



# Home from Home

**ESP**

Empiric Student Property plc  
ESG Report 2022

# Sustainability & social responsibility





**“I love my apartment which is bright and modern. The decoration is just to my taste, and I love the fact that I have the most amazing amenities inside the building. My friends who visit are jealous and can’t believe how wonderful this place is!”**

**Muxi, 29** | St Mary’s resident

## St Mary’s, Bristol

As part of our commitment to retain heritage assets and repurpose buildings within our portfolio, the redevelopment of St Mary’s Hospital in Bristol was completed in August 2022.

The careful restoration of the building that provides accommodation for 153 students was developed to be more energy efficient and to motivate a sustainable mindset. It is part of our wider strategy of converting existing buildings, with positive impact on the environment and local community, rather than building new.

The complex’s £28.5 million development includes a bookend structure on the southern gable of the former hospital building, a row of contemporary townhouses and a pavilion in the former car park. All of which provide further accommodation.

The scheme has delivered strong environmental contributions with a BREEAM Excellent rating expected and an EPC rating of B. The low carbon buildings also contribute to improvements to air quality and biodiversity through the delivery of a series of living walls which have attracted wildlife, forming a green link between the gardens on Byron Place and the neighbouring Brandon Hill Nature Park.

The living wall is a patented modular hydroponic system, launched in 2008 and was chosen for its sustainable innovation. Good water management is a key driver of the hydroponic panel design, with the lowest water use of any known comparable living wall system. The average use is projected at 1 litre per m2 per day.

Solar panels have been added to all available roof space - with the exception of the pitched tiled roof of the old hospital. These panels are also linked back to the

national grid. Smart panel heaters with occupancy and environmental sensors installed allowing control and understanding of energy consumption per room.

Double-glazing has been installed, low-voltage light sensors and low water taps to improve energy efficiency and reduce the wasteful use of water. Recycling facilities have also been placed in each flat.

St Mary’s welcomed students for the start of the 2022/23 academic year and within four weeks it became one of the most demanded sites in our portfolio.

Our onsite team have made sure the students have settled in and continue to monitor their wellbeing, many of whom are living away from home for the first time. This includes organising events for the students to help build meaningful relationships and form a sense of community.

The Board has allocated significant capital to green initiatives in 2023 and 2024 which should allow us to accelerate our net zero programme during the next two years and deliver tangible benefits to all stakeholders.

## ESG Management Framework



### The Board

Has overall responsibility for the Group's ESG strategy and its direction.

### ESG Committee

Chaired by the Company's Chairman, the Committee oversees the creation of the overall ESG strategy for the Group, ensuring that there is Board level discussion and input.

### ESG Working Group

Chaired by the CFO, invited members of the senior leadership team meet monthly and ensures the ESG strategy is embedded throughout the business.

### Our People

The successful delivery of our ESG strategy across the business, requires the collaboration and support of all our people.

### Our journey and our commitment to Stakeholders

We are committed to creating and operating a socially responsible and sustainable business which has a positive impact for all our stakeholders.

In August 2022 we published our full Net Zero strategy, targeting net zero in our operations, developments, property portfolio and energy consumption by 2033. We set out seven key performance indicators (KPIs) which will allow us to track our progress towards this 2033 commitment. The journey was set out in three clear phases with the first focussed on engagement and training. We also set out a wider target of becoming net zero in all emissions, including scope 3, by 2050 working towards a global decarbonised economy. We hope to achieve this before 2050, but we acknowledge the issues with accurate scope 3 emissions data not being fully available yet.

As in prior years, we have structured our report around the four commitments outlined below. This allows us to discuss the progress that has been made against the targets we set ourselves for 2022 and set out our key priorities for the year ahead:

- 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**

We commit to improving our contribution to the environment, our social obligations to our employees, suppliers, customers and the communities in which we operate. Our activities will be guided by setting ambitious and challenging goals that will guide the development of our strategy and operations for the future.



**“We are committed to creating and operating a socially responsible and sustainable business which has a positive impact for all our stakeholders.”**

# Become a sustainable business and achieve net zero

We recognise that climate risks are a threat to future value and will impact our investment strategy. We have a responsibility to transition our properties to net zero. We understand our stakeholders expect us to provide sound environmental stewardship of our business and our properties.

## Progress in 2022

### 1. Target: Publish Net Zero report on our website

In August 2022 we published our Net Zero report. This was the culmination of a project launched in 2021 where we worked with our advisers, CBRE, to define an overarching net zero strategy for the business. This strategy was designed to help us to define a pathway and Key Performance Indicators to sit alongside it to provide a structure for monitoring, accountability and good governance.

The Boards commitment stems from a recognition that climate transition presents an opportunity to increase future value, but inactivity is unquestionably a threat to value in the medium- to long-term.

We consider our portfolio and strategy to be uniquely positioned. Our diverse portfolio consists of a number of properties with a sense of heritage, often carrying a listed status. Our strategic legacy of repurposing assets to extend their life rather than completely redeveloping the site, delivers high quality student accommodation at a lower environmental impact associated with embodied carbon, through the reuse of existing buildings. This therefore aligns well with the net zero agenda.

We have targeted 2033 to allow us to integrate more stringent decarbonisation activities within our standard rolling maintenance programmes, which allows us to make meaningful progress at a pragmatic cost. This timeline also allows us to deliver net zero alongside improved quality, whilst continuing to control and manage costs for our stakeholders.

In order to measure progress, our baseline was set as 2019, being the last 'normal' consumption year prior to the Pandemic. We then developed a decarbonisation plan which was based on the UK Green Building Council's 'Advancing Net Zero Framework'. Although we acknowledge that the Science Based Technology Initiative (STBi) is important in formulating a standardised approach, we believe we must first complete our detailed plan and after which we will consider Science Based Technology accreditation. We then completed an asset level risk review based on the Carbon Risk in Real Estate

Monitor, using hotels as the most appropriate proxy asset class. From here we established a governance framework and our high-level roadmap to net zero.

