SUSTAINABILITY REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

OUR SUSTAINABILITY STRATEGY AND PROGRESS **IN 2021**

Our Sustainability Strategy consists of five pillars covering environmental, social and governance issues. This page sets out the highlights in year and our focus for 2022.

This year our sustainability activities were enhanced with the formation of a Group Sustainability Committee to oversee the implementation of our Sustainability Strategy.

For more about our **Sustainability Committee**



NET ZERO

COMMITMENT

Becoming net zero carbon for both our operations and developments by 2030

PERFORMANCE

→ ON TRACK

- April Signed first Corporate Power Purchase Agreement
- December Published net zero carbon pathway for operations and developments with science based target accredited by SBTi, and alignment with RIBA Climate Challenge benchmarks for embodied carbon and operational energy for future developments
- Creation of individual asset transition plans for every property

.... 2022 FOCUS

- Ongoing development of the Sustainable Construction Framework
- Reduce embodied carbon in new developments, refurbishments and projects



RESOURCE **FFFICIFNT**

COMMITMENT

Reducing waste, energy and water use and helping students adopt life-long sustainable behaviours

PERFORMANCE

→ ON TRACK

- Property improvement projects including LED lighting, heating controls and airsource heat pumps
- Completed scenario based analysis of material climaterelated risks in line with TCFD
- Trials commenced on reducing water usage in properties
- Piloted new waste and recycling initiatives

.... 2022 FOCUS

Continued roll-out of water and energy efficient initiatives



For more about this project, go online to: unite-group.co.uk/sustainability



"In March 2021 we launched our Sustainability Strategy which builds on our purpose, Home for Success, and our values."

FINANCIAL

STATEMENTS

Richard Smith Chief Executive Officer



HEALTH &

COMMITMENT

Enhancing the health and wellbeing of our employees and students

PERFORMANCE

→ AHEAD OF TARGET

- Improved employee engagement score of 75 (2020: 74)
- October Launch of new employee Culture Matters forum
- Launch of a range of new student support policies and procedures which focus on enhanced student wellbeing

.... 2022 FOCUS

- Continued monitoring of employee and student engagement/listening forums
- Refreshed student support programme



OPPORTUNITIES

COMMITMENT

An environment where all can succeed, whatever their background, gender or ethnicity

PERFORMANCE

→ AHEAD OF TARGET

- Six module EDI leadership workshop undertaken by leaders
- Appointment of EDI & Wellbeing lead
- Ongoing commitment to invest in social initiatives
- Peer-to-peer support from Resident Ambassadors programme
- Increased support for Unite Foundation providing a longterm funding agreement to deliver their five-year plan

.... 2022 FOCUS

- Relaunch of Leapskills and Positive Impact employee programmes
- Focus on succession planning and supporting personal development through launch of new training academy
- Introduction of mentoring for talent with high potential



RAISING STANDARDS

COMMITMENT

Raising standards across the student housing sector for governance, safety and transparency

PERFORMANCE

→ ON TRACK

- GRESB score improved to 85 (2020:81)
- Climate risk scenario modelling undertaken in accordance with TCFD
- Over £100 million investment in supporting students during Covid pandemic

.... 2022 FOCUS

Increase visibility and assurance around sustainability performance with greater focus on impact measures

Our Sustainability Strategy helps us bring together a range of activities, some of which are already underway in the business, while prioritising areas of focus which are of most interest to our stakeholders

During the year, we have recalibrated our thinking based on the latest and emerging legislation and good practice requirements. For example, a major focus for our 'Opportunities for All' pillar has been raising awareness of equality, diversity and inclusion and promoting career opportunities within our business for members of teams. This provides a strong foundation for delivery of our future targets.

		2020			2021			YEAR ON YEAR CHANGE		
Average Scope 1+2 (location based) emissions intensity – tonnes CO ₂ e/bed/yr			0.61			0.60	1.6% reduction			
Average energy intensity – kWh/bed/yr			2,821			2,970	5.3% increas		ncrease	
EPC ratings as %	A-B	С	D-G	A-B	С	D-G	A-B	С	D-G	
of total floor area	35.1%	22.1%	42.8%	35.1%	21.8%	43.1%	0.27% reduc	tion in A-	C rated	
Total social contribution	***************************************	£1.8 million		£1.8 million		No change				
GRESB rating	81***		85***		4 point improvement					
Water intensity per m²		36.6		39.8		8.7% increase				
% of electricity from renewable sources			74.0%	99.9%		35.0% increase				
Investment in energy efficiency initiatives (£m)	•		-	•	£3	million	£	3 million i	ncrease	

Scope 1 and location based Scope 2 emissions intensity fell by 1.6%, as although energy intensity rose by 5.3% as occupancy returned to near pre-pandemic levels, it was mitigated by a 9.8% reduction in grid electricity carbon intensity from 2020 to 2021. Proportion of A–C rated sites by floor area fell slightly by 0.27%. This is where a site which has not yet benefited from energy efficiency improvements had a new EPC produced to replace an expired EPC, with a small change in score pushing it across a rating boundary.

