

The background image shows a modern residential building with a prominent vertical garden facade. The building has a mix of brick and light-colored panels. In the foreground, four students are gathered on a paved area with concrete benches and young trees. The overall scene is bright and modern.

ESP

Home from Home

Empiric Student Property plc
ESG Report 2023

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Introduction

We are committed to creating and operating a socially responsible business, which is fit for the future and has a positive impact for all our stakeholders.

We believe that to achieve this commitment, ESG must be fully embedded within all activities. We have developed a robust, transparent management framework, which is outlined below.

In 2022, we published our full Net Zero strategy, where we set out our target of becoming Net Zero in all emissions, including Scope 3, by 2050.

Our activities will be guided by setting ambitious and challenging goals, aligned to our strategy and operations for the future. The publication of this annual ESG Report reflects our commitment to ESG, setting and reviewing our annual progress and long-term targets.



“Publishing our first TCFD and GRI-aligned ESG Report demonstrates our commitment to transparency on climate change and sustainability issues. We hope this report provides our stakeholders with a clear view of our ESG risks and opportunities and how we are strategically managing them. We’ve taken important steps to integrate sustainability into our core business operations, and we are committed to continuous improvement.”

Donald Grant | Chief Financial & Sustainability Officer

About Us

We are Empiric Student Property PLC (“**Empiric**”, “**ESP**” or the “Company”), a UK Real Estate Investment Trust (“REIT”) and a leading provider and operator of modern, direct let student accommodation located in prime city centre locations in top-tier university towns and cities in the UK. The Company was listed on the Main Market (Premium Listing) of the London Stock Exchange in June 2014.

Our management team has a long history, dating back approximately 10 years in the acquisition, development and management of student accommodation assets in the UK. Looking forward, we expect to deliver a Gross Margin above 70% and a total return in the range of 7% to 9% p.a.

In 2023, we had a gross margin of 69%. We employed 348 people, comprising 269 full time employees and 79 part time employees; five people were hired on a third-party contract throughout the year.



2023 Highlights

Governance

A crisis management course was undertaken focusing on senior operational employees and the Executive Committee.

Social

All team members had access to a range of physical, mental and financial wellbeing support, via our Employee Assistance Programme. Employees have access to our wellbeing hub on the Reward Gateway.

In 2023, 51 per cent of eligible roles were filled through internal progression.

After completing our year-end colleague engagement questionnaire for 2023, an engagement score of 85 per cent was achieved.

Environmental

Further upgrades to LED lighting and PIR sensors within the refurbishment programme occurred in this financial year. For example, all external lighting at Foss Studios and the York sites has been upgraded to LED. Also, in room and communal surveys were completed across 14 additional buildings in 2023.

Over 225 smart panel heaters were installed and were operational in 2023.

Building Management Systems (BMS) audits completed across the portfolio, to assess the energy consumption for each building.

EPC B or better target of 50 per cent achieved over a year earlier than originally planned.

About this report

Both mandatory and voluntary ESG disclosures have been considered in creating our ESG strategy, including:

The Carbon Disclosure Project (“CDP”) is an international voluntary disclosure focusing on environmental impact management.

The Energy Savings Opportunity Scheme (“ESOS”) is a mandatory energy audit that we must conduct every four years, to assess the energy used by our UK buildings. The energy efficiency measures suggested in the most recent UK site surveys, inform our carbon reduction milestones discussed within our environmental section of this report.

The Streamlined Energy and Carbon Reporting (“SECR”) requires us to disclose our energy usage, associated emissions, energy efficiency actions and energy performance implemented by the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The details of this can be found on pages 68 and 69 of our 2023 Annual Report.

The Task Force on Climate-Related Financial Disclosures (“TCFD”) mandated by the Financial Conduct Authority (FCA) requires UK premium-listed companies to report against the TCFD recommendations on a “comply or explain” basis. Our climate-related financial disclosures can be found on pages 56 to 70 of the 2023 Annual Report.

The Global Reporting Initiative (“GRI”) is an international voluntary ESG reporting standards framework enabling organisations to report on their economic, environmental, social and governance performance. This ESG Report outlines our 2023 ESG progress in accordance with the GRI guidance.

We follow the Greenhouse Gas (“GHG”) Protocol Corporate Standards and Guidance for companies to prepare our annual GHG emissions inventory. We have calculated our GHG inventory for Scope 1 and 2 emissions up to December 2023. Our GHG inventory is on pages 68 and 69 of our 2023 Annual Report.

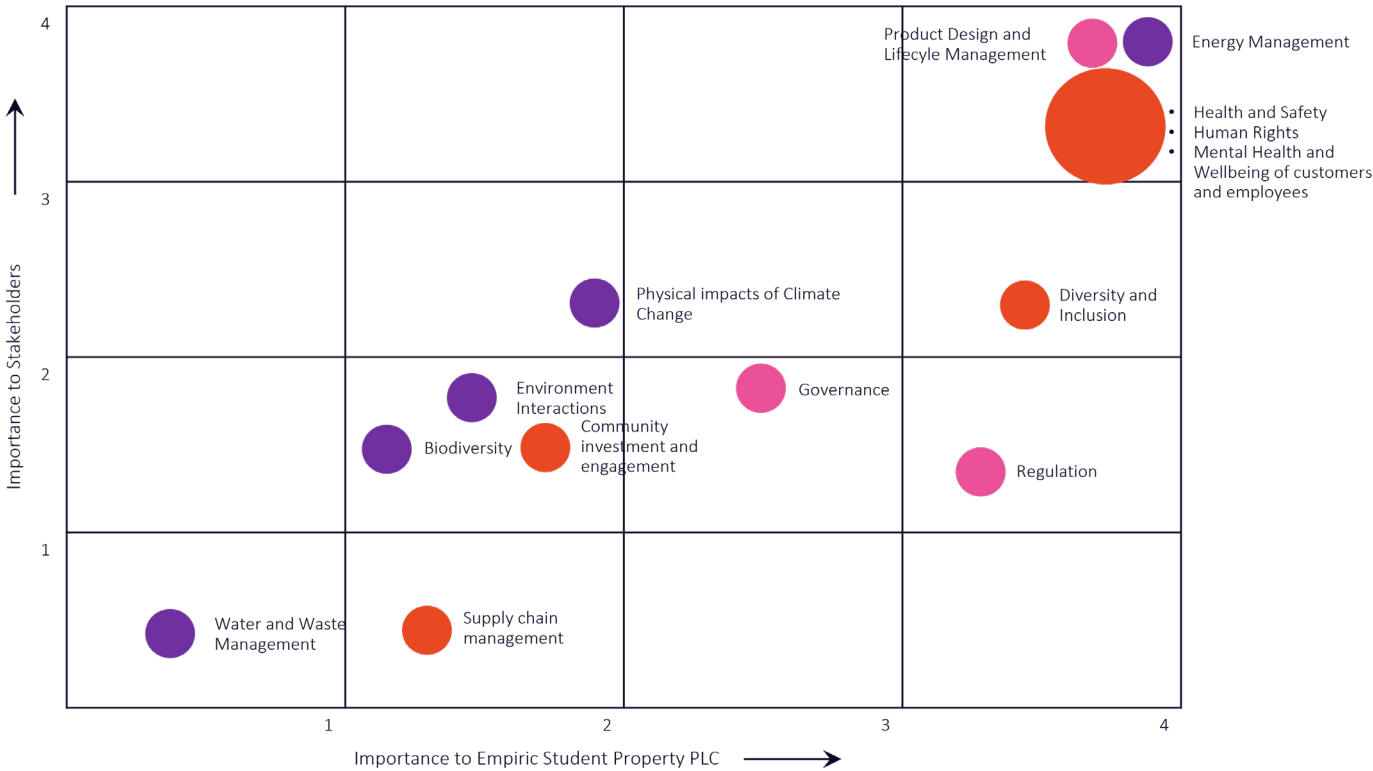
Materiality

The Global Reporting Initiative notes that materiality is a key concept in the world of reporting. Information is considered material, or relevant, if it could influence the decision-making of stakeholders. Materiality is not a clear-cut concept and is subject to interpretation, for example how such influence is interpreted. The GRI Standards are the only global standards with an exclusive focus on impact reporting for a multi-stakeholder audience, making it an

essential factor in the shaping of a reporting structure based on double materiality, which this report draws from.

We are aware of the developments around the approaches to materiality and as we develop and enhance our ESG reporting each year, we will take guidance and direction from the International Sustainability Standards Board’s (“ISSB”) financial materiality guidance to suit our investor audience.

Figure 1: ESP Materiality Matrix



Methodology

After working with our third-party ESG Consultants, we collated all ESG data from around the business. Following that, we completed a materiality assessment matrix to determine which ESG topics were material to us and our stakeholders. Our ESG Materiality Matrix can be found below.

As we operate within the real estate industry, the Sustainability Accounting Standards Board (“SASB”) framework and guidance around materiality was utilised, and this has aided the structure of this report.

The SASB Standards for the Real Estate industry are based on the different sustainability-related risks and opportunities for the sector. The table to the right highlights the relevant issues and deems the below topics as the most important for investors and our business. The material topic areas are found in the SASB Materiality Map for the Real Estate sector.

Industry Standards

Stricter guidance and regulation around sustainability disclosure is likely to impact the landscape in the future. We continue to monitor the development of the SASB standards as the ISSB continues to receive market feedback and develop out industry topics. White papers produced by the Principles for Responsible Investment (“PRI”), also deemed that the real estate industry has expanded the focus on social factors and certifications to create an emphasis on transparency. This ESG Report highlights the importance of such matters to us and the work we have been doing over the past few years to create a socially responsible and sustainable business. Our Board of Directors is responsible for monitoring this.

We will also continue to utilise and consult various other standards and frameworks such as the GRI, the Financial Reporting Council (“FRC”) and the Institute of Chartered Accountants in England and Wales (“ICAEW”), as we produce an ESG Report annually.

Table 1: Relevant Issues SASB: Empiric Student Property PLC: Real Estate

Relevant Topic	
Energy Management	Energy Management: Effective energy management is crucial for real estate assets, as they consume a substantial amount of energy for various purposes. The energy profile and management strategies depend on factors such as asset class, with grid electricity being a primary source. Whether borne by entities or occupants, energy costs pose a significant industry challenge. Real estate owners directly handling energy expenses often face substantial operating costs, underscoring the importance of energy management. Volatility in energy pricing, regulatory factors, varying energy performance in existing buildings, and opportunities for efficiency improvements highlight the critical role of energy management. Building energy performance is a notable driver of customer demand, this is because it allows them to control operating costs, mitigate potential environmental impacts and maintain a reputation for resource conservation. Additionally, REITs may be exposed to energy-related regulations despite energy costs often being the occupants’ responsibility. Entities that effectively manage asset energy performance may experience reduced operating costs and regulatory risks, as well as increased customer demand, rental rates and occupancy rates, all of which drive revenue and asset value appreciation.
Water & Wastewater Management	Water Management: Buildings, with their diverse water consumption sources, incur substantial operating costs, influenced by factors like property type, customer activities, and location. Responsibility for water costs may lie with entities or customers, necessitating effective water management. Customers, evaluating real estate water efficiency for cost control and environmental impact, can also enhance their reputation for sustainability. Owners, even if not directly responsible for water costs, benefit from managing water efficiency through reduced operating costs, regulatory compliance, heightened customer demand, and increased revenue and asset value.
Product Design & Lifecycle Management	Management of Tenant Sustainability: Real estate assets exert substantial sustainability effects, encompassing resource consumption, waste generation, and impacts on occupant health. While real estate entities own such assets, customer operations wield a significant influence over the sustainability impacts within the built environment. Customers, in designing and constructing leased spaces to meet operational needs, contribute substantially to energy and water consumption, waste generation, and health impacts on occupants. Although sustainability impacts often stem from customer activities, real estate owners play a crucial role in shaping these impacts. The structuring of agreements, contracts, and relationships with customers becomes pivotal in effectively managing sustainability impacts. Strategies include aligning financial interests with sustainability outcomes, implementing systematic measurement and communication of resource consumption data, establishing shared performance goals, and enforcing minimum sustainability requirements. Successful management of customer sustainability impacts, particularly in energy, water, and indoor environmental quality, can enhance asset value, boost customer demand and satisfaction, reduce operating costs, and mitigate risks related to building codes and regulations.
Physical Impacts of Climate Change	Climate Change Adaptation: Climate change poses a significant impact on industries through frequent extreme weather events and shifting climate patterns. The incorporation of climate change risk assessments into a business model, along with strategies for adaptation, is becoming increasingly crucial for sustained entity value. This is particularly pertinent for investment strategies with assets in vulnerable areas, such as floodplains and coastal regions, which require heightened risk mitigation and business model adjustments. Considerations include challenges related to flood insurance rates, government-subsidised programs, and creditor concerns. Beyond insurance, measures like enhancing physical asset resilience and strategic lease terms can mitigate risks, albeit with associated costs. Entities aiming for long-term growth must implement comprehensive climate change adaptation strategies, carefully weighing trade-offs between various risk mitigation approaches and considering all projected costs and benefits over the long haul.

Governance & Strategy

Our Approach

The Group is committed to good governance and management of climate-related risks and opportunities in a responsible and transparent manner. We believe that we need the collaboration of all our people to successfully deliver on our ESG strategy. The ESG strategy is aligned with our overall business strategy and reinforced by the company's Board of Directors and management team. The Group has a well-developed ESG Management Framework (see page 47 of the Annual Report) that has embedded the management of climate change issues within our business.



ESG Governance

In order to enhance the efficiency of the Board, specific responsibilities are delegated to formal Board Committees for thorough examination, with subsequent recommendations presented to the Board across meetings which occur throughout the year. These Committees operate within predefined terms of reference established by the Board. Copies of these are available from the Company Secretary or the Company’s website www.empiric.co.uk. Day-to-day operational activities are managed by the executive Directors, who adhere to policies and authorities outlined by the Board.



Our Governance Structure

Table 2: Our Governance Structure and the relevant Committees

The Board			
To assist in the effectiveness of the Board, it delegates certain matters to formal Board Committees to review and make recommendations back to the Board. All Committees must operate within their terms of reference which are set by the Board. Day-to-day operations are carried out by the executive Directors, who must adhere to policies and authorities set by the Board.			
Nomination Committee	Audit and Risk Committee	Remuneration Committee	ESG Committee
Considers the composition, skills and succession planning of the Board.	Ensures the Group’s financial reporting and risk management is properly monitored, controlled and reported.	Reviews remuneration of executives and senior leadership team in accordance with shareholder approved policy.	Safeguards the interest, and monitors engagement with, stakeholders to ensure the Company demonstrates sound social and environmental risk management.
Senior Leadership Team			
Working with the Executive Directors, the Senior Leadership Team ensure Company policies are embedded in the businesses and its operations and that strategic decisions are executed appropriately.			

“We acknowledge that climate risks are a threat to future value and therefore influence our investment strategy. It is our responsibility to transition our properties to achieve absolute net zero. We are guided by the standard definition of absolute net zero targets as emission reductions of at least 90 per cent across all scopes before 2050 and only a very small number of residual emissions (up to ten per cent) can be neutralised with carbon offsets. We recognise that our stakeholders expect us to demonstrate sound environmental stewardship in our business operations and our properties.”

Executive Statement

“In the pursuit of ESG excellence, we recognise as a business that we need the collaboration of all employees to successfully deliver our ESG strategy. We have developed a robust ESG Management Framework to ensure we inclusively develop our pathway. We strive to foster diversity and empower employees to embrace environmentally responsible practices throughout all areas of their work and personal lives.”

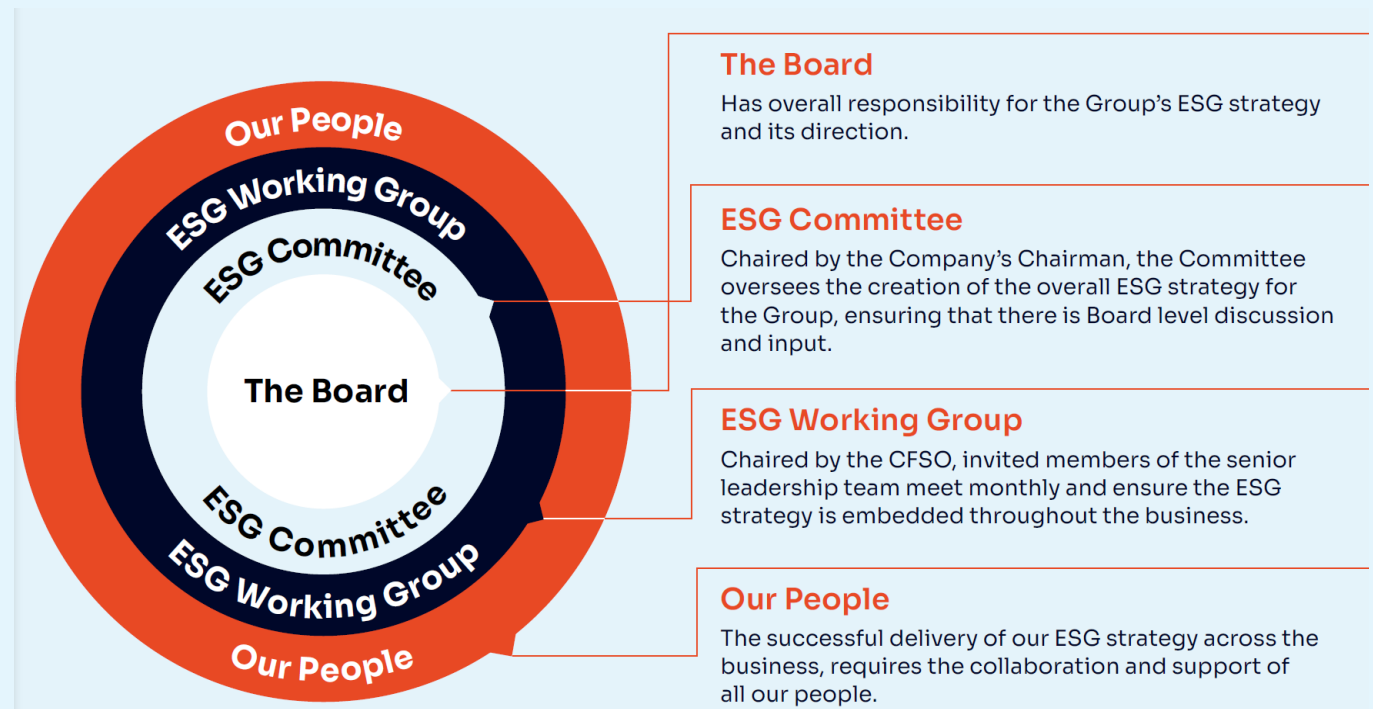
Donald Grant | Chief Financial & Sustainability Officer



ESG Management Framework

We have developed a robust, transparent management framework as shown in the diagram below.