### 2. Target: Disclose EPC position and set out steps to improve

Alongside our interim results in August, we published our portfolio EPC ratings summarised by rating. In England and Wales, the government intends to legislate that all buildings must be rated EPC B or better by 2030. We were encouraged to report that 36 per cent of the portfolio was rated as EPC B or better, and this has risen to 40 per cent at the end of 2022. We know there is more work to be done in this area.

Managing our future EPC risk is integral to our rolling refurbishment plan, which has allowed us to set targets to improve our EPC B or better score to 50 per cent by 2025, 75 per cent by 2028 and we believe we can achieve 100 per cent by 2030, in line with current governmental targets.

### 3. Target: Continue roadmap of planned energy efficiency initiatives

We have made good progress across the year. Although the energy intensity per bed has increased 8 per cent from 4,172 kwh per bed to 4,538 kwh per bed, this does need to be considered in the context of the significantly increased occupancy levels achieved in 2022.

Initiatives progressed during the year included the following; a solar panel review for 13 sites; where replacement boilers were required, several gas boilers were replaced with electric; with our energy consultants, we created action plans for our least energy efficient properties; we installed full Atamate energy monitoring in a newly developed site; we reviewed Building Management Systems in 45 sites and; in partnership with Sheffield Council, our three properties in the City are part of the low carbon district energy which provides central heating as a byproduct to incineration. 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 opposite.

## Key priorities for 2023

The focus for 2023 will fall in the following areas:

- Continue the roll out of smart panel heaters and use data to support student engagement
- As part of our refurbishment programme, deliver two further carbon neutral properties
- Sub-meter over 1,000 rooms to provide more data to inform our education programme and support energy efficiency behavioural change.
- Further upgrades to LED lighting and PIR sensors within the refurbishment programme
- Improve the score of EPC E rated properties
- Install greener solutions including PV and insulation improvements as part of our capital programme
- Carry out an audit of individual building energy controls to optimise energy use

## Panel heaters

One of the main environmental impacts of our business comes from energy use by our student tenants.

In a number of our properties we run electric panel heaters that are manually controlled with high temperature set-points. This has caused the continuous heating of unoccupied spaces that can lead to inefficient energy use and increased costs.

In 2018, we signed up to the Student Energy Project, in coordination with Amber Energy, which encourages students to reduce energy use. One of the initiatives focussed on turning down heating and switching off lights, when not required. A student ambassador was identified in each building, who was responsible for educating fellow students.

In 2022, we took this a step further by installing SmarterDM panel heaters at two buildings at our Victoria Point, Manchester site. Smart panel heaters have helped us achieve energy savings of 30 per cent in occupied areas, resulting in an annual cost saving of around £13,500 and reduced environmental impact, whilst allowing our students to retain control of their apartments with minimal disruption.



# Excel in the provision of Health and Safety

Having allocated £37 million towards our programme of fire works, we have continued to make great progress throughout 2022 with all properties now surveyed and 61% of the portfolio now certified.

## Progress in 2022

### 1. Target: Secure an inhouse Health and Safety Expert to increase resource and knowledge within the business and facilitate cultural change

During 2022 we secured a Head of Health, Safety & Fire together with a Security & Business Continuity Manager. They have brought a wealth of knowledge into the business and have made a significant contribution to these two important areas. We launched SafetyNet in late 2022 following an extensive training programme to encourage our teams to report incidents across out business. SafetyNet provides for efficient reporting and tracking of incidents and since its introduction in December we have seen a substantial increase in Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDORs), with 201 incidents reported across the year, allowing us to capture information in a more timely manner which allows the business to identify and respond appropriately to areas of risk.

We are however pleased to report that there were no RIDDORs which were reportable to the Health and Safety Executive during the year.

### 2. Target: Define and establish key performance indicators for external reporting

We have established KPIs which are set out on page 22. These include the number of reportable incidents, our Colleague engagement score and a metric which captures student feedback, the Global Student Living Index's Net Promoter Score. In addition, Health & Safety Compliance is an objective linked to certain variable compensation arrangements via personal performance objectives.

### 3. Target: Continue to progress fire safety initiatives

We have made significant investment in this area during 2022. With the appointment of our Head of Health, Safety & Fire, we have implemented SafetyNet which has been designed and built as a bespoke product for our business, to manage both accident incidents and fire risk assessments. It will provide an audit trail of action management and track accountability on a real time basis. We have secured Hydrock as the Group's Fire Risk Assessor and advisor, and the Tyne and Wear fire service as a primary authority scheme.

Our fire safety management system, incorporating blueprints and standards, aligns with our health and safety model and incorporates a fire safety RASCI which has been developed for our business.

As detailed in the case study opposite, extensive fire marshal training and fire asset training has been developed and rolled out across all our sites with a safety campaign delivered to our on-site teams and our students.





## Key priorities for 2023

The year ahead will see a focus on training and testing, with key deliverables as follows:

- Carry out health & safety inspection and audit on all our sites as part of portfolio audit
- Conduct first aid and conflict management training for all staff
- Begin risk-based site security assessments
- Crisis management training and testing for all properties
- Fire marshal training for all staff
- Implement Safe Contractor accreditation for all suppliers

## Fire safety campaign

We carried out a two-week Fire Safety Campaign across our properties this year to engage and educate our employees and students.

Whilst we do all we can to physically reduce the risk of fire, it is important that we also try to influence student behaviour by promoting safety messages and guidance.

The first week focussed on fire marshal training which was provided to every single member of the team in September. During the second week, each site conducted a fire alarm evacuation and set up hotspots in reception areas to drive awareness on how to safely manage the evacuation of students.

