

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 success of the Company for the benefit of its members and stakeholders.

Our Purpose – Home for Success

The Board has set our purpose to provide a Home for Success for our students, University partners, our people and our wider stakeholders. Our purpose describes our shared commitment and motivation and helps us articulate our business model, develop strategy, operating practices, approach to risk and how we engage with our stakeholders.

Home for Success is about providing the right home environment for all the tens of thousands of students that come to live with us each year from across the globe, to enable them to achieve whatever goals and ambitions they aspire to. We focus on delivering an excellent service, as well as keeping our students safe and secure. We aim to make each Unite property a home. During 2020, our purpose of Home for Success directly led to the Board's decision to waive rents for students who left our properties early in term three of the academic year 2019/20 due to Covid-19 and then later the Board offering rent discounts to students in early 2021 due to Covid-19.

Home for Success is also about facilitating the right platform for our University partners by understanding their long-term aspirations, accommodation requirements and service expectations. This means our offer is built around the priorities of students and Universities alike. Our purpose of Home for Success for our University partners led the Board's decision making in the way it worked with Universities on their dynamic operating plans due to the challenges of Covid-19.

With our people being at the heart of our business, Home for Success is about creating an environment enabling them to grow, develop and succeed. Again, through 2020, this led to the Board's decision making in how we responded to keep our people safe, whether they continued to work in our properties or were working from home.

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 common purpose of Home for Success.

Our Values and Culture

We have remained 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 Unite 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.

Through 2020, the Board led the development of our new Sustainability Strategy which provides a framework across our operations, making sure our decision making process has responsibility and sustainability at its heart and helping support a safe future for the planet. See more on our Sustainability Strategy on page 46. As we continue to align ourselves with the Sustainable Development Goals set by the United Nations, we hope to achieve a better and more sustainable future for everyone.

The Board led the development of our refreshed 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.

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

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 waive rent for students who chose to return home for the remainder of the 2019/20 academic year as well as the rent discounts offered to students in early 2021. The Board challenges the status quo when needed and takes accountability for its actions.

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.

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. This is driven by our core purpose of providing a Home for Success to our people as well as our customers. The Board monitors corporate culture through interaction and dialogue with our people and also through regular employee engagement surveys. Whilst more challenging through 2020 due to the absence of physical Board meetings and City visits, this opened up the opportunity for more informal interaction through video conference calls. 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. For example, during Covid-19 the Board responded to feedback relating to additional wellbeing measures and provided support for greater flexible working. We are moving towards evolving a more inclusive and listening culture through various platforms such as Unite Live (see following), 'Ask Richard' emails (a dedicated email address for the Chief Executive which provides employees an opportunity to contact him directly with questions they have) and a refreshed Employee Panel. We also operate an 'open chair' at our Operations Board, which provide further opportunities for our people to engage with our leadership teams.

Unite Live

We launched 'Unite Live' during 2020. This provides employees with an opportunity to engage with our Chief Executive 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.

Daily Updates - key messages

Daily updates are communicated via email round ups. These are circulated at all levels of the business with content from across the business, which in 2020 was especially focused on Covid-19 developments, updates on safety and wellbeing.

The Board assess and monitors culture to ensure its alignment with our purpose of Home for Success and our values in the constant changing environment. In addition, the Board monitors and measures our corporate culture through the interaction with other key stakeholders, such as our customers and our University partners. See Stakeholder engagement on pages 38 to 39 which provides more details on how we engage, and measure and monitor our performance, with our customers and University partners and other key stakeholders.

Strategy

The Board agrees, and has collective responsibility for, the strategy of the Company, which is outlined in the Strategic Report. Execution of the strategy and day-to-day management of the Company's business is delegated to the Operations and Property Boards, with the Group Board retaining responsibility for overseeing, guiding and holding management to account.

In 2020 the Board approved our new Sustainability Strategy following extensive engagement with investors and other stakeholders. As a responsible and trusted business, our wider stakeholders demand we proactively address environmental, social and governance risks. This is consistent with one of our values, 'doing what's right'. The pace of change has only intensified with Covid-19 with an increasing focus on longer term sustainability. Our overarching ambition is 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. See our Sustainability Strategy on pages 46 to 63 for more detail. In 2020, we formally signed up as a supporter of the Task Force on Climate-Related Financial Disclosure (TCFD) and will be aligning with their requirements for managing and reporting climate-related risks.