Figure 2: Empiric’s ESG management framework



The Board of Directors

The Board is responsible for our ESG strategy and the actions and policies that underpin this. The Board oversees the development of the company’s ESG programme, ensuring increased disclosure and clarity. During 2023, the Board received three updates on the development of ESP’s ESG initiatives and targets, with ESP expanding to produce a standalone TCFD report in 2023.

Board-level Oversight

The Board has responsibility for the oversight of climate-related risks and opportunities. The Board monitors and oversees progress against climate-related goals and targets through delegation to the ESG Committee. All Board members are members of the ESG Committee, which met three times during the year (March, August and December). The Board considers climate change when reviewing business strategy and when setting annual budgets. The remuneration policy was updated in 2023, creating a clear linkage to ESG performance indicators. All objectives remain subject to the discretion of the Remuneration Committee.

The Chief Financial and Sustainability Officer conducts day-to-day responsibilities of climate-related projects and ensures that climate-related risks and opportunities are identified and the potential impacts are accurately and formally reported to the ESG Committee and the Board.

To support the Board in fulfilling its duties, in August 2023, our ESG advisers facilitated a workshop covering climate change, net zero and climate scenario analysis. All Board members were in attendance. The Group conducted climate-scenario modelling to assess risks and opportunities related to climate change, which were then consolidated into a climate-risk register. In the December 2023 ESG Committee meeting, the register underwent review. Subsequently, the Board approved the inclusion of significant climate-related risks into the Group’s comprehensive risk register. Climate-related investment thresholds linked to investment decision-making will be considered further in the next reporting cycle.

Board Diversity

We believe that being inclusive improves opportunities for our students, employees and people living in the communities in which we operate. This will not only create long-term value to our business, but also society. The Board and all committees consider diversity for every appointment.


The female representation of the Board during 2022 was 33%; this remained at 33% in 2023, two out of the six Board members. As previously mentioned in this report, and through various industry materiality maps and statistics on Gender Diversity at Board level, it has become increasingly important within the Real Estate sector. This is something which the Board will keep under regular review across the entire workforce as well as at senior management and Board level.

The figure below shows the representation of females across the various committees and the company in 2022 vs 2023.

Figure 3: Gender Diversity Statistics



The Board of Directors

						
	Mark Pain	Duncan Garrood	Donald Grant	Alice Avis MBE	Martin Ratchford	Clair Preston - Beer
	Non-Executive Chairman	Chief Executive Officer	Chief Financial and Sustainability Officer	Senior Independent Non-Executive Director	Non-Executive Director	Non-Executive Director
Appointed	01 September 2018	28 September 2020	12 September 2022	01 March 2019	01 October 2021	01 July 2022
Independent	Yes	No	No	Yes	Yes	Yes
Committee Memberships	Nomination (Chair) ESG (Chair) Remuneration	ESG	ESG	Nomination ESG Remuneration (Chair) Audit and Risk	Nomination ESG Remuneration Audit and Risk (Chair)	Nomination ESG Remuneration Audit and Risk
Relevant Skills and Experience	Chartered accountant Strong financial, customer and shareholder focus Extensive experience of executive and non-executive roles in the real estate, financial services and consumer/leisure sectors	Strong operational, sales and marketing skills Extensive experience of executive roles in the consumer/leisure sectors Significant expertise in the consumer and leisure sectors	Chartered accountant Over 20 years' experience in the listed real estate and financial services sectors, covering finance, tax, regulatory compliance, HR, IT and Company Secretarial	Extensive experience in marketing, e-commerce, strategy, and operational experience across the consumer goods/retail sectors Executive and non-executive expertise FTSE 100 /UK and international entrepreneurial organisations	Chartered accountant Over 20 years' expertise in executive and leadership roles in the UK/International listed real estate, funds and student accommodation Expertise in structured real estate debt and equity financing and systems and control environments	Significant expertise of large operational businesses in hospitality/retail sectors Extensive experience in international franchising/business transformation
Principal External Appointments	Non-Executive director - AXA Insurance UK Non-Executive director - Close Brothers Group plc	None	None	Non-Executive Director - BGF (the Business Growth Fund) Non-Executive Director - The Edrington Group Limited Non-Executive Director - iPulse Limited	Chief Finance Officer at Frasers Property UK Limited, a Frasers Property group Company	Managing Director - Local Pubs - Greene King Pubs
Significant Previous External Experience	Group finance director - Abbey National plc Group finance director - Barratt Developments plc Non-executive director - Ladbroke Coral Group plc, Aviva Insurance Limited, Spirit Pub Group plc, Johnston Press plc, Northern Rock, LSL Property Services and Punch Taverns plc Vice chairman and senior independent director - Yorkshire Building Society	CEO - Ten Entertainment Group Plc CEO - Bills Restaurants CEO - Punch Taverns plc President - M.H. Alshaya Commercial Director - BAA plc	CFO - RDI REIT P.L.C Group Financial Controller Capital & Counties Properties PLC Head of Finance - Liberty International PLC Head of Financial & Regulatory Control (EMEA) BCG Partners / Cantor Fitzgerald	Executive chairman - Lumene Oy CEO - Sanctuary Spa Group Director of marketing and E-commerce - Marks and Spencer Group Plc Global Brand Director - Johnnie Walker at Diageo PLC	Finance director of Real Estate and Funds - Thomas Cook PLC Head of Europe, Finance - British Land plc Finance Director - The Unite Group PLC	Managing Director - Costa Coffee, Middle East & Asia Chief Operating Officer - Costa Coffee, UK UK Franchise Director - Costa Coffee, UK

Management-level Oversight

The Board ensures the dissemination of strategic priorities to senior management who are responsible for implementing the ESG strategy, inclusive of climate-related matters within the business. The Board entrusts the ESG Committee and in respect of risk management, the Audit and Risk Committee, with overseeing the ESG strategy and monitoring progress toward goals and targets related to climate issues. Both committees report directly to the Board. The ESG Committee reviews climate change as a standing agenda item in its meetings and incorporates the climate change lens into reviewing business strategy. The ESG Committee considers reports from the ESG working group.

All ESG Committee meetings in 2023 were attended by external consultants from Inspired PLC to provide additional support in assessing and addressing climate-related issues. Our consultants regularly provided updates to the Board on the progress of climate modelling and its results once the process was completed.

The Audit and Risk Committee

The Audit and Risk Committee is responsible for managing the overall company's risks, inclusive of climate change-related risks. The Committee reports directly to the Board of Directors. They have been involved in reviewing the climate risk register in December 2023 and further incorporating it into the main risk register.

The ESG Committee

The ESG Committee is responsible for the oversight of all ESG activities, inclusive of climate-related matters. The Committee is chaired by the Company's Chairperson. The Committee reports directly to the Board. The ESG Committee meets three times a year and this occurred in March, August and December of 2023. This ensures the distribution of strategic priorities to senior management who are responsible for implementing the ESG strategy inclusive of climate-related matters within the business.

The ESG Committee considers detailed reports from the ESG working group and monitors strategic implementation and progress against KPIs. The ESG working group is chaired by the Chief Financial & Sustainability Officer, who is a member of both the ESG Committee and Board. The ESG working group includes senior managers from across the business with representation from Property investment, Operations, HR, Asset Quality and Sales teams. The group meets monthly and reports to the ESG Committee. The ESG Committee reports to the Board following each meeting, and a report is provided. The Board allocated significant capital to green initiatives throughout 2023 and for 2024 which allow us to accelerate our Net Zero programme during the coming years and deliver tangible benefits to all stakeholders.



Our ESG Strategy

Our strategy includes clear objectives and focus areas, prioritising actions that are material to our stakeholders and will deliver the greatest impact. It is also designed to positively contribute to the success of the business and, therefore, reduce the impact of the business on the environment.

Our Objectives

- 1. Become a sustainable business and achieve Net Zero
- 2. Excel in the provision of health and safety
- 3. Enhance mental health & wellbeing
- 4. Provide opportunities for all

For more detail on the above objectives, please see the relevant metrics and targets table within each section of this report on how we will measure and achieve these objectives.

2023 Targets and Progress

Table 3: Governance-specific 2023 targets, outcome and progress

Governance 2023 Target	Outcome and Progress
Crisis management training and testing for all properties	A crisis management course was undertaken focusing on senior operational employees and the Executive Committee. Crisis management plans are in place and subject to approval, with the next crisis test planned for early 2024.
Improve diversity within the senior leadership team	Currently, females make up 26% of our Senior Leadership Team and 40% of our Executive Committee. A target of 40% was set across both the Senior Leadership and Executive Committee. At least 40% of the Board and one of the senior Board positions should be women. With the addition of at least one member of the Board being from a minority ethnic background.

Key for table

Target achieved
Target partially achieved
Target missed

Trust and Transparency

Anti-bribery and Corruption

We are committed to carrying out business fairly, honestly and openly. Our anti-bribery policy mandates a zero-tolerance approach. All our people must read and confirm their understanding both during their induction and on an annual basis. We require employees to take regular compliance training and to certify each year that they have complied with Company policies.

It is important to our business that our people maintain the highest standards of honesty, openness and accountability. Our whistleblowing policy explains how our people can report a whistleblowing concern and reassures them that any such disclosure is made in full confidence. The Board monitors and reviews the policy on at least an annual basis to ensure it complies with UK legislation. There were no incidents of whistleblowing during the financial year.

Whistleblowing

The Audit and Risk Committee is responsible for reviewing the arrangements by which staff can raise concerns, in confidence, about any possible improprieties relating to financial reporting or other matters. During the year, we have reviewed the Whistleblowing Policy and ensured it has been widely published throughout the Group via our internal communications platform Workplace. The policy encourages disclosure to an executive Director of the Company, but where that is not considered appropriate, to the Company’s Chairman or external auditor. The Committee has concluded that the Group has suitable arrangements for proportionate and independent investigation of such matters and for appropriate follow-up action.

Political Donations

We made no political donations and incurred no political expenditure during the year.

Looking Forward to 2024 & 2025

Table 4: 2024 and 2025 ESG Commitments

2024	Description
Governance	
Climate Risk Management	Monitor and review climate-related risks and mitigation controls Conduct a climate scenario analysis on our supply chain and supply routes Climate-scenario modelling year-on-year comparisons Financial modelling to understand the impact of identified risks and opportunities
Conflict Management	Launch bespoke conflict management training for employees with a focus on risk mitigation. Identify sources of conflict and address them proactively, reducing the risk of escalated disputes and legal issues Rollout lone worker devices
External Benchmarking	Consider and conclude on an appropriate external benchmarking study for the Company to participate in from 2025 onwards
Environmental	
Net Zero Operations	Over 40% of the portfolio by floor area to be fossil fuel free Lower like-for-like energy consumption to below 4,250 kWh per bed Complete the conversion of a further 12 buildings to net-zero operations Commission decarbonisation studies on all remaining properties
Greener Solutions Installation	Record all onsite energy creation (PVs) across the portfolio
Emissions data collection and SBTi targets	Improve Scope 3 emissions data collection Refine the emissions target, aligning to SBTi within the next two years
Green capex	Install air source heat pumps (ASHPs) and PVs at >10 sites Roll out >3,000 in-room heating controls (Smart Panels, Smart TRVs or meters) Full LED and PIR upgrades on >20 buildings that include plug-and-play fitting to help with future maintenance costs Set climate-related investment thresholds
Data gathering	Use data to inform planned summer and winter education programs to support energy efficiency behavioural change
Building Energy Management System (BEMS)	Conduct BEMS surveys and upgrades at >30 sites Execute comprehensive Building Management System (BMS) upgrades across the portfolio, allowing for remote monitoring, data collection and control Record all onsite energy creation (PVs) across the portfolio
EPC Ratings	>55% of portfolio to be rated EPC B or better

2024	Description
Social	
Health and Safety	Establish Legal Register Deliver Wellbeing Management System and Framework, including lone working Deliver Incident Management Guides to ensure consistent management and escalation of site-based incidents Complete dynamic risk assessments of all sites specific to the local area Create a Security Self-Assessment tool which will require teams to objectively review the security in our properties and identify opportunities for improvements to physical and personal security
Opportunities for all	Launch apprenticeship scheme Complete bespoke leadership development programme for future leaders Define diversity focus areas and targets Provide training and accreditation to maintenance operatives
Enhance mental health and wellbeing	Achieve a net promoter score of +33 Achieve employee engagement scores within the top 25th percentile of externally benchmarked comparator group Mental Health First Aid training for all sites
Operations	Improve customer response times, targeting resolution within 72 hours on 70% of cases raised via the Student App Invest over 300 days in community or charitable support initiatives
Engagement	Launch behaviour programme to engage employees and customers and measure impact on energy use across a sample of sites
2025	Description
Net Zero Operations	Net Zero and Renewable Energy Guarantees of Origin (REGO)-approved energy targets Develop a full pathway to net zero following residual decarbonisation studies completed in 2024 Lower like-for-like energy consumption to below 3,900 kWh per bed 50% of assets fossil fuel free
Carbon Development	Develop a baseline whole life carbon intensity Measure whole life carbon to facilitate the setting an embodied carbon or whole life carbon targets in 2025
Climate risk management	Conduct a climate scenario analysis on our supply chain and supply routes with a focus on financial modelling Climate-scenario modelling year-on-year comparison
EPC Ratings	>65% of portfolio rated EPC B or better
Health and Safety	Install defibrillators at our largest sites
Operations	Implement in-room recycling initiatives
Supply Chain	Conduct key supplier survey to collect data about ESG engagement and performance within the supply chain

Stakeholder Engagement

The Board is responsible for providing strong leadership and effective decision-making to enable the continued success of the Company and the implementation of our strategy. We aim to follow best practice in corporate governance and develop such procedures to deliver long-term sustainable shareholder value.

We actively communicate and involve various groups that have an interest or influence in the Company's operations. Further details of how we engaged with our stakeholders throughout the year and how the Board considers Section 172(1) matters can be found in the 2023 Annual Report on page 72.

Other Stakeholders

In 2023, we provided a detailed ESG update within our Annual Report; we also fostered regular and open dialogue with relationship managers who proactively engaged in respect of sale and acquisition pipelines and early dialogue on refinancing requirements.

Alongside the recent Annual Report, this ESG report provides the information required for shareholders to assess the Group's overall performance against its strategy. The Board agrees that our reporting, is fair, balanced and understandable and gives all stakeholders the information necessary to assess the Group's business model, strategy and performance. Further details of how we engaged with our stakeholders throughout the year and how the Board considers Section 172(1) matters can be found in the 2023 Annual Report on page 72.