In Liverpool, the local fire authority attended our site to talk to our team. They also spoke to students about the risks of fires.

Following the campaign, feedback from the team has shown how they feel more confident dealing with fire education and drills.

We are looking into how we measure fire safety incidents during the next year to see how we can further analyse fire alarm activations, drills and incidents.



# Enhance mental health & wellbeing

The mental Health and the wellbeing of our customers remains a key priority. Of our customers responding to this year's Global Student Living index survey, 71 per cent said our accommodation had a positive impact on their wellbeing, with 73 per cent responding to say they felt our accommodation teams cared about their wellbeing. We are proud to report that in 2022 we won the award for Best Student Wellbeing (UK & Ireland).

## Progress in 2022

### 1. Target: Improve our Best Companies score as well as our student satisfaction score

Our Best Companies engagement score response in 2022 increased from 'One To Watch' status, which was achieved in 2021, to a one star accreditation, a 13 point overall increase rate increase for the year. Pleasingly, the response rate also improved from 64 per cent in 2021 to 72 per cent in 2022. A fantastic achievement.

We are also proud to report that the student satisfaction benchmark we use within our business, the Global Student Living Index's Net Promoter Score ("NPS"), has improved again in 2022, from +22 to +27. To put this in context, the latest NPS score for all private halls was +14, whilst the score for university halls was +9.

Behind the data, the most important factors when selecting accommodation was proximity to place of study, feeling safe and secure and the size, condition and quality of the accommodation. These are all aspects at the very heart of our brand proposition. Mental Health and the wellbeing of our customers remains a key priority. Of our customers responding to the Global Student Living index survey, 71 per cent said our accommodation had a positive impact on their wellbeing, with 73 per cent responding to say they felt our accommodation teams cared about their wellbeing. This is an extremely encouraging result following our investment in training our people to identify potential issues and assist students to source the professional support they may require, particularly at times of stress, such as during examinations.

### 2. Target: Define and develop approach to the wellbeing of our stakeholders

In respect to our people, we have established a number of 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; a Q&A with the executives who made themselves available to all employees at three separate venues around the UK during November; or quarterly internal service surveys or annual engagement surveys.

The OTC, launched in 2022, is a workforce advisory panel consisting of 12 employee representatives from across the Group. Its focus is to support meaningful dialogue on topics raised by our employees. It met eight times in 2022 and is supported by Alice Avis, the Company's Senior Independent Director who attended one meeting in person and maintains regular dialogue with the Collective's Chair throughout the year.

In respect to our customers, mental health and wellbeing continues to be an area of significant focus. Almost half of our students say they struggle with anxiety or stress, with a third responding to say they experience loneliness. Students enjoy opportunities for social interaction with other students. We therefore aim to ensure that our buildings are configured and our people are trained to provide the very best support possible.

In response to this we have delivered a three-stage plan to ensure our residents have access to events, fitness and the support they need. The first is ensuring our on-site team are trained on what to look out for and how to deal with mental health issues and ensure wherever possible we intervene early as signs appear. Our staff are therefore MHFA trained and we have welfare visits to sites scheduled at points in the year when students typically struggle the most. Secondly, we provide support through the Health Assured app which is available to all our students and provides 24/7 access to support, specialists and where necessary, referrals. We also work hand in hand with Universities on specific cases to ensure together we provide the most vulnerable with support at 'home' and within their place of study. Lastly, we aim to support their wellbeing in the community, with a structured programme of events designed to allow students to socialise and form friendships, which is supported by our newly launched Hello Student app. The app, launched in 2022, provides our students with the ability to communicate with other students in their building and with our onsite teams. With our 7,000 downloads, we have over 75 per cent of our students actively using this app.

## Key priorities for 2023

### In 2023 we will aim to achieve the following:

- Strive to improve our Net Promoter Score further, with a target of +30 (2022: +27)
- Achieve an employee engagement score of 80 per cent or better
- All employees to have access to wellbeing support
- Mental Health First Aiders' in place at each site
- Provide outstanding customer service to our students with same day response to queries raised and 95 per cent of queries to be resolved within 72 hours

## Wellbeing

As part of our commitment to enhancing both the mental and physical health of our employees, we have created a separate wellbeing hub on our benefits platform, Reward Gateway.

Under the headings of **Move, Money, Mind** and **Munch**, resources are provided around health, personal finance, mindset and nutrition giving a holistic approach to all round wellbeing. The redesign of the platform also means that resources available to employees are utilised in sites to share with students, further contributing to a positive customer experience.

Particular attention was paid to the mind element of the platform that included audio resources aimed at helping people improve productivity while working and improving sleep.

The relaunch in April, supported by a detailed communications plan resulted in a 250 per cent increase in visits to the site in that month alone. Since April, we have seen over 1,300 visits to the site from 50 per cent of all employees.

It has also received positive feedback from employees across the business with posts on our internal communications platform, Workplace.

The success of the programme saw us shortlisted in the top five for best relaunch with recognition given through the accolade of the rarely given 'Highly Commended' by an independent panel of HR and industry professionals at the Reward Gateway awards in November 2022.



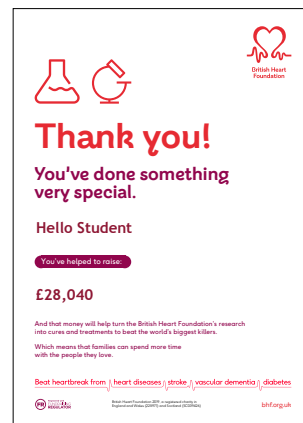
# Provide opportunities for all

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

## Progress in 2022

### 1. Target: Continue to support local communities

In 2022 our teams supported a number of local community groups. As part of our annual summer turnaround, it is typical for a number of students to leave items of furniture in their apartments that they no longer want. With their consent, numerous items were donated to the British Heart Foundation nationally, which in total raised over £28,000 for this worthy cause.



