# Home from Home

ESP

**Empiric Student Property plc**

Environmental, Social and Governance Report 2024

# Contents



# Statement of use

Empiric Student Property plc has prepared its report for the period from 1 January to 31 December 2024 with reference to the GRI Standards.

# Introduction

Empiric Student Property plc **("Empiric", "ESP" or the "Company")** is committed to maintaining transparency and addressing stakeholder needs through its sustainability disclosures, which align with the Global Reporting Initiative **("GRI")** Standards. This report, referencing the GRI framework, covers the Group's environmental, social, and governance **("ESG")** performance for the calendar year 2024 (1 January 2024 - 31 December 2024), which aligns with our financial year. Consistent with our 2023 GRI Report and Annual Report and Accounts **("ARA")**, this report utilises an operational control approach to consolidate sustainability data for Group-level operational sites under direct control.

The GRI Content Index, provided within this report, demonstrates our ongoing commitment to GRI reporting on an annual basis. Where applicable, third-party consultants are acknowledged for their contributions. Notably, this report has not undergone external assurance.

# About Us

Empiric Student Property plc is a UK Real Estate Investment Trust ("REIT") and a leading provider and operator of modern, direct-let student accommodation in prime city centre locations within top-tier UK university towns and cities, has demonstrated significant progress in its ESG initiatives in 2024. Our value chain focuses on the strategic acquisition and development of high-quality student accommodation, followed by direct management focused on exceptional student experience and well-being. This integrated approach, underpinned by strong financial management, delivers long-term value to investors and stakeholders. Our supply chain comprises UK-based suppliers or specialist contractors who provide goods or services in the UK. We play an active role in supplier selection and development.

Premium listed on the Main Market of the London Stock Exchange since June 2014, Empiric is committed to transparency and sustainability, aiming to create long-term value for all stakeholders. In 2024, the Group achieved a gross margin of 70 per cent and employed 369 people, a six per cent increase from 2023, comprising 301 full-time and 68 part-time employees over the last 12 months. Highlights of our 2024 achievements include the publication of our second standalone ESG report, a 2.9 per cent reduction in like-for-like energy consumption per bed and 64 per cent of our portfolio being rated EPC B or better. Empiric also launched apprenticeship and leadership programmes and was awarded Best Student Wellbeing 2024 by the Global Student Living Index ("GSLI"). This report details our ongoing commitment to governance, environmental stewardship, and social responsibility, aligning with established frameworks such as GRI, TCFD, and SASB. We have also set ambitious targets for 2025 and 2026, further demonstrating our dedication to continuous improvement and sustainable practices.

## 2024 Highlights

### Governance

- Placed short-term targets to a shareholder vote at the group's Annual General Meeting, improving transparency and stakeholder engagement
- Published our first comprehensive standalone ESG report
- Concluded on CDP as the group's appropriate benchmark for reporting ESG credentials

### Social

- Launched apprenticeship scheme and leadership programme for future leaders
- Set diversity target for the Senior Management Team
- Mental Health First Aid training provided across all sites
- Awarded Best Student Wellbeing 2024 by Global Student Living Index ("GSLI")
- Over 300 days invested by our team members in charitable or community initiatives

### Environmental

- Like-for-like energy consumption per bed reduced by three per cent
- 64 per cent of the portfolio now rated EPC B or better, comfortably ahead of target
- Improved Scope 3 emissions data collection with first-time Scope 3 reporting alongside our first carbon balance sheet
- Improved behaviours through two well-received energy awareness campaigns across all sites in both summer and winter

# About this report

We recognise our profound responsibility as participants in the real estate sector. Our operations, from development to property management, have a significant impact on the environment and the communities we serve. By aligning our sustainability reporting with the Global Reporting Initiative ("**GRI**") Standards, we commit to transparency and accountability in our practices.

While the GRI provides a robust framework through its general standards, the real estate industry presents unique sustainability challenges, which have been meticulously applied, tailoring them to the specific nuances of our sector. This involves a deep focus on several key areas that are material to our operations and stakeholders:

- Energy Efficiency of Buildings: We acknowledge the critical role buildings play in energy consumption and greenhouse gas emissions. Our commitment extends beyond mere compliance, driving us to innovate and implement energy-efficient technologies and practices across our portfolio.
- Water Management: Recognising the increasing scarcity of water resources, we are dedicated to responsible water management. This includes implementing conservation measures, exploring alternative water sources, and promoting awareness among our tenants and stakeholders.
- Waste Management: We strive to minimise waste generation and promote circular economy principles. This involves implementing robust recycling programs, reducing construction waste, and exploring innovative waste management solutions.
- Impacts on Local Communities: Our developments are integral parts of the communities and we are committed to fostering positive relationships, contributing to local economies, and ensuring our projects enhance the social fabric of the areas we serve.

Through this report, we aim to provide a comprehensive overview of our efforts and progress in these areas. We believe that by embracing transparency and accountability, we can contribute to a more sustainable and responsible real estate sector. 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")** regulation, implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, requires us to disclose our energy usage, associated emissions, energy efficiency actions and energy performance. The details of this can be found on pages 86 of our 2024 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 page 69 of the 2024 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 2024 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, 2 and 3 emissions until December 2024. Our metrics and targets and overall GHG inventory are on pages 86 of our 2024 Annual Report.

# Materiality

The GRI 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 clearcut 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, from which this report draws. 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.

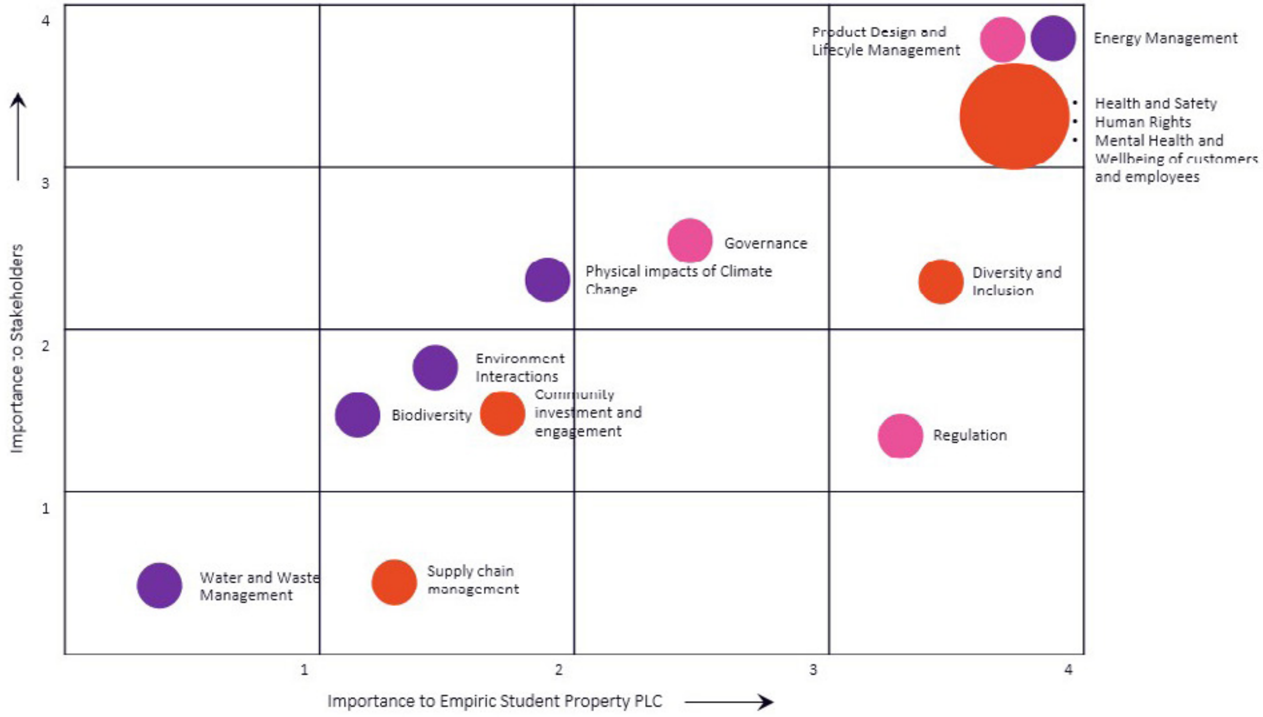
## Comparisons with 2023

The materiality assessment was carried out in December 2024 and further discussed and finalised in January 2025. This materiality analysis identifies the most important sustainability topics for Empiric and its stakeholders. Topics are plotted based on their importance to the Group (x-axis) and stakeholders (y-axis). Governance materiality was updated in 2024 to reflect higher importance to stakeholders at the same level.

## Key Results for 2024:

- **High Materiality:** Energy Management, Health & Safety/Human Rights/Mental Health & Wellbeing, and Product Design & Lifecycle Management are crucial.
- **Medium Materiality:** Diversity & Inclusion, Climate Change Impacts, Governance, Community Investment, Environment Interactions, Regulation, and Biodiversity are moderately important.
- **Low Materiality:** Water & Waste Management and Supply Chain Management are less material.

**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 shown above, to determine which ESG topics were material to us and our stakeholders. 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 below 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 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, which 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, is monitored by the Board of Directors. 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 continue to 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. 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 tenant 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 tenant 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, tenant activities, and location. Responsibility for water costs may lie with entities or tenants, necessitating effective water management. Tenants, 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 tenant 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, tenant operations wield a significant influence over the sustainability impacts within the built environment. Tenants, 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 tenant activities, real estate owners play a crucial role in shaping these impacts. The structuring of agreements, contracts, and relationships with tenants 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 tenant sustainability impacts, particularly in energy, water, and indoor environmental quality, can enhance asset value, boost tenant 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

As a business, we are committed to good governance and responsible and transparent management of climate-related risks and opportunities. We believe that we need the collaboration of all our people to successfully deliver our ESG strategy which is aligned with our overall business strategy and reinforced by the Group's Board of Directors and broader Senior Leadership Team. The Group has a well-developed ESG Management Framework that has embedded the management of climate change issues within all areas of our business.