Table 5: Our stakeholders and how we engage with them

Stakeholder	Why We Engage	How We Engage	Topics	Outcome
Customers	The needs of our customers drive our brand and service offer. They provide vital feedback on how we can improve and better fulfil their needs. We have a responsibility to provide a secure and homely living environment and to care for their wellbeing. This is central to the Board's strategic decision-making and any associated operational change.	On a day-to-day basis within our buildings. Through biannual customer surveys. Through our social media presence. Through building relationships with universities in the towns and cities in which we operate.	Safety in their homes Customer service Value for money Building configuration Wellbeing	Developed our Hello Student app to facilitate the check-in process Global Student Living awarded our operational brand, Hello Student, Platinum Operator certification and our site at Bath Street, Glasgow, Best Learning Environment for 2023.
Employees	Our people are vital to the successful delivery of our business plan. We have a responsibility to provide our people with a safe place to work and to care for their wellbeing to enable them to prosper and succeed in their professional lives. The values and culture of our organisation is embedded within our teams.	On a day-to-day basis, we use Workplace as an internal communication tool. Quarterly townhalls are held where our people can raise questions and provide feedback. Through the One Team Collective	Safety at work Pay and reward Fair and equal treatment Business updates	Real Living Wage Employer with a focus on improving the compensation arrangements for our lowest-paid employees. Improved employee retention rate to 85 per cent.
Communities	The communities in which we operate help us fulfil our purpose of enhancing the university experience of our customers. We aim to understand each unique local community in which we drive decision making on how best we can make a difference.	Through on-site communication with members of the public and local communities. We have membership with the British Property Federation, where we can interact with communities and government on a wider basis Interaction through the property licensing disclosures we have to undertake	Local job creation Provision of appropriate housing stock Supporting local charities	Supported Switch 180 and the British Heart Foundation nationally Programme of charitable and community work across all sites
Shareholders	Our shareholders are key stakeholders in our business. The Board has a responsibility and desire to communicate key matters relating to the Group openly and honestly to our shareholders. The Group also has a wider responsibility to shareholders to enhance the value of the business, and fulfil its purpose ethically.	Face-to-face meetings with investors typically follow annual and interim results. The publication of our Annual Report, which presents a comprehensive update of the Company. At our Annual General Meeting. When a significant change is proposed, for example, material transactions or changes to the remuneration structure	Financial results and business performance Dividend payments ESG Remuneration policy	Numerous meetings with current and prospective shareholders held throughout the year. Property tours conducted in Bristol, Edinburgh and Liverpool. Attendance at industry conferences. Consultation on Post-Graduate growth strategy. Introduced shareholder vote on future ESG strategy.
Environment	Our environment is fundamental to our future. We have a duty to operate our business in an energy-efficient way, giving specific regard to the impact of our operations on the environment and utilising methods throughout our properties that mitigate the risk of environmental damage	Biannually, we provide a detailed ESG update within our annual and interim reports	Reduction in greenhouse gas emissions Becoming a sustainable business	Published stand-alone ESG report Improving our energy efficiency per bed with a 1.3 per cent reduction despite higher occupancy. Managing EPC risk with over 50 per cent of the portfolio now EPC B or better. New energy hedging contract signed with electricity sourced 100 per cent from renewable sources.
Lenders	Our lending partners are key to our financing strategy. They support the delivery of our day-to-day business plan through the extension of financing arrangements to facilitate developments, capital expenditure, or acquisitions.	Open and regular dialogue with relationship managers. Proactive engagement in respect of sale and acquisition pipelines and early dialogue on refinancing requirements. Ongoing covenant reporting	Refinancing and hedging needs Update on asset management initiatives and related impact	Prudent management of maturing debt with refinancing of 2024 and 2025 expiries in hand Quarterly covenant compliance reporting and regular engagement throughout the year Site visits
Agents and Consultants	These stakeholders act on the Company's behalf, therefore, it is fundamental that we ensure they understand our business requirements and meet the high standards of conduct that we expect of ourselves.	Regular meetings and day-to-day communication	Disposals, acquisitions and leasing Summer turnaround External audit tender Review of ERP provision and appointment	Disposal programme continued with six properties disposed of during 2023 Annual refurbishment activity Reappointment of BDO LLP as external auditor to the Group

Economic

Our Business Model

Our business model connects a distinctive and high-quality portfolio of Purpose-Built Student Accommodation with an efficient in-house operational platform. This strategic integration is designed to not only foster growth but also cultivate long-term, sustainable returns for our valued stakeholders.

Our focus on studio-led properties and a customer-first philosophy ensures that students enjoy some of the finest experiences available. Our tailored approach allows our team to establish open communication with students, delivering a more personalised and responsive service to better support them throughout their higher education journey. Our properties, often smaller and uniquely designed, exude individual character and heritage, fostering a sense of community that encourages students to consider our spaces as their “Home from Home.”

Hello Student, our operating brand has become one of the most effective, responsible, and recognised in the sector. In the 2023 Global Student Living Index, Hello Student outperformed all benchmarks for student satisfaction, exceeding the average for university and private halls.

We aim to optimise the value of our asset portfolio through proactive portfolio management, intending to recycle capital, enhance returns, and promote sustainability. This involves maintaining a portfolio of strategically positioned investments with compelling yields and opportunities for rental growth.

Student enrolment has experienced robust and continuous growth over the past decade, and this upward trend is expected to persist in the foreseeable future. We are committed to enhancing operational efficiencies by acquiring or developing new sites near well-located existing properties and high-performing universities. Our clustering strategy brings advantages through scale, allowing us to uphold the personalised and unique experience synonymous with the Hello Student proposition.



Economic Contribution and Community Engagement

How We Add Value

Our people and customers are our key focus, and we are here to deliver excellent, seamless service and commensurate financial returns through working together.

How We Create Value Within Communities

Our commitment to local communities extends beyond providing quality student accommodation. We have actively contributed to local employment and infrastructure by enhancing the overall wellbeing of the areas in which we serve. We have invested in projects that improve public spaces and overall urban development.

Market Presence

We have an extensive market presence which currently spans 27 towns and cities throughout the UK. A key aspect of our approach is investing in and supporting local communities. Our team, from site managers to senior management, is primarily composed of individuals who live and work in the same areas that they serve. This deliberate choice fosters a deep connection with the community, ensuring that our operations are not only efficient but also reflective of the local ethos. While we do provide relocation packages for employees making life choices to move to different regions, our emphasis remains on recruiting talent locally. We believe that managing student accommodation effectively requires an intimate understanding of the community, and our commitment to hiring from within reflects our dedication to strengthening the bonds we share with each unique town and city in which we operate.

Tax Strategy

We have a well-defined tax strategy that aligns with principles of good governance and compliance but also contributes to the overall sustainability and responsibility of the business. Ultimately, the management of tax risk is the responsibility of the Board through the Audit and Risk Committee. The Board delegates executive management to the executive Directors to ensure compliance with tax strategy. The CFSO is responsible for ensuring that the Tax

Strategy is implemented, with clear lines of responsibility and accountability, and aligned with the wider business strategy and approach to corporate governance. As the CFSO also chairs the ESG working group, tax considerations are integrated into our ESG approach, create long-term value and demonstrate our commitment to a more sustainable and ethical business model.

Sustainable Procurement

The Group is resolutely committed to supplier engagement and optimising onboarding processes, recognising suppliers as essential long-term partners in our corporate journey. A pivotal step in this journey is the recent appointment of a new Chief Operating Officer (COO) specifically tasked with overseeing these enhancements. Our procurement strategy is currently undergoing a positive transformation, moving away from decentralised practices to a more centralised approach. This shift is particularly relevant from an ESG perspective, portraying a positive trajectory for our organisation. At present, we are also actively working on establishing a comprehensive procurement policy to govern contracts with key suppliers as part of our commitment to fostering strong relationships. We define a key supplier to be a company that provides us with essential goods, services, resources and support.

Figure 4: Our business model and how we add value



Task Force on Climate-related Financial Disclosures

The Task Force on Climate-Related Financial Disclosures (TCFD) is a framework for managing and accessing climate-related opportunities and risks to the business.

About the TCFD

The Task Force on Climate-Related Financial Disclosures (TCFD) is a framework for managing and accessing climate-related opportunities and risks to the business. This framework is divided into four thematic areas, which correlate to the core elements of the organisation's operations. These core elements contain 11 disclosure recommendations, outlining the information that should be reported to provide transparency for stakeholders and a deeper understanding for the company of matters related to climate change.

The Group supports the Taskforce on Climate-related Financial Disclosures (TCFD) and believes it provides a strong foundation to develop our climate strategy. We understand that climate change presents potential risks to our property portfolio, business continuity and capital expenditures. There is a need for comparability in reporting across sectors as businesses collectively tackle climate change. Having provided a TCFD disclosure in our 2022 Annual Report, we are pleased to be able to present this full report for 2023, which now also includes a climate scenario analysis of the risks and opportunities to our business.

Figure 5: TCFD core elements



Complying with the TCFD

We recognise that climate change presents both physical and transition risks as well as opportunities for our business. We regularly discuss the effects of climate change in our ESG Committee and working group meetings to strategise effective mitigation methods to provide our customers, stakeholders and investors with maximum value. This includes monitoring the economic, technology or regulatory changes needed to move our industry to a lower-emission pathway. We monitor changes in the market to understand where there may be opportunities to have a competitive advantage.

LR 9.8.6R requires mandated companies to include a Task Force on Climate-related Financial Disclosures (TCFD) statement in their annual report. As a company on the premium listing segment of the Official List of the Financial Conduct Authority (FCA), we have complied with the requirements of LR 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures (11 of the 11 recommendations).

Table 6: TCFD areas and recommended disclosures

TCFD Area	Recommended Disclosures
Governance	
Disclose the organisation's governance of climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.
Strategy	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
Risk Management	
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks. b) Describe the organisation's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.
Metrics and Targets	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets



Governance

Disclose the organisation's governance of climate-related risks and opportunities.

For more information on our ESG Governance and how we identify, assess and manage climate-related risks and opportunities. Please see the Governance section of this report.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, where such information is material.

We recognise that climate change is a complex issue and acknowledge our responsibility to minimise our impact on the planet. Therefore, we are committed to reducing our environmental impact and carbon footprint. In 2022, we identified climate change as an emerging risk, however following further discussions in ESG Committee meetings, its status was updated to a principal risk in 2023.

We have conducted a climate scenario analysis, to gain meaningful insights into the climate-related risks and opportunities to our business over the short, medium and long-term. This methodology will help us ensure that climate change is appropriately factored into long-term strategy, risks are properly mitigated, and opportunities can be fully used to our advantage. We believe that ensuring our business is sustainable for the long term will enhance our resilience and business continuity. ESG

values are a key priority for our investors, and we are committed to supporting these values. Sustainability and climate resilience are important for our students and the communities in which we operate. Our partners and suppliers are increasingly interested in partnering with responsible businesses.

We utilised the TCFD framework to develop our understanding and management of climate-related risks and opportunities relevant to our business, incorporating these into the strategic and financial planning process for the business. This framework considers transition and physical risks and opportunities through climate scenario analysis in the short, medium and long-term. A climate scenario is a probable pathway of climate development under the anthropogenic impacts that has been constructed for explicit use in exploring our upcoming vulnerabilities to the impacts of climate change.

This alignment with the TCFD framework process is important to improve the longevity of the business, incorporating the identified climate-related risks and opportunities into the strategic and financial planning of the business in 2024.



Climate Scenario Analysis

As outlined in our ESG report, at the core of our proposition is a commitment to creating a sustainable business with a social and economic legacy for all stakeholders. In August 2022, we published the Group's Net-Zero strategy. We aim to achieve net-zero (Scopes 1 and 2) as a business by 2033 and have outlined two key performance indicators and seven targets in Table [10] that will enable us to track our progress against this commitment. We have accelerated our investment in green initiatives, having already allocated £12 million towards advancing our environmental pathway, with the aim of making our buildings more energy efficient and less carbon emitting, and to manage future EPC risk across our portfolio further.

Climate change cannot be perfectly predicted. Future outcomes depend on the level of action taken in the coming decades. Climate scenario analysis uses possible global warming pathways, to visualise potential future scenarios. This allows a better understanding of the potential risks and opportunities that can impact our operations directly or indirectly. For example, through new legislation, changing market conditions, or acute weather events like storms and wildfires

Our future vulnerability to the impact of climate change was assessed and scored, according to the likelihood of the event and potential damage to the business. This is our second year producing a TCFD report and first year of climate-scenario modelling, so no comparisons have yet been made to the previous period, this will be conducted in our 2024 disclosure. The impact of each scenario on the entity's business model and strategy and the resilience of our business model and strategy will be considered in greater depth in 2024, as we further develop our understanding of climate-related financial risks and opportunities.

The scenarios were built using established international frameworks, including The International Energy Agency's

World Energy Models (WEM), the Shared Socioeconomic Pathways (SSPs): Climate Natural Catastrophe Damage Model, CORDEX regional climate forecasts, and Integrated Assessment Models (IAM). The Group has considered the climate-related impacts under three scenarios:

Proactive Scenario (Below 2°C by 2100)

- Organisations align with the Paris Agreement and set net-zero targets by 2050.
- Governments will introduce policies in a structured and orderly fashion.
- Investment in low-carbon technology creates new solutions to lower energy and emissions.
- Consumers demand sustainable products, and markets shift to low-carbon alternatives.
- Many climate tipping points are not reached leaving a more predictable climate.

Reactive Scenario (2-3°C by 2100)

- Deals signed at COP26-28 sit here.
- The government introduces policies in an uncoordinated approach, giving companies limited time to comply.
- Climate action funding is stalled, and businesses are not incentivised to reduce emissions.
- Industry leaders set net-zero targets.
- Investment into low-emission technology is staggered.
- Some climate tipping points are reached, resulting in an unpredictable climate with severe physical risk consequences.
- Parts of the supply chain become disrupted.

Inactive Scenario (Above 3°C by 2100)

- Climate inaction.
- Industry and government continue a "business as usual" approach.
- Very few companies set net-zero targets resulting in emissions rising.
- Low-emission technology remains untested with high capital costs.
- Many climate tipping points are reached, creating a volatile atmosphere.
- Business is forced to adapt to physical climate risks without green financing.
- Supply chains collapse as some regions become inhospitable.

We have used three-time horizons to provide analysis with a suitable level of granularity and coverage. Looking beyond the usual business timelines, to include a long-term view up to and beyond 2052, providing insight into emerging future risks. The following list outlines the time horizons used to identify when a risk or opportunity could have the most significant impact on the business. These timeframes were chosen to align with the UK's target to be Net-Zero by 2050.

- Short (2023-2027): greatest changes would be in the proactive scenario over this period.
- Medium (2028-2037): physical impacts would start to be experienced, and in the proactive/active scenarios, policies will tighten.
- Long (2038-2052): greatest physical impacts would be experienced in this period in the inactive scenario.

Our Climate-related Risks

The Group has assessed the impact of climate-related risks as required by the TCFD framework. We identified fourteen risks and three opportunities that may have a potential impact on the business, based on 27 locations at the highest revenue site per city in 2023. The climate-related risks associated with the climate scenario analysis were reviewed by the ESG Committee and presented to the Board of Directors for the final sign-off in December 2023.

Risks that remained significant or high after the application of mitigation controls have been incorporated into the Group’s overall principal risk disclosures. Our longer-term timeline. Currently, only those risks deemed significant in the short-term will be transferred to the Group’s risk register. Climate-related risks assessed as significant in the medium and long term will be subject to annual monitoring but are not presently integrated into the Group’s risk register.

During 2024, we plan to expand the analysis to all the sites in our portfolio and include key suppliers in the climate scenario analysis to further expand our understanding of indirect climate-related risks through the supply chain. The steps we have taken to identify and manage each climate-related issue have been based on our existing risk management framework, to ensure a consistent and efficient assessment and categorisation. Each climate-related issue is classified using our rating system. Our process ranks risks initially by their likelihood, then according to its impact on the Group, to determine an inherent risk score by multiplying likelihood and impact. Subsequently, we rank each issue against the effectiveness of mitigating controls in place, to determine the overall net risk score. Risks with an inherent risk score of higher than nine are deemed as material.

Our longer-term timeline extends up to seven years and aligns closely with the short-term (0 to 5 years) climate modelling timeline. Currently, only those risks that are deemed material in the short term will be transferred to the Group’s risk register. Climate-related risks assessed as significant in the medium and long term will be subject to annual monitoring but are not currently integrated into the Group’s risk register. During 2024, we plan to expand the analysis to all the sites in our portfolio and include key suppliers in the climate scenario analysis, to further expand our understanding of indirect climate-related risks through the supply chain. The steps we have taken to identify and manage each climate-related issue have been based on our existing risk management framework, to ensure a consistent and efficient assessment and categorisation. Each climate-related issue is classified using our rating system. Our process ranks risks initially by their likelihood, then according to its impact on the Group, to determine an inherent risk score by multiplying likelihood and impact. Subsequently, we rank each issue against the effectiveness of mitigating controls in place, to determine the overall net risk score. Risks with an inherent risk score of higher than nine are deemed as material.

Table 7: Risk Rating Criteria

Likelihood Factor	Rating	Impact Factor	Rating	Control Effectiveness	Rating
Unlikely / Rare	1	Negligible / Insignificant	1	Very Effective	5
Possible / Seldom	2	Low / Marginal	2	Fairly Effective	4
Probable / Occasional	3	Medium / Serious	3	Partially Effective	3
Very Likely / Moderate	4	Significant / Critical	4	Hardly Effective	2
Almost Certain / Very Frequent	5	High / Catastrophic	5	Marginally Effective	1

Inherent risks factor

- Negligible (Dark green) – Inherent risk is equal to or lower than 2.
- Low (Light green) – Inherent risk is between 3 and 5
- Medium (Yellow) – Inherent risk is between 6 and 8.
- Significant (Amber) – Inherent risk is between 9 and 15 and qualifies as material.
- High (Red) – Inherent risk is between 16 and 25, qualifies as material.



Transition Risks

Transition risks arise from indirect impacts of climate change, including changes in government policy, technology, and market conditions. Climate-related transition risks specifically refer to risks associated with the transition to a low-carbon economy. There are several climate-related transition risks listed in Tables 8-10, which were identified as having a significant and high gross risk potential at our sites. We are responding to these risks and will continue to develop our controls over the next two years.