BOARD LEADERSHIP AND PURPOSE CONTINUED

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. This communication has been more challenging during 2020 due to Covid-19 and the inability to meet and spend time together in person at our properties and in the cities in which we operate. Nevertheless, the Board ensured there was ample opportunity to listen and hear directly from the leadership team, the wider business and our stakeholders. During 2020, this included comprehensive engagement with our employees, customers and Universities on the impact of Covid-19 and updates on business performance more generally from the Chief Customer Officer, Group Property Director, Deputy Chief Financial Officer, Group Investment Director,

Property Services Director, Head of Health & Safety, Group Communications Director, Director of Strategy & Investor Relations, Group Energy & Environment Manager, 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 90, Our Values and Culture).
- Ensuring the necessary resources are in place for the business to meet its strategic objectives. During 2020, this required the Board to ensure there was an appropriate balance between dedicated resources to focus on Covid-19 whilst ensuring other teams could focus on other strategic priorities such as the Liberty Living integration and Fire Safety.
- Establishing workplace policies and business practices that align with the Company's culture and values and support its strategy (see page 94).

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

Audit Committee	Remuneration Committee	Nomination Committee
<ul style="list-style-type: none"> ☉ Ross Paterson Richard Akers Ilaria del Beato Steve Smith 	<ul style="list-style-type: none"> ☉ Elizabeth McMeikan Phil White Ross Paterson Richard Akers Shirley Pearce 	<ul style="list-style-type: none"> ☉ Phil White Richard Huntingford Elizabeth McMeikan Ross Paterson Richard Akers Ilaria del Beato Steve Smith Shirley Pearce Thomas Jackson
Health & Safety Committee	Sustainability Committee	
<ul style="list-style-type: none"> ☉ Steve Smith Elizabeth McMeikan Ilaria del Beato Shirley Pearce Richard Smith 	<ul style="list-style-type: none"> ☉ Shirley Pearce Richard Smith Ross Paterson Richard Akers Ilaria del Beato Thomas Jackson 	

☉ Committee Chair

- Overseeing the implementation of a robust controls framework to allow effective management of risk, with this oversight delegated to the Audit Committee (see pages 113).
- Effective succession planning for key senior personnel, much of which is delegated to the Nomination Committee (see page 106 to 108).

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. 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 36 to 39 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 operating rhythm

Covid-19

During 2020, the Board had regular video conference calls in addition to its scheduled Board meeting calendar. These allowed the Board to focus on managing the business through the pandemic whilst also allowing the Board to step back and view the bigger picture and prepare for longer term sustainable growth.

The table on pages 66 and 67 sets out what the Board did in response to the impact of Covid-19 on our principal risks.

<p>Regular updates from the Board Committees on their activities and recommendations</p> <p>Ensure that the detailed work performed in the Board Committees is considered by the Board as a whole.</p>	<p>Board composition and management succession</p> <p>Review the composition of the Board to ensure appropriate combination of skills, experience and knowledge and effective succession planning for key senior personnel.</p>
<p>Strategy and five-year plan</p> <p>Discuss, review and approve our strategy and five-year plan, and track how we are performing against our current strategy and five-year plan.</p>	<p>Operational, property and financial updates</p> <p>Provide the Board with the necessary information to track the Group's performance and challenge any problems with performance.</p>
<p>Review of Group policies</p> <p>Review key Group policies to ensure they are appropriate and implemented effectively.</p>	<p>Market and Higher Education sector updates</p> <p>Ensure the Board has the latest market and sector knowledge.</p>
<p>Risk</p> <p>Review and discuss our principal and emerging risks at a Group level and also review operational level risks (the Board's operational risk review is to verify that risks have been properly identified and that appropriate risk-mitigation plans are being correctly managed with clear actions and ownership).</p>	<p>New development schemes</p> <p>Review and challenge new development schemes being recommended by management and, due to the significant capital expenditure involved and key strategic decisions required, approve these new development schemes.</p>
<p>Disposals</p> <p>Review and challenge disposals being recommended by management and ensuring appropriate value in recycling our portfolio.</p>	<p>Training</p> <p>Review the Board's training needs and ensure that the Board is up to date on key legal and regulatory changes.</p>

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. In 2020, this operating rhythm was directly impacted by Covid-19 and the intense focus on managing the business through the pandemic. In parallel to this, the Board still maintained its usual business rhythm to help ensure the Group can emerge from the pandemic in a sustainable way and ready for growth. 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). During 2020 and into 2021, regular Covid-19 Board calls are held in addition to the scheduled Board meetings to ensure sufficient time allocation and appropriate balance between a Covid-19 response and our wider strategic and business priorities.