Likewise, in Birmingham, the replacement of hundreds of duvets resulted in donations to a local dog charity, providing warmth and comfort to our four-legged friends. In Aberdeen, our teams helped with collections for local food banks and at Falmouth, the team completed a litter collection at a local beach, helping to ensure the surrounding natural beauty is maintained.

We've selected and announced our first corporate charity partnership with Switch 180. A national youth charity for children up to young adults of 21 years. Their aim is to help turn young lives around by delivering services focusing on physical and mental health support. The charity will provide numerous opportunities for our people and students to get involved directly with their time, skills and expertise, but also help raise money for this great cause - one that is very much aligned to and supports our customers.

### 2. Target: Undertake a review of wider diversity issues and targets

During the year we considered how as a business we should respond better to diversity issues both in respect to our employees and our customers. In respect to our students, we believe more can be done to ensure our buildings are fit for purpose for students with disabilities.

We will aim to develop accessible website and communication provision. We have a number of international students who enjoying staying with us, but we would like to do more to understand and adjust our service to meet the needs of different cultures, be that in respect to settling in and orientation but also within our events program which is a great opportunity to celebrate diversity, for example at Chinese New Year.

We believe in creating a diverse and gender balanced workforce which reflects the customers and communities we serve. Although there is always room for improvement, we do have a reasonably gender and ethnically diverse workforce. That said, our gender pay gap deteriorated in 2022 which has been attributed to a decline in female representation in senior roles. The Company is satisfied that equivalent roles attract equivalent pay, regardless of gender, but wish to improve female representation in senior positions and have therefore made this a target for 2023. In support of this, we have launched a leadership development programme to support internal promotion opportunities, see case study opposite where females are well represented, accounting for 56 per cent of attendees.

Gender pay gap	Mean	Median
Group gender pay gap	5.6%	7.6%
Group gender bonus gap	25.4%	0.8%
Proportion of females receiving a bonus		63.5%
Proportion of males receiving a bonus		62.0%

We are committed to providing training and support that ensures our employees have the tools to succeed and deliver their best in the workplace. In 2022 we have delivered over 300 days in training to our employees.

## Key priorities for 2023

### Our targets during 2023 are as follows:

- Each city to nominate a local cause to champion
- 50 per cent of non-entry level positions filled through internal promotion
- Launch apprenticeship scheme
- Improve diversity within the senior leadership team
- Improve the accessibility of our buildings for students with disabilities where required

## Leadership

As part of our programme to provide opportunities for all stakeholders, we have initially focussed on the internal development of our employees.

We partnered with Impellus and invited 25 of our employees, who were identified as having high potential to be future leaders within organisation, to undergo The Institute of Learning and Management certification.

Those invited completed the six-month Leadership Skills Development course in December 2022, with each completing three specialist modules.

During the programme, each participant could choose two additional modules that included communication skills, change and innovation, time efficiency, coaching skills, and managing and appraising performance. The modules required online learning followed by a written 3,000 word assignment to demonstrate an applied understanding.

The group were selected following their formal reviews. The aim was to develop their skills to become more rounded leaders and help service the business' future needs.



# Gender diversity

## Gender diversity

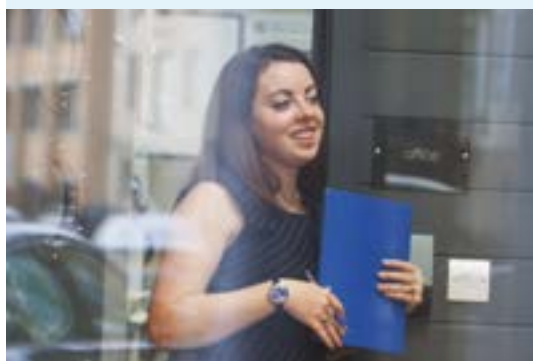
### Board



### Executive Committee



### Total employees



### Equality, diversity and inclusion

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.

### 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 in 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.

While nearly all 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 preferred supplier list arrangements 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 to our business code of conduct expectations; and

- 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 and continue to 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](http://www.hellostudent.co.uk)

### Ethical Business

We are committed to carrying out business fairly, honestly and openly. Our anti-bribery policy mandates a zero-tolerance approach, of which 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.

Our people are important to our business maintaining 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 year.