Table 8: Climate-related transition risks and mitigations: Policy & Legal

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline and risk rating	Scenario	Mitigating Controls in Place
Policy & Legal	Increase in regulation due to climate change, enhanced emissions reporting obligations.	<p>As the UK aims to be net-zero by 2050, to align with global efforts to transition to a decarbonised economy, enhanced regulations are likely to be introduced over time to encourage businesses to reduce energy usage and emissions.</p> <p>We are impacted by increased UK Government regulation, which has been introduced to reduce energy use and emissions, including UK ESOS, SECR and TCFD regulation, as of 2022.</p> <p>The costs and resources required for us to comply with necessary upcoming regulations and to manage internal initiatives are likely to increase.</p> <p>Increased regulation requirements will affect operating costs for the company, including third-party consultancy fees and the cost of internal resources.</p> <p>Potential additional costs could emerge from non-compliance or late case filing fees.</p>	Short - Medium Term (2023-2037) Gross risk - High	<2°C 2-3°C	<p>The Group considers both existing and emerging (e.g., Minimum Energy Efficiency Standard (MEES)) legislation when assessing climate-related risks. Through our existing risk management program and evolving environmental activities, we have dedicated internal resources and commenced collaboration with a third-party ESG consultant to ensure we remain compliant with current and emerging regulations.</p> <p>These costs on the business will be relatively low, due to the relevant proportion of our revenue.</p> <p>We have initially allocated £12 million to decarbonisation initiatives to reduce energy consumption and emissions. EPC ratings improvement and associated risk mitigations is a part of our 2023 targets, with the aim to meet the UK Government's 2030 EPC B or better target. (see Tables 1 and 2)</p> <p>It costs us between £60,000 and £150,000 per year to remain compliant with current climate reporting requirements, which we anticipate increasing within the short-medium term.</p>
	Carbon pricing mechanisms	<p>The UK has committed to a series of five-year carbon budgets. If carbon emissions do not decrease at a rate satisfactory to these targets, a tax on carbon emissions may be applied to companies.</p> <p>Carbon pricing in the value chain would lead to increased project costs.</p> <p>Using projected carbon tax values across <2, 2-3 and >3 degrees scenarios, this cost could be highest in the 2-3 degrees scenario past 2030, where the price is projected to peak and plateau.</p> <p>The fact that the built environment is directly responsible for 25% of the UK's carbon emissions has led to the creation of the UK Green Building Council's (UKGBC) Whole Life Carbon Roadmap that sets a clear trajectory for industry and government towards a net-zero future. As this Roadmap is being discussed by the UK Government in 2023, there is a high likelihood of its enrolment within the next couple of years. The possible need for additional compliance and associated financial risks can be mitigated further.</p>	Medium Term (2028-2037) Gross risk - Medium	2-3°C	<p>Our total CO2 emissions should reduce over time, given the Net-Zero commitments. To achieve this target, several initiatives have been planned (see Table 2).</p> <p>We will review the possibility of incorporating an internal carbon price within the next two years.</p> <p>Consider the measurement of whole life carbon, with the aim of setting embodied carbon or whole life carbon projection targets in 2025 to continue in line with the Company's existing decarbonisation targets.</p>
	Mandates on and regulation of existing products and services	<p>Mandates/regulations, such as the Building Safety Act and Building Safety Regulator, may become more difficult to adhere to/meet if the capacity of operations is hindered by climate change-related events (supply chain issues).</p> <p>Sector-specific decarbonisation strategies (Heat and Buildings Strategy and Future Homes Standard) mean that our business must meet targets and recommendations outlined by the frameworks (for example, EPC grading by 2030).</p> <p>Environment Act (2021) aims to improve air and water quality, protect wildlife, increase recycling and reduce plastic waste. The Act is part of a new legal framework for environmental protection, as the UK is no longer under EU laws post-Brexit.</p>	Short - Medium Term (2023-2037) Gross risk - Significant	<2°C 2-3°C	<p>We have identified several risks associated with compliance with regulatory mandates so mitigation measures can be established. (for example, H&S, External Wall System (EWS), Electrical Safety Rules)</p>

Transition Risks contined

Table 9: Climate-related transition risks and mitigations: Market

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline and risk rating	Scenario	Mitigating Controls in Place
Market	Increased cost of energy and raw materials	<p>Over the past few years, the escalation of worldwide events, such as the Covid-19 pandemic and global geopolitical issues, have caused widespread supply chain disruptions.</p> <p>We have identified risks associated with changes in energy prices and utilities.</p> <p>Unpredictable climate change impacts could significantly affect supply chains, with increased pressure on the operations, labour in the form of contractors and sub-contractors. Reliance on an undiversified supply chain can result in significant damage to business operations and profitability.</p>	<p>Short - Medium Term (2023-2037)</p> <p>Gross risk - Significant</p>	<p><2°C 2-3°C</p>	<p>One of the main measures taken to mitigate against the rising cost of energy is price fixing, which is already a part of our energy procurement.</p> <p>As we advance on our journey to become net-zero, we will aim to substitute our materials to lower emission alternatives, where possible.</p> <p>A number of sites are planned to convert to all-electric in 2024, and a large part of this energy generation will be renewable energy generated on-site.</p> <p>We plan to sub-meter over 1,500 rooms again in 2024 to provide richer data to enable training and behavioural adjustment.</p> <p>In addition to two more previously assessed sites, LED lighting surveys were completed for the St. Peters, Northgate, Picture House, Central Court, and Maritime Studios sites. In 2024, we have planned full LED and PIR upgrades on >20 buildings that include plug-and-play fitting to help with future maintenance costs.</p> <p>The external lighting at our Victoria Point, Manchester site has been replaced with LED lighting during 2023. As the lighting was failing, new energy-saving lighting was added as a response to several crime incidents to ensure the safety of students.</p> <p>All recent refurbishments have been upgraded to LED lighting. Additional initiatives that progressed during 2023 and will advance further in 2024 and will include the following:</p> <p>A feasibility study for the implementation of solar panels at 13 sites</p> <p>A full portfolio survey to determine which buildings will benefit from PV.</p> <p>14 sites will undergo decarbonisation surveys, which will contribute to the planned design to remove all gas boilers.</p> <p>We have created action plans for our 16 least energy-efficient properties, including disposals and works undertaken. The percentage of our sites that have EPC ratings of B or better has increased to 51% from 40% in December 2022. We installed full Atamate energy monitoring in a newly developed site and reviewed Building Management Systems in 45 sites. In partnership with Sheffield Council, our three properties in the City are a part of the low-carbon district energy, which provides central heating as a bi-product to incineration, facilitating progress toward net-zero. During the year, this initiative saved 94 tonnes of carbon compared to an onsite gas boiler. A further initiative completed this year was the installation of Smart Panel Heaters, which is discussed in the case study on page 36.</p>
	Changing consumer preferences	<p>The Group may be at risk of loss of revenue, reduced profitability and reduced growth if it is unable to keep pace with changing consumer preferences.</p> <p>With sustainability growing in importance, customers may change their market sentiment towards other Purpose-Built Student Accommodation (PBSAs) operators as more sustainable alternatives. The potential loss of business to more sustainable competitors could be harmful to revenue.</p>	<p>Medium Term (2028-2037)</p> <p>Gross risk - Significant</p>	<p><2°C 2-3°C</p>	<p>Our commitments to the planet are detailed in the sustainability section of our website and this ESG report. The report covers examples of our current and future decarbonisation initiatives.</p> <p>We demonstrate resilience and adaptability to the changing demands of customers by differentiating within the PBSA market with a highly efficient, low embodied carbon product and efforts to attract climate-conscious customers.</p>

Transition Risks continued

Table 10: Climate-related transition risks and mitigations: Reputation and Technology

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline and risk rating	Scenario	Mitigating Controls in Place
Reputation	Increased stakeholder concern	As the world transitions to a decarbonised economy, stakeholders are likely to have increased focus on environmental impacts, climate change and net-zero targets. Failing to properly communicate the manner we will proactively reduce our environmental impact, is likely to negatively impact investor sentiment/ratings, potentially limiting access to capital. With increased transparency comes increased scrutiny. Therefore, there is a reputational risk of not meeting publicly communicated targets.	Short - Medium Term (2023-2037) Gross risk - Significant	<2°C 2-3°C	We have allocated internal resources through a Net-Zero strategy and Engagement program and engaged a third-party specialist to ensure compliance with current and emerging regulations. We have an aptitude for engaging with climate change as outlined in the business' ambitious climate-related goals/targets for 2033 and 2050. This communication reassures stakeholders that we are proactive in this area. We have published this standalone ESG Report to communicate efforts to stakeholders, including customers.
Technology	Substitute existing products to lower emissions alternates	As we are not a manufacturing entity, alternatives can only be used in association with the provided services. The cost to ensure our facilities are sustainable and efficient is likely to increase as further investment into resources and modern technologies may be required.	Short - Medium Term (2023-2037) Gross risk - Significant	<2°C 2-3°C	We have been proactive with efforts to incorporate sustainability at the core of our operations. For example, our Net-Zero strategy and emission reduction targets with specific KPIs (see table 2). As we are on the journey to reduce our carbon emissions, we can position ourselves as being prepared for changing customer demands.
	Costs to transition to lower emissions technology	If capital investment into lower emissions technology is not made available, there is a risk that businesses will fail to decarbonise their operational emissions, resulting in the failure to meet climate-related targets and objectives.	Short - Medium Term (2023-2037) Gross risk - Medium	<2°C 2-3°C	We are aware of climate-related risks and the potential impacts they will have on our business. As a result, we are committed to decarbonising our business and contributing to the global efforts of keeping the temperature rise well below 2°C. We have made a significant initial capital allocation for investment into decarbonisation initiatives aimed at reducing energy consumption and emissions. We aim to be Net-Zero across our operations, developments, property portfolio and energy consumption by 2033 (Scopes 1 and 2). We have set a broader target of being absolute net-zero in all our emissions (Scope 3) by 2050 or before. To achieve this target, several initiatives have been implemented, and more are planned. For example, the target of 100% of electricity from 100% renewables has been achieved, EPC rating targets are set, and interim targets are on track to be met. (See Tables 1 and 2).

Physical Risks

Physical risks can be categorised as either chronic or acute. One-off events, for example, storms or floods, are considered acute. Ongoing changes, such as higher annual mean temperatures or rising sea levels, are classified as chronic risks.

The physical climate risks assessed the potential impact of climate events across our 27 properties with the highest revenue per city in the UK. There are five potential physical risks of differing magnitudes which may impact our sites: flooding, rising mean temperatures, water stress, coastal flooding and wildfires. These physical risks were assessed using the same scoring methodology as transitional risks (see section 3.2.) We are witnessing rising mean temperatures and are monitoring the potential implications for our operations, but this is currently deemed a low impact. In the short term, the other risks are not considered likely, based on the results of climate scenario modelling and review by the Board and ESG Committee. We will continue monitoring them to ensure we implement mitigating actions, as required.

Table 11: Climate-related physical risks and mitigations: Acute

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline and risk rating	Scenario	Mitigating Controls in Place
Acute	Heatwaves/ Extreme heat	<p>All 27 sites will experience heatwaves in the short-long term, under the Reactive and Inactive scenarios.</p> <p>Periods of extreme heat/heatwaves may impact students and staff, causing a decrease in productivity. This may impact site operations and maintenance activities.</p> <p>To maintain optimal temperatures for students and technology, there may be an increased demand for cooling through air-conditioning units, leading to an increase in energy costs, Scope 1 & 2 emissions and power outages.</p> <p>Students may decide to accommodate in areas where there is adequate air-conditioning rather than in older buildings that have not been retrofitted.</p> <p>Certain construction materials and their properties may change under extreme heat conditions.</p>	<p>Short - Long Term (2023-2052)</p> <p>Gross risk - Significant</p>	<p>2-3°C</p> <p>>3°C</p>	<p>We will target the establishment of questionnaires for employees and students, to understand the level of comfort, the impact experienced and improvement suggestions.</p> <p>Our summer occupancy rate is relatively low, acting as a mitigant against heat waves impacts on students using the accommodations during the highest risk periods.</p>
	Flooding	<p>A total of five sites are in potential high flood-risk zones, with 19 sites in areas that could be indirectly affected by flooding.</p> <p>We recognise that increased flooding could result in disruptions to our business and damage to our assets. Closure of sites may lead to a loss of revenue.</p> <p>As flooding increases in severity and frequency, it could directly damage property, as well as critical transport routes for students and employees, causing increased costs for the business through maintenance and other physical building mitigation measures that must be installed.</p> <p>Being located in a high flood-risk zone may cause an increase in our property insurance premiums, as studies show globally that premiums are expected to rise by 29% by 2040 due to climate change.</p> <p>There are an additional 19 sites that could be indirectly affected by the high flood risk zones, disrupting transport routes and accessibility of materials in and out of our sites.</p> <p>Long-term effects could cause the building's physical structure to be damaged and lengthy ongoing repairs.</p> <p>Moreover, the investment value of properties that are in high flood-risk areas can significantly decrease overall portfolio valuation.</p>	<p>Medium - Long Term (2028-2052)</p> <p>Gross risk - Medium</p>	>3°C	<p>Most of our sites are in close proximity to city centres and university campuses. Flooding mitigation for our sites at risk will be directly correlated with overall flood defence in the towns and cities they are located.</p> <p>Climate modelling will be used to assess the portfolio in terms of future acquisitions and management of the existing portfolio.</p> <p>In the next two years, we are aiming to have case study calculations to evaluate the financial implications of flooding on one of our sites to determine the extent of flood risks and to estimate the loss per day impact.</p>

Physical Risks contined

Table 12: Climate-related physical risks and mitigations: Chronic

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline and risk rating	Scenario	Mitigating Controls in Place
Chronic	Water Stress	<p>A total of 12 sites are in high water-stressed areas by 2040.</p> <p>Increased water stress in a location could result in a lack of freshwater resources. Our properties located in high-water stress areas may result in restricted water usage and additional regulation to report on water consumption.</p> <p>Water will require greater treatment, which may result in increased costs. Pressure is put on energy generation as hydropower, nuclear, gas and coal power stations reduce productivity.</p> <p>Increased water costs may contribute to increased rent, which may deter students from choosing a specific place for accommodation.</p> <p>Increased water stress may impact the completion of certain projects, having an adverse impact on projected revenue and profitability.</p> <p>External works that are reliant on water, such as cleaning, jet washing of pathways, and gardening, may be impacted if there are water restrictions.</p>	<p>Medium - Long Term (2028-2052)</p> <p>Gross risk - Negligible</p>	>3°C	<p>We will conduct a climate scenario analysis on our supply chain and supply routes during 2024 to understand their sensitivity to climate change. We also aim to set a water consumption baseline and a water reduction target in the next two years.</p> <p>To mitigate against water stress risk our York site has an independent water collection system. We are addressing potential water stress by optimising water usage via low-flow taps and good water management systems. A good example of that is our St Mary's site in Bristol, with the lowest water use of any known comparable living wall system.</p>
	Sea Level Rise	<p>One site is at direct risk of sea level rise, and eight sites are at an indirect risk from sea level rise.</p> <p>Sea level rise increases the risk of erosion and storm surges. As sea level rises, damage to sites could lead to closures and increased insurance premiums. Damage and disruption to major transport routes, may prevent students from being able to access a property and supplies being transported.</p> <p>One of our key sites is in an area susceptible to rising sea levels. However, the level that is expected to affect our site is expected to happen past 2050. We do not consider this risk to be great for the company at present.</p> <p>A total of eight of our key sites are in areas that could be indirectly affected by sea level rise.</p> <p>Sea level rise may lead to damage to ports, roads, railways and other logistical infrastructure related to our suppliers, resulting in the delay of purchased goods.</p> <p>This risk could have more impact on our supply chain and supply routes. We will conduct a climate scenario analysis on our supply chain in 2024 to enhance our understanding of this risk.</p>	<p>Long term (2038-2052)</p> <p>Gross risk - Low</p>	>3°C	<p>Most of our sites are in proximity to city centres and university campuses. Mitigation plans for our sites at risk of sea level rise will be directly dependent on the overall coastal defences installed and planned in the towns and cities where our sites are located.</p> <p>In the next two years, we are aiming to have case study calculations to evaluate the financial implications of flooding on one of our sites to estimate loss per day of impact.</p>

Physical Risks continued

Table 13: Climate-related physical risks and mitigations: Chronic

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline and risk rating	Scenario	Mitigating Controls in Place
Chronic	Wildfires	<p>A total of seven sites are at potential risk of wildfire impact.</p> <p>Wildfires are not a material risk for our UK operations, due to the location of our sites in urban areas with limited vegetation, to pose a risk. However, we recognise that they may increase over time due to droughts, heatwaves and other extreme weather conditions.</p> <p>Our sites in the United Kingdom are at minor risk of wildfires, with several wildfires occurring around them in the last four years.</p> <p>A warming climate will increase the severity and frequency of wildfires in the surrounding areas, which may increase costs with damage to assets and maintenance should they require it.</p> <p>Increased costs due to upgrades to ventilation systems and fire insurance premiums.</p> <p>The other main area of our business that could be affected by wildfires is our supply chain. This could result in damage to critical transport routes, causing increased costs for the business through the supply chain as well as student refunds if they are not able to stay at their accommodation for a lengthy period of time.</p>	Long term (2038-2052) Gross risk - Low	>3°C	<p>Removing wooden decorative elements from our facilities, especially for the exteriors, and replacing them with fire-resistant measures.</p> <p>Strict fire safety measures are already in place to keep students and staff safe in case of a fire emergency, regardless of the cause.</p>
	Heatwaves/Extreme heat	<p>All 27 Empiric sites will experience rising mean temperatures in the long term in the Inactive scenario.</p> <p>Direct damage to property and disruption to regular maintenance/repair services may have a financial impact.</p> <p>Property damage can occur for various reasons, for example, prolonged hot weather can cause every soil type to shrink enough that it can pull away from the foundations and cause subsidence.</p> <p>The contraction and expansion of building materials can contribute to structural damage and cracking of walls at our sites.</p> <p>Impact on infrastructure, including bridges, roads, railways, airports and associated transport networks.</p> <p>Moreover, chronic heat waves will cause increased requirements for air filtration systems.</p> <p>Increased need for cooling systems and the associated growth of energy costs.</p>	Long term (2038-2052) Gross risk - Low	>3°C	<p>We will consider the impact of heatwaves in future refurbishment projects and the usage of heat-resistant external insulation materials to maintain lower temperatures within the interior of our sites.</p> <p>During the next two years we will assess the climate-related impact on our supply chain to further understand associated risks.</p>

Climate-related Opportunities

We are keen to embrace the opportunities presented by the transition to a low-carbon economy. These opportunities are highest in the below 2°C scenario through investing in lower emissions technology, helping to decarbonise our operations whilst reducing costs. Being proactive and transparent with our environmental efforts and future goals is strengthening our market position with stakeholders, providing a competitive advantage to our business.

