITAL

Shareholder	Percentage of share capital
Canada Pension Plan Investment Board (CA)	18.19
BlackRock Inc	6.70
APG Asset Management NV (NL)	5.98
Abrdn Plc	5.58
Norges Bank Investment Management	4.82
The Vanguard Group Inc	4.16
Royal London Asset Management Ltd (UK)	3.87

Share capital

At the date of this report, there are 399,131,264 ordinary shares of 25p each in issue, all of which are fully paid-up and quoted on the London Stock Exchange.

During the year and through to the date of this report, the following numbers of ordinary shares of 25p each were allotted and issued as follows:

- 789,927 – Unite share scrip scheme
- 133,415 – pursuant to the exercise of options under The Unite Group PLC Savings Related Share Option Scheme; and
- 7,270 – pursuant to the exercise of options under the Approved Scheme.

The rights attaching to the Company's ordinary shares, as well as the powers of the Company's Directors, are set out in the Company's Articles of Association.

There are no restrictions on the transfer or voting rights of ordinary shares in the capital of the Company (other than those which may be imposed by law from time to time or as set out in the Company's Articles of Association).

The Directors have no authority to buy back the Company's shares.

In accordance with the Market Abuse Regulations, certain employees are required to seek approval to deal in the Company's shares.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfers of securities and/or voting rights. No person holds securities in the Company carrying special rights with regard to control of the Company. Unless expressly specified to the contrary, the Company's Articles of Association may be amended by special resolution of the shareholders.

Authority to issue shares

The Directors may only issue shares if authorised to do so by the Articles of Association or the shareholders in general meeting. At the Company's Annual General Meeting held on 13 May 2021, shareholders granted an authority to the Directors to allot ordinary shares up to an aggregate nominal amount of £33,184,050 (which represented one-third of the nominal value of the issued share capital of the Company as at 1 April 2021). In accordance with guidelines issued by the Investment Association, this resolution also granted the Directors authority to allot further equity securities up to the aggregate amount of £33,184,050 (representing one-third of the nominal value of the issued share capital of the Company as at 1 April 2021). This additional authority was only permitted for fully pre-emptive rights issues. As at 31 December 2021, the shares that had been allotted were to satisfy awards under the Company's share schemes and the scrip scheme shares. As this authority is due to expire on 12 May 2022, shareholders will be asked to renew and extend the authority, given to the Directors at the last Annual General Meeting, to allot shares in the Company, or grant rights to subscribe for, or to convert any security into, shares in the Company for the purposes of Section 551 of the Companies Act 2006. Further details on the resolution will be provided in the Notice of this year's Annual General Meeting and its explanatory notes.

Disapplication of pre-emption rights

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme) company law requires that these shares are offered first to shareholders in proportion to their existing holdings. There may be occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. This cannot be done under the Companies Act 2006 unless the shareholders have first waived their pre-emption rights. At the forthcoming Annual General Meeting, shareholders will be asked to pass two special resolutions to grant the Directors powers to disapply shareholders' pre-emption rights under certain circumstances. Further details on the resolutions will be provided in the Notice of this year's Annual General Meeting.

Change of control

All of the Company's share schemes contain provisions relating to a change of control. Outstanding rewards and options would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions. Other than certain of the Group's banking facilities, there are no other significant agreements to which the Company is a party that affect, alter or terminate upon a change of control of the Company following a takeover bid. Nor are there any agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

Going Concern and viability statement

The going concern statement and viability statement are set out on pages 190, 191 and page 78 respectively and are incorporated into this Directors' Report by reference.

Disclosure of information to auditors

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Directors' conflicts of interest

The Company has procedures in place for managing conflicts of interest. A Director must notify the Chair (and the Chair notifies the Chief Executive) if he/she becomes aware that he/she, or any of his/her connected parties, may have an interest in an existing or proposed transaction with the Company or the Group. Directors have a continuing duty to update any changes to these conflicts.

Political donations

No political donations, contributions or expenditure were made during the year ending 2021.

Indemnities

There are no qualifying third party indemnity provisions or qualifying pension scheme indemnity provisions for the benefit of any of the Directors.

Research and development

The Company is not currently carrying on any activities in the field of research and development.