At the Group level, we are committed to ongoing annual reporting on environmental performance. Where possible, we strive to reduce GHG emissions across all sites. We calculate and report on Scope 1, 2, and 3 GHG emissions to provide full transparency to stakeholders. The operational control approach consolidates the Group's organisational boundary.

# ESG Governance

To improve efficiency, the Board delegates specific responsibilities to formal Committees. These Committees operate within defined terms of reference and present recommendations to the Board. The Executive Directors manage day-to-day operations, following Board-approved policies and authorities.

# 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.<br>More comprehensive GRI details are in our 2024 Annual Report and Accounts. | Ensures the Group's financial reporting and risk management is properly monitored, controlled and reported.<br>More comprehensive GRI details are in our 2024 Annual Report and Accounts. | Reviews remuneration of Executives and Senior Leadership Team in accordance with shareholder-approved policy.<br>More comprehensive GRI details are in our 2024 Annual Report and Accounts. | Safeguards the interest, and monitors engagement with stakeholders to ensure the Group demonstrates sound social and environmental risk management.<br>More comprehensive GRI details are in our 2024 Annual Report and Accounts. |
| **Senior Leadership Team** | | | |
| Working with the Executive Directors, the Senior Leadership Team ensures that Company policies are embedded in the businesses and its operations and that strategic decisions are executed appropriately. | | | |

# ESG Governance

The Remuneration Committee consists of three non-Executive Directors and the non-executive Chairman. These non-Executive Directors also serve on the Audit and Risk and ESG Committees, providing them with a broad understanding of executive performance needs, which helps set objectives and evaluate performance against the Remuneration Policy annually. With prior experience as a Remuneration Committee Chair, Alice Avis leads the Committee, which is responsible for reviewing and recommending the Remuneration Policy and monitoring its compliance annually. The Committee met three times during the year, with full attendance, and receives advice from Deloitte when necessary.

Our commitment to robust governance includes a rigorous evaluation of Board performance. Remuneration policies are strategically designed to align with the Group's strategic goals, explicitly incorporating ESG objectives. These policies are established through a transparent process overseen by the Remuneration Committee, which operates with a clearly defined structure, role, and remit. The Committee is also mindful of the UK Corporate Governance Code.

The evaluation of remuneration and other critical governance matters are communicated to stakeholders through the publication of our Annual Report, which provides a comprehensive update on the Group's activities. Furthermore, we engage directly with shareholders on significant issues, such as material transactions or changes to the remuneration structure, notably at our Annual General Meeting. To ensure understanding and gather feedback, the Committee's work and the rationale behind the remuneration practices are communicated and discussed with employee representatives. Furthermore, we actively engage with our shareholders on these matters, underscoring our commitment to transparency and accountability in our executive reward framework. As part of its oversight, the Committee also conducts benchmarking exercises, such as a review of the CEO and CFSO's base salary. For a comprehensive understanding of our remuneration policies and the Committee's activities, including the votes of stakeholders (including shareholders) on remuneration policies and proposals, please refer to the Remuneration Committee Report on page 123 of our 2024 Annual Report and Accounts.

The Nomination Committee plays a crucial role in overseeing the composition, skills, and succession planning of our Board of Directors. Ensuring continuity and stability in leadership is a key aspect of our governance framework. Succession planning, as detailed on page 110 of our 2024 Annual Report and Accounts, is a critical responsibility of the Nomination Committee. The ARA outlines the processes for identifying and developing future leaders, demonstrating our proactive approach to maintaining a strong and effective Board. We are committed to building a Board that possesses a high level of skill and expertise and reflects our dedication to diversity and inclusion. The Nomination Committee actively considers these factors in its recommendations. For a comprehensive understanding of the Nomination Committee's activities, including details on Board composition, skills, and succession planning, please refer to page 110 of the 2024 Annual Report and Accounts.

# The Board of Directors

The outlined agenda reflects a structured and comprehensive governance framework designed to ensure adequate oversight and strategic direction. The Board's purview extends across various operational and strategic areas, demonstrating a commitment to holistic management.

- **Financial Performance and Strategy:** Regular reviews of financial performance, liquidity, debt management, and IT infrastructure indicate a strong emphasis on fiscal responsibility and operational efficiency.
- **Operational Oversight:** Items such as sales and marketing activities, operations, and the property portfolio review underscore the board's active engagement in core business functions.
- **Risk Management and Compliance:** The inclusion of operational risk, regulatory compliance, and governance matters highlights the board's commitment to mitigating potential threats and ensuring adherence to legal and ethical standards.
- **Stakeholder Engagement:** Reports on investor relations, shareholder feedback, and public relations demonstrate a focus on maintaining positive relationships with key stakeholders.
- **Strategic Planning and Growth:** The consideration of strategic opportunities, investment proposals, and macroeconomic updates suggests a forward-looking approach to driving long-term growth and sustainability.
- **Human Capital and Well-being:** The inclusion of employee and customer well-being, along with people team reports, indicates a recognition of the importance of human capital and ethical considerations within the organisation.
- **Climate change:** The Board has overall 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. The ESG Committee met three times during the year (March, August and December).

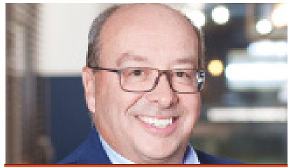
Climate change is a standing agenda item at these meetings. These meetings included discussions of risks and opportunities related to climate change, climate disclosures, monitoring progress against climate-related targets and the integration of sustainability practices into business strategy. Future topics will include regulatory compliance, stakeholder engagement, carbon footprint reduction strategies, renewable energy initiatives, and the development of long-term climate goals. The Board considers climate change when reviewing business strategy, when making investment decisions and when setting annual budgets. The remuneration policy was updated in 2023, creating a clear linkage to ESG performance indicators and linking variable compensation arrangements to Health and Safety compliance objectives. All objectives remain subject to the discretion of the Remuneration Committee.

The oversight of remunerations primarily rests with the Group's Remuneration Committee, which is composed of non-Executive Directors and the non-executive Chairman. While these individuals bring independence from day-to-day management, they are still part of the Group's governance structure. To inform their decisions, the Committee retains external advice from Deloitte. Stakeholder views are integrated into the remuneration process through several channels. The Committee actively seeks alignment with shareholder interests by linking executive incentives to shareholder value creation and requiring shareholding by executives. Furthermore, the Group engages directly with shareholders through an advisory vote on the Remuneration Report at the Annual General Meeting, and the Remuneration Chair proactively consults with major shareholders and proxy agencies. The Committee also considers the broader workforce by reviewing their pay and benefits, demonstrating an awareness of internal stakeholder perspectives.

### Climate-related risks and opportunities

The Chief Financial and Sustainability Officer **("CFSO")** ensures that climate-related risks and opportunities are assessed, identified, and managed, including managing the wider ESG projects every month. Taking responsibility that the potential climate-related impacts are formally reported to the ESG Committee and the Board. In August 2024, our ESG advisors facilitated a workshop providing refresher training for the Board and management on climate change matters, including climate-scenario analysis to support the Board in fulfilling their duties to identify and monitor climate change risks and opportunities. All Board and ESG Committee members were in attendance. Subsequently, the Board and ESG Committee reviewed climate-scenario modelling to assess risks and opportunities related to climate change, which were then consolidated into a climate-risk register.

The Board reviewed the climate risk register in its December 2024 meeting and 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.

| **Table 3: ESP Board of Directors** | <br>**Mark Pain** | <br>**Duncan Garrood** | <br>**Donald Grant** | <br>**Alice Avis MBE** | <br>**Martin Ratchford** | <br>**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)<br>ESG (Chair)<br>Remuneration | ESG | ESG | N/A | Nomination<br>ESG<br>Remuneration<br>Audit and Risk (Chair) | Nomination<br>ESG<br>Remuneration<br>Audit and Risk |
| Relevant Skills and Experience | Chartered accountant<br>Strong financial, customer and shareholder focus<br>Extensive experience of executive and non-executive roles in the real estate, financial services and consumer/leisure sectors | Strong operational, sales and marketing skills<br>Extensive experience of executive roles in the consumer/leisure sectors<br>Significant expertise in the consumer and leisure sectors | Chartered accountant<br>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<br>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<br>Extensive experience in international franchising/business transformation |
| Principal External Appointments | Chairman – AXA UK PLC<br>Senior Independent director – Close Brothers Group plc | Non-executive Director – The Brighton Pier Group PLC | None | Non-executive Director – BGF (the Business Growth Fund)<br>Non-executive Director – Knoops Holdings Limited<br>Non-executive Director – iPulse Limited | Chief Finance Officer at Frasers Property UK Limited, a Frasers Property group company | Chief Operating Officer – Greene King Limited |
| Significant Previous External Experience | Group finance director - Abbey National plc<br>Group finance director - Barratt Developments plc<br>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<br>Vice chairman and senior independent director - Yorkshire Building Society | CEO - Ten Entertainment Group Plc<br>CEO - Bills Restaurants<br>CEO - Punch Taverns plc<br>President - M.H. Alshaya<br>Commercial Director - BAA plc | CFO - RDI REIT P.L.C<br>Group Financial Controller<br>Capital & Counties Properties PLC<br>Head of Finance - Liberty International PLC<br>Head of Financial & Regulatory Control (EMEA)<br>BCG Partners / Cantor Fitzgerald | Executive chairman - Lumene Oy<br>CEO - Sanctuary Spa Group<br>Director of marketing and E-commerce - Marks and Spencer Group Plc<br>Global Brand Director - Johnnie Walker at Diageo PLC | Finance director of Real Estate and Funds - Thomas Cook PLC<br>Head of Europe, Finance - British Land plc<br>Finance Director - The Unite Group PLC | Managing Director - Costa Coffee, Middle East & Asia<br>Chief Operating Officer - Costa Coffee, UK<br>UK Franchise Director - Costa Coffee, UK |

# The Board of Directors

## Board Diversity

We believe that being inclusive improves opportunities for our students, employees, people and the communities in which we operate, creating long-term value for our business and society. The Board and its committees consider diversity for every appointment. The female representation of the Board during 2023 and 2024 was 33 per cent, being two out of six Board members in total. As diversity remains an important topic for our business and within the real estate sector, the board is mindful of and reviews gender and ethnic diversity annually across the entire workforce, within the Senior Leadership Team, and at the board level.