**“Our employees are committed to promoting an inclusive, positive and collaborative culture.”**

## Our stakeholders and how we engage with them

Stakeholder	Why We Engage	How We Engage	Topics	Outcome
<b>Customers</b>	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.	<ul style="list-style-type: none"> <li>– On a day-to-day basis within our buildings.</li> <li>– Through biannual customer surveys.</li> <li>– Through our social media presence.</li> <li>– Through building relationships with universities in the towns and cities which we operate in.</li> </ul>	<ul style="list-style-type: none"> <li>– Safety in their homes</li> <li>– Customer service</li> <li>– Value for money</li> <li>– Building configuration</li> <li>– Wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>– Launched our Hello Student app (<a href="#">see page 18 in the Annual Report</a>)</li> <li>– Launched our first Post-grad product at Southbridge, Edinburgh (<a href="#">see page 42 in the Annual Report</a>)</li> <li>– Fire safety campaign delivered across all sites (<a href="#">see page 51 in the Annual Report</a>)</li> <li>– Winner of the 2022 Best Student Wellbeing award (UK &amp; Ireland)</li> </ul>
<b>Employees</b>	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.	<ul style="list-style-type: none"> <li>– On a day-to-day basis we use Workplace as an internal communication tool.</li> <li>– Quarterly townhalls are held where our people can raise questions and provide feedback.</li> <li>– Through the One Team Collective.</li> </ul>	<ul style="list-style-type: none"> <li>– Safety at work</li> <li>– Pay and reward</li> <li>– Fair and equal treatment</li> <li>– Business updates</li> </ul>	<ul style="list-style-type: none"> <li>– One Star accreditation by the Best Companies survey (<a href="#">see page 52 in the Annual Report</a>).</li> <li>– Real Living Wage Employer with a focus of improving the compensation arrangements for our lowest paid employees (<a href="#">see page 86 in the Annual Report</a>).</li> <li>– Launch of our internal leadership development programme (<a href="#">see page 55 in the Annual Report</a>).</li> </ul>
<b>Communities</b>	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 of how best we can make a difference.	<ul style="list-style-type: none"> <li>– Through on-site communication with members of the public and local communities.</li> <li>– We have membership with the British Property Federation where we can interact with communities and government on a wider basis.</li> <li>– Interaction through the property licensing disclosures we have to undertake.</li> </ul>	<ul style="list-style-type: none"> <li>– Local job creation</li> <li>– Provision of appropriate housing stock</li> <li>– Supporting local charities</li> </ul>	<ul style="list-style-type: none"> <li>– Supported the British Heart Foundation nationally (<a href="#">see page 54 in the Annual Report</a>).</li> <li>– Individual sites making positive contributions to their local surroundings or assisting local charities.</li> <li>– Launched our first corporate charity partnership with Switch 180 (<a href="#">see page 54 in the Annual Report</a>).</li> </ul>



Stakeholder	Why We Engage	How We Engage	Topics	Outcome
<b>Shareholders</b>	<p>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.</p> <p>The Group also has a wider responsibility to shareholders to enhance the value of the business and fulfil its purpose ethically.</p>	<ul style="list-style-type: none"> <li>– Face-to-face meetings with investors typically following annual and interim results.</li> <li>– The publication of our annual report which presents a comprehensive update of the Company.</li> <li>– At our Annual General Meeting.</li> <li>– When significant change is proposed, for example, material transactions or changes to the remuneration structure.</li> </ul>	<ul style="list-style-type: none"> <li>– Financial results and business performance</li> <li>– Dividend payments</li> <li>– ESG</li> <li>– Remuneration policy</li> </ul>	<ul style="list-style-type: none"> <li>– Numerous meetings with current and prospective shareholders held throughout the year.</li> <li>– Remuneration Committee Chair consulted with largest Shareholders on the proposed amendments to the remuneration policy (<a href="#">see page 87 in the Annual Report</a>).</li> <li>– Launched our net zero strategy (<a href="#">see page 46 in the Annual Report</a>).</li> </ul>
<b>Environment</b>	<p>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.</p>	<p>Biannually we provide a detailed ESG update within our annual and interim reports.</p>	<ul style="list-style-type: none"> <li>– Reduction greenhouse emissions</li> <li>– Becoming a sustainable business</li> </ul>	<ul style="list-style-type: none"> <li>– Published our net zero strategy (<a href="#">see page 46 in the Annual Report</a>).</li> <li>– Improving our energy efficiency per bed (<a href="#">see page 23 in the Annual Report</a>).</li> <li>– Managing our EPC risk (<a href="#">see page 23 in the Annual Report</a>).</li> <li>– Improving building certification through developments (<a href="#">see page 45 in the Annual Report</a>).</li> </ul>
<b>Lenders</b>	<p>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.</p>	<ul style="list-style-type: none"> <li>– Open and regular dialogue with relationship managers. Proactive engagement in respect of sale and acquisition pipelines and early dialogue on refinancing requirements.</li> <li>– Ongoing covenant reporting.</li> </ul>	<ul style="list-style-type: none"> <li>– Development financing for St Mary's, Bristol</li> <li>– Refinancing needs</li> </ul>	<ul style="list-style-type: none"> <li>– Following the completion of St Mary's, Bristol the development facility has been converted to an investment facility.</li> <li>– Hedging requirement</li> <li>– Refinancing of First Commercial Bank facility.</li> <li>– Discussions advanced regarding 2024 debt maturities</li> <li>– Quarterly covenant compliance reporting</li> </ul>
<b>Agents and Consultants</b>	<p>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.</p>	<ul style="list-style-type: none"> <li>– Regular meetings and day to day communication.</li> </ul>	<ul style="list-style-type: none"> <li>– Disposals, acquisitions and leasing</li> <li>– Summer turnaround</li> <li>– Internal audit tender</li> </ul>	<ul style="list-style-type: none"> <li>– Acquisition of Market Quarter, Bristol.</li> <li>– Disposal programme raised £53.5 million in 2022.</li> <li>– Development of St Mary's, Bristol and Southbridge, Edinburgh completed</li> </ul>

## Task Force on Climate-related Financial Disclosures (“TCFD”)

We are committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures. With the exception of Part A of Metrics and targets and Part (C) of strategy recommendations, we believe this disclosure addresses all of the recommended disclosures of the TCFD framework.