Branches outside the UK

The Company does not have any branches outside of the UK.

Appointment and replacement of Directors

The Company's Articles of Association provide that Directors may be appointed by the existing Directors or by the shareholders in a general meeting. Any person appointed by the Directors will hold office only until the next general meeting, notice of which is first given after their appointment and will then be eligible for re-election by the shareholders. A Director may be removed by the Company as provided for by applicable law and shall vacate office in certain circumstances as set out in the Articles of Association. In addition the Company may, by ordinary resolution, remove a Director before the expiration of his/her period of office and, subject to the Articles of Association, may by ordinary resolution appoint another person to be a Director instead. There is no requirement for a Director to retire on reaching any age.

Disclosures required under Listing Rule 9.8 4R

For the purposes of LR 9.8.4C, the information required to be disclosed by LR 9.8.4R can be found in the following locations within the Annual Report:

INFORMATION REQUIRED UNDER LR 9.8.4R		REFERENCE
(1)	Amount of interest capitalised and tax relief	Note 3.1, page 206
(2)	Publication of unaudited financial information	n/a
(4)	Details of long term incentive schemes	Pages 157 and 164
(5)	Waiver of emoluments by a Director	Page 162
(6)	Waiver of future emoluments by a Director	n/a
(7)	Non pre-emptive issues of equity for cash	n/a
(8)	Item (7) in relation to major subsidiary undertakings	n/a
(9)	Parent participation in a placing by a listed subsidiary	n/a
(10)	Contracts of significance	n/a
(11)	Provision of services by a controller shareholder	n/a
(12)	Shareholder waiver of dividends	n/a
(13)	Shareholder waiver of future dividends	n/a
(14)	Agreements with controlling shareholders	n/a

All the information referenced above is incorporated by reference into the Directors' Report.

DIRECTORS' REPORT continued

Other information incorporated by reference

The following information in the Strategic Report and Financial Statements is incorporated into this Directors' Report by reference:

- Results and Dividend on pages 72 and 229
- TCFD disclosures, Greenhouse Gas Emissions and Energy Consumption Disclosures on pages 50–55
- Financial instruments and financial risk management on page 74 and Section 4 of the notes to the financial statements on page 218
- Future developments on pages 23–25 and 66–69
- Employment of disabled persons/Employee involvement on page 42
- Workforce engagement on page 104
- Engagement with customers, partners, suppliers and others on page 17

The Corporate Governance report (which includes details of directors who served throughout the year) on pages 88–170, the Statement of Directors' responsibilities on page 171 and details of post balance sheet events on page 237 are incorporated into this Directors' Report by reference.

Management Report

This Directors' Report together with the Strategic Report and other sections from the Annual Report forms the Management report for the purposes of DTR 4.1.8 R.

Annual General Meeting

The Annual General Meeting of the Company will be held at the Company's registered office at South Quay, Temple Back, Bristol, BS1 6FL at 9.30am on 12 May 2022. We request that shareholders who do wish to attend in person preregister their intention to attend to help us manage numbers. We will continue to monitor Covid-19 and any impact on our Annual General Meeting, with the health and safety of our shareholders, Directors and employees as our priority. If it becomes necessary or appropriate to make changes to the proposed format of the Annual General Meeting, we will inform shareholders as soon as we can. Shareholders are encouraged to monitor our website at https://www.unite-group.co.uk/investors/agm and London Stock Exchange announcements for any updates regarding the Annual General Meeting arrangements.

Formal notice of the meeting is given separately and will be available on the Company's website at https://www.unite-group.co.uk/investors.

This report was approved by the Board on 23 February 2022 and signed on its behalf by

Christopher Szpojnarowicz
Company Secretary

23 February 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with IFRS as adopted by the UK (Adopted IFRS) and applicable law and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Accounting Standards including FRS 101 – Reduced Disclosure Framework ("United Kingdom Generally Accepted Practice").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether they have been prepared in accordance with IFRSs as adopted by the UK (or in accordance with UK General Accepted Practice)
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, the names of whom are set out on pages 92 to 95, confirms that to the best of his or her knowledge:

- The Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy
- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- The Directors' Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

R S Smith
Director

J J Lister
Director

23 February 2022