There have been no changes to the Board this year, extending a period of stability and resulting in another solid Board evaluation. However, with no change in Board membership, it has not been possible to address the diversity targets set by the Parker and the FTSE Women Leaders Review. In accordance with UKLR6.6.6R (9) the Group can confirm that as of 31 December 2024, no Board Directors are from an ethnic background. Furthermore, pursuant to the Parker Review, as no members of the Senior Leadership Team are currently from an ethnic background, a target of 10 per cent ethnicity has been set to be achieved by the end of 2027 and steps have been taken to improve diversity within the wider business.

The table below shows the representation of females within our workforce across the various commitments and the Group in 2023 compared to 2024.

**Table 4: Gender Diversity Statistics**

| Year | Male | Female |
|---|---|---|
| | Board | |
| **2024** | 4 | 2 |
| **2023** | 4 | 2 |
| | Executive Committee | |
| **2024** | 3 | 2 |
| **2023** | 3 | 2 |
| | Total gender specific Employees | |
| **2024** | 204 | 163 |
| **2023** | 201 | 147 |

## Conflicts of Interest Policy

We recognise the importance of maintaining the highest ethical standards and avoiding situations where a Director's personal interests may conflict with their duties to the group. To this end, we have a Conflicts of Interest policy designed to identify, manage, and resolve potential conflicts. This policy requires Directors to disclose any information that could give rise to a conflict of interest and provides mechanisms for them to recuse themselves from discussions or decisions related to such matters. Where appropriate, Directors may also be required to make arrangements to avoid receiving information related to the conflict. This policy is intended to ensure that all decisions made by the Board are made in the best interests of the Group and its stakeholders. However, the Articles of Association do permit a Director who has disclosed an interest in a transaction to vote and count in the quorum in relation to any resolution of the Board concerning the related transaction, subject to certain conditions and providing that the Board so approves.

# Management-level Oversight

The Board ensures the dissemination of strategic priorities to senior management, who are responsible for implementing the Group's ESG strategy within the business, including climate-related matters. 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 to the Board three times a year. The ESG Committee reviews climate change as a standing agenda item in its meetings and incorporates the climate change lens into reviewing business strategy.

In 2024, our external ESG advisors attended the August meeting to provide support in assessing and addressing climate-related issues. They attend ESG Committee meetings as necessary to update the Board on the progress of climate modelling and the results from the climate scenario analysis.

### The Audit and Risk Committee

The Committee has continued its role of governance and oversight of the Group's financial reporting, risk management, internal controls, assurance processes and external audit. This is conducted on behalf of the Board, as set out in the Committee's terms of reference, serving to protect the interests of shareholders.

### The ESG Committee

Chaired by the Group's Chairman, the Committee oversees the creation of the overall ESG strategy for the Group, ensuring that there is Board level discussion and input. The committee safeguards the interests of, and monitors engagement with, stakeholders to ensure the Group demonstrates sound social and environmental risk management. 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 CFSO, 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.

# Our ESG Strategy

Empiric faces several principal risks, each with significant potential impact. Firstly, Health & Safety Risk encompasses major incidents like terrorism or outbreaks, leading to severe consequences such as injuries and reputational damage. Mitigation strategies include robust reporting and compliance measures. Secondly, Information Technology Risk poses threats of cyber breaches and data loss, potentially causing financial penalties and customer dissatisfaction. Mitigations involve strong IT infrastructure and security protocols. Thirdly, People Risk addresses the challenge of staff retention and skill shortages, affecting customer service and project delivery. Mitigation focuses on employee engagement and development. Lastly, Safe and Sustainable Buildings Risk highlights the need to comply with evolving building regulations, requiring significant capital investment and continuous monitoring. While most risks are currently stable, People Risk has reduced due to successful mitigation efforts. The Group maintains a high level of vigilance, especially regarding building safety and future legislation.

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 business's success and, therefore, reduce its impact on the environment.

Details regarding our remediation commitments and grievance mechanisms are managed through internal operational procedures and are not currently included in our external reporting scope. This level of detail is primarily for internal management and specific stakeholder engagement related to identified impacts. However, relevant details on Anti-bribery and Corruption and Whistleblowing are provided within our reporting.

## Our Objectives

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.

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

## 2024 Targets and Progress

**Table 5: Governance-specific 2024 targets, outcome and progress**

| Governance 2024 Target | Outcome and 2024 Progress |
|---|---|
| **Monitor and review climate-related risks and mitigation controls** | In 2024 we continued to monitor and review our climate-related risks and mitigation controls through an updated climate scenario analysis and risk register |
| **Conduct a climate scenario analysis on our supply chain and supply routes** | We conducted a climate scenario analysis of our supply chain and supply routes in 2024, helping us to understand its vulnerability to climate change better |
| **Climate-scenario modelling year-on-year comparisons** | In 2024, we identified thirteen transition risks and six physical risks, with five opportunities across 26 key locations. Ten of these risks (eight transition and two physical risks) were deemed material to our business. In 2023, we assessed the impact of climate-related risks and 14 risks and 3 opportunities were identified across 27 locations. Eight transition risks and six physical risks were considered material in the business. A more in-depth comparison will be done in 2025. |
| **Financial modelling to understand the impact of identified risks and opportunities** | This will be considered in the next reporting period. |
| **Launch bespoke conflict management training to employees with a focus on risk mitigation** | Conflict management training launched |
| **Rollout lone worker devices** | Lone worker devices have been issued to all appropriate site-based employees |
| **Consider and conclude on an appropriate external benchmarking study for the Group to participate in from 2025 onwards** | In 2024 we concluded on CDP as the Group's appropriate benchmark for reporting our ESG credentials |

# 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 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 group, but where that is not considered appropriate, to the Group'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.

# Strategic ESG Commitments: A Foundation for Sustainable Growth

As we look ahead to 2025 and 2026, our commitment to Environmental, Social, and Governance (ESG) principles remains paramount. This table outlines our key ESG commitments for these years, demonstrating our proactive approach to sustainable growth and responsible business practices. We are focused on driving tangible progress in climate risk management, operational efficiency, and social responsibility, ensuring long-term value creation for all stakeholders.

**Table 6: 2025 and 2026 ESG Commitments**

| 2025 | Description |
|---|---|
| **Governance** | |
| **Climate Risk Management** | ▪ Conduct financial modelling to understand the impact of our identified risks and opportunities<br>▪ Climate scenario modelling year-on-year comparison<br>▪ Send a supplier questionnaire to all suppliers, as part of our ongoing assessment of our supply chain's vulnerability to climate change |
| **External Benchmarking** | ▪ Disclose our ESG performance against the CDP standard |
| **Environmental** | |
| **Net Zero Operations** | ▪ Over 40 per cent of the portfolio by floor area to be fossil fuel-free. Currently, we have decarbonised 25 per cent of our portfolio by area, representing 21 assets.<br>▪ Commission decarbonisation studies on 14 sites. Two sites have already been decarbonised in 2024.<br>▪ Five per cent reduction in like-for-like energy consumption per bed. Like-for-like energy consumption per bed was reduced by 2.9 per cent to 4,351 kWh (2023: 4,481 kWh), significantly driven by the rollout of smart heating systems in over 3,000 rooms.<br>▪ Set climate-related investment thresholds |
| **Greener Solutions Installation** | ▪ Improve our coverage of onsite energy creation (PVs) across the portfolio |
| **Emissions data collection and SBTi targets** | ▪ Align and validate our Net Zero strategy and targets to the SBTi across the next two years |
| **Green capex** | ▪ Focus on optimising boiler operations, including working towards the elimination of all gas-powered hot water systems from plant rooms<br>▪ Set climate-related investment thresholds linked to investment decision-making |
| **Data gathering** | ▪ Establish a water consumption baseline, setting a water reduction target within the next two years |
| **Building Energy Management System (BEMS)** | ▪ Carry out upgrades and repairs to 5-10 Building Management Systems (BMS) |
| **EPC Ratings** | ▪ >65 per cent of a portfolio to be rated EPC B or better, compared to 2024, where 64 per cent of the portfolio is now rated EPC B or better. |
| **Social** | |
| **Health and Safety** | ▪ Install defibrillators at appropriate sites<br>▪ Complete dynamic risk assessments of all sites specific to local areas |
| **Opportunities for all** | ▪ Implement improved recycling initiatives |
| **Enhance mental health and wellbeing** | ▪ Improve confidence through incident management |
| **Engagement** | ▪ Relationship building with higher education providers |
| **2026** | |
| **Net Zero Operations** | ▪ Expand our reporting capabilities following expected alignment with the SBTi |

# Stakeholder Engagement

The Board is responsible for providing strong leadership and effective decision-making to enable the Group's continued success and the implementation of our strategy. We aim to follow best practices 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 Group's operations. The 2024 Annual Report, page 96, provides further details of how the Board considers Section 172(1) matters.

### 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, the ESG report provides the information required for stakeholders 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.