Area	Disclosure
<p><b>Governance</b></p> <p><b>(A) Describe the Board’s oversight of climate-related risks and opportunities.</b></p>	<p><b>(A)</b> The Board is ultimately responsible for risk management including the consideration of climate-related risks, though this responsibility is delegated to the Audit and Risk Committee. See <a href="#">page 30 in the Annual Report</a> for our risk management framework. Separately, the Board has established an ESG Committee, which meets three times a year and is chaired by the Company’s Chairman, Mark Pain. This Committee oversees ESG activities on the Boards behalf and provides the Board regular updates on relevant matters. For more information on governance structure please see <a href="#">page 70 in the Annual Report</a>. The Board considers ESG related issues when setting its annual strategy and budget. ESG targets also appear in Executive Directors performance objectives, which are linked to remuneration. The Boards strategy is distilled into key performance indicators, with implementation by management monitored by the ESG Committee and reported on to the Board.</p>
<p><b>(B) Describe management’s role in assessing and managing climate-related risks and opportunities.</b></p>	<p><b>(B)</b> As set out on <a href="#">page 46 in the Annual Report</a>, the Board has ultimate responsibility for the ESG strategy and delegates oversight of this important area to a formal committee of the Board, the ESG Committee. 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 &amp; Sustainability Officer who is a member of both the ESG Committee and Board. This ensures the dissemination of strategic priorities to senior management who are responsible for implementing the ESG strategy within the business. 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 is advised by Maitland and CBRE and reports to the ESG Committee.</p>
<p><b>Strategy</b></p> <p><b>(A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</b></p>	<p><b>(A)</b> Given the nature of the Group’s business, risks and opportunities are typically considered over the following time horizons:</p> <ul style="list-style-type: none"> <li>– Short term; 0-3 years;</li> <li>– Medium term; 3-10 years;</li> <li>– Long term: &gt;10 years</li> </ul> <p>Risks are assessed in terms of both financial and reputational impact. Risk managers from within the business are provided with guidelines to ensure consistency of approach in assessing risks; and at what level of financial impact or reputational damage a risk maybe considered to be significant versus insignificant.</p> <p>Risks in the short to medium term surround future EPC requirements for lettable properties implemented via the MEES regulations and enhancement in GHG emissions reporting. Changing market trends, presents a future risk to the business, with customers and investors seeking properties with greater sustainability credentials, potentially quicker than we may be able to provide. In the longer term, climate change concern and more extreme weather conditions presents a significant risk.</p> <p>An acceleration in our ESG programme may present opportunities to improve returns for stakeholders, through more energy efficient properties lowering both cost and emissions while attracting and retaining customers through improved sustainability credentials.</p> <p>In 2021 we undertook a materiality assessment to identify material topics to aid in the development of our ESG strategy. In 2022 we published our Net Zero Strategy, which can be found on our website, and sets out a roadmap of how we will deliver net zero by 2033. It is based on the core assumption that climate risks are sufficient to materially impact the value of assets and therefore its strategy.</p>

Area	Disclosure
<p><b>Strategy</b></p> <p><b>(B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.</b></p>	<p><b>(B)</b> Climate related risks may impact planning legislation, cause flooding and damage or increase compliance risk through the implementation of legislation all of which may materially impact the value of our properties, it's revenue and costs and therefore the ability to implement our strategic priorities.</p> <p>In 2022 we published our Net Zero Strategy, which can be found on our website, and sets out a roadmap of how we will deliver net zero by 2033.</p> <p>The Board ensures that climate risks and ESG factors are included as key metrics throughout the business, for example as we undertake portfolio reviews in determining where we wish to either divest or invest further capital in green energy efficiency initiatives. We consider climate-related risks and energy efficiency on all acquisitions.</p> <p>We continue to allocate resources to refurbishment, behavioural change and energy efficiency improvements as part of our annual budgeting process, with a significant allocation of resources planned for both 2023 and 2024 aimed, primarily at decarbonisation initiatives. All refurbishment projects now target achieving an enhancement to EPC ratings. The Group's procurement strategy provides for environmental and ethical standards to be adhered to within our supply chain. A number of ESG targets are included within the calculation of variable remuneration.</p>
<p><b>(C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</b></p>	<p><b>(C)</b> We cannot yet provide detailed analysis in this area, however we are undertaking a comprehensive assessment and expect to be able to make appropriate disclosures in next year's report.</p>
<p><b>Risk management</b></p> <p><b>(A) Describe the organisation's processes for identifying and assessing climate-related risks.</b></p> <p><b>(B) Describe the organisation's processes for managing climate-related risks.</b></p>	<p><b>(A)</b> Climate related risks are identified and assessed using the same methodology as all business risks and are captured and reported as part of the Group's principal risks. The Group considers both existing and emerging (e.g. MEES legislation) when assessing climate related risks. These are reviewed by the executives and reported on to the Audit and Risk Committee on a biannual basis. The Board recognises that climate change is an increasingly important priority and a key emerging risk.</p> <p>Risks are assessed in terms of both financial and reputational impact. Risk managers from within the business are provided with guidelines to ensure consistency of approach in assessing risks; and at what level of financial impact or reputational damage a risk maybe considered to be significant versus insignificant. Although not exhaustive, risks facing the Group are then categorised into three categories being; external risks; internal risks and emerging risks.</p> <p>The process for assessing risk is detailed on <a href="#">page 30 in the Annual Report</a>.</p> <p><b>(B)</b> Climate related risks are managed by the ESG working group which is chaired by the Chief Financial &amp; Sustainability Officer and includes senior representatives from each functional division of the business and is advised by Maitland and CBRE. This Group is responsible for the identification and management of risk. A risk register is maintained and regularly updated which sets out discusses the risk and any controls or mitigants either in place or contemplated. Utilising the work of the ESG working group, climate related risks are then combined with all other risk registers and reported on to the Boards Audit and Risk Committee bi-annually.</p>