Table 14: Climate-related opportunities and response

Climate Opportunity Category	Climate-Related Opportunity	Impact description	Timeline	Scenario	Opportunity response strategy
Technology and changing customer behaviour towards products and services	Decarbonising the overall footprint of our services. Consumer shift towards sustainable designs and solutions presents a significant market opportunity.	The transition to sustainable design and innovative engineering solutions can aid lower emissions from our sites can provide us a competitive advantage. We recognise that customer preferences have not fully aligned yet and lower emissions are not currently the main reason for selecting our sites. We believe in time that, customer preferences are likely to shift with greater importance placed to sustainability metrics alongside other aspects such as the cost, location and quality of the service.	Short - Medium Term (2023-2037)	<2°C	<p>Our operations have proven to be flexible and adaptable to meet and exceed the expectations of a sustainable PBSA provider.</p> <p>Our ambition is to differentiate within the PBSA market with a highly efficient, low embodied carbon product and attract climate-conscious customers.</p> <p>A growing number of customers will be looking to use our services as we decarbonise our operations through new energy-efficient buildings and retrofitting obsolete buildings.</p> <p>We anticipate that the upfront cost of sustainable products will outweigh the potential increase in revenue associated with the demand for sustainable services.</p>
Energy resources	Use of lower-emission sources of energy	<p>The implementation of energy-efficient technology across operations, to meet our carbon reduction targets will additionally manifest in monetary savings in addition to a positive environmental impact.</p> <p>Energy efficient technology will decrease our energy consumption and the energy costs for our business. The payback associated with lower-emission sources of energy will mitigate the upfront cost of technology investment.</p> <p>Possible solar PV installation on our sites could further reduce emissions and decrease utility bills. This would reduce our reliance on the National grid and help mitigate potential carbon tax.</p> <p>Moreover, energy-efficient assets pose higher commercial value, resulting in higher portfolio valuation.</p>	Short - Medium Term (2023-2037)	<2°C	<p>We are committed to decarbonising operational emissions, aiming to be Net-Zero across our operations, developments, property portfolio and energy consumption by 2033. We have set a wider target of being net-zero in all our emissions (Scope 3) by 2050 or before.</p>
Reputation	Becoming the market leader in the sustainable design and construction industry	As customers and supply chain partners set their own values/ expectations for potential partners, we take a strong position as a sustainability proactive and reliable entity for future partnerships.	Short - Medium Term (2023-2037)	<2°C	<p>Transparency in communicating environmental values and strategy regarding climate change and Net-Zero creates a strong market-leading reputation.</p> <p>Our expertise in deep refurbishment and repurposing existing building stock continues to create high-quality PBSA operations with a low environmental impact and associated embodied carbon via the reuse of existing buildings.</p>

Actions Post Mitigation Controls

The risk level, likelihood, and impact of each climate-related risk were reviewed again following the implementation of mitigation controls. This review identified six climate-related risks with a net risk still within the range of significant or higher. We have followed up on these risks with additional Mitigation measures possible.

Table 15: Actions post-mitigation controls

Climate Opportunity Category	Climate-Related Opportunity	Impact description	Timeline	Scenario	Opportunity response strategy
Technology and changing customer behaviour towards products and services	Decarbonising the overall footprint of our services. Consumer shift towards sustainable designs and solutions presents a significant market opportunity.	The transition to sustainable design and innovative engineering solutions can aid lower emissions from our sites can provide us a competitive advantage. We recognise that customer preferences have not fully aligned yet and lower emissions are not currently the main reason for selecting our sites. We believe in time that, customer preferences are likely to shift with greater importance placed to sustainability metrics alongside other aspects such as the cost, location and quality of the service.	Short - Medium Term (2023-2037)	<2°C	<p>Our operations have proven to be flexible and adaptable to meet and exceed the expectations of a sustainable PBSA provider.</p> <p>Our ambition is to differentiate within the PBSA market with a highly efficient, low embodied carbon product and attract climate-conscious customers.</p> <p>A growing number of customers will be looking to use our services as we decarbonise our operations through new energy-efficient buildings and retrofitting obsolete buildings.</p> <p>We anticipate that the upfront cost of sustainable products will outweigh the potential increase in revenue associated with the demand for sustainable services.</p>
Energy resources	Use of lower-emission sources of energy	<p>The implementation of energy-efficient technology across operations, to meet our carbon reduction targets will additionally manifest in monetary savings in addition to a positive environmental impact.</p> <p>Energy efficient technology will decrease our energy consumption and the energy costs for our business. The payback associated with lower-emission sources of energy will mitigate the upfront cost of technology investment.</p> <p>Possible solar PV installation on our sites could further reduce emissions and decrease utility bills. This would reduce our reliance on the National grid and help mitigate potential carbon tax.</p> <p>Moreover, energy-efficient assets pose higher commercial value, resulting in higher portfolio valuation.</p>	Short - Medium Term (2023-2037)	<2°C	We are committed to decarbonising operational emissions, aiming to be Net-Zero across our operations, developments, property portfolio and energy consumption by 2033. We have set a wider target of being net-zero in all our emissions (Scope 3) by 2050 or before.
Reputation	Becoming the market leader in the sustainable design and construction industry	As customers and supply chain partners set their own values/expectations for potential partners, we take a strong position as a sustainability proactive and reliable entity for future partnerships.	Short - Medium Term (2023-2037)	<2°C	<p>Transparency in communicating environmental values and strategy regarding climate change and Net-Zero creates a strong market-leading reputation.</p> <p>Our expertise in deep refurbishment and repurposing existing building stock continues to create high-quality PBSA operations with a low environmental impact and associated embodied carbon via the reuse of existing buildings.</p>

Risk Management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

As for any business, timely risk management is essential to our success. The process for identifying and recording risks has been established and is embedded within the business. We acknowledge the presence of various risks that could affect the realisation of our strategy. While it may be challenging to foresee every risk, we have implemented a strong risk management process to identify, manage and mitigate potential risks. The Board establishes the Group's approach to identifying and managing risks and delegates oversight of risks to the Audit and Risk Committee.

We aim to reduce, regulate, and oversee the impact of climate-related risks on strategic priorities, profitability and reputation. Simultaneously, the goal is to capitalise on the climate-related opportunities, considering the perspective of long-term viability. The Board consistently evaluates the Group's risk tolerance, and our Audit and Risk Committee formally assesses the efficiency of our risk management process and internal control systems. A Group risk register is compiled from the reports of the various divisions and corporate functions. Prior to its submission to the Audit and Risk Committee, review meetings are held with departmental heads, and the identified risks and associated ratings are challenged where appropriate.

Risks are identified through a dual methodology. A "bottom-up" approach is employed at the operational level, designating responsible risk owners across the business. This is complemented by a "top-down" or corporate overlay, as determined by the Board. The identified risks undergo assessment, with each risk rated both gross and net of mitigating controls. The Board actively considers emerging risks and uncertainties that could hinder the Group from attaining its strategic objectives. Additionally, it monitors the development of both existing and emerging risks throughout the year.

The Audit and Risk Committee conducts a bi-annual review of the plan, with management bearing the day-to-day responsibilities for its design, implementation, and monitoring. Risks, encompassing both principal and emerging aspects, are evaluated based on their impact and likelihood, considering both financial and reputational perspectives. While not an exhaustive list, the Group's risks are categorised into three groups: external risks, internal risks, and emerging risks.

Climate-related risks were summarised for review during the Board-level workshop with the ESG Committee in August 2023. Climate-related risks were further assessed in detail, based on the climate-scenario modelling and compiled into an internal climate-risk register that mimics the structure of the Group's risk register with the appropriately modified risk timeframes (see section 3.1). The climate risk register was then reviewed by the ESG Committee and submitted to the Board in December 2023 for final review and sign-off. Identified material risks were further processed by the Audit and Risk Committee for combining the results into the Group's risk register with the allocation of risk owners.

All climate-related risks were scored on their likelihood and impact with the inherent risk factor quantified. Subsequently, mitigation controls and future actions were established. Risks with a higher scoring after the introduction of mitigation controls were then re-assessed to determine the mitigation measures available to further reduce net risk.

Climate-related risks that scored significant or high according to the scoring methodology and following post mitigation controls, which were associated with a long-term (2038-2052) time horizon and >3°C warming scenario in the physical risks categories, were not incorporated into the Group's overall Risk Register, due to the assessed time horizon. However, those risks will be reassessed annually and the established mitigation measures considered in a timely manner.

Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

For more information on our climate-related metrics and targets, see the Environmental Targets and Progress section below.



Environment

Overview

We aim to become a sustainable business to achieve net-zero. We are continuously taking action towards this goal. At the end of each financial year, inclusive of 2023, the Board reviews progress against annual targets and key performance indicators and agrees targets for the forthcoming year. In December 2023, the Board reviewed the progress against the 2023 targets and reviewed and approved the new targets for 2024.

We strive to reduce greenhouse gas (GHG) emissions across all sites, where possible. We are committed to on-going annual reporting on environmental performance. We calculate and report on Scope 1 and 2 GHG emissions to provide full transparency to stakeholders. This process is aided by the support of a third-party consultant. As this is our first year following the TCFD guidelines, we have not calculated our Scope 3 emissions, but a data collection process to calculate Scope 3 emissions will commence in 2024.

We are committed to decarbonising operational emissions, aiming to be Net-Zero across our operations, developments, property portfolio and energy consumption by 2033 (Scopes 1 and 2). We have set a broader target of being absolute net-zero in all our emissions (including Scope 3) by 2050 or sooner, with 2019 defined as our baseline year. The targets differ between scopes due to the difficulties in compiling and calculating Scope 3 data. However, we continuously improve our Scope 3 data collection process and aim to refine our Scope 3 target in the next 2 years. To achieve this target, several initiatives have been initiated. For example, 100 per cent of electricity is obtained from 100 per cent renewable sources and >55% of the portfolio will be rated EPC B or better by the end of 2024 – see Table 16.

We intend to validate our net-zero target with the Science-Based Targets initiative (SBTi) within the next two years.



Our Environmental Targets

Key for table

Target achieved

Target partially achieved

Target missed

Table 16: Environmental-specific 2023 targets, outcome and progress

Environmental 2023 Target	Outcome and 2023 Progress
Continue the roll out of smart panel heaters	Target progress: Over 225 units installed in 2023. Over 175 panels as part of the Brunswick, Southampton refurbishment which is underway and set to open for the start of academic year 2024/25. EcoSink (Intelligent valve for wet radiator): pilot successful at St Marks.
As part of our refurbishment programme, deliver two further carbon-neutral properties	Target partly achieved. Works in place with full delivery of four sites in early 2024: Brunswick, Southampton set to be net-zero for the start of the 2024/25 academic year.
Sub-meter over 1,000 rooms to provide more data to inform our education programme	Target subject to further technical solutions research in 2024: Several options will be reviewed. For example, the Atamate solution (a system to reduce energy and optimise building performance) that is installed at South Bridge, Edinburgh, along with Hark and Florawise, which both offer different options. Sub-metering will be considered alongside EcoSink and Smart Panel rollout.
Further upgrades to LED lighting and PIR sensors within the refurbishment programme	Target on track: Successful LED upgrades in Victoria Point and Foss Studios sites. Energy surveys completed across 14 buildings; upgrades will take place in 2024.
Greener Solutions Installation	Partial attainment: Full decarbonisation surveys have been undertaken on 12 sites during 2023. These will form the main capex programme for 2024. Air source heat pump (ASHP) and PV installations are planned for installation at 16 sites in 2024.
Audit Building Energy Controls to optimise their energy use	Target achieved: Successful Building Management System (BMS) audits across the portfolio. CBRE completed building-by-building review showing the existing status and consumption that will allow a range of interventions (ASHP, PVs etc) to be modelled before 2033. A review in early 2024 will confirm that the optimal efficiency targets are being achieved.
Reduce EPC E-rated properties	Including disposals and works undertaken, the % of B or better EPCs has increased to 51% (40% - Dec 22). Two 'F' rated EPCs were reassessed, benefiting from a revised assessment methodology. Key highlights of assessments lodged: <ul style="list-style-type: none"> •George Street (EPC F – EPC C) •Willowbank (EPC D/G – EPC A) •Ballet School (EPC E – EPC B) •Bath Street (EPC F – EPC A) •The Frontage (EPC E – EPC D) •Maple House (EPC C – EPC B)
Install greener solutions, including PV and insulation improvements, as part of our capital programme	Full decarbonisation surveys have been undertaken during 2023. These will form the main capex programme for 2024 with the installation of ASHP and PVs at 16 sites. This roll out will be led by the new Energy Project Manager.
Carry out an audit of individual building energy controls to optimise energy use	BMS audits completed across the portfolio. CBRE undertook a building-by-building review showing the existing status and consumption that allowed a range of interventions (ASHP, PVs, etc) to be modelled before 2033. This is being reviewed in Q1 2024 to confirm the suggested efficiency is being achieved and which are the best combinations.

Environmental Management

Our stakeholders, express a keen interest in environmental improvements, driving our efforts to create positive and sustainable surroundings.

While aesthetic and branding considerations traditionally guide our property development decisions, we are now integrating environmental factors into our planning process. Emphasising energy efficiency, we focus on adapting existing structures rather than constructing new ones, addressing concerns such as unwanted cladding removal and promoting responsible material use.

Our ongoing journey toward enhancing environmental management reflects a positive trajectory. We remain dedicated to exploring new initiatives that not only improve our environmental credentials but also foster a positive and sustainable environment for our students.

Greenhouse Gas Emissions

We are consistently working towards minimising its greenhouse gas (GHG) emissions at all locations whenever feasible. We calculate and disclose our Scope 1 and 2 GHG emissions to ensure transparency for stakeholders. A third-party consultant assists in this process. In our inaugural year following the TCFD guidelines, Scope 3 emissions have not been reported. Nevertheless, a data collection process for Scope 3 emissions will commence in FY2024 to ensure comprehensive reporting in the FY2024 TCFD and ESG reports.

We are resolute in our desire to decarbonise our operations. We aim to be Net Zero across operations, developments, property portfolio, and energy consumption by 2033 (Scopes 1 and 2). A more extensive objective is to attain net-zero emissions across all scopes, including Scope 3, by 2050 or earlier. To meet this target, we have devised several initiatives. For example, to continue to source 100 per cent of our electricity from renewable sources. We aim to have over 55 per cent of the portfolio awarded an EPC rating

of B or better by the end of 2024. This will be achieved by improvements to assets to align with improved EPC scores as required during upgrades and refurbishments. This will be reinforced through the assessment of EPC ratings on all new acquisitions and developments. Also, we aim to validate our net-zero target with the Science Based Targets initiative (SBTi) within the next two years.

We have allocated internal resources through a Net-Zero strategy and engagement program to meet these targets.

Scope 1 and 2 Emissions

Following TCFD guidelines, we have aligned the carbon emissions reduction strategy with the 1.5°C scenario outlined in the Paris Agreement. In 2023, we have engaged with a third-party consultant to calculate our 2023 Scope 1 and 2 emissions (Tables 17-18). A third party used the Company's data to calculate emissions, but no formal assurance is currently provided.

In accordance with SECR requirements, the information below summarises our energy usage, associated emissions, energy efficiency actions, and energy performance. It contains information on Greenhouse Gas (GHG) emissions required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ("the Regulations"). We have chosen to report this information in line with the EPRA's (European Public Real Estate Association) sustainability best practice methodology, which is based on the Global Reporting Initiative (GRI) Standards. Carbon emissions are categorised as follows:

- Scope 1: Consumption and emissions related to direct combustion of natural gas, fuels utilised for transportation operations, such as company vehicle fleets and refrigerant gases.
- Scope 2: Consumption and emissions from indirect emissions relating to the consumption of purchased electricity in daily business operations.



Other Environmental Impacts

Waste Management

One prominent area of ESP's focus is recycling. Students aspire to witness more robust recycling practices, and we are dedicated to exceeding their expectations.

We actively promote recycling within our properties, implementing waste segregation practices to ensure responsible disposal. By providing bins and educating occupants, we contribute to a culture of environmental consciousness. Additionally, waste segregation at select sites is managed through collaboration with our waste broker, facilitating efficient recycling processes and further enhancing our sustainability initiatives.

We actively seek student feedback on recycling practices and initiatives, such as partnering with reputable waste brokers to ensure responsible waste monitoring and disposal.

The data available from private waste collections significantly increased in 2023, rising to 24 sites compared to two previously. This allowed for a more accurate representation of the waste intensity, which increased by 13 per cent (from 0.24 to 0.28 tonnes/bed/year in like-for-like properties). The average waste obtained per bed was used to calculate the waste obtained in properties which relied on council waste disposal and the relevant council recycling rates were used to account for the proportions of landfill, recycling and energy recovery waste. For like-for-like properties there was an increase of nine per cent in recycled waste, a 32 per cent increase in waste to landfill and a 52 per cent decrease in waste processed in an energy recovery facility (ERF). This is due to the increased private contracts which often offer higher rates of recycling compared to the responsible local council.

One of our commitments to environmental responsibility includes a mattress recycling initiative, where mattresses from rooms are reconditioned and recycled every 3–4 years. This program not only minimises waste but also contributes to sustainable practices within our operations.