## Table 7: 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.<br>Through biannual customer surveys.<br>Through our social media presence.<br>Through building relationships with universities in the towns and cities in which we operate. | Safety in their homes<br>Customer service<br>Value for money<br>Building configuration<br>Wellbeing<br>Energy saving<br>Birthday Card initiative<br>Introduction of Mental Health First Aiders | Global Student Living awarded our operational brand, Hello Student, the accolade of Best Student Wellbeing 2024.<br>Improving net promoter score<br>20 properties ranked within top three sites available in cities in which we operate (rated by our customers on Student Crowd)<br>Engaging energy awareness campaign completed receiving great customer feedback. |
| **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.<br>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.<br>Quarterly townhalls are held where our people can raise questions and provide feedback.<br>Through the One Team Collective<br>One Team Tour, engagement programme completed by the executive team providing an opportunity for employees to engage directly with the Executives | Safety at work<br>Pay and reward<br>Fair and equal treatment<br>Business updates | Real Living Wage Employer with a focus of improving the compensation arrangements for our lowest paid employees.<br>The Group has a good employee retention rate of 78 per cent.<br>Diversity target set for Senior Leadership Team.<br>98 per cent of employees have completed all of their essential training modules. |
| **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 of how best we can make a difference. | Through on-site communication with members of the public and local communities.<br>We have membership with the British Property Federation, where we can interact with communities and government on a wider basis<br>Interaction through the property licensing disclosures we have to undertake | Local job creation<br>Provision of appropriate housing stock<br>Supporting local charities | Support provided to Switch 180 and the British Heart Foundation nationally<br>Programme of charitable and community work across all sites with over 300 days provided and over £4,000 raised by the workforce toward charitable or community initiatives during 2024. |
| **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.<br>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 following annual and interim results,<br>The publication of our annual report which presents a comprehensive update of the group.<br>At our Annual General Meeting.<br>When significant change is proposed, for example, material transactions or changes to the remuneration structure. | Financial results, business performance and significant transaction<br>Dividend payments<br>ESG<br>Remuneration policy<br>Diversity<br>Capital Raise | Numerous meetings with current and prospective shareholders held throughout the year.<br>Property tours conducted in Bristol, Edinburgh and Glasgow.<br>Attendance at industry conferences.<br>Consultation on equity raise.<br>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. | Bi-annually we provide a detailed ESG update within our annual and interim reports. | Reduction in greenhouse gas emissions<br>Becoming a sustainable business | Published stand-alone ESG report.<br>Improving our energy efficiency per bed with a 5 per cent reduction achieved.<br>Managing EPC risk with over 60 per cent of the portfolio now EPC B or better.<br>Energy hedging contract secures electricity procured 100 per cent from renewable sources.<br>Scope 3 emissions disclosed for the first time. |
| **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.<br>Ongoing covenant reporting | Refinancing and hedging needs<br>Update on asset management initiatives and related impact.<br>Covenant compliance and related security pool. | Prudent management of maturing debt with refinancing of 2024 and 2025 expiries in hand<br>Quarterly covenant compliance reporting and regular engagement throughout the year<br>Site visits |
| **Agents and Consultants** | These stakeholders act on the Group'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<br>Summer turnaround<br>External tenders<br>Review of ERP provision and appointment | Non-core disposal programme and annual refurbishment activity.<br>Tender of external valuation contract resulting in the appointment of Cushman & Wakefield.<br>Appointment of Yardi Systems as the Group's ERP provider. |

# Economic

In alignment with GRI standards, this section provides an overview of our economic performance, highlighting the core drivers of our business and their impact. Our business model is centred on the strategic integration of a distinctive, high-quality portfolio of Purpose-Built Student Accommodation (PBSA) with an efficient in-house operational platform. This model is not merely about expansion; it's about creating sustainable economic value through optimised operations and strategic growth. By focusing on these key economic pillars, we aim to ensure long-term financial stability and deliver consistent returns for our stakeholders, while contributing positively to the communities we serve.

## 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 2024 GSLI, Hello Student outperformed all benchmarks for student satisfaction, exceeding the average for university and private halls.

# Economic Contribution and Value Add

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.

Our Annual Reports and Accounts 2024 meticulously detail the Group's economic impact, clearly outlining the Direct Economic Value Generated through revenues and how this value is distributed through operating costs, employee wages, payments to capital providers, government taxes, and community investments. The resulting Economic Value Retained, calculated by subtracting distributions from generated value, is also reported. Crucially, the ARA provides this data with geographical breakdowns where significant, using transparent criteria, and ensures accuracy by sourcing information from audited financial statements or management accounts, fostering stakeholder trust and accountability.

### How We Add Value

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

**Figure 2: Our business model and how we add value**


### 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 spans 23 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, creating long-term value and demonstrating our commitment to a more sustainable and ethical business model.

### Investments

For further details on investments, please see the Consolidated Statement of Cash Flows and Notes to the Financial Statements 2024 in our ARA on pages 158 and 159.

### Wages and Salaries

We have reported year-end wages and salaries in the Notes to the Financial Statements in our ARA on page 164.

### 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 Procurement Officer 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 Environmental, Social, and Governance (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.

# 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.

## Our TCFD Report

The Group supports the Taskforce on Climate-related Financial Disclosures (TCFD) and believes it provides a strong foundation for developing our climate strategy. We understand that climate change presents potential risks to our property portfolio, business continuity and capital expenditure plans. There is a need for comparability in reporting across sectors, as businesses collectively tackle climate change. In 2024, we continued to follow the recommendations of the TCFD framework, assessing and improving our understanding of how climate-related risks and opportunities impact our business. This report aims to align with the TCFD recommendations to the greatest extent possible. While significant progress has been made in incorporating climate-related considerations into our governance, strategy, risk management, and metrics and targets, we are committed to continuous improvement in our TCFD reporting and are actively working to address identified gaps. Our most recent standalone TCFD report is available on our website.

**Figure 3: TCFD core elements**

# Complying with the TCFD

UKLR 6.6.6R(8) requires mandated companies to include a Task Force on Climate-related Financial Disclosures (TCFD) statement in their annual report. As a premium-listed Company, we have complied with the requirements of UKLR 6.6.6R(8) by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures (11 of the 11 recommendations). In preparing these disclosures, we undertook a detailed assessment, taking into account Section C ('Guidance for All Sectors') of the TCFD Annex.

**Table 8: 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 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

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 on page 7.

## Strategy

We recognise that climate change is a complex issue and acknowledge our responsibility to minimise our impact on the planet. 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 and remained so for 2024. Climate change is a dynamic process, and its impacts are constantly evolving. Extreme weather events are becoming more frequent and intense, and other climate-related changes, such as sea-level rise and shifting weather patterns, are also occurring. Assessing climate change as a risk annually has enabled us to stay ahead of such changes and adapt our risk management strategies accordingly.

This year, we have conducted and updated a climate scenario analysis to gain meaningful insight into climate-related risks and opportunities for our business over the short, medium and long term. 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.

# Climate Scenario Analysis

Climate scenario analysis is a powerful tool that visualises various future scenarios using potential global warming pathways. By understanding these potential scenarios, we can better assess the risks and opportunities that may impact our operations, both directly and indirectly in various ways, such as new regulations, shifting market dynamics, or acute weather events like storms and wildfires.

In a world of uncertainty, climate scenarios are intended to explore a range of potential futures scenarios that may significantly alter the basis for business-as-usual. Multiple scenarios are used to analyse how different variables can result in varying outcomes. The climate models used for this analysis include data from the Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCP), the International Energy Agency's (IEA) World Energy Model (WEM), the Network for Greening the Financial System (NGFS) and other existing models.

The TCFD recommends the use of climate scenarios that are plausible and credible. Each scenario focuses on a different combination of key factors. The scenarios used in our 2024 analysis are in alignment with the ISO 14091 standard. Climate scenarios are used to differentiate a range of possible scenarios rather than a single theme. Each climate scenario should contribute insight into the future that relates to strategic and/or financial implications of climate-related risks and opportunities. Scenarios provide a common reference point for understanding how climate change could evolve under different scenarios. Each was chosen to show a range of higher and lower-risk outcomes. It is important to remember that climate scenarios make projections on hypothetical situations and, as such, come with a degree of uncertainty. While some of the information obtained from existing climate models have a high degree of accuracy, there is still a level of uncertainty. As a result, scenario analysis is only used as a guide for climate-related risks and opportunities.

The Group has considered climate-related impacts under three primary scenarios:

### Proactive Scenario (Below 2°C by 2100)

This scenario reflects a future where significant global action is taken to limit global warming to below 2°C by 2100, in line with the Paris Agreement. In this scenario, transition risks will become more prominent, and regulatory pressure will increase. As a business, we are committed to adapting to a low-carbon economy by investing in renewable energy sources, reducing emissions, and adopting sustainable practices.

### Reactive Scenario (2-3°C by 2100)

This scenario is associated with a future where global climate action is inconsistent, leading to a moderate increase in global temperature. In this scenario, we will prioritise risk management and adaptation strategies. This includes assessing and managing potential climate-related threats, developing contingency plans to address disruptions, and diversifying supply chains to reduce vulnerability.

### Inactive Scenario (Above 3°C by 2100)

This scenario reflects a future where global climate action is limited or delayed. It necessitates a proactive approach to risk management for long-term sustainability. We will prioritise crisis management, survival, and long-term viability.

# Our Climate-related Risks

We've adopted a three-tiered approach to our analysis, extending beyond standard business timelines to encompass a long-term perspective up to and beyond 2050. This enables us to identify emerging future risks and opportunities. The time horizons we've selected align with the UK's 2050 Net Zero target and beyond, ensuring our analysis is relevant to the long-term sustainability of our business.

**Short Term (2024-2027):** We will demonstrate a proactive approach to sustainability through public commitments and progress towards our targets. To ensure ongoing compliance, we will constantly assess the legal landscape and regularly review environmental regulations and permits. The Board will actively oversee risk management and compliance efforts. The short-term will help us prioritise immediate action and demonstrate early progress while ensuring compliance and building a foundation for long-term success.

**Medium Term (2028-2037):** As the physical impacts of climate change become more pronounced, we will focus on building resilience in our operations. By diversifying supply chains, investing in resilient infrastructure, and adopting sustainable practices, we will be better prepared for extreme weather events and resource scarcity. We will implement flood insurance, fire safety standards, and heat-resistant building materials to mitigate climate change risks. This timeframe will help focus on adapting to climate change and building operational resilience, engaging in long-term planning, and continuously improving upon the foundation laid in the short term.

**Long Term (2038-2050):** In the long term, we will drive a transformative shift towards a low-carbon economy. Key strategies include investing in renewable energy, adopting circular economy principles, building climate-resilient infrastructure, exploring carbon capture and storage technologies, and supporting innovation and research. This extended horizon allows for implementing ambitious, long-term strategies such as investing in renewable energy and building climate-resilient infrastructure. By embracing these long-term strategies, we will position ourselves as leaders in sustainable business practices and contribute to a more resilient and sustainable future.