Normally meetings take place throughout the UK, often at Universities or in our operating cities, so the Board can meet Vice-Chancellors and learn about their experiences with Unite, their accommodation requirements more generally and broader developments in the Higher Education sector. This year these meetings took place virtually due to the pandemic.

Senior leaders are regularly invited to attend meetings and present to the Board. During 2020 these took place through video conferencing. 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 36 to 39 explains how the Board engages and measures the views of our key stakeholders and the outcomes from this engagement.

Workforce engagement

The Board has designated one of its Non-Executive Directors (Elizabeth McMeikan, the Senior Independent Director and Chair of the Remuneration Committee) to help ensure the views and concerns of the workforce are brought to the Board and taken into account.

By attending the Employee Panel Forum meetings, engaging with people across the organisation and with the benefit of the regular employment engagement surveys, Elizabeth McMeikan is able to:

- understand the concerns of the workforce and explain 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.

Workforce engagement has led to shaping the Board's decision making. Through 2020, these decisions were primarily focused on the challenges of Covid-19 for our people and an increased focus on their safety and wellbeing. This applied to both those employees who continued to work in our properties and to those employees working from home. This resulted in the following:

- a revised Flexible Working Policy and Working from Home Guidelines supporting employees with how to balance work and home life, as well as ensuring they were equipped to work remotely from home and stay connected.
- sharing a platform with our people to raise and discuss health and wellbeing concerns as well as promoting existing resources and suggesting improvements.
- launched 'Unite Live' to provide employees with an opportunity to engage with our Chief Executive and senior leaders directly through an online forum where questions are submitted digitally and can be anonymous. See more on Unite Live on page 91.
- providing additional special leave to those employees with caring responsibilities.
- extending our cycle to work scheme to be available all year round, which was especially helpful for those employees who continued to work in our properties through the year.
- rolling out healthcare cash plan, Medicash for all employees which also gives access to virtual GP, particularly helpful in the current climate. This included free cover for our employees' children.
- delivering training focused on the wellbeing of our employees, partnering with The Healthy Work Company.
- rolling out a specific 'home working' DSE Assessment and e-Learning in line with Covid-19 safe guidelines.
- rolling out PPE, reception Perspex screens, social distancing floor marking and the use of temperature checks and anti-viral fogging machines to ensure we continue to provide a safe environment for our employees.
- providing professional counselling support for any team members as part of our Employee Assistance 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 38 to 39. 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 managers are eligible to participate in the Long Term Incentive Plans. 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. Our approach to investing in and rewarding our workforce, is set out on pages 53 and 123.

Whistleblowing programme

The Board annually reviews our Whistleblowing programme. Our Whistleblowing policy and a clear explanation as to how to raise a concern in confidence is readily available and published on our intranet. Following the Liberty Living acquisition, we integrated both whistleblowing programmes.

Our employees are able to raise concerns via various channels, which includes via an independent third-party if they feel this is necessary. Matters 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. Page 36 explains how this was considered during 2020. Further, pages 100 to 103 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. This year this has been especially critical as we navigated the pandemic and maintained extensive dialogue and engagement with our shareholders regarding the ongoing performance of the business, the suspension of dividends as well as engagement with our lenders on our Financing covenants compliance and our financing commitments more generally.

The Board is made aware of the views of major shareholders concerning the Company through, among other means, regular analyst and broker briefings and surveys of shareholder opinion. These will continue throughout 2021.

The Company maintains a corporate website containing extensive information of interest to both institutional and private investors. 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 on the perception of the Company among its shareholders, the investor community more broadly and its stakeholders.

Save in exceptional circumstances (which was the case for our May 2020 Annual General Meeting due to Covid-19 restrictions on physical meetings), all members of the Board attend the Company's Annual General Meeting and shareholders are invited to ask questions during the meeting and to meet with Directors prior to, and after, the formal proceedings. At the meeting, the Chairman reviews the Group's current trading. The results of the votes at the Annual General Meeting, together with details of the level of proxy votes lodged for each resolution are made available on a regulatory information service and on the Company's website at www.unite-group.co.uk. There were no resolutions with less than 80% voting in favour and therefore Code Provision 4 did not apply.

During the upcoming Annual General Meeting, the Board is proposing that shareholders of the Company approve an amendment of the Company's Articles of Association to allow hybrid general meetings. This will facilitate shareholders to attend, participate and vote in general meetings electronically using technology in addition to their current ability to attend the meeting physically. For more details, please refer to the Notice of Annual General Meeting which is issued separately.