## Task Force on Climate-related Financial Disclosures (“TCFD”) | continued

Area	Disclosure
<p><b>(C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.</b></p>	<p><b>(C)</b> The Board has overall responsibility for risk management, for determining the Group’s risk appetite and reviewing principal risks and uncertainties regularly, together with the actions taken to mitigate them. Management of climate related risks is integrated into the business through a programme of staff engagement and training.</p>
<p><b>Metrics and targets</b></p> <p><b>(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></p> <p><b>(B) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (“GHG”) emissions, and the related risks.</b></p> <p><b>(C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</b></p>	<p><b>(A)</b> We do not yet fully comply with this. As we develop our ESG strategy further, we will publish further metrics in this area and announce targets for these in next year’s report which will follow a study utilising TCFD’s recommendation of scenario analysis.</p> <p><b>(B)</b> We disclose Scope 1 and 2 greenhouse gas (“GHG”) emissions on page 64. We have more work to do on our Paris-aligned 2050 scope 3 target and we aim to progress this when more data is available to provide an accurate picture.</p> <p><b>(C)</b> In our Net Zero Strategy report, which is available on our website and contains our roadmap to 2033, we have set out wider target of being net zero in all our emissions (adding scope 3) by 2050. We also have two key climate related key performance indicators within the business which monitor.</p> <p><b>a)</b> our progress towards compliance with future MEES regulation (percentage of the portfolio rated EPC B or better) where we intend to achieve 50 per cent by 2025, 75 per cent by 2028 and full compliance by 2030; and</p> <p><b>b)</b> energy intensity per bed where we target a reduction to 1,500 kwh per bed by 2040, with an interim target of 2,000 kwh per bed by 2033. Both assessed from our base year of 2019.</p>

## Energy Usage Data

This section contains information on Greenhouse Gas (GHG) emissions required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ("the "Regulations"). For the third time, we have chosen to report this information in line with EPRA (European Public Real Estate Association) sustainability best practice methodology which is based on the Global Reporting Initiative (GRI) Standards.

In the context of significantly increased occupancy in 2022 compared to 2021 (increase of 27 per cent), the key headlines for the year are as follows:

- 4 per cent increase in like-for-like GHG emissions;
- 10 per cent increase in like-for-like electricity consumption;
- 2022 operational bed data now inclusive of all sites under both like-for-like and absolute; and
- The large increase in water consumption is largely due to catch up readings.

The reporting period is 1 January 2021 to 31 December 2022, comprising the period from the commencement of operations to the year end. Data for two years is shown to enable comparison.

### Organisational Details

This report has been prepared for Empiric Student Property Plc (herein referred to as Empiric) with a head office located at Hop Yard Studios, 1st Floor, 72 Borough High Street, London, SE1 1XF. The report includes all of the Empiric portfolio located in the UK.

### Organisational Boundary

The operational control approach is used to consolidate the Company's organisational boundary. The Company owns 100 per cent of the property assets it operates and has therefore reported on that basis. Like-for-like indicators include all properties which have been in the portfolio since 1 January 2021, but not those which were acquired, sold or included in the development pipeline at any time since that date.

### Reporting Period

The EPRA report is required annually and requires data for two years to enable comparison. The reporting period for this document is 01 January 2021 to 31 December 2022, comprising the period from the commencement of operations to the year end.

### Methodology

We have used the EPRA Best Practices Recommendations on Sustainability Reporting (3rd Edition) and GHG Protocol Standard (revised edition) to prepare this disclosure. The UK Government Conversion Factors for Company Reporting have been applied to convert energy data into greenhouse gas emissions. Whole building data has been reported and any missing data has been estimated using either direct comparison, pro rata calculation or based on an average consumption value per bed.

In order to express the GHG emissions in relation to a quantifiable factor associated with the Company's activities, the intensity ratio of tCO<sub>2</sub>e per operating bed has been chosen, calculated using absolute data.

### Exclusions / materiality

Scope 1 fugitive emissions from stationary air conditioning/refrigeration plant are estimated to account for less than 5% of the group's emissions and as such have been deemed to be immaterial.

Empiric have transitioned to an electric van fleet from Q4 2021. These are charged on Empiric's estate and as such the transport consumption from owned fleet is included in the electricity consumption for the group (scope 2).

### Energy Efficiency Actions

- In the period covered by the report the Group has:
- Retrofitted networked controlled panel heaters with occupancy detection across three sites.
  - Upgraded/ replaced boiler plant with more efficient equivalents at 2 sites.
  - Commenced Building Management System (BMS) reviews/ optimisation works across the estate.



# EPRA Sustainability Performance Measures and GHG emissions

Impact Area	Sustainability Performance Measures (Environment)			Boundaries	Units	Total Portfolio				
	EPRA Code	Indicator				Absolute Performance		Like-for-Like Performance		% change
						2021	2022	2021	2022	
<b>Energy</b>	Elec - Abs, Elec - LfL	Electricity	<b>Total landlord obtained energy consumption from electricity (Scope 2)</b>	kWh	18,998,543	<b>20,467,595</b>	17,441,227	<b>19,126,247</b>	10%	
			Proportion of energy consumption from renewable sources	%						
			Proportion of data estimated	%					100%	
			Coverage (% by bed)	%	100%	<b>100%</b>	100%	<b>100%</b>	N/A	
	DH&C - Abs, DH&C - LfL	District heating and cooling	<b>Total landlord obtained energy consumption from district heating and cooling (Scope 2)</b>	kWh	649,767	<b>602,384</b>	649,767	<b>602,384</b>		
			Proportion of energy consumption from renewable sources	%	51%	<b>51%</b>	51%	<b>51%</b>		
			Proportion of data estimated	%	1%	<b>25%</b>	1%	<b>25%</b>		
			Coverage (% by bed)	%	100%	<b>100%</b>	100%	<b>100%</b>		
	Fuels - Abs, Fuels - LfL	Fuels	<b>Total landlord obtained energy consumption from fuels (Scope 1)</b>	kWh	17,011,313	<b>18,884,069</b>	15,328,277	<b>16,609,127</b>		
			<b>Scope 1 transport data</b>	kWh	0	<b>0</b>	0	<b>0</b>		
			Proportion of energy consumption from renewable sources	%						
			Proportion of data estimated (%)	%						
			Coverage (% by bed)	%	100%	<b>100%</b>	100%	<b>100%</b>		
	Energy - Int	Energy Intensity	<b>Total landlord obtained energy</b>	kWh/bed/year	4,240	<b>4,390</b>	4,172	<b>4,538</b>	8%	
	No. of applicable properties		Energy and associated GHG disclosure coverage	-	86	<b>88</b>	82	<b>82</b>		
<b>GHG emissions</b>	GHG - Dir - Abs	Direct	<b>Scope 1 emissions from landlord obtained consumption of fuels</b>	tCO <sub>2</sub> e	3,116	<b>3,447</b>	2,808	<b>3,032</b>	7%	
	GHG - Ind - Abs	Location	<b>Scope 2 emissions (location based) from landlord obtained consumption of electricity</b>		4,075	<b>3,996</b>	3,744	<b>3,737</b>	0%	
	GHG - Int	GHG emissions intensity	<b>GHG emissions intensity from Scope 1 and 2 (location-based) emissions</b>	tCO <sub>2</sub> e/bed/year	0.83	<b>0.82</b>	0.82	<b>0.84</b>	3%	
	Fugitive Emissions		<b>Emissions from leaks of GHG, for example from refrigeration and air-conditioning units (Scope 1)</b>	tCO <sub>2</sub> e	N/A	<b>N/A</b>	N/A	<b>N/A</b>		
<b>Water</b>	Water-Abs, Water - LfL	Water	<b>Total landlord obtained water from municipal water supplies</b>	m <sup>3</sup>	227,032	<b>343,415</b>	216,209	<b>340,908</b>		
			Proportion of data estimated	%						
			Coverage (% by bed)	%						
	Water-Int		<b>Landlord obtained water intensity</b>	m <sup>3</sup> /bed/year						
<b>Waste</b>	Waste-Abs, Waste - LfL	Waste	Total weight of waste to landfill	Tonnes		<b>1,256</b>		<b>930</b>		
			Total weight of recycling waste	Tonnes		<b>742</b>		<b>533</b>		
			Total weight of waste to energy recovery facility (ERF)	Tonnes		<b>240</b>		<b>240</b>		
	Waste - Int		<b>Total waste obtained</b>	Tonnes/bed/year		<b>0.24</b>		<b>0.21</b>		