### Analysis of Results

We have thoroughly assessed climate-related risks and opportunities aligned with the TCFD framework. A comprehensive climate risk register captured all identified climate-related risks and opportunities. We identified thirteen transition risks, six physical risks, with five opportunities across 26 key locations. Ten of these risks (eight transition and two physical risks) were deemed material to our business. The ESG Committee reviewed these findings and presented them to the Board for final approval in December 2024.

Each climate-related issue is classified using our Group-level standardised rating system. We assess the likelihood and impact of each risk to determine an inherent risk score. This inherent risk score is calculated by multiplying the likelihood and impact ratings. We calculate an overall net risk score by considering the effectiveness of our mitigating controls. Risks with a significant (inherent risk between 9 and 15) or high (inherent risk between 16 and 25) are deemed material to the business (Table 13). Only short-term material climate-related risks will be integrated into the Group's risk register, as these risks have a more immediate impact on the business. Medium- and long-term risks, while significant, will be monitored annually in the climate risk register but will not be actively managed within the Group Risk Register.

# Transition Risks

Transition risks arise from indirect impacts of climate change, including changes in government policy, technology, and market conditions. Climate-related transition risks refer to risks associated with transitioning to a low-carbon economy. Several climate-related transition risks are listed in Table 1, 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 9. Climate-related transition risks and mitigations.**

| Climate Risk Category | Climate-Related Risk | Description of Climate-related Risk | Timeline, Scenario and Risk Rating | Financial Impact | Mitigating Controls in Place |
|---|---|---|---|---|---|
| **Policy & Legal** | T1: Enhanced emissions-reporting obligations | The UK's commitment to net zero emissions by 2050 is driving increased regulatory pressure on businesses. This includes stricter emissions reporting requirements and higher energy efficiency standards for commercial properties. We are already impacted by increased emissions reporting regulations in the UK (e.g. TCFD, SECR, ESOS). To comply with these regulations, businesses must invest in energy efficiency measures, carbon reduction strategies, and potential carbon offsets. However, relying too heavily on offsets can hinder direct emissions reduction efforts. Therefore, a balanced approach is crucial to achieve net zero goals while managing potential risks and costs. | Short - Medium Term (2024-2037)<br><br><2°C, 2-3°C<br><br>Gross Risk: 20, High | Increased operating costs (higher compliance costs) | We already consider 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 our ESG advisors to ensure we remain compliant with current and emerging regulations.<br><br>Costs on the business to remain complaint will be relatively low as a proportion of our revenue. Additionally, we have allocated £12m toward ESG initiatives aimed at reducing energy consumption and emissions and improving EPC ratings with the aim to meet the UK Government's 2030 EPC B or better target.<br><br>We plan to mitigate the risks associated with overreliance on offsets by prioritising emission reduction strategies and using carbon offsets judiciously. Additionally, engaging with industry and policymakers can help shape a regulatory environment that supports the responsible use of carbon offsets and accelerates the transition to a low-carbon economy.<br><br>Covering all emission scopes prepares us for future reporting requirements. Establishing near-term and long-term targets demonstrates a proactive approach to emissions reduction, mitigating compliance risks. Plans to align with SBTi ensures targets will provide credibility, align with best practices and reduce the risk of regulatory misalignment. Exploring internal carbon pricing will further prepare us for potential future carbon pricing regulations.<br><br>We have achieved carbon reductions in both Scope 1 and Scope 2 emissions. Please see the metrics and targets section for a full report on our Targets, Scopes 1, 2, and 3 emissions, and future plans. |

# Transition Risks continued

**Table 9. Climate-related transition risks and mitigations.**

| Climate Risk Category | Climate-Related Risk | Description of Climate-related Risk | Timeline, Scenario and Risk Rating | Financial Impact | Mitigating Controls in Place |
|---|---|---|---|---|---|
| **Policy & Legal** | T2: Mandates on and regulation of existing products and services | Mandates/regulations, such as the Building Safety Act and Building Safety Regulator, may become more difficult to adhere to/meet if climate change-related events (e.g., supply chain issues) hinder the capacity of our operations.<br><br>The UK government's increasing focus on sustainability is driving stricter regulations and standards for the real estate industry. New regulations like Biodiversity Net Gain ("BNG") mandate a 10 per cent increase in biodiversity value for new developments. Failure to comply with such regulations can halt development projects. This highlights the importance of understanding and adapting to the evolving regulatory landscape to ensure project viability and environmental sustainability.<br><br>Sector-specific decarbonisation strategies (Heat and Buildings Strategy and Future Homes Standard) require us to meet the targets and recommendations outlined by the frameworks (e.g., EPC grading by 2030). Real Estate Investment Trusts (REITs) may be exposed to energy-related regulations even though energy costs are often the occupants' responsibility. | Short - Medium Term (2024-2037)<br><br><2°C, 2-3°C<br><br>Gross Risk: 12, Significant | Decreased revenue due to reduced demand for current products and services | We have identified several risks associated with compliance with regulatory mandates so that mitigation measures can be established (e.g., H&S, External Wall System (EWS), Electricity Safety Rules, etc.). The Group's capital allocation plans incorporate remedial work to ensure compliance. Good progress continues to be made, and the Group's lenders and insurers remain comfortable with the progress made.<br><br>Our 12.5 per cent reduction in Scope 1 emissions and 5.1 per cent reduction in Scope 2 emissions are directly linked to our strategy of mitigating regulatory compliance risks and proactively addressing decarbonisation mandates (Heat and Buildings, Future Homes Standard, EPC improvements).<br><br>Achieving net-zero targets (2033 for operational emissions, 2050 for all emissions) strengthens operational resilience against climate change-related disruptions (e.g., supply chain issues), making it easier to meet mandates like the Building Safety Act.<br><br>The 2033 net-zero target for operational emissions (Scopes 1 and 2) directly addresses the requirements of sector-specific decarbonisation strategies like the Heat and Buildings Strategy and Future Homes Standard, including the push for improved EPC gradings by 2030. This target directly mitigates the risk of non-compliance. Our 2033 operational emissions target is particularly relevant for addressing energy-related regulations that may impact REITs, even if energy costs are typically passed on to occupants. Reducing operational emissions helps mitigate these regulations' financial and reputational risks. |

# Transition Risks continued

**Table 9. Climate-related transition risks and mitigations.**

| Climate Risk Category | Climate-Related Risk | Description of Climate-related Risk | Timeline, Scenario and Risk Rating | Financial Impact | Mitigating Controls in Place |
|---|---|---|---|---|---|
| Market | T5: Changing customer behaviour | Empiric may be at risk of loss of revenue, reduced profitability and reduced growth if unable to keep pace with changing consumer behaviour. Consumers may choose accommodation that is more energy efficient (higher EPC rating) to save on utility costs.<br>With sustainability growing in importance, customers may change sentiment towards other Purpose-Build Student Accommodation (PBSA) operators who provide more sustainable alternatives or may decide that it is more environmentally friendly and cost-effective to study at home compared to student accommodation.<br>We have identified the potential for geopolitical events to cause supply/demand issues, e.g., international students being unable to study in the UK can result in up to 50 per cent revenue loss. Increased living, travel and utility costs as a result of carbon pricing may also result in fewer international students choosing to study in the UK. | Medium Term (2028-2037)<br><2°C, 2-3°C<br>Gross Risk: 9, Significant | Decreased revenue due to reduced demand for current products and services | Our sustainability commitments are set out in the sustainability section of our website and our 2023 ESG report. We have demonstrated resilience and adaptability to customers' changing demands by differentiating within the PBSA market with a highly efficient, low-embodied carbon product and efforts to attract climate-conscious customers. We have invested in and committed to an extensive capital investment plan to improve technologies that lower the carbon intensity of our accommodation to ensure sites are more sustainable. We have introduced annual energy awareness campaigns for our customers.<br>The 2033 net-zero target for operational emissions (Scopes 1 and 2), which will drive improvements in energy efficiency and EPC ratings. Strong ESG credentials are likely to become a point of difference to our customers. The overall commitment to net-zero emissions, including the 2050 target for all emissions (Scope 3), signals a strong commitment to sustainability, which is crucial for attracting environmentally conscious customers. This addresses the risk of students choosing alternative PBSA providers or opting to study from home due to environmental concerns. It demonstrates that we are taking sustainability seriously. |
| | T6: Uncertainty of market signals | The absence of robust sector transition plans to net zero poses a significant risk to accessing capital. New sectors and competitors may form, offering customers a range of companies to take their business to.<br>New financing from government schemes and green investment opportunities may be missed if we do not progress on our decarbonisation plans. Future financial planning and budgeting may become increasingly difficult as the market becomes more volatile and reactive to climate-driven events.<br>We may need to become more adaptive and flexible to the changes in the market to ensure we can continue to generate revenue and profit.<br>Market behaviour can often be volatile but can also present the Group with opportunities if we can adequately align our business model. | Short - Medium Term (2024-2037)<br><2°C, 2-3°C<br>Gross Risk: 10, Significant | Decreased access to capital | The Group is already taking a proactive approach, evidenced by public commitments and progress towards targets. Our net-zero targets, especially the near-term 2033 operational emissions target, demonstrate a proactive approach to the sector's transition to net-zero. This reduces the risk of being outpaced by new competitors offering more sustainable alternatives and helps maintain access to capital as investors increasingly prioritise companies with clear decarbonisation strategies. |

