

**UNITE
STUDENTS**

Gender Pay Reporting

The Unite Group PLC
2021



Introduction

We remain strongly committed to reducing our gender pay gap. We have made further progress in 2020 with a mean gender pay gap of 20.2% (2019: 22.6%, 2018: 25.9%) an improvement of 2.4% on 2019. Our ambition is to be a diverse and inclusive place to work through creating a sense of belonging for all our employees. We believe this will assist in driving our future growth which will benefit all stakeholders including employees, our University partners, our customers and our investors.

Our mean gender pay gap has predominantly improved due to an increase in the number of females in higher paid roles combined with an increase of males in lower paid roles. We have seen a 3.6% increase of females in the upper quartile of pay and a 5.6% increase of males in the lower quartile. This has resulted in an increase on the 2019 female mean rate of pay by £0.44 (an increase of 3.4%) whilst the mean male rate has increased by £0.04 (an increase of 0.25%).

In 2020, Unite welcomed 381 new employees (49% male and 51% female) into the business as a result of the Liberty Living acquisition. This, along with a reduction in the number of Housekeepers we employ given our evolving service model, has reduced the proportion of females within the lower quartile contributing to the mean gender pay gap improvements seen in 2020.

As part of the Liberty Living Integration, we reviewed our values and our new value 'Creating Room for Everyone' embraces our ambition to make Unite a more inclusive place to work for all. Unite is a business that strives to be welcoming and inclusive to all, creating an environment where all our employees can participate and feel valued. This means that we have zero tolerance on any

form of discrimination and welcome cultural diversity to provide an environment where everyone feels they can be their true selves, where they feel they belong, can have a purpose and are valued for the contribution they make.

As highlighted last year, our Operations Board has taken a more active role in driving our Diversity and Inclusion (D&I) agenda continuing with reverse mentoring as well as the 'empty' chair initiative at the Boards where employees are invited to attend providing an employee perspective of working at Unite. A commitment to ensuring a 50:50 shortlist in senior roles has supported in seeing the growth in females in upper quartile by 3.6%. However, we have recognised that further focus is needed to make a step change and we have engaged with René Carayol, a leadership and D&I specialist, who is providing fresh thinking and stimulus to our leadership team.

This year we have updated our flexible working approach recognising the increased need for employees to balance work and home lives. This has come to the fore in light of Covid-19 and we anticipate these new ways of working will help our teams find a better and more productive balance to home and work lives.

We aim to create a sense of belonging for all our employees in a truly diverse and inclusive culture that reflects the world we live in today and, very importantly, reflects the students who are our customers. We have made progress this year but recognise there is more work to do and as we move into 2021, all our Executive and internal Boards, will have gender and ethnicity targets as part of their bonus KPI's.

Our 2020 Gender pay gap report

Our analysis shows that the overall difference between men and women's earnings is 20.2% (mean) and 8.8% (median). This is based on hourly rates at the snapshot date of 5 April 2020. At this date Unite employed 1,836 staff with 47% female and 53% male employees.

Pay and Bonus Gap

| Difference between men and women | Median % | Mean % |
|----------------------------------|-------------------------|------------------------|
| Gender Pay Gap | 8.8 up 3.8% on 2019 | 20.2 down 2.4% on 2019 |
| Gender Bonus Gap | 13.6 down 10.6% on 2019 | 69.8 up 1.5% on 2019 |

We have a mean gender pay gap of 20.2% which is an improvement of 2.4% on last year. Our median gender pay gap has increased slightly by 3.8% to 8.8% comparing favourably to the 2020 UK position of 15.5%*. The median is more volatile than the mean because any change to the male/female representation within the quartiles will affect the percentage gap. Whilst we have seen an increase in females in the upper quartile and an increase in males in the lower quartile, we have seen an overall decrease in females in the upper two quartiles and an overall increase in females in the lower two quartiles and together this impacts our gap. When compared to other UK organisations, the fluctuation of our median gender pay gap percentage is relatively low. We remain committed to continuing to take actions to reduce the gap.

Like many other companies and those within our industry, our gender pay gap is the result of fewer women holding senior leadership roles and fewer women being in highly paid technical roles and not because men and women are paid unequally for the same work. In addition, women typically occupy more entry level roles such as Housekeeping and Administration roles but we have encouragingly seen an increase in the percentage of males in the lower quartile by 5.6%. The mean pay gap is further affected by senior leadership roles receiving long-term incentive plans to assist with the long-term growth of our business; as mentioned few women currently hold these roles.