Water Stewardship

Water usage has emerged as an area requiring better understanding, and we are committed to implementing low-usage water taps and setting specific targets for each site.

Recognising the importance of measuring water consumption, we commit to enhancing our understanding of water usage at each site over the next two years and establishing a baseline. Our focus will then shift towards implementing strategies to reduce water usage.

We currently have several water initiatives. With water usage decreasing by 21 per cent in 2023 (from 43 to 35 m³/bed/year in like-for-like properties). Our largest site in York has an independent water collection system. We are also addressing potential water stress risks by optimising water usage via low-flow taps and water management systems. We acknowledge the need to explicitly state our commitment to measuring water consumption. In the next two years, we aspire to enhance our comprehension of water consumption at each of our sites and establish a suitable baseline. Subsequently, our focus will shift towards implementing strategies to reduce water usage and associated costs. This will be complemented by the formulation of water reduction targets, accompanied by key performance indicators to track our progress and ensure the effectiveness of our conservation efforts.

Transportation

As part of our commitment to reducing carbon emissions, we maintain a fleet of electric vans for our operations. To ensure the continued environmental efficiency of our transportation, we are in the process of renewing and updating our electric van fleet. We hope to have this completed by the end of 2025 and will provide an update in our 2024 ESG Report.

Biodiversity

While the Asset Quality (AQ) team is dedicated to the core responsibility of managing external spaces, we acknowledge a gap in the oversight of biodiversity within some of the sites. Nevertheless, there is a clear and positive intention to transcend mere maintenance, actively seeking improvement in our approach to enhance the overall environmental impact.

Despite having longer-term plans on hold, initiatives like creating meadows with beehives and mini allotments for students remain integral to our vision. Our current approach focuses on mitigating the impacts of existing services and preserving the established green spaces.

At St Mary's, the introduction of a living green wall and green roofs underscores our commitment to biodiversity and sustainable practices. This water-efficient system, using just 1 litre of water per day, contributes to a series of living walls fostering wildlife, improving air quality, and forming a crucial green link between gardens and the adjacent Brandon Hill Nature Park.

Building on this success, we have introduced green roofs at various other sites to promote local fauna. Additionally, we have incorporated the installation of bird and bat boxes to further enhance our support for local wildlife.



Energy Resource Management

As we advance on our journey to become net-zero, we will aim to substitute our materials to lower emission alternatives, where possible. Our Foss Studios building will be all electric in 2024, with a large part of the energy generation targeted to be renewable energy generated on-site.

To continue our LED lighting rollout, we surveyed additional sites to assess the benefits of implementation. If the survey results are positive, LED lighting will be implemented in 2024. Our Victoria Point, Manchester site has external LED lighting. Furthermore, all refurbishments will have LED lighting installed.

During this financial year, the smart panel heaters programme has saved 94 tonnes of carbon compared to an onsite gas boiler.

For further information on our progress in 2023, see Table 17.

Enabling our Solar PV Systems to Shine

As part of our sustainability strategy to become Net Zero by 2033 (in our operations, property portfolio and energy consumption), we looked at ways we could embrace renewable energy in our student properties. Following extensive reviews, condition surveys and remedial works across our Hello Student buildings, we were able to successfully install solar PV (photovoltaic) systems across 13 of our sites, that are now using energy from the sun to run their buildings.

While we recognised the value that solar energy could bring to our properties, we met various challenges throughout the process. We weren't able to assess the quality of the solar installation, current performance, reliability and whether the system operated to its full generation potential. To address these issues, we initiated a comprehensive condition survey and report on each solar PV installation. This gave us an insight into the quality of installation, deterioration of the system components, maintenance issues and current performance. Subsequently, repair works were completed on almost all systems to ensure they were efficiently running and generating energy as designed.

When all of our existing systems are operational, we will establish a centralised real-time monitoring system. This will analyse the performance of the solar PV and other building systems. Running alongside this project, we will also look at wider building controls and Building Management Systems (BMS), so we can better monitor and record the performance and generation of each system.

Next year, we plan to identify additional Hello Student properties, which can accommodate solar PV systems. And, our development team is proactively integrating solar PV into building refurbishments, such as those in Cardiff, Summit House and Birmingham's Brook Studios, with the intention of centralising their monitoring. These activities show that Hello Student is committed to maximising the potential of solar PV systems, which will significantly help in reaching our sustainable energy targets.

Case Study: EcoSync ‘smart’ Radiator Control Valves at St Marys, Bristol

Many of our Hello Student buildings still have traditional ‘wet’ radiator heating systems controlled by manual thermostatic radiator valves (TRV). While these age-old systems are simple to operate, they are inherently inefficient. In response, we have updated and installed EcoSync ‘smart’ radiator controls to modernise our buildings and eliminate wasted energy and money.

We already knew that ‘wet’ radiator heating systems are flawed. As they rely on people to turn control dials themselves to get the desired temperature, they are usually left on for extended periods when they may not be required, e.g. when a room is unoccupied during holidays. This can lead to overheating and rising energy costs.

We also discovered that some of our overseas students were unfamiliar with ‘wet’ heating systems and the manual nature of them. As a result, some students who felt too warm ended up opening windows because they didn’t realise their radiators were set to the highest heat.

In response to these issues, we replaced 78 manual TRVs with battery-free and maintenance-free EcoSync ‘smart’ TRVs, which intelligently monitor, record and control the room heating. With the new system, students can quickly and easily adjust temperatures by using an app on their smartphone and can turn it off completely, if they are leaving the room over the holidays, for instance.

In addition, special sensors have been installed that automatically shut down the heating if a room window is left open, eliminating wasted energy and money. The ‘smart’ TRVs collect data every 5 minutes for every room they are in, which the system learns from and then automatically

improves the operation. They can also self-diagnose maintenance issues and can even identify if a student is using an additional heat source, such as a portable plug-in heater.

This upgrade has already reduced energy use by 29%. Due to the timings of the installation, we were only able to gather data from a small part of the heating season. We will, therefore, have more data to ensure it runs to its optimum level over the coming months while rolling out to further buildings.

The new system also identified that the boilers are running more than they need to. In response, a separate project is now underway to optimise this and make additional energy and cost savings.



EPRA Sustainability Performance Measures and GHG emissions

Table 17: EPRA Sustainability Performance Measures and GHG emissions

Sustainability Performance Measures (Environment)					Total Portfolio					Performance based on Asset Type									
Impact Area	EPRA Code	Indicator	Boundaries	Units	Absolute Performance		Like-for-Like Performance			Head office					Student Accommodation				
					2022	2023	2022	2023	% change	2022 (Abs)	2023 (Abs)	2022 (LfL)	2023 (LfL)	% change	2022 (Abs)	2023 (Abs)	2022 (LfL)	2023 (LfL)	% change
Energy	Elec - Abs, Elec - LfL	Electricity	Total landlord obtained energy consumption from electricity (Scope 2)	kWh	20,511,433	19,453,387	17,634,330	17,596,291	0%	99,825	99,825	99,825	99,825	0%	20,411,608	19,353,562	17,534,505	17,496,466	0%
			Proportion of energy consumption from renewable sources	%	100%	100%	100%	100%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%
			Proportion of data estimated	%						100%	100%	100%	100%	0%	0.15%	0.02%	0.17%	0.02%	-90%
			Coverage (% by bed)	%	100%	100%	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	100%	100%	0%
	DH&C - Abs, DH&C - LfL	District heating and cooling	Total landlord obtained energy consumption from district heating and cooling (Scope 2)	kWh	602,384	602,384	602,384	602,384							602,384	602,384	602,384	602,384	0%
			Proportion of energy consumption from renewable sources	%	51%	51%	51%	51%							51%	51%	51%	51%	0%
			Proportion of data estimated	%	25%	100%	25%	100%							25%	100%	25%	100%	297%
			Coverage (% by bed)	%	100%	100%	100%	100%							100%	100%	100%	100%	0%
	Fuels - Abs, Fuels - LfL	Fuels	Total landlord obtained energy consumption from fuels (Scope 1)	kWh	18,588,701	17,860,825	15,309,627	14,912,196							18,588,701	17,860,825	15,309,627	14,912,196	-3%
			Scope 1 transport data	kWh	0	0	0	0							0	0	0	0	0%
			Proportion of energy consumption from renewable sources	%	0%	0%	0%	0%							0%	0%	0%	0%	0%
			Proportion of data estimated (%)	%											0.33%	0.00%	0.00%	0.00%	
			Coverage (% by bed)	%	100%	100%	100%	100%							100%	100%	100%	100%	0%
	Energy - Int	Energy Intensity	Total landlord obtained energy	kWh/bed/year	4,319	4,166	4,540	4,481		N/A	N/A	N/A	N/A	N/A	4,319	4,166	4,540	4,481	-1%
	No. of applicable properties		Energy and associated GHG disclosure coverage	-	88	87	82	71		1	1	1	1	0%	87	86	81	70	-14%

EPRA Sustainability Performance Measures and GHG emissions continued

Table 18: EPRA Sustainability Performance Measures and GHG emissions

Sustainability Performance Measures (Environment)					Total Portfolio					Performance based on Asset Type									
Impact Area	EPRA Code	Indicator	Boundaries	Units	Absolute Performance		Like-for-Like Performance			Head office					Student Accommodation				
					2022	2023	2022	2023	% change	2022 (Abs)	2023 (Abs)	2022 (LfL)	2023 (LfL)	% change	2022 (Abs)	2023 (Abs)	2022 (LfL)	2023 (LfL)	% change
GHG emissions	GHG - Dir - Abs	Direct	Scope 1 emissions from landlord obtained consumption of fuels	tCO2e	3,393	3,267	2,795	2,728	-2%	0	0	0	0	0%	3,393	3,267	2,795	2,728	-2%
	GHG - Ind - Abs	Location	Scope 2 emissions (location based) from landlord obtained consumption of electricity		3,998	4,060	3,441	3,675	6%	19.304	20.671	19.304	20.671	7%	3,979	4,039	3,422	3,654	7%
	GHG - Int	GHG emissions intensity	GHG emissions intensity from Scope 1 and 2 (location-based) emissions	tCO2e/bed/year	0.80	0.80	0.84	0.87	3%	N/A	N/A	N/A	N/A	N/A	0.80	0.80	0.84	0.87	3%
	Fugitive Emissions		Emissions from leaks of GHG, for example from refrigeration and air-conditioning units (Scope 1)	tCO2e	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water	Water-Abs, Water-LfL	Water	Total landlord obtained water from municipal water supplies	m3	382,679	294,017	318,615	252,418							382,679	294,017	318,615	252,418	-21%
			Proportion of data estimated	%	16%	17%	13%	14%							16%	17%	13%	14%	3%
			Coverage (% by bed)	%	100%	100%	100%	100%							100%	100%	100%	100%	0%
	Water-Int		Landlord obtained water intensity	m3/bed/year	42	32	43	34							42	32	43	34	-21%
Waste	Waste-Abs, Waste-LfL	Waste	Total weight of waste to landfill	Tonnes	1,256	1,623	982	1,294	0	0	0	0	0	0	1,256	1,623	982	1,294	32%
			Total weight of recycling waste	Tonnes	742	822	586	637	0	0	0	0	0	0	742	822	586	637	9%
			Total weight of waste to energy recovery facility (ERF)	Tonnes	240	121	232	111	0	0	0	0	0	0	240	121	232	111	-52%
	Waste-Int		Total waste obtained	Tonnes/bed/year	0.25	0.28	0.24	0.28	0	0	0	0	0	0	0.25	0.28	0.24	0.28	13%

Social

Our Approach

Our goal is to attract and develop a skilled and varied workforce, ensuring equal opportunities are available to all our stakeholders. Our workforce is some of the finest in the industry, and their expertise and attitude are critical to our success as a business. We are constantly monitoring and seeking ways of improvement to engage and retain our staff. We offer comprehensive benefits packages to support our employees and maintain global competitiveness. Additionally, our goal is to provide a compelling and stimulating atmosphere where employees are encouraged to continuously learn and develop.

Our key priorities and targets are tailored to address our industry and our areas of improvement, meet the needs of our stakeholders and contribute to the overall Group's success.

The table on the next page highlights the 2023 progress against our social goals.



Social Targets and Impact

Key for table

Target achieved

Target partially achieved

Target missed

Table 19: Social targets and impact

Aspiration	Social Goals	2023 Progress
Improve wellbeing, diversity and inclusion	All employees to have access to wellbeing support	All team members have access to a range of physical, mental and financial wellbeing support via our Employee Assistance Programme and also our wellbeing hub on Reward Gateway.
Increase Employee engagement	Achieve an employee engagement score of 80 per cent or better	Year-end engagement score of 85% was achieved
Improve wellbeing, diversity and inclusion	50 per cent of non-entry level positions filled through internal promotion	In 2023 (52%) of eligible roles (not entry level or technical specialist) were filled through internal progression.
Improve wellbeing, diversity and inclusion	Launch apprenticeship scheme	We plan to launch our apprenticeship scheme in 2024 and utilise the courses to support our team members with external qualifications via our new Future Stars programme.
Provide outstanding customer service	Providing outstanding customer service to our students with same day response to queries raised and 95 per cent of queries resolved within 72 hours	Service levels achieved since September 2023 (start of new AY)
Improve wellbeing, diversity and inclusion	Improve accessibility of our buildings for students with disabilities where required	Target missed
Provide outstanding customer service	Strive to improve our net promoter score further, with a target of +30	Net Promoter Score (NPS) H1 2023 of +32; H2 2023 +30.5
Increase Employee engagement	Each city to nominate a local cause to champion	Site teams have completed 48 community events during 2023

“We are a socially responsible company which demonstrates strong governance and ethical behaviour. We are committed to continuously enhancing and developing our existing environmental, governance and social activities, taking accountability for our actions.”





Our People

Our people are vital to the successful delivery of our business plan. Their attitude, talent and commitment creates a culture that supports creativity and integrity. We have a responsibility to provide our people with a safe place to work and to care for their wellbeing to enable them to prosper and succeed in their professional lives. The values and culture of our organisation are embedded within our teams.

The total number of employees at the end of 2023 was approximately 348, corresponding to 269 full-time employees and 79 part-time employees.

Depending on the role, we provide part-time and temporary working opportunities, where possible.

Employee Turnover and new hires

We aim to ensure our employees are proud and happy to work with us. The average percentage of voluntary employee turnover across the Group in 2023 was 15%, which was a decrease from 21% in 2022.

Table 20: Employee turnover in 2023.

	2023	2022
Empiric	15%	21%

Table 21: Number of permanent new hires in 2023.

	2023	2022
Under 30	43	38
Between 30-50	42	53
Over 50	17	15
Total	102	106

Employee Engagement

Our regular cadence of communications includes a formal employee representative group we call the ‘One Team Collective’ (OTC); an anonymous ‘Talk To Us’ online suggestion box; a Q&A with the executives who made themselves available to all employees regularly; quarterly internal service surveys and annual engagement surveys. These collectively provide opportunities to frequently share information and views with the Executive Committee.

Employee Engagement Questionnaire

85% Of employees said that they would recommend ESP or Hello Student services as a great place to work

Engaged and passionate employees in a safe working environment positively contribute to our strategy, reputation and performance. In Q1 and Q4 2023, we carried out our employee engagement questionnaire to help gather feedback from employees. Feedback was reported to the Board and showed our employees are highly engaged. We plan to repeat the questionnaire in 2024, asking more questions. We will publish the results of the 2024 questionnaire in our next ESG Report.

Table 22: Our 2023 key statistics

348	employees
25%	of full-time employees live within a 25km radius of our head office
62%	male: 38% female ratio split of all employees
81%	of Senior Management are aged between 30 and 50
33%	of Senior Management are female
100%	of employees received regular performance and career development reviews in 2023
70%	of those who took parental leave in 2023 returned to work
42%	of permanent new hires in 2023 were under the age of 30



“Employee engagement is a catalyst for the business’s success. Our two-way communication keeps employees informed, invested and engaged. It is important we understand our employees’ concerns and our bi-annually employee engagement questionnaire allows us to keep our finger on the pulse, identify trends and take action if needed.”

Group People Partner

Workplace Awards

Our focus on building an engaging, vibrant and inclusive company culture has led to global recognition from companies such as Global Student Living. Additionally, our students’ living experience is our priority, and we are delighted that the service our Hello Student team provides has been recognised with the highest level of certification. The table below details a list of the awards we have received over the last 12 months.

Table 23: List of recognition and awards in 2023.

Awards won in 2023
Platinum Certified Operator status by Global Student Living
Finalist: Global Student Living Awards – Private Housing UK & Ireland
Winner: Global Student Living Awards – Best Learning Environment UK & Ireland
Finalist: Global Student Living Awards – Student Wellbeing UK & Ireland
Finalist: Global Student Living Awards – Individual Property UK & Ireland
Shortlisted: Student Accommodation Operator of the Year category
Bronze Award: Hello Student – Transform Awards Europe for Best visual identity
Finalist: Property Company of the Year- Property Week's Property Awards
Winner: Samuel Tuke, York – Student Crowd Best property per City Awards
2nd Place York Category: Foss Studios – Student Crowd Best property per City Awards
3rd Place Southampton Category: London Road Apartments – Student Crowd Best property per City Awards
2nd Place Bristol Category: College Green – Student Crowd Best property per City Awards
3rd Place Bristol Category: Market Quarter Studios – Student Crowd Best property per City Awards
2nd Place Glasgow Category: Bath Street – Student Crowd Best property per City Awards
3rd Place Manchester Category: Victoria Point – Student Crowd Best property per City Awards
3rd Place Nottingham Category: Talbot Studios – Student Crowd Best property per City Awards



Global Student Living Index

Global Student Living is the global network for student accommodation investors, developers, operators and suppliers. The Global Student Living awards recognise and celebrate outstanding achievement in student houses and are based 100% on direct feedback from students.