Impact Area	Performance based on Asset Type									
	Head office					Student Accommodation				
	2021 (Abs)	2022 (Abs)	2021 (LfL)	2022 (LfL)	% change	2021 (Abs)	2022 (Abs)	2021 (LfL)	2022 (LfL)	% change
<b>Energy</b>	99,825	<b>99,825</b>	99,825	<b>99,825</b>	0%	18,898,718	<b>20,367,770</b>	17,341,402	<b>19,026,422</b>	10%
						100%	<b>100%</b>	100%	<b>100%</b>	0%
	100%	<b>100%</b>	100%	<b>100%</b>	0%	2.04%	<b>0.10%</b>	2.17%	<b>0.09%</b>	-96%
	N/A	<b>N/A</b>	N/A	<b>N/A</b>	N/A	100%	<b>100%</b>	100%	<b>100%</b>	0%
						649,767	<b>602,384</b>	649,767	<b>602,384</b>	-7%
						51%	<b>51%</b>	51%	<b>51%</b>	0%
						1%	<b>25%</b>	1%	<b>25%</b>	3685%
						100%	<b>100%</b>	100%	<b>100%</b>	0%
						17,011,313	<b>18,884,069</b>	15,328,277	<b>16,609,127</b>	8%
						0	<b>0</b>	0	<b>0</b>	0%
						0%	<b>0%</b>	0%	<b>0%</b>	0%
						0.00%	<b>0.24%</b>	0.00%	<b>0.28%</b>	
						100%	<b>100%</b>	100%	<b>100%</b>	0%
	N/A	<b>N/A</b>	N/A	<b>N/A</b>	N/A	4,240	<b>4,390</b>	4,172	<b>4,538</b>	9%
	1	<b>1</b>	1	<b>1</b>	0%	85	<b>87</b>	81	<b>81</b>	0%
<b>GHG emissions</b>	0	<b>0</b>	0	<b>0</b>	0%	3,116	<b>3,447</b>	2,808	<b>3,032</b>	8%
	21.196	<b>19.304</b>	21.196	<b>19.304</b>	-10%	4,054	<b>3,977</b>	3,723	<b>3,717</b>	<1%
	N/A	<b>N/A</b>	N/A	<b>N/A</b>	N/A	0.83	<b>0.82</b>	0.82	<b>0.84</b>	3%
						N/A	<b>N/A</b>	N/A	<b>N/A</b>	N/A
<b>Water</b>						227,032	<b>343,415</b>	216,209	<b>340,908</b>	58%
						12%	<b>14%</b>	12%	<b>12%</b>	2%
						100%	<b>100%</b>	100%	<b>100%</b>	0%
						26	<b>38</b>	27	<b>43</b>	58%
<b>Waste</b>							<b>1,256</b>		<b>930</b>	
							<b>742</b>		<b>533</b>	
							<b>240</b>		<b>240</b>	
							<b>0.24</b>		<b>0.21</b>	

### Footnotes/Assumptions

- The proportion of the district heating energy that comes from renewable (biogenic) sources was 50.97% in 2021. The figures for 2022 will not be available until March 2022 so, the same fuel mix is assumed for 2022 also.
- Gas supplied to Empiric's estate is exclusively derived from fossil fuels.
- 100% of the water withdrawn is assumed to be from municipal water supplies.
- Head office energy consumption is estimated based on the EPC and assumed to be similar for both reporting years.
- Waste data was only available for Buccleuch Street and King's Stables Road sites. This data has been extrapolated and supplemented with waste collection data from local councils that Empiric's portfolio is located in.
- Council waste collection data was only available for 2020/21 at the time of compiling the report. As such, it has been assumed the data is also valid for 2022.
- It is assumed that bins do not reach capacity before collection. Based on the information from Buccleuch Street and King's Stables Road sites and average waste level is assumed.
- Owned fleet consumption data from 2021 was not available at the time of compiling the report.