Water consumption increased slightly, reflecting the reduced opportunity to fix leaks in student bedrooms as a result of Covid-19 management practices. The commencement of our first corporate PPA in 2021 helped raise the proportion of electricity purchased that is REGO backed up to 99.9%.

Overall our GRESB rating rose by 4 points to 85 reflecting our ongoing progress implementing our Sustainability Strategy.

Our stakeholder materiality review, undertaken in 2020, continues to inform our actions

2021 saw significant progress towards our Net Zero Carbon goal. We published our Net Zero Carbon Pathway which includes our approach to achieving our carbon reduction targets, which have been validated by the Science Based Targets initiative. We are developing individual plans for each of our buildings, which will be completed in 2022, setting out the energy efficiency improvements required to fulfil our 1.5°C SBTi validated science based carbon target. Another key milestone for 2021 was the purchase of around 20% of our electricity direct from a windfarm in Scotland under a new corporate power purchase agreement. This is a key step towards fulfilling our RE100 commitment to purchase 100% renewable electricity by 2030.

GOVERNANCE

We calculate and report our emissions in line with the GHG Protocol Corporate Standards and UK Government guidelines, including both location based and market based Scope 2 emissions. As a TCFD supporter, we disclose details of the most significant climate-related risks and impacts we face, including physical and transitional risks, and we are factoring these into our plans and activity to reduce exposure and mitigate impacts, details can be found on pages 51–52. Details of non-financial reporting can also be found on page 46 and further details can be found on our corporate website at www.unite-group.co.uk/sustainability.

We remain committed to transparency and disclosure on ESG issues, achieving further improvements in our 2021 Global Real Estate Sustainability Benchmark (GRESB) score and achieving a ranking of 1st out of 7 in the European residential listed sector. Our full GRESB scorecard can be viewed on our corporate website, along with our CDP and EPRA sBPR disclosures and benchmark reports.

All our actions are focused on creating a business which will shape a positive future for generations to come. This means we need to support our teams in delivering on our commitments and also work with our customers, partners and suppliers to adopt new ways of working which support society's wider mandate to do the right thing.

The following pages provide an update on our Sustainability Strategy progress during the year.



























NET ZERO CARBON

Becoming net zero carbon for both our operations and developments by 2030

We are the UK's first purpose-built student accommodation provider to commit to achieving net-zero. In December 2021 we published our Net Zero Carbon Pathway, which confirmed a focus to:

- 1. Reduce operational energy consumption: Based on a target of 28% reduction in energy intensity by 2030 against 2019 base year. This target is in line with the Carbon Risk Real Estate Monitor (CRREM) 1.5°C energy reduction pathway.
- 2. Invest in renewable energy: We have made a commitment under the RE100 programme to source 100% renewable electricity by 2030 and will seek to purchase more energy in the future via corporate power purchase agreements that support the development of new renewable energy generation capacity.
- 3. Reduce embodied carbon: Based on targets in line with the RIBA Climate Challenge programme, we target a 48% reduction in embodied carbon by 2030.
- 4. Mitigate residual carbon: We will offset any residual operational or development emissions that cannot be removed completely using certified carbon offsets, aiming to prioritise measures that actively remove atmospheric carbon.

We have already invested over £30 million in energy efficiency since 2014 and have identified a further c.£100 million of additional opportunities for capital investment to achieve carbon reduction targets. This represents an annual investment of around £10 million in energy initiatives going forward (equivalent to £5–7 million p.a. on a Unite share basis).

Our in-house energy and environment team has developed a new modelling tool that is being used to produce individual plans for all of our properties, setting out a route to net zero carbon. Work to meet targets for new developments will focus on site selection, material selection, design optimisation and cutting construction site impacts. We are developing a Sustainable Construction Framework to support this work which will help ensure that sustainability considerations are factored into each stage of a project.