Unite operates a small number of incentive schemes, all of which are gender neutral by design, but the shape of our workforce drives our gender bonus gap in the same way that it does our gender pay gap. The number of part-time opportunities across the business are more often filled by women and more often tend to be entry level opportunities therefore attracting a lower bonus. However, we have seen a positive improvement in our median bonus gap of 10.6% on last year. The mean bonus gap is similar to 2019 with only a 1.5% change and, since reporting started, the trend has been a consistent decrease in the gap.

Whilst we have seen some modest improvements over the past 12 months, our ambition is to continue to reduce our gender pay gap.

*Office for National Statistics – Gender pay gap in the UK: 2020

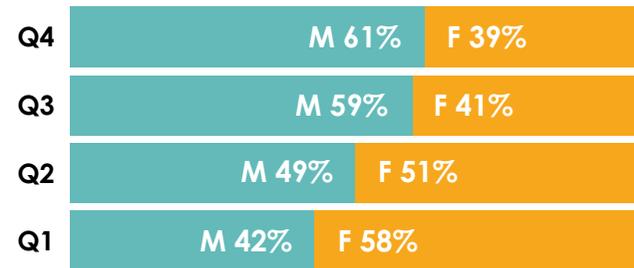
Proportion of employees awarded a 2019 bonus



All employees at Unite with more than three months service are entitled to participate in our bonus scheme – the small differential between male and female is due to the application of the length of service criteria at the point the snapshot of data was taken. This will vary each year.

Pay Quartiles

The proportion of females and males in each quartile is as follows:



maximum hourly pay gap in the lower quartile is small which demonstrates that pay is even irrespective of gender. Conversely, whilst women make up 47% of our total workforce only 39% of females sit in our highest quartile. As a result, we are committed to providing females with the opportunity to hold roles in the upper quartile through internal promotions and external recruitment.

The gender pay gap is the result of the balance of female representation across the organisation's structure. With the acquisition of Liberty Living and also a decrease in the percentage of Housekeepers that we employ, we have seen some positive development in the percentage of males in the lower quartile with a 5.6% improvement in male representation from 2019 at this entry level where we continue to pay the Real Living Wage rates of pay. Whilst there is no occupational reason for female dominance in these roles, we have found it difficult to attract males; only 17% of males occupy housekeeping roles thus the overall gender pay gap is affected by this low representation. The minimum and

During 2021 it is our intent that we will set measurable and challenging D&I targets for our senior leaders who are in a position to make a difference, we will be developing more opportunities for our employees to develop including a 'Future Leaders Forum' as well as developing our Talent Acquisition strategy to ensure that we really are attracting the most diverse and talented individuals.

Helene Murphy
Group People Director

Richard Smith, CEO comments

2020 has been a challenging year for everyone and the student accommodation sector is no different. We have had to take some difficult decisions in light of the pandemic but they have been the right decisions given the environment. This has impacted on our revenue but I am confident that we will emerge strongly as we move into 2021. During Covid-19, our employees have been excellent responding with agility to the ever-changing demands. This has highlighted that we continue to need diverse and talented individuals to take our business forward. We continue to be strongly committed to building a more diverse, inclusive, and gender balanced culture that reflects both the local communities where we operate and our customer base. We will continue to drive towards equality so that Unite is a place where everyone feels included and has a clear sense of belonging.

I am pleased with the progress that we have made on the GPG reporting, particularly with our mean pay gap improving steadily year-on-year. However, 2020 has been an awakening for many in light of Black Lives Matter and we have chosen to embark on a step change in our focus on inclusion and diversity. We have signed up to the Race at Work Charter and, as its sponsor our ambition is to drive a sense of belonging for all our employees across the organisation irrespective of race and gender. Demonstrating our commitment to living our values of 'Doing what's right' and 'Raising the bar together' we are expanding our data analysis this year to include ethnicity data for our employee base. In addition, from 1 January 2021, we will include for the first time, gender and ethnicity in our senior leaders bonus KPI's alongside our business KPI's.

This increased level of consciousness and reporting will help us to deliver on our purpose of a Home for Success, make more informed decisions, improve our relationships with our customers and enable us to attract and retain the best people.

We confirm that our data has been calculated according to the requirements of the equality act 2010 (Gender Pay Information) Regulations 2017.



Richard Smith, CEO