Having been awarded Platinum Certified Operator status in 2023, this incredible recognition is a testament to the honest feedback and experiences shared by our customers in the Global Student Living Index 2023.

We've listened to every matter raised by our customers and rolled out a number of new initiatives over the past year to support students with their mental health, build a real community and respond to and resolve any issues and queries quickly. We try hard to deliver the personal touch and "home from home experience" as such, we are pleased to have received positive feedback from students via the site teams.

Key Findings of the Global Student Living Survey 2023

- 85% of students rated their accommodation positively, outperforming industry benchmarks of 81% for private halls and 79% for university halls.
- 48% of students rated their accommodation as "very good", in comparison to other private halls, which scored 39% and other university halls which scored 35%.
- A record Net Promoter Score (NPS) for Q4 2023 of +30.5.
- 86% of our students rated the overall booking experience positively – outperforming the benchmark of 82%.
- 83% of our students rated the overall moving-in experience as "good" or "very good" – improving on the benchmark of 81%.

Student Crowd: Best Property Per City Awards

Student Crowd analysed student accommodation rankings from over 48,981 verified students who submitted reviews on their platform. Winners were selected from those that consistently received the best reviews over the last 12 months across 7 categories that students rated out of 5 stars. These property awards cover all the most important factors when choosing student accommodation and are the only awards based on 100% verified students studying at UK universities. We are delighted that our Hello Student property 'Samuel Tuke' won first place for York and we received seven other awards, either 2nd or 3rd place across the various regions.

More information on awards received can be found on our website.

"The accommodation was fantastic! Clean, comfortable and equipped with all the necessary amenities. The staff were extremely friendly and helpful, and the location was perfect for exploring the surrounding area. I would highly recommend this place to anyone looking for a great stay!"

A verified student on 5th February 2023 via Student Crowd, commenting on Hello Student College Green in Bristol.

"I had a fantastic experience living in the student apartment. The facilities were top-notch, providing a comfortable and conducive environment for studying. The staff was incredibly helpful and responsive to any issues. The location was convenient, with easy access to campus and nearby amenities. Overall, I would give it a five-star rating for its excellent living conditions and supportive community."

A verified student on 5th December 2023 via Student Crowd, commenting on Hello Student Samuel Tuke Apartments in York.

"As a student, Foss Studios has been a lovely place to live during term time. The staff are always incredibly friendly and helpful, and with the facilities provided, I am able to have everything I need in one place."

A verified student on 17th March 2023 via Student Crowd, commenting on Hello Student Foss Studios in York.

Diversity and Inclusion

We believe in creating a diverse and gender-balanced workforce which reflects the customers and communities we serve.

Our employees are committed to promoting an inclusive, positive and collaborative culture. We treat everyone equally irrespective of age, gender, sexual orientation, race, colour, nationality, ethnic origin, religion, religious or other philosophical belief, disability, gender identity, marital or civil partner status, or pregnancy or maternity. Our workforce and customers are from a diverse range of people so we need to ensure that our workplace remains inclusive and allows our people and our customers a place where they can thrive. We are an equal-opportunity employer and will always aim to extend diversity as vacancies arise.

The Board continues to monitor progress on diversity, and the gender breakdown for the Company at the end of 2023 is shown in the table below.

The Board believes that being inclusive improves opportunities for our students, employees and people living in the communities. This creates long-term value for

our business and society. The Board and all Committees consider diversity for every appointment. The female representation of the Board during 2023 was 33 per cent, with females representing two out of six Board members. As diversity remains an important topic for our business and within the Real Estate sector, the Board annually reviews diversity across the entire workforce at senior management and Board level.

Our workforce and customers are diverse so we need to ensure that our workplace remains inclusive so our people and our customers can thrive. We are an equal-opportunity employer and will always aim to extend diversity as vacancies arise.

Table 25 shows the representation of females in executive and senior management positions within the Company in 2022 vs 2023.

Diversity, Equality and Inclusion Policy

We are fully committed to creating a working environment that makes people proud and engaged and values the contribution of all team members. Therefore, we have

developed our Diversity, Equality and Inclusion Policy. All team members are required to confirm acceptance and understanding as a mandatory element of their induction. We aim to give all team members access to training and development opportunities to support their understanding the importance of this policy. The People Team are responsible for managing this policy.

Investing in Future Talent

In 2022, we launched a leadership development programme to support internal promotion opportunities. In 2024, we aim to develop this further and complete a bespoke leadership development programme for future leaders within the business.

We have a Reward Policy across the business to ensure we are paying and rewarding all team members in a fair and transparent way based on a clearly communicated rationale. We review pay for all team members on an annual basis (effective 1 January). The purpose of this policy is to set a fair and equal approach across the business.

Table 24: Gender Diversity Statistics

	2023		2022	
	Male	Female	Male	Female
Executive Management	3	2	4	2
Senior Management	14	7	16	8
Total Employees	201	147	186	153

*The senior management are the senior-most employees or teams

Table 25: Gender diversity statistics 2023

Gender pay gap	Mean	Median
Group gender pay gap	10.01% (Male paid more than female)	1.85% (Male paid more than female)
Group gender bonus gap	29.33% (Male paid more than female)	-15.50%(Female paid more than male)



Company-wide Policies

We continuously and thoroughly assess all companywide policies to guarantee the absence of any unintentional bias related to gender, ethnicity, or disability. Additionally, where appropriate, we have information concerning part-time working, flexible hours, and maternity leave is incorporated within these policies.

Employee Benefits

We adopts and adapt a comprehensive benefits package as appropriate, ensuring we attract and retain talented individuals. Such benefits assist in supporting our employees and allow us to remain accountable and competitive in the industry. Our benefits package ranges from private healthcare to family-friendly policies. Our employees are entitled to freedom of association.

All benefits are offered to both full-time and part-time employees across the Company.

Flexible Working

We are supportive of employees enjoying a fair work-life balance and recognise the importance of personal responsibilities that employees have outside of work. A flexible working policy is in place across the business and is open to all employees. Requests are usually approved unless meeting the business needs proves challenging.

The People Team are responsible for monitoring and reviewing this policy to ensure it complies with UK legislation and reviews as such on an annual basis.

Agile Working

The objective of agile working is to enhance company responsiveness, efficiency, and effectiveness, leading to improved business performance. This policy is inclusive for all team members, regardless of length of service, allowing them the flexibility to work in an agile manner. There is no restriction on the number of requests or time periods for agile working. The focus is on supporting team members in managing their workload and balancing working hours, with an emphasis on taking time back during less intense periods. Managers who have responsibility for other employees are encouraged to apply skills in planning, resource management, and adjusting working time to facilitate agile working where possible. The People Team are responsible for monitoring and reviewing this policy to ensure it complies with UK legislation and reviews as such on an annual basis.

Parental Leave

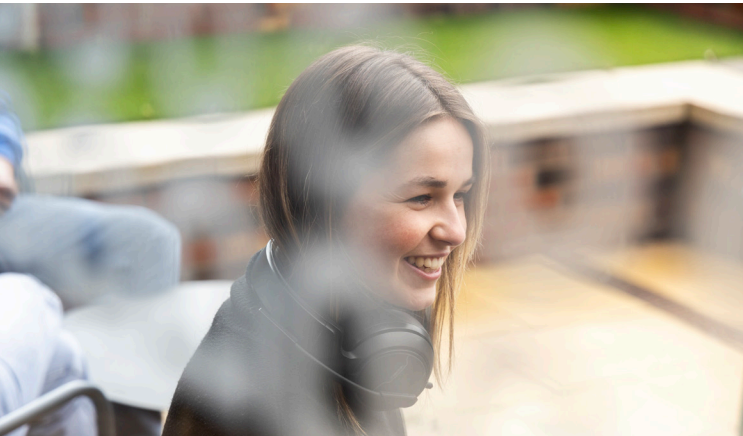
We offer employees across the Company maternity, paternity, and adoption leave above our statutory requirements. We operate flexible policies and leave

requests to help all employees with dependent responsibilities and care needs to deal with emergency and exceptional personal circumstances. Employees currently have enhanced occupational maternity pay (“OMP”) which is set by the Company and is paid inclusive of any statutory maternity pay (“SMP”). OMP is six weeks of full pay, followed by 12 weeks of half pay, followed by 21 weeks of SMP.

The table below shows the number of employees who took parental leave in 2023 and the number of employees who returned to work in 2023. We plan to continuously develop and monitor our parental leave policies.

Table 26: Parental leave and return to work statistics for 2023

Number of employees that took parental leave	
Total number of employees	14
Male	1
Female	13
Number of employees that returned to work	
Total number of employees	9
Male	1
Female	8



A Focus on Wellbeing

The wellbeing and mental health of our customers and employees is a top priority for the Company. We are continuously reviewing and improving processes across the Company to look after staff and improve colleagues' wellbeing. The addition of a Wellbeing Manager to the team in 2023 represents a pivotal step forward in bolstering our commitment to employee wellbeing. This newly appointed role is specifically designed to contribute towards a positive and supportive work environment, ensuring the holistic wellbeing of the workforce. The Wellbeing Manager will play a crucial role in implementing and enhancing programmes that promote physical, mental, and emotional health among employees, further reinforcing our commitment to creating a workplace that prioritises the overall wellbeing of our team members.

Employee Wellbeing

With respect to our people, we have established several forums to offer colleagues a variety of ways to share their views with the Executive Committee: a formal employee representative group we call the 'One Team Collective' (OTC); an anonymous 'Talk To Us' online suggestion box; and internal service surveys or annual engagement surveys, two of which were distributed in 2023 (Q1 and Q4). In 2022, we completed a series of roadshows with the Executive Team who made themselves available to all employees at three separate venues around the UK. Whilst this did not occur in 2023, we intend to relaunch this every other year and in 2024.

The OTC, now in its second year of running, is a workforce advisory panel consisting of 11 employee representatives from across the Group. Its focus is to support meaningful dialogue on topics raised by our employees. The OTC met eight times in 2023 and is supported by Alice Avis, the Company's Senior Independent Director, who attended three meetings and maintained regular dialogue with the Collective's Chair throughout the year.

Wellbeing Standard

Currently, we have a 'Wellbeing Standard' which works to monitor and assess hazards and risks that could impact the wellbeing of team members. We will work to identify all workplace stressors and conduct risk assessments to eliminate or control the risks from stress. The risk assessment will include the six key management standards: demands, controls, support, relationships, role, and change. The risk assessment process will include consultation with the One Team Collective on issues relating to the prevention of work-related stress. Access is then provided to confidential counselling for team members affected by stress caused either by work or external factors. Managers and supervisors are provided with training in good management practices and given access to resources to help implement the Company's agreed stress management strategy.

Health Benefits for All

Health Cash Plan

Offered to all employees, our Health Cash Plan scheme through Medicash covers a wide range of benefits, including offering cash back on routine dental treatments, chiropody and 24/7 health and stress helplines.

Employee Assistance Programme

Through our Employee Assistance Programme, we offer a 24-hour helpline to support employees through any of life's issues or problems. This can include legal information, childcare support, home life support and bereavement. Offered via Health Assured, our corporate health and wellbeing services remain effective and relevant as the business expands. Additionally, Health Assured also joined our sustainability efforts and has committed to achieving Net Zero emissions by 2040.

Health Care

The Group also offers private healthcare insurance to all team members who are benefit band four and above via AXA. This is managed by the People Team and grants access to several healthcare benefits, including 24/7 appointments available within 2 hours, a 'Second Opinion Service', a discount off Nuffield Health membership fees and access to a 24/7 nurses and counsellors' helpline.



“The appointment of our Wellbeing Manager further improves our ability to respond to the changing needs of students in post-pandemic university life and streamlines our overall service delivery capabilities to deliver an even better customer experience.”

Customer Wellbeing

Customer experience, mental health and wellbeing are of utmost importance to us as a business, both commercially and as a duty of care for the continued safety of our customers. External data completed by students via the Global Student Living Index and general feedback via the site teams helped us to identify areas for improvement. A programme of work was built and implemented, based on the above sources and resulted in improvements in our customer survey scores. This led to a Platinum Operator certification in 2023 from the Global Student Living Index.

We understood from regular third-party customer surveys that a student's accommodation, in terms of the quality, design of the building and the service they experience, can have a marked impact on their mental health and wellbeing. In 2022, 68 per cent of respondents stated that they felt that their accommodation team cared about their wellbeing, and 64 per cent said that the accommodation had a positive effect on their wellbeing.

In 2023, in response to customer feedback, we have designed a programme of events for students to help foster a sense of community. This involved current students welcoming new students on check-in day. During refurbishments, we have improved amenity space to better provision space for residents to be able to socialise or study in a more communal environment. This has been delivered at our Pennine House and St Marks Court, Leeds sites in 2023 and is planned for Brunswick, Southampton and Victoria Point, Manchester in 2024.

Following the rollout of these initiatives, in 2023, we have seen an increase to 74% saying that their accommodation team care about their wellbeing, and 76% now say their accommodation has a positive impact on their wellbeing, well above the industry benchmark Private Halls of 63%.

The score for a sense of community has seen an incredible improvement from 37% to 63% over the last year.

Whilst the number of residents who have struggled with stress or anxiety has reduced from 46 per cent to 40 per cent and loneliness from 26 per cent to 22 per cent, there is still work to be done to reduce this further. These results contributed to our Platinum Operator certification from Global Student Living, which is the highest certification status that can be achieved.

We recognise that further work can be done to improve the customer experience we offer and the impact on our resident's health and wellbeing. The recruitment of a Wellbeing Manager and the training of Mental Health First Aiders at all our sites is expected to improve and reinforce further our commitment to student wellbeing.



Learning and Development

“We invest in our employees to ensure we offer them the best career development plans for their success and for the success of the Company. We offer a mix of internal and external training and development opportunities that assist colleagues to improve skills and knowledge that will benefit both colleagues and the business in delivering success both in the short- and medium-term.”

Having internalised all operations during the past three years and as a service business, we strive to develop and retain talent as a means of delivering great customer service. As a business employing 348 people, we have many highly talented individuals working for us that we aim to identify, train and reward.

The below table shows the number of employees who received training in 2023. 100% of employees received regular performance and career development reviews at least once a year, this is something which we plan to continue in 2024.

We prioritise the development of our managers by investing in their training, with all operational managers holding the Institution of Occupational Health and Safety (“IOSH”) Managing Safely certification to support the safe management of operations for the protection of our employees. Additionally, our health and safety leads are certified with The National Examination Board in Occupational Safety and Health (“NEBOSH”) qualifications, further emphasising our commitment to maintaining a secure and healthy work environment.

Table 27: Training hours completed in 2023

Training Hours	Total 2023
Total number of training hours provided to employees	1403
Average hours of training that your organisation’s employees have undertaken during the reporting period	21
Total percentage of employees that received regular performance and career development reviews	100%

Case Study: Nurturing internal talent and career progression

We aim to be an employer of choice and a great place to work, where people aspire to join us and develop their careers. In 2022, we identified that a high proportion of roles within our organisation were being recruited externally, with limited opportunities for people to develop their skills or progress in their careers. To improve this in 2023, we set a target to ensure that at least 50% of eligible roles (not entry level or technical specialist) were recruited internally. This was successfully achieved in 2023, with 51% of eligible roles being filled by internal candidates. Some of the actions we took to drive this initiative included:

- Launched our first externally supported Institute of Leadership and Management qualification with 23 future leaders securing places on the first cohort
- Actively advertised all vacancies internally
- Encouraged career development conversations as part of the performance review process
- Offered additional responsibility secondments to team members across the organisation, allowing them to develop future skills whilst working in their current role
- Actively encouraged team members from operations to apply for roles within our centralised support functions or “hubs”
- Supported further study opportunities

As a result of the actions taken:

- Retention in 2023 increased to 85%
- Internal progression in 2023 increased to 51%
- 39% of the first team member cohort have completed an ILM qualification during 2023
- 16% of internal promotions were from team members moving from operations into our centralised “hubs”

Learning and Development contined

Throughout 2024, we will continue improving on the actions already taken, along with several new initiatives. For example, launching our internal development programme, 'Future Stars', which will include industry-recognised qualifications and apprenticeships. We will also introduce a senior leadership development and coaching programme to support personal development and ready future leaders for the next step in their careers, as well as succession planning for our Executive Committee.

Maintenance Operative Development and Cross Skilling

Having internalised all operations during the past three years and as a service business, we strive to develop and retain talent as a means of delivering great customer service. As a business employing 348 people, we have many highly talented individuals working for us that we aim to identify, train and reward. We employ Maintenance Operatives ("MOs") at our Hello Student sites. These individuals are on hand to resolve routine issues arising from time to time in student rooms or around the wider property amenity. Across the MO team within our business, there is a wide variety of skills, competencies and knowledge.

Numerous tasks continue to be undertaken by third-party contractors when a repair is outside the remit of the MOs knowledge, training or skill set, yet we realise that there is a desire and genuine enthusiasm amongst many MOs to enhance their knowledge to be able to do more or do it better. This is very much in the Company's interest, too, in so far as a more highly trained MO would likely increase the likelihood of same day repair and reduce the cost of reactive third party repairs. An investment in developing our people and enhancing the MOs' knowledge was therefore perfectly aligned with our strategy of providing great customer service. We created a preferred skills matrix for MOs. This matrix detailed the role profile for future recruitment, whilst providing a benchmark to assess the skills of our current MOs and identify areas for development. To date, ten MOs have attended a formal 'Electrical Fundamentals' course at the Company's expense. This has enabled them to carry out basic electrical works, safe isolations, re-energising circuits and equipment, fault finding and equipment replacement. A further group of MOs have expressed a desire to complete the course, which is planned for early 2024.

