

## CHAIR'S INTRODUCTION TO GOVERNANCE

# A STRONG PERFORMANCE IN 2022

**Board Governance overseeing delivery of strong operational and financial performance**



*"The business has had a strong 2022 performance, built on our best-in-class operating platform and affordable and well-located portfolio, but ultimately delivered through the hard work and commitment of our people serving our customers. This has helped deliver the strong recovery in our operational performance with 99% occupancy and our financial performance, with earnings and dividends above their pre-pandemic peak."*

**Richard Huntingford**  
Chair

## BOARD FOCUS AREAS IN 2022

- **Delivering for our customers and universities:** investment in our platform and service enhancements
- **Attractive returns for our shareholders:** balancing occupancy, with affordability and rental growth, alongside new developments and disposals
- **Delivering a positive impact:** implementing our sustainability strategy, through People and Places, with the social contribution we make to students living with us and reducing our environmental impact
- **Safety:** ensuring a safe and secure home, with a focus especially on fire safety and student mental health and wellbeing



Read more about the **key activities of the Board** on [pages 107-108](#)

Our governance and risk management framework focuses on our three strategic objectives, helping ensure we continue to bring value for all our stakeholders. The Board oversees how we deliver for our customers and universities, ensuring appropriate levels of investment in our operating and technology platform along with service enhancements, especially in student welfare. The Board also ensures the ongoing delivery of attractive returns for our shareholders, carefully balancing optimal occupancy with affordability and rental growth. These returns depend on the quality, location and scale of our portfolio and the Board ensures we develop new properties in the right cities, balanced with appropriate disposals, which this year saw us open two new properties (Hayloft Point, London and Campbell House, Bristol) whilst reducing our footprint from 25 to 23 markets.

Our governance and risk framework ensures we do all this responsibly and sustainably, delivering a positive impact through People and Places.

The safety of our customers and employees is one of our key risks and a key governance area for the Board. In 2022, the Board oversaw the introduction of our new operating model, with our people on site 24/7/365, and the introduction of our new Support to Stay framework, providing a supportive living environment for students. This is especially important with increasing mental health issues for students following the pandemic. The Board has also overseen our fire safety and cladding remediation programme, ensuring appropriate investment across the portfolio. The Health and Safety Committee Report on page 128 details further our safety governance.

The Board's focus on our values and specifically "doing what's right" and "raising the bar together" continues as we implement our sustainability strategy. Through the detailed work of the Sustainability Committee, we oversee our progress towards becoming a net zero carbon business by 2030, having invested £14 million in 2022 in energy initiatives to reduce consumption, save carbon and ensure ongoing compliance with regulations as well as further improvement in the EPC ratings of our portfolio. For more detail, see the Sustainability Report on page 46 and the Sustainability Committee Report on page 125.

Through 2022, the Nomination Committee continued to review our Board composition and succession planning, ensuring we have the right mix of skills and expertise across the higher education, real estate, finance, retail and hospitality sectors. With Elizabeth McMeikan coming up for nine years on the Board in 2023, the Committee conducted a search for a new Non-Executive Director, leading to the appointment of Nicky Dulieu in September 2022. Nicky brings a wealth of listed company Board experience as well as extensive consumer-facing executive experience, adding significant value to the Board. I would like to thank Elizabeth for her passion for the business and sound judgement during her nine years with Unite, especially as Chair of our Remuneration Committee and Senior Independent Director. Nicky will take over as Remuneration Committee Chair and Senior Independent Director on 1 March 2023 following Elizabeth's departure.

The Board continues to see increasing demand for student accommodation in the UK, with supply constrained due to slowing PBSA development and a shrinking HMO sector. Affordability, especially with increasing cost-of-living pressures, continues to be key for students, parents and universities and the Board oversees how we deliver safe and secure, high-quality, value-for-money homes for our customers, many of whom are living away from home for the first time.

With this increasing demand, the Board continues to explore opportunities to grow the business in UK PBSA through development, targeted acquisitions and partnerships with universities. Alongside this, the Board continues to explore exciting opportunities for growth in the wider living sector catering to young professional renters living in major UK cities. Our pilot BTR acquisition in Stratford, East London in September 2022 provides us the opportunity to test our operational capability in this sector and understand potential synergies with our core PBSA business. This will help the Board inform our next steps as we explore growth in PBSA and the wider living sector.

The following pages explain how our governance has supported us through 2022 and how it will continue to support our growth and sustainability in the longer-term.

### Richard Huntingford

Chair

28 February 2023



#### FURTHER INFORMATION

**Health and Safety Committee Report** on [page 128](#)

**Sustainability Report** on [page 46](#)

**Sustainability Committee Report** on [page 125](#)

**Board engagement** on [page 102](#)

**Stakeholder engagement** on [page 104](#)