CASE STUDY

THE FOUR Cs

Impact assessments informing asset transition plans

We are identifying and delivering operational performance improvements in our estate. Working closely with our estates and operations functions, our in-house energy and environment team has developed a modelling tool to help chart each building's route to net zero. Taking in real life energy consumption data, information from detailed site surveys and insight from previous energy efficiency improvements, the tool calculates the current breakdown of energy consumption by usage e.g. as lighting, space heating, hot water, small power, and landlord plant, and models the potential impact of different combinations of energy efficiency measures.

Their impact is assessed against what we call the four Cs: consumption, carbon, cost and compliance. The findings from each building's plan feeds directly into our asset management and capital investment planning, ensuring a holistic approach to improving asset performance.

CONSUMPTION

Energy consumption reductions achieved

CARBON

Impact on building emissions including landlord and tenant areas



ASSET PERFORMANCE

COST

Both capital investments required and the impact on utility costs

This approach is being utilised in the refurbishment of Parkway Gate in Manchester, which will be completed in time for students to occupy in September 2022. The building will be adapted to reduce energy consumption by 30%, in line with our net zero carbon target.



COMPLIANCE

The impact on future EPC rating to ensure compliance with forthcoming minimum energy efficiency standards



Parkway Gate, Manchester



For more about this project, go online to: unite-group.co.uk/sustainability

FINANCIAL OTHER 3





RESOURCE EFFICIENT

Reducing waste, energy and water use and helping students adopt life-long sustainable behaviours

As well as cutting carbon in line with our net zero carbon target, we are committed to reducing our wider environmental impact. We are focused on cutting energy and water use, reducing our impact through our supply chain and managing our exposure to climate and wider environmental risks to create an efficient and resilient business

Key to this is identifying the right solutions, 2021 saw us trialling a number of new initiatives. These included water saving measures such as direct-flush toilets with no cistern, and retrofit packaged air-source heat pumps to replace electric hot water cylinders.

Our focus on keeping our employees and students safe during the pandemic meant we suspended our award winning student and employee sustainable engagement programme, Positive Impact. This has been relaunched for the 2021/22 academic year and will continue to help students to adopt behaviours which are better for the environment and which help to create positive social impact.

We have a unique opportunity to help students adopt lasting responsible living habits, laying the foundations for life-long sustainable behaviours.

CASE STUDY

ADDRESSING CLIMATE RISKS

Water trials to reduce water stress

We recognise the serious threat that climate change poses and, as a TCFD supporter, are committed to disclosing details of the most significant climate-related risks and impacts identified for our business. These include both physical risks (e.g. extreme weather) and transitional risks (e.g. increasing regulation). We will continue to report on how these factors could affect our business and operations, and how we plan to mitigate them through changes to the way we manage our existing operations and build new properties. Further details are set out in our TCFD disclosure on pages 50–55.



Water stress has been identified as a potential long term issue, leading to operational disruption and rising prices. We have been trialling ways to reduce water use in existing buildings. In 2021, we piloted new cistern-less toilet flush mechanisms which showed potential to cut water use for toilet flushing by up to 50%. We will be running further trials on a wider scale during 2022 with a view to expanding this programme in 2023 and beyond.



Enhancing the health and wellbeing of our employees and students

The Covid pandemic has increased the importance and focus given to the welfare of both employees and students.

The Group has a strong track record in this field and during the pandemic we supported our students and employees. We have continued to enhance our working practices for employees through the introduction of hybrid working for central support services teams and, following the recruitment of new ED&I Wellbeing lead held our first Culture Matters employee forum which is underpinning existing employee networks e.g. Women's and LGBT+ forums.

In summer 2021, we kickstarted preparation for the new 2021/22 academic year with Fresh Start employee events taking place across the country, enabling our teams to reset their plans for the incoming student cohort, including increasing need for greater welfare support for students.

In light of student welfare challenges, heightened by the pandemic, in July, our Student Services offering was relaunched to address increasing mental health challenges among students. This included the introduction of new student support and safeguarding policies, new welfare check guidance for on-site teams, new case conferencing and risk assessment protocols and a new support animals protocol. During 2022 we are piloting the Student Minds programme 'Look After Your Mate' and will continue to play an active role in the continued evolution of student welfare policy and practice in the higher education sector.

CASE STUDY

STUDENT WELLBEING

Using technology to stay connected

In April and May 2021, after a long winter of lockdown, we arranged a series of events to help our students manage their wellbeing and to encourage them to reach out for support when needed.