# Transition Risks contined

**Table 9: Climate-related transition risks and mitigations.**

| Climate Risk Category | Climate-Related Risk | Description of Climate-related Risk | Timeline, Scenario and Risk Rating | Financial Impact | Mitigating Controls in Place |
|---|---|---|---|---|---|
| **Market** | T7: Increased cost of energy and raw materials | Energy: Risk of increased energy costs as carbon prices are introduced on oil and gas imports. The unit cost of renewable electricity is more constant than that of electricity from fossil fuel sources. However, it can be more expensive, resulting in an increased cost of energy for the group. As more businesses switch to renewable energy contracts, energy costs could also increase (supply vs demand).<br><br>Raw Materials: The EU has identified plastic, steel, ceramics, hydrogen and fertilisers as high-impact materials. High-impact products will be forced to decarbonise – as a result, new processes and technology may be introduced, increasing the cost of the raw material. Increased costs of raw materials such as steel and plastic may have unforeseen impacts on products purchased through our supply chain. Increased costs of raw materials can also only be passed on so much before the consumer searches for cheaper alternatives. Material alternatives can be sourced; however, they may have fewer desirable qualities, making products inferior and risking reputational damage.<br><br>Supply Chain: Unpredictable climate change impacts could significantly affect supply chains, with increased pressure on operations and labour in the form of contractors and subcontractors. Reliance on an undiversified supply chain can result in significant damage to business operations and profitability. | Medium - Long Term (2028-2050)<br><br><2°C, 2-3°C<br><br>Gross risk: 15, Significant | Increased indirect (operating) costs | 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 strategy.<br><br>There is recognition that sustainable materials and technology may lead to increased costs. However, wide spread net-zero targets, should drive demand toward these solutions, decreasing their cost over the longer term.<br><br>The Group is actively transitioning a number of its sites to all-electric power significantly increasing the proportion of energy derived from on-site renewable generation. In 2024, Summit House in Cardiff and Brunswick Apartments were successfully converted and now utilise both photovoltaic (PV) panels and air source heat pumps (ASHPs). Looking ahead, planned conversions include College House and College Green in Bristol, The Exchange in Bath, St Marks in Leeds, Brook Studios in Birmingham, Claremont House in Glasgow, and Foss Studios in York. These sites will also feature either PV panels or a combination of PV and ASHP technology, further driving our commitment to renewable energy and reducing its carbon footprint. Converting to all-electric and on-site renewables directly reduces Scope 2 emissions (emissions from purchased electricity). Please see the overall energy consumption (kWh) and total Scope 2 emissions in tables in Tables 5 and 6 in the Metrics and Targets section.<br><br>As we continue our journey to become net zero, we will aim to substitute our materials with lower-emission alternatives wherever possible. We have sub-metered over 1,500 rooms again in 2024, providing richer data to enable training and behavioural adjustment.<br><br>Full LED and PIR upgrades have now been planned for >20 buildings, including plug-and-play fittings to help with future maintenance costs. Additional initiatives that progressed during 2023 and were advanced further in 2024 included: a feasibility study for the implementation of solar panels at 13 sites; a full portfolio survey to determine which buildings will benefit from PV, and 14 sites which will undergo decarbonisation surveys, contributing to the planned design to remove all gas boilers. We have created action plans for 14 of our least energy-efficient properties, including disposals and works undertaken. The percentage of our sites that have EPC ratings of B or better continues to increase and is comfortably ahead of our stated targets at 64 per cent |

# Transition Risks continued

**Table 9: Climate-related transition risks and mitigations.**

| Climate Risk Category | Climate-Related Risk | Description of Climate-related Risk | Timeline, Scenario and Risk Rating | Financial Impact | Mitigating Controls in Place |
|---|---|---|---|---|---|
| **Reputation** | T9: Shifts in Consumer Preferences | Our business is sensitive to consumers' changing climate perspective. A reduction in consumer numbers and spending could have an adverse effect on our revenue and profitability. With sustainability growing in importance, customers may change their market sentiment towards other PBSA operators as more sustainable alternatives. The potential loss of business to more sustainable competitors could be harmful to revenue. Capital spend on technologies that lower the carbon intensity of student accommodation could be increased to ensure sites are more sustainable. | Medium Term (2028-2037)<br><br><2°C, 2-3°C<br><br>Gross risk: 15, Significant | Reduced Revenue and Profitability | Utilising green marketing strategies and collaborating with agencies specialising in sustainability can enhance brand image and improve public perception. These efforts can help communicate the Group's commitment to environmental initiatives, align with stakeholder expectations, and potentially mitigate reputational risks. Implementing green marketing techniques can also differentiate the brand in a competitive marketplace by showcasing its proactive approach to environmental issues. By prioritising sustainability initiatives, implementing transparent communication, leveraging innovation and technology, fostering partnerships, investing in employee training, and conducting regular risk assessments, Empiric can effectively mitigate the risk of losing business due to customer preference for sustainable PBSA operators.<br><br>Our net-zero targets act as a driver for the necessary capital expenditure to remain competitive in a market increasingly driven by sustainability concerns. By investing in low-carbon technologies and demonstrating a commitment to emissions reduction, Empiric can attract and retain customers who prioritise sustainability, ultimately protecting its revenue and profitability. |
| | T10: Increased stakeholder concern | As the world transitions to a decarbonised economy, stakeholders are likely to have an increased focus on environmental impacts, climate change and net-zero targets. Failing to properly communicate the way we will proactively reduce our environmental impact is likely to then negatively impact investor sentiment/ratings, potentially limiting access to capital.<br><br>Should the Group not meet its climate targets, shareholders may decide to sell stock of 'ESP', lending partners may be less likely to provide financial services, and the Group may not be eligible for green loan deals or opportunities, leading to a decreased market share and lost revenue growth. If the Group were not able to access green debt issuance, this could also result in higher finance costs. Therefore, there is a reputational risk associated with not meeting publicly committed targets. | Short - Medium Term (2024-2037)<br><br><2°C<br><br>2-3°C<br><br>Gross risk – 12, Significant | Decreased access to capital, reduced company valuation | We have allocated internal resources through a Net Zero strategy and Engagement program. We have also engaged with a third-party advisor to ensure compliance with current and emerging regulations.<br><br>Our aptitude for engaging with climate change is outlined in the business's ambitious climate-related goals/targets for both 2033 and 2050.<br><br>We have also published a standalone ESG Report to communicate our efforts to stakeholders, including customers. We intend to continue to publish an annual standalone ESG Report to communicate efforts to stakeholders, including customers. |

# Transition Risks continued

**Table 9: Climate-related transition risks and mitigations.**

| Climate Risk Category | Climate-Related Risk | Description of Climate-related Risk | Timeline, Scenario and Risk Rating | Financial Impact | Mitigating Controls in Place |
|---|---|---|---|---|---|
| **Technology** | T11: Substitute existing products and services with lower-emission alternatives | Products and Services: Customer preferences are changing as people are increasingly considering the environment when making purchasing decisions. Listed buildings may have restrictions on renovations and the installation of low-carbon technologies, which could have an impact on the EPC ratings these buildings could achieve. For instance, replacing traditional windows with energy-efficient ones might require special permits or alterations that are not allowed. This could have an impact on the EPC ratings that they are able to achieve. There are also financial implications. The inability to modernise existing assets can lead to write-downs.<br><br>Financials: The costs needed to ensure our services are sustainable are likely to increase, as we may need to invest in more technology and resources. Sustainable materials and services currently have a higher cost compared with traditional alternatives.<br><br>Due to reduced demand for existing products/services, which are associated with high emissions, the shift to more efficient technology and sustainable products/services may present future opportunities. | Short - Medium Term (2024-2037)<br><br><2°C, 2-3°C<br><br>Gross risk – 12, Significant | Increased direct costs<br><br>Revenue – decrease in revenue opportunities as a result of reduced market share | We have been proactive in our efforts to incorporate sustainability into the core of our operations. This has included the establishment of our Net Zero strategy and emission reduction targets with specific KPIs. As we are on the journey to reducing our carbon emissions, we can position ourselves as being prepared for changing customer demands. This directly contributes to our commitment to achieving Net-Zero across our operations, developments, property portfolio, and energy consumption (Scopes 1 and 2) by 2033. The KPIs provide measurable milestones that allow us to track progress and ensure we are on track to meet this near-term goal. Furthermore, this work lays the foundation for achieving our broader target of absolute Net-Zero emissions (including Scope 3) by 2050 or earlier. The reductions achieved through our current initiatives will reduce our overall carbon footprint, making the 2050 target more attainable.<br><br>Please refer to the overview of our progress and future plans for improving energy performance across its portfolio under the energy efficiency narrative in the Metrics and Targets section of the report on page 42.<br><br>We has good experience of working with listed buildings and heritage offices to maximise them. Heritage England are being more accepting of building upgrades to heritage sites. |

# 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. There are five potential physical risks of differing magnitudes which may impact our sites. For example, flooding, rising mean temperatures, water stress, coastal flooding and wildfires. These physical risks were assessed using the same scoring methodology as transitional risks. In this report, we have listed only the risks that scored 9 or above on our inherent risk scoring methodology, which were classified as material. Non-material risks and their assessment can be found in our standalone TCFD report.