We have also identified MOs who are happy to teach others, for example in carpentry. We have therefore matched MOs with others who have the skills desired so that they can become more proficient, learn a new skill or pick up a few more 'tips of the trade'. A forum has been established whereby MOs can ask questions, seek help or share ideas and knowledge.

We are proud of our employee engagement score and employee retention rate. Initiatives such as this help foster mutual reward.



“Investing in the development of our people and enhancing their knowledge is perfectly aligned with our strategy of providing great customer service.”

Health and Safety

Health and Safety remains a top priority, and we have continued to make great progress throughout the year. Ensuring the health and safety of our staff and stakeholders is an essential part of being a responsible employer, and we actively seek to train and promote a safe working environment for all. Each year we look to reduce the number of health and safety incidents by improving our working environment and training on safety behaviour.

The Board define our Health and Safety Policy, which outlines the organisational structures responsible for its implementation. Our Head of Health, Safety and Fire and Security and Business Continuity Manager takes responsibility for our Health and Safety Management Systems within the Company. Our Health and Safety Blueprint is communicated to all employees and site management and sets out guidelines for adequately controlling health and safety risks arising from work-related accidents. The policy is regularly reviewed and updated to address emerging risks.

Key Health and Safety Priorities for 2024

Looking ahead to 2024, we are actively advancing the integration of business continuity plans, incident, and crisis plans for each site into the management system. A crucial component of this process involves conducting a comprehensive crisis test scheduled for early 2024. The strategy is designed to assess the efficiency of the integrated plans and to improve coordination across all sites in response to potential challenges. The coming year will see Health and Safety efforts focus on the below priorities.

2024 Priorities
Launch bespoke conflict management training for all employees across the business. Focusing on risk mitigation and identifying sources of conflict and address them proactively, reducing the risk of escalated disputes and legal issues.
Complete dynamic risk assessments of all sites specific to the local areas.
Further develop security business continuity and wellbeing.
Launch Mental Health First Aid training for all staff and support students who have mental health issues – this will be further developed through University relationships.
Controlled development of sites

Table 28: Health and Safety 2023 targets, outcome and progress

2023 Target	Progress throughout 2023
Carry out health & safety inspection and audit on all our sites as part of portfolio audit	Currently, in its second phase, a brand standard audit is currently being reported on, with the addition of key metrics for Health and Safety. An audit of 48 buildings have been completed by the end of 2023, and next year, we will seek to improve this to 100% with the addition of a full Health and Safety Audit.
Conduct first aid and conflict management training for all staff	First Aid training has been rolled out for all employees across the Group. With 64 employees completing the course in 2023. Conflict Management: In 2023, SoloProtect, and subsequent training, was launched for the business. SoloProtect acts as a safety solution for employees as a body worn device to enable them to call for help in case of emergencies. All employees have access to an App, which is linked to GPS tracking and allows employees to check in, send alerts, and receive assistance. Conflict Management is now mandated via E-Learning.
Begin risk-based site security assessments	All risk assessments have been completed. To build on this, we have expanded the team in this area with the addition of a new Wellbeing Manager and Business Community Manager. Security & Business Continuity is advanced, with rollout to sites due in early 2024.
Crisis management training and testing for all properties	We have completed crisis management training and testing at all properties. This will be embedded and continuously assessed in 2024.
Fire marshal training for all staff	All staff have completed fire marshal training. Our Fire Assets training is integrated with this programme and educates staff on the diverse systems employed. This equips them to communicate effectively in the terminology of the fire service upon their arrival at an emergency. The course will be delivered again as a refresher in 2024, with a date yet to be confirmed.
Implement Safe Contractor accreditation for all suppliers	This has been completed and accredited for all suppliers.
Mental Health First Aiders' in place at each site	Mental Health First Aid Champions are currently in place across 12 cities, and Mental Health Awareness training completed across 21 cities.

Key for table

Target achieved
Target partially achieved
Target missed

Health and Safety contined

Health and Safety Blueprint

The Empiric Student Property Safety Blueprint provides an overview of the strategic elements of health and safety and how we strive to create a positive and proactive approach to the management of health and safety. We are committed to conducting all our activities in a safe and secure manner, which is underpinned by our health and safety management standards and our commitment to always learn and continually improve. The Safety Blueprint details the governance structure we have to drive accountability, how we communicate with our teams to involve them in the proactive management of health and safety and how we manage health and safety risks. The Board are responsible for reviewing the Health and Safety Blueprint and the annual Health and Safety Plan for all areas of the business. They ensure that the Health and Safety Management System is proportionate, implemented and reviewed annually. They receive a monthly board report to help monitor the Company's safety performance.

Whilst the overall responsibility for the effectiveness and implementation of the blueprint rests with the CEO, every member of the organisation has a role to play in supporting its delivery and promoting a positive safety culture.

To establish a proactive approach to managing health and safety that is founded on trust and engagement, we must establish arrangements to communicate and consult with team members on issues affecting their health and safety. In 2023, we achieved this by consulting with team members through individual conversations, noticeboards, internal publications, One Team Collective (OTC) meetings and health and safety meetings.

Reporting

We promote a culture of continuous improvement to prevent any major incidents, with our aim to have zero significant accidents. The robust reporting system ensures that all accidents and near misses are recorded.

Safety and professionalism are of utmost importance across all our sites. We extend this commitment to our onsite subcontractors, mandating their participation in the evaluation process for SafeContractor accreditation. This ensures that they meet essential criteria and adhere to industry-specific regulations to ensure a secure and dependable partnership.

Accident History

In 2023, we witnessed a reduction in total incidents to 14, with 13 resulting in absences of 3 days or less and 1 leading to an absence exceeding 3 days. In contrast, in 2022, there were 16 reported incidents, comprising 2 cases resulting in absences over 3 days (reportable under RIDDOR – Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) and 14 cases causing shorter absences (3 days or less).

Work is currently underway to precisely distinguish between near misses and incidents within the system, and the corresponding figures for near misses will be disclosed in 2024. This aligns with the Health and Safety Bird's Triangle theory, emphasising the importance of proactive safety measures in averting potential accidents. This will help to inform strategic decisions, mitigate risks and enhance overall safety.

“Safety is the single most important element our customers and team members expect from us, and therefore, delivering a positive, top of mind safety culture is the key responsibility of us all.”

Duncan Garrood | Chief Executive Officer

Health and Safety continued

Figure 6: Pie chart to show the breakdown of types of incidents reported

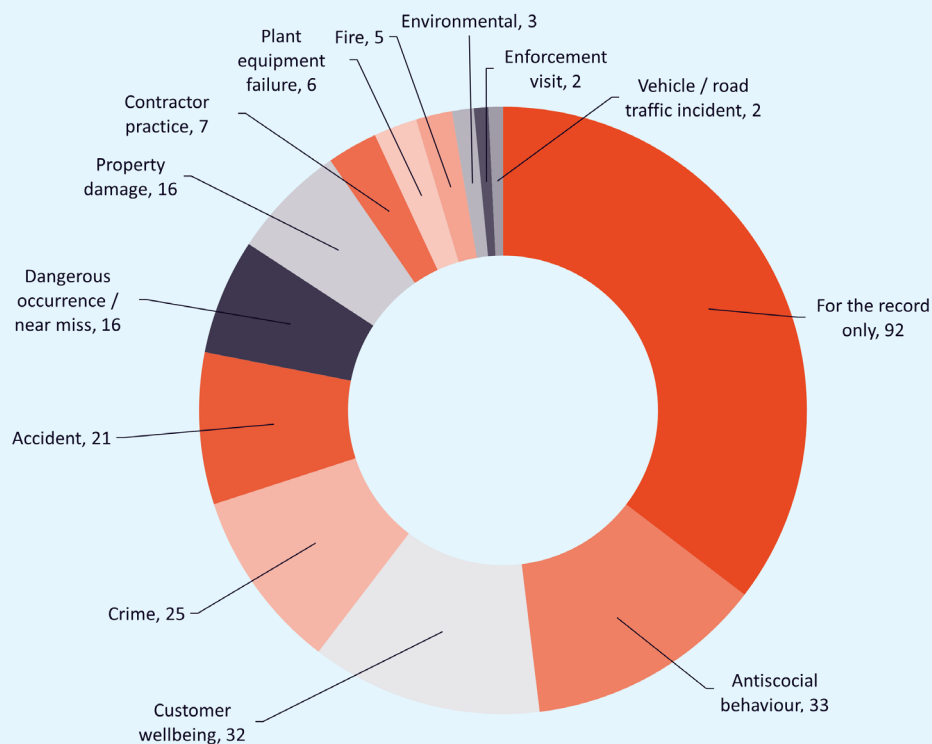


Table 29: 2022 and 2023 Health and Safety Statistics

2023	Accidents resulting in over 3 days absence	1
	Accidents resulting in 3 or fewer days of absence	13
2022	Accidents resulting in over 3 days absence	2
	Accidents resulting in 3 or fewer days of absence	14

Fire Safety Campaign

For the second consecutive year, we conducted a two-week Fire Safety Initiative throughout our properties with the aim of engaging and educating our staff and students.

In October 2023 we carried out our Fire safety campaign for the second year running. The campaign took a multifaceted approach, incorporating quizzes, informative posters, and evacuation drills to ensure a thorough understanding and readiness among our staff and students. Looking forward into 2024, strategic plans are in motion to establish a dedicated “fire forum”. This forum will bring together key personnel with substantial roles in fire safety to foster collaborative efforts, share insights, and further strengthen engagement in matters pertaining to fire safety within ESP.

Hazards

Given the nature of our operations, we prioritise a comprehensive hazard identification and risk assessment process, encompassing safety procedures, risk assessments, and COSHH assessments for a multitude of hazards, including: working at height; hazardous substances control; asbestos management; fire aid; personal protective equipment; workplace welfare and electrical safety. These assessments extend to all individuals, including employees, contractors, and visitors at our sites.

We actively promote a proactive approach to hazard management and reporting through SafetyNet, encouraging employees and contractors to take an active role in identifying and addressing potential hazards. Regular reviews of our risk assessment process are conducted, with the incorporation of new procedures as necessary, particularly when site conditions change, ensuring the maintenance of safe working conditions.

To enhance safety awareness, employees receive training on the proper and safe use and maintenance of machinery, as well as manual handling tailored to their specific job duties. Our communication system effectively disseminates safety issues, training updates, and pertinent information. Visual aids, such as universal safety signage and displays of HSE Health and Safety labour laws, are strategically placed across our sites, catering to diverse employee needs, including those with language or visual impairments.

Health and Safety contined

Audits

In 2023, we introduced a comprehensive set of Health and Safety audit measures. This includes the development of 21 checklists covering various areas, such as:

Table 30: Audit Frequency

Audit Frequency	Areas to be Audited
Daily	Safety Patrols
Monthly	Carbon Monoxide, Emergency Lights, Emergency Information Box, Water Temperatures, Work Equipment, First Aid
Weekly	Fire Detection and Protection, Fire Doors, Lift Emergency Alarms, Accessible Toilet Alarm, Void Flushing, Vehicle Checks
Quarterly	Fire Evacuation, Fire Evacuation Chairs, Cold Water Storage, Asbestos
6 Monthly	Residual Current Devices (RCD)
Annual	Shower Heads

Any non-conformance issues are meticulously documented in SafetyNet, with assigned ownership. If necessary, these matters can be escalated through the helpdesk to engage third-party contractors to rectify them. Additionally, we underwent an NSF External Audit, covering 100% of the portfolio, conducted through SafetyNet, and ownership was assigned accordingly. Furthermore, a Fire Risk Assessment was executed through a third-party portal (FCS Live), with accountability resting on the designated person at the multi-site manager level.

Case Study: Improving our safety culture with SafetyNet and SafeContractor

As part of our drive to prioritise safety and provide the latest technology to enhance our business processes, our paper-based health and safety incident logging system onsite was deemed unfit for purpose. Our primary goal was to introduce a comprehensive incident reporting system for our teams and suppliers to use across our sites, offering our Health and Safety team visibility into onsite incidents and a more efficient way for our onsite teams to record and manage them.

In a saturated market of IT-based solutions, we selected Alcumus, a market leader in this space. Together, we created a customised system named “SafetyNet”, which supported our brand’s aesthetics and tone. The system included functionalities like Fire Risk Assessment, Audits, Compliance Checklists, Dashboards, and Contractor Management. A dedicated working group developed the new technology, launching Phase 1 on December 5, 2022, and Phase 2, including the Fire Risk Assessments (FRA) and Compliance checklists, on January 27, 2023. The launch involved an extensive training programme for team members. We also initiated a campaign to ensure our suppliers obtained SafeContractor accreditation, providing assurance of their adherence to our safety expectations and enabling easy identification of new supply chain members.

Since the launch of SafetyNet, we have improved visibility into previously underreported incidents. This enabled thorough investigations and, as a result, the implementation of measures to reduce the risk of reoccurrences, thus creating a safer work environment. It improved our overall safety culture, as everyone involved in the process could appreciate the benefits of reporting incidents. Changing to a digital system also streamlined the checklist completion, allowing for more timely reporting and enhanced compliance monitoring through the use of dashboards.

Always striving for improvement, we are now developing “SafetyNet 2.0” to enhance user experience and reporting further. In future, the reported incidents will cover security, wellbeing, and fire, providing a comprehensive view of risk across the business. This level of insight and understanding will help us drive more strategic campaigns and activities, reduce risks and create safer environments for our teams, suppliers and customers.

Responsible Practices

Modern Slavery

Protecting human rights and preventing modern slavery is important to us. We are fundamentally opposed to slavery and committed to understanding the risk of it and ensuring it does not occur anywhere within our business or supply chain.

Our most significant risk area in relation to slavery and human trafficking is within our supply chain, particularly in connection with the sourcing (by suppliers) of construction material, certain goods and the provision of manual labour in property development and management services.

Most of our direct suppliers are based in the UK, some of these suppliers source certain materials from around the world.

As part of our broader initiative to identify and mitigate risk in our supply chain, we have updated our consideration of factors such as:

- reviewing our current contractors and suppliers, particularly in relation to supply chain, with a view to developing a preferred supplier list arrangement based on robust selection;
- centralising more contracts as a core part of our supplier management strategy;
- strengthening our compliance review processes within procurement practices;
- developing strong relationships with UK-based suppliers and contractors that align with our business code of conduct expectations;
- ensuring systems are in place to encourage the reporting of concerns and the protection of whistle blowers in our supply chain.

We continue to believe there is a low risk of slavery and human trafficking in our colleague base. We regularly review this risk assessment and monitor our activity as part of our broader approach to ensuring we are a responsible and sustainable business.

For our full statement, please refer to www.hellostudent.co.uk

We continue to review this risk assessment and monitor our activity here as part of our broader approach to ensuring we are a responsible and sustainable business.

Our Supply Chain

Our supply chain comprises primarily UK based suppliers or specialist contractors providing goods or services in the UK. We play an active role in supplier selection and development. Under our terms of trade, we require all our suppliers to comply with our modern slavery policy. We are committed to carrying out business fairly, honestly and openly and only working with external parties who share these principles. To ensure a high level of understanding of the risks of modern slavery and human trafficking in the supply chain and throughout our business, the annual training programme, which is a requirement for all employees to complete, has been updated to specifically reference this area. Employees are provided with practical guidance on how to identify warning signs and who to contact should they have any concerns.



Giving Back

Case Study: Building support for charity and local communities

Following feedback in recent internal engagement and external customer satisfaction surveys, we were aware that we had to improve our support of local communities and charities. In 2023, we initiated our journey by partnering with a national charity, 'Switch 180' (offering critical, free mental health and wellbeing services to young people), while also better supporting local communities via our existing relationship with the British Heart Foundation.

In 2023, all of our site teams had a local community action plan included in their goals and objectives for the year. This involved organising two community events annually in the cities where we operate.

Throughout the year, we ran almost 50 community events nationwide, positively impacting every city in which we operate. These ranged from supporting local churches with fundraising to litter picking and helping with local sustainability projects such as 'The Garden Project' in Exeter (encouraging the growth of crops). We also provided counselling sessions to 60 young adults and raised £1,718 through fundraising activities.

Collectively, we raised £33,000 for the British Heart Foundation in 2023.

In 2024, we plan to continue this great work and further support our corporate charity, Switch 180. For example, we are organising a national fundraising event in March/April 2024 involving all site and hub team members, supporting 100 young adults with Switch 180. In addition, site teams will also choose a local cause to support over the year along with strengthening our existing partnership with the British Heart Foundation.

Hello Student – Cardiff

In 2023, Hello Student Cardiff chose to support a local church, 'City United Reformed,' which plays a pivotal role within the local community. The team continue to have a strong relationship with the church as it is located within a short distance of the Cardiff accommodation block. In 2023, the Cardiff team donated a variety of items, including food, bedding and electrical goods. In early 2023, the church reached out to the Hello Student team and recorded that approximately 170 cubic feet of donations had been repurposed within the community rather than going to landfill. Around 20 sacks of belongings have been donated to local homeless shelters, family housing and asylum seekers who have been relocated to Cardiff. In 2024, we hope to continue with donations that will help the church and, subsequently, the local community.



ESP

Empiric Student Property plc

1st Floor Hop Yard Studios

72 Borough High Street

London

SE1 1XF

T + 44 20 8078 8791

E info@empiric.co.uk

More information on

www.empiric.co.uk