The programme included a popular student-led session on Five Ways to Wellbeing hosted by our Resident Ambassadors, focusing on proven strategies to improve wellbeing. The ambassadors were coached and supported by our Student Support Managers.

The programme included a session run by Student Minds, showing the resources available on the Student Space website. This also highlighted specialist information for students from diverse backgrounds or experiencing particular symptoms.

An additional panel session was led by chaplains from three universities, discussing the support that they offer to students from all faiths or none.



OPPORTUNITIES FOR ALL

An environment where all can succeed, whatever their background, gender or ethnicity

We are driven by our values and aspire to create a culture where individuals can be different and are valued for being different.

Changing mindsets through the lens of inclusion helps us to transform communities and creates room for everyone, in line with our values.

Research overwhelmingly shows that when employees work for an inclusive business where equality, diversity, inclusion and wellbeing are at the heart of business decisions and people care, there is better collaboration, reduced organisational bias, higher performance and productivity as well as a bottom-line business advantage. In addition there is greater motivation, engagement, loyalty and an increased feeling of belonging. This year we have given our employees greater opportunities to speak up about their experiences and become part of the conversation. This activity has been supported through the recruitment of an ED&I lead.

A focus on succession planning and supporting personal development will help us maintain a balanced talent pipeline enhanced through the introduction of mentoring for talent with high potential.

The business has a strong track record of promoting internally and developing talent within the business. To support new ways of working and the refreshed strategic direction, new talent and capability will be brought in as required alongside developing internal capability.

Gender diversity

	Male	Female
Board	6	3
Management	33	17
All employees	1,006	846

CASE STUDY

EQUALITY, DIVERSITY AND INCLUSION

Driving impactful change through commitment and role modelling, supported by education

In 2021, senior leaders from across the business participated in a six workshop development programme with René Cayarol, an external specialist in coaching and a pioneer in cultural diversity and inclusive leadership. An EDI & Wellbeing Manager was hired who is now supporting the wider team with the creation and delivery of a EDI & Wellbeing strategy. A series of virtual skills sessions were launched for line managers so they could gain greater understanding of their own vulnerability and be braver in starting what are sometimes difficult conversations.



Also to gain greater feedback and information on personal experiences, an EDI employee survey was undertaken which has resulted in renewed emphasis on championing the collection of EDI data.



FINANCIAL OTHER 43



CASE STUDY

THE UNITE FOUNDATION

Unite Students is proud to be the principal supporter of the Unite Foundation, the only charity that provides a home at university for estranged and care experienced students through a unique accommodation scholarship scheme

We have committed over £13 million to the charity since its inception in 2012, including a £5 million injection as part of the Foundation's 5th anniversary celebrations in 2017. With our support the Foundation provides a home at university for 80 new students each year. To date it has awarded 514 scholarships and 254 scholars have graduated. There are currently 166 students who are eligible for the scholarship and of those 91 have a home at university with us. Twenty-six University partners currently support the scheme.

During 2022, in celebration of the Foundation's 10th anniversary, we have renewed our commitment to the Foundation agreeing a long-term funding commitment to enable them to realise the ambitions of the new five-year strategic plan.

The Foundation continues to develop new delivery models enabling University partners to participate in its scholarships and increase the number of accommodation scholarships available.

UNITE INVESTMENT TO DATE

£13m

SCHOLARSHIPS AWARDED TO DATE

514



For more about this project, go online to: unite-group.co.uk/sustainability/the-unite-foundation



🔁 RAISING STANDARDS

Across the student housing sector leading for governance, safety and transparency

Our ambition is to continue to lead on sustainability and raise standards within the PBSA sector.

In addition to our focus on environmental and social impact, we remain committed to transparency, good governance and driving up standards across the whole student accommodation sector.

We use data and insight to help track our progress. On the back of the Covid pandemic, we believe the actions we took have consolidated our position in the sector and improved our reputation across our stakeholder groups.

Fire safety remains a critical part of our strategy and we were one of the first companies to remove ACM cladding from our buildings. Our values of 'Doing what's right' and 'Keeping us Safe' has led to the development of a more proactive, risk-based approach to fire safety, embedded across our entire business. We have improved the way we manage fire risk over the past three and a half years.

New regulation and the availability of insight and knowledge following the fire at Grenfell Tower have helped influence the improvements we have made. Our approach is also shaped by a clear drive to go further and faster whenever appropriate. This approach and commitment extends beyond the way we operate our existing estate, to new buildings and those under construction. During the period we completed remedial works on four buildings and are now on site at a further eight, spending a total of £38 million (Unite share: £18 million) in the year. We are committed to increasing the required investment to meet new and emerging regulation so that students are kept safe.