**Table 10: Climate-related physical risks and mitigations.**

| Climate Risk Category | Climate-Related Risk | Description of Climate-related Risk | Timeline | Scenario | Mitigating Controls in Place |
|---|---|---|---|---|---|
| **Acute** | P3: Heatwaves/ Extreme heat | 26 out of 26 Empiric sites will experience heatwaves in the short-long term in the Reactive and Inactive scenarios.<br><br>People: Extreme heat/heatwaves may adversely impact our employees, causing a decrease in productivity. Employees may subsequently want to work for other companies that provide cooling during extreme heat events. Students may also be impacted. Students may decide to reside in different housing with adequate air conditioning. To maintain optimal temperatures for students, there may be an increased demand for cooling through AC units, driving increased energy costs and Scope 1 & 2 emissions. Additional costs of cooling solutions could be passed onto students, leading to the site being less desirable/out of their price range.<br><br>Property & Infrastructure: Certain construction materials and their properties may change under extreme heat conditions. Changes to material properties, such as improved glazing and ventilation, may require additional refurbishment work and costs. However, if not changed, the building may be less valuable as refurbishments will be required. Extreme heat can cause power outages, equipment malfunctions and infrastructure failure, leading to business disruptions. Back-up power systems can enhance Empiric's resilience but require high costs. Electrical efficiency decreases as temperature rises, resulting in an increased demand for energy at potentially a higher cost – energy costs can rise by as much as ~400 per cent during a heatwave. This could be passed on to students, reducing the property's desirability.<br><br>As roads melt and rails buckle under extreme heat, there is an increased risk of some supply chain disruption. Disruption to transportation could lead to students moving to housing in closer proximity to their place of study. | Short - Long Term (2024-2050)<br><br>2-3˚C, >3˚C<br><br>Gross risk: 9, Significant | Increased direct costs | We will target the establishment of questionnaires for employees and students, to understand the level of comfort, the impact experienced and improvement suggestions.<br><br>Our summer occupancy rate is relatively low, which acts as mitigation against heatwave impacts on students using the accommodation during the highest risk periods.<br><br>A heat impact survey has been drafted and will be circulated to students in affected areas following the next extreme heat event.<br><br>The 2033 Net-Zero target for operational emissions (Scopes 1 and 2) drives improvements in energy efficiency and building design. This can lead to better insulation, more efficient cooling systems, and potentially even on-site renewable energy generation. These improvements create more comfortable living and working environments for employees and students, reducing the negative impacts of heatwaves and making our properties more attractive. This helps with both employee retention and student occupancy rates.<br><br>The broader commitment to sustainability, including the 2050 target for Scope 3 emissions, encourages us to work with our supply chain partners to improve their resilience to climate change impacts. |

# Physical Risks contined

**Table 10: Climate-related physical risks and mitigations.**

| Climate Risk Category | Climate-Related Risk | Description of Climate-related Risk | Timeline | Scenario | Mitigating Controls in Place |
|---|---|---|---|---|---|
| **Chronic** | P4: Sea Level Rise | 19 out of 26 of Empiric's sites are in potential sea level rise risk zones<br><br>Direct Impacts: Sea level rise could directly impact operating sites through erosion, flooding or subsidence. Closure of sites would result in a loss of revenue. Sea water inundation can damage properties, leading to an increase in renovation, repair and maintenance costs. Damaged stock and/or machinery may need to be replaced, leading to an increase in capital spend. Building structures may be compromised, resulting in higher repair costs and possible site closures. Loss of revenue could also result from all ground-floor students being put up in hotels while repairs occur in the event of coastal flooding.<br><br>Indirect Impacts: Insurance coverage may decrease for sites known to be at risk of sea level rise. Future building upgrades, renovations or extensions may not be covered by insurance premiums.<br><br>Research shows that sites near high flood-risk zones are expected to see around a 30 per cent rise in insurance premiums by 2040 without climate action.<br><br>Long-term effects could cause a building's physical structure to be damaged, resulting in lengthy ongoing repairs. Transport networks around a site may be inundated, leading to supply disruptions. Employees and students may be unable to reach the site, leading to reduced productivity levels and reduced occupancy levels, respectively. Sea ports may be forced to build sea defence improvements or relocate, leading to increased handling fees for goods.<br><br>Energy networks connecting to a site may be compromised, resulting in business disruptions. Power and water outages from storm events and coastal flooding can lead to high revenue costs. Students may be reimbursed due to a lack of adequate living conditions. IT infrastructure – which is vital for students to study in their accommodation – may be impacted, leading to reduced connectivity, communication delays and possible disruption to online website services. Reduced availability of IT services could lead to student relocation should the problem persist. | Long Term (2038 – 2050)<br><br>>3°C<br><br>Gross risk: 10, | Increased direct and indirect costs | Most of our sites are in close proximity to city centres and university campuses, meaning mitigation for our sites at risk of sea level rise will be directly dependent on the overall flood defences (both installed and planned) in the towns and cities they are located.<br><br>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 the loss per day.<br><br>The Group's insurance policy would currently respond to a flooding event.<br><br>The long-term nature of the 2050 Net-Zero target is particularly relevant to the risk. By working towards decarbonisation, we are contributing to a future where the most severe impacts of climate change, including sea level rise, are less likely. This reduces the long-term risk of structural damage, transport disruptions, and other negative consequences. Furthermore, the focus on energy efficiency and renewable energy sources (underpinned by our targets) can help reduce the vulnerability of energy networks to climate-related disruptions. |

# Climate-related Opportunities

We are eager to seize the opportunities presented by the transition to a low-carbon economy. These opportunities, identified as material at our September 2024 climate risk workshop, were selected following a rigorous assessment of their potential impact, alignment with our strategic goals, and feasibility of implementation. By investing in lower-emission technologies, we can reduce operational costs and enhance our market position. Furthermore, our proactive and transparent approach to environmental sustainability strengthens our reputation with stakeholders, providing a competitive edge.

**Table 11: Climate-related opportunities and response**

| Climate Opportunity Category | Climate-Related Opportunity | Impact description | Timeline and Scenarios | Financial Impact | Opportunity response strategy |
|---|---|---|---|---|---|
| **OP1: Energy Resources** | Use and installation of low-emission energy technology | The TCFD and International Energy Association agree that a growing proportion of energy generation must come from low-emission alternatives to reach carbon targets. Using low-emission technology to power business operations also has reputational benefits and may lead to financial gain. | Short - Medium Term (2024-2037)<br><br><2°C, 2-3°C | Self-generated electricity can be used in business operations, and excess sold to the grid | Possible options such as installing Solar PV would allow us to generate electricity on-site and transition away from grid reliance, helping to mitigate any potential carbon tax. On-site energy generation would reduce energy costs significantly, therefore reducing annual operational spend. On-site generation would also help to significantly reduce our direct emissions, which may help in mitigating any carbon price risks. We could also make use of several financing schemes and investment opportunities to help subsidise the upfront costs of low-emission technology.<br><br>2033 Net-Zero Target (Scopes 1 & 2): This target directly incentivises the adoption of low-emission energy technologies. The targets support the financial benefits of on-site energy generation. By reducing reliance on grid electricity, we can mitigate the impact of potential future carbon taxes and reduce overall energy costs. |
| **OP 2: Resource Efficiency** | Use of energy-efficient technology | The TCFD emphasises the need for a significant increase in low-emission energy generation to achieve carbon reduction goals. Whilst the implementation of energy-efficient technology may have a high capital cost, the technology will improve the efficiency of processes. As a result, less energy will be used to do the same work, reducing energy costs. The savings in energy will also lead to fast payback times for the technology, resulting in net financial gain over the technology's lifetime. Installing energy-efficient assets poses higher commercial value, resulting in higher portfolio valuation. | Short - Medium Term (2024-2037)<br><br><2°C, 2-3°C | Reduction in operating expenses because of increased efficiency (e.g., energy costs) | We are committed to decarbonising operational emissions, aiming to be Net Zero across operations, developments, property portfolio and energy consumption by 2033. Currently, we have decarbonised 25 per cent of our portfolio by area, representing 21 assets. While the initial 2025 decarbonisation plan has been adjusted to prioritise end-of-life or failed plant replacements with more sustainable alternatives, the subsequent phase will focus on eliminating all gas-powered hot water systems from plant rooms. This strategic approach allows for a systematic transition to cleaner energy sources and demonstrates progress toward the ambitious 2033 net-zero target.<br><br>We have also set a wider target of being Net Zero in all emissions (Scope 3) by 2050 or before. |

# Climate-related Opportunities

**Table 11: Climate-related opportunities and response**

| Climate Opportunity Category | Climate-Related | Impact description | Timeline and | Financial Impact | Opportunity response strategy |
|---|---|---|---|---|---|
| **OP 3: Products and Services** | New low-emission product and service lines | Organisations that innovate and develop new low-emission products and services may improve their competitive position and capitalise on shifting consumer and producer preferences.<br><br>Consumers are increasingly placing a greater emphasis on a product's carbon footprint in its marketing and labelling. | Short - Medium Term (2024-2037)<br><br><2°C, 2-3°C | New revenue streams | We recognise that customer preferences have not fully aligned yet and lower emissions are not currently the main reason for selecting our sites. However, over time, customer preferences are likely to shift towards services with greater importance placed on sustainability credentials alongside other aspects such as cost of living, location and quality of accommodation and service. We can, therefore, increase our market share by decarbonising our operations through new energy-efficient buildings and retrofitting obsolete buildings to highlight the reduction in emissions of our sites.<br><br>We anticipate that the upfront cost of sustainable products will outweigh the potential increase in revenue associated with demand for sustainable services in the short term. However, we expect that increased demand and long-term efficiencies will ultimately result in revenue exceeding costs.<br><br>64 per cent of the portfolio is now rated EPC B or better.<br><br>Our net-zero targets allow them to capitalise on the growing demand for sustainable accommodations, strengthening their competitive position. Also, our transparent emissions reporting enables us to credibly showcase reduced carbon footprint, appealing to environmentally conscious consumers. |
| **OP 6: Reputation** | Increased reputational profile and investment | Adhering to new sustainability standards and regulations can enhance Empiric's reputation as a responsible and forward-thinking company. This can attract environmentally conscious stakeholders, differentiate the Group from competitors, and potentially open new business opportunities. Additionally, compliance with regulations can unlock access to green financing options, providing a competitive advantage.<br><br>Refined SBTi-aligned targets and submission within the next year could also enhance reputational benefits. | Short - Medium Term (2024-2037)<br><br><2°C, 2-3°C | New revenue streams<br><br>Increased market share | Our transparency in communicating environmental values and strategy regarding climate change and Net Zero creates a strong market-leading reputation.<br><br>Our expertise in extensive refurbishment and repurposing of existing building stock continues to create high-quality PBSA operations with a low environmental impact and associated embodied carbon via the repurposing of existing buildings.<br><br>The 2033 and 2050 Net-Zero targets, significantly enhance our reputation as a responsible and forward-thinking company. This attracts environmentally conscious stakeholders, including investors, students, and employees. Demonstrating a commitment to science-based targets signals credibility and ambition. |

## 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. The Group has comprehensively assessed the physical risks associated with its top 10 suppliers. Key risks identified include:

- Heatwaves and Rising Temperatures: All ten suppliers are exposed to the risk of heatwaves and rising temperatures, which can lead to operational disruptions, reduced productivity, and increased energy costs.
- Flooding: Seven suppliers are in areas vulnerable to flooding, which can cause significant damage to facilities, equipment, and inventory.
- Wildfires: Three suppliers are at risk from wildfires, which can result in supply chain disruptions, property damage, and potential loss of life.
- Sea-level rise and Coastal Flooding: Three suppliers are situated in regions that may be affected by sea-level rise and coastal flooding, which can lead to increased insurance costs, operational challenges, and potential relocation expenses.