Notable achievements in the year included:

- 1st out of 7 in the GRESB European residential listed sector.
 Our sustainability activities are benchmarked in the upper quartile of GRESB making us the highest ranking in our sector
- Deeper understanding of climate-related risks through scenario based analysis and enhanced disclosure in line with TCFD
- First PBSA to have targets validated by the SBTi targets
- Net Zero Carbon Pathway launched
- First UK PBSA to sign up to RE100
- Started buying renewable power under corporate PPA

Other significant developments include:

- Commitment to 1% of annual profits being focused on social initiatives such as Leapskills and the Unite Foundation
- Awarded the British Safety Council Sword of Honour in 2020 for excellence in health and safety management
- Providing 83 young people with jobs through the Government Kickstart scheme
- Collaborating with Government agencies including Public Health England during the Covid pandemic with regular briefings and updates with agencies responsible for students at universities
- Launched Accommodation Matters, the first Higher Education podcast, fully focused on the student accommodation sector
- Continued partnership with the British Heart Foundation

CASE STUDY

POSITIVE IMPACT

A United Nations award winning programme supported by the NUS

Our Positive Impact programme is an iteration of the NUS Green Impact scheme, a United Nations award winning programme which targets sustainable behaviour change. Unite Students is the only PBSA participating nationally in the programme and during 2022, we are refreshing the programme for relaunch to our teams. The programme is our key vehicle for driving employee engagement and all of our city teams are working to achieve a minimal bronze level award during 2022. Some teams are working towards silver or gold levels, which includes a defined community project. Each city has a recognised Positive Impact Lead supported by the Social Impact team to help drive activity within a region. This year, the bronze criteria have been mapped against the UN Sustainable Development Goals (SDGs) and our sustainability commitments.





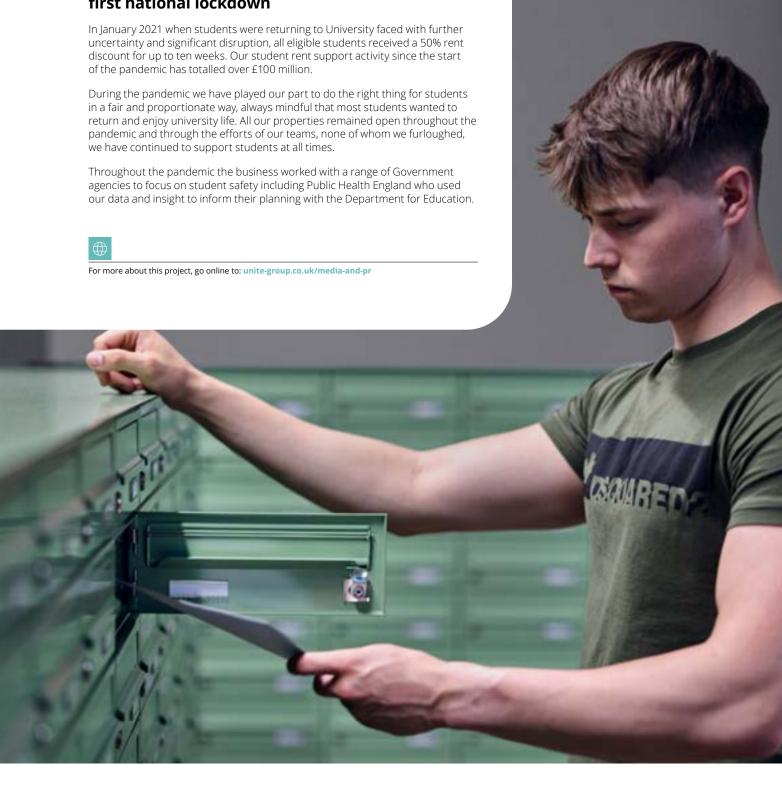
For more about this project, go online to: unite-group.co.uk/sustainability/positive-impact

FINANCIAL OTHER 45
STRATEGIC REPORT GOVERNANCE STATEMENTS INFORMATION

CASE STUDY

OUR RESPONSE TO COVID

We were the first purpose-built student accommodation provider to release students from their contracts during the first national lockdown



We provide in the following pages statutory reporting for the key impacts on our business.

Non-financial information statement

The table below summarises how we comply with non-financial performance reporting requirements. All policies are also available on www.unite-group.co.uk/investors.

Description of the business model	Details of who we are, how we operate and the value we create can be found on pages 8–13
Employees	Equality, diversity and inclusion Policy is focused on providing 12 opportunities for all
	Development and increased training around health, safety 17 and wellbeing
	Employee engagement through our newly created employee 5 & 104 forum, Culture Matters
	Our whistleblowing policy enables employees to raise a 104 concern in confidence
	Gender pay gap 159–160
	Board Diversity Policy seeks to enhance the overall diversity of the Board and ensures an appropriate and diverse mix of skills, experience and knowledge
Anti-corruption and bribery	Our anti-bribery policy confirms our zero tolerance approach to bribery and corruption and outlines employee responsibilities. Read our policy at www.unite-group.co.uk
Our policies	All of our public policies are available on our website, www.unite-group.co.uk
Human rights	We operate a zero tolerance approach to slavery to ensure it does not occur anywhere within our business or supply chain. We carry out due diligence on all third parties we work with. Read our Modern Slavery statement and our Code of Ethics on www.unite-group.co.uk

Policy, due diligence and outcomes	The policies included in this non- financial information statement contain further details (as cross referenced herein) of the policy, due diligence conducted and policy outcomes, which also include the following:	
	Risk management detailing our risk management framework and risk review process	74
	Principal risks and uncertainties considering both internal and external risks, the potential impact and details of risk mitigation in place	76
	Viability statement considering the viability of the Group for the next three year period	78
	Audit Committee report	120
	Group Health & Safety Policy which details the Group's commitment to the health & safety of our employees, students and visitors to our site	
	Non-financial KPIs relevant to the Company's business	33 & 36
Social matters	Our Resident Ambassador programme provides peer to peer support for students	5 & 59
	Market overview focusing on demographic trends	27
	The Group is the principal supporter of the Unite Foundation,	

student rental discounts Sustainability report includes reference to our Sustainability 34 Strategy, launched in March 2021, setting out clear objectives in respect of environmental, social and governance matters TCFD 50 Our pledge to be net zero carbon by 2030 was published in our Net Zero 38 Carbon Pathway in December 2021 Read further details at page 126 and on our website at www.unite-group.co.uk

the only charity that provides a

home at university for estranged and care experienced students

Our response to Covid-19 including 5 & 45

43

Carbon emissions and climate change

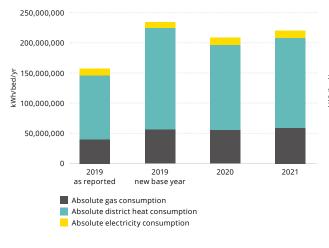
In line with our new net zero carbon ambition, we have made some changes to how we report energy and carbon consumption, including reporting progress against a new base year linked to our science-based targets, replacing the base year of 2014 previously used. In line with our new SBTi approved science-based carbon targets. 2019 has been used as our new base year, as the impact of Covid-19 related disruption in 2020, as outlined in last year's Annual Report, means it is not representative of our normal levels of emissions and so cannot form the basis of our new targets. Our new 2019 base year includes actual emissions as previously reported in 2019, together with the 2019 emissions associated with the former Liberty Living portfolio (not reported in 2019 as it was not part of Unite at that time). All Scope 1 and Scope 2 emissions arise in the UK.

Although the impact of the pandemic on our operations was less severe in 2021 than in 2020, we experienced reduced levels of occupancy and changes in student behaviour compared to a normal year, keeping energy consumption below pre-pandemic levels.

2021 did see consumption increase by 5.4% from 2020, although this remained 6.8% below our new 2019 base. Despite this increase in energy consumption from 2020 to 2021, combined Scope 1 and location-based Scope 2 emissions fell by 1.6% vs 2020 driven by a 9.8% reduction in grid electricity carbon intensity; combined Scope 1 and market-based Scope 2 fell further still by 37.5% compared to 2020, reflecting the fact that 99.9% of electricity purchased in 2021 was REGO backed, an increase of 25.9% on 2020 levels. While over £3 million was invested in energy efficiency capital projects, the phased delivery of these initiatives (including installation of smart networked heating controllers and heat pumps) means they made only a small contribution in year.

Scope 3 emissions fell significantly from 2021 reflecting the fact that no new developments were completed in 2021 and so there was no embodied carbon contribution to Scope 3 category 1 emissions in year.

Absolute utilities consumption



Utilities consumption per bed