We will conduct regular vulnerability assessments and scenario planning exercises to assess the resilience of our current business processes. These assessments will analyse potential disruptions, such as climate change, pandemics, geopolitical instability, and supply chain bottlenecks. We will identify critical dependencies, assess the potential impact of disruptions on our operations, and develop mitigation strategies. This proactive approach will enhance our resilience and sustainability by enabling us to anticipate and respond effectively to unforeseen events, ensuring business continuity, and minimising the impact of disruptions on our operations and our students.

# Risk Management

Effective risk management is paramount to our business success. We have established a robust process for identifying, assessing, documenting and mitigating potential risks, recognising the challenges that could hinder our strategic goals. The Board sets the Group's risk management framework, and the Audit and Risk Committee oversees its implementation annually. Please refer to page 26 for a detailed overview of our risk management process.

With support from our third-party consultants, Inspired ESG, climate-related risks were identified through climate-scenario modelling in August 2024 and reviewed and assessed at a Board-level workshop in September 2024. These risks were compiled into an internal climate-risk register, aligned with the Group's risk register structure but with the appropriately modified risk timeframes used in the climate-scenario modelling. Please see the Strategy section for a detailed description of the timeframes used.

Each climate-related issue is assessed and classified using our standardised Group-level rating system. We assess the likelihood and impact of each risk to determine an inherent risk score. This score is calculated by multiplying the likelihood and impact ratings. Specific individuals or teams are assigned ownership of climate-related risks to ensure effective risk management. This clear accountability structure facilitates the implementation of appropriate mitigation strategies.

Table 12 presents a risk assessment matrix that categorises risks based on their likelihood and impact.

Impact of Risk: The impact of risk refers to the potential consequences or effects that a risk event could have on the Group. It assesses the severity of the outcomes if the risk materialised, which could include financial loss, reputational damage, operational disruptions, regulatory penalties, or strategic setbacks.

Likelihood of Risk: The likelihood of risk refers to the probability or chance that a specific risk event will occur. It evaluates how probable it is that the risk will materialise, ranging from highly unlikely to almost certain. This helps prioritise risks based on their potential frequency and significance.

The matrix assigns numerical values to these factors, ranging from 1 to 5, where 1 represents the lowest level and 5 is the highest. Risks are classified into five categories with corresponding colour codes: negligible, low, medium, significant, and high, depending on their inherent risk score. This categorisation aids in prioritising risks and allocating resources for effective risk management. By understanding and assessing risks in this manner, organisations can proactively mitigate potential threats and support business continuity. Risks with a significant (inherent risk between 9 and 15) or high (inherent risk between 16 and 25) are deemed material to the business.

**Table 12. Risk Rating Criteria.**

| Likelihood Factor | Rating | Impact Factor | Rating |
|---|---|---|---|
| Unlikely / Rare | 1 | Negligible / Insignificant | 1 |
| Possible / Seldom | 2 | Low / Marginal | 2 |
| Probable / Occasional | 3 | Medium / Serious | 3 |
| Very Likely / Moderate | 4 | Significant / Critical | 4 |
| Almost Certain / Very Frequent | 5 | High / Catastrophic | 5 |
| **Inherent/ Gross risk 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. | | | |

We also consider various mitigation measures to reduce the impact of these risks. By evaluating the effectiveness of these controls, we calculate a net risk score. This net risk score reflects the residual risk after accounting for mitigation measures. It's important to note that while we assess the effectiveness of our mitigation measures, our materiality threshold is based solely on the inherent risk score. This ensures that we prioritise risks with the highest potential impact, irrespective of the strength of our current controls.

# Environment

At the Group level, we are committed to ongoing annual reporting on environmental performance. Where possible, we strive to reduce GHG emissions across all sites. We calculate and report on Scope 1, 2, and 3 GHG emissions to provide full transparency to stakeholders. The operational control approach is used to consolidate the Group's organisational boundary. No progress against targets has been recorded yet, as we aim to align our targets with SBTi in the next two years. This approach allows us to gather sufficient data to ensure that targets subsequently set are both ambitious and feasible, grounded by comprehensive data analysis. We have compiled the data presented in this report based on internal records and calculations. While reasonable care has been taken to ensure the accuracy and completeness of the information, it has not been externally verified. Verification is currently under consideration by the ESG Committee.

## 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.

## Student Energy Awareness Week

With the aim to educate students about energy saving in a fun and engaging way, the team hosted a Student Energy Awareness Week from Wednesday 27th November to Wednesday 4th December 2024. Various activities were held over the course of the week including:

- Preparation: Reviewing the Point of Sale Guide and holding a team huddle to discuss tasks, ideas and how employees can contribute to the campaign.
- Engagement: Setting up displays, encouraging student participation in competitions, and using social media to spread awareness, using the hashtag #NRGsavers to track engagement.
- Launch Day: Assisting students, distributing gifts, and creating a fun and interactive atmosphere to learn about energy-saving

# Our Environmental Targets

**Table 13: Environmental-specific 2024 targets, outcome and progress**

| Environmental 2024 Target | Outcome and 2024 Progress |
|---|---|
| Over 40 per cent of the portfolio by floor area to be fossil fuel-free | We have decarbonised 25 per cent of our portfolio by area, representing 21 assets, and are working towards our target of over 40 per cent fossil fuel-free. |
| Lower like-for-like energy consumption to below 4,250 kWh per bed | Like-for-like energy consumption per bed was reduced by 2.9 per cent to 4,351 kWh (2023: 4,481 kWh), significantly driven by the rollout of smart heating systems in over 3,000 rooms. |
| Complete the conversion of a further 12 buildings to net-zero operations | In 2024 two buildings (Summit House, Cardiff and Brunswick Apartments, Southampton) became sites powered by on-site renewable electricity generation, utilising both solar PVs and ASHPs. Conversions are planned for a further 7 sites - these will be powered by either PV panels or a combination of PV and ASHP technology. |
| Commission decarbonisation studies on all remaining properties | Decarbonisation surveys are confirmed for 14 sites. |
| Record all onsite energy creation (PVs) across the portfolio | The recording of onsite energy creation has started at certain sites, with coverage to be improved upon during 2025. |
| Improve Scope 3 emissions data collection | We continue to work to improve our emissions data collection process actively. In 2024 we reported on our Scope 3 data for the first time alongside our first carbon balance sheet. |
| Refine the emissions target, aligning to SBTi within the next two years | We remain committed to refining our emissions target within the next two years. We will be aligning with the SBTi and its definition of Net Zero (a minimum of a 90 per cent reduction in absolute emissions with a maximum of 10 per cent abated through offsets). |
| Install air source heat pumps (ASHPs) and PVs at >10 sites | ASHPs and PVs have been installed at two sites (Summit House, Cardiff and Brunswick Apartments, Southampton). |
| Roll out >3,000 in-room heating controls (Smart Panels, Smart TRVs or meters) | 'Smart' Radiator Valve Actuators (TRVs) have now been installed in over 3,000 rooms, including the installation of smart in-room heating systems at Brook Studios and Summit House in 2024 as part of energy efficiency refurbishments at both sites:<br>▪ 167 Atamate and 1,653 SmarterDM smart heater units were installed and 1,285 EcoSync 'smart' TRV units.<br>▪ Estimated carbon savings of over 400 tonnes (Atamate - 19,654kg; SmarterDM - estimated 280,000kg; EcoSync - 100,673kg). |
| Full LED and PIR upgrades on >20 buildings that include plug and play fitting to help with future maintenance costs | Full LED and PIR upgrades have now been planned for >20 buildings.<br>2024 saw LED upgrades at five sites: Windsor House, Cardiff; Maritime Studios; Ayton House; Centro Court; and St Peter. |
| Set climate related investment thresholds | Climate-related investment thresholds linked to investment decision-making will be considered further in the next reporting cycle. |
| Use data to inform planned summer and winter education programs to support energy efficiency behavioural change | We ran two well-received energy awareness campaigns across all sites in both summer and winter, leading to improved energy-saving behaviours.<br>We sub-metered over 1,500 rooms again in 2024, providing us with further data for future training and behavioural adjustment. |
| Conduct BEMS surveys and upgrades at >30 sites | BEMS surveys have now been completed for >30 sites. |
| Execute comprehensive Building Management System (BMS) upgrades across the portfolio, allowing for remote monitoring, data collection and control | Our next target is to carry out upgrades and repairs to 5-10 BMS'. |
| >55 per cent of portfolio to be rated EPC B or better | The percentage of our sites with EPC ratings of B or better has continued to increase, reaching 64 per cent in 2024 (2023: 51 per cent) – comfortably ahead of target. |

# Metrics & Targets and Overall Approach

At the Group level, we are committed to ongoing annual reporting on environmental performance. Where possible, we strive to reduce GHG emissions across all sites. We calculate and report on Scope 1, 2, and 3 GHG emissions to provide full transparency to stakeholders. The operational control approach is used to consolidate the Group's organisational boundary.

No progress against targets has been recorded yet, as we aim to align our targets with SBTi in the next two years. This approach allows us to gather sufficient data to ensure that targets subsequently set are both ambitious and feasible, grounded by comprehensive data analysis. We have compiled the data presented in this report based on internal records and calculations. While reasonable care has been taken to ensure the accuracy and completeness of the information, it has not been externally verified. Verification is currently under consideration by the ESG Committee.

### Our Targets

- We are committed to decarbonising operational emissions, aiming to achieve Net-Zero across our operations, developments, property portfolio, and energy consumption (absolute Scopes 1 and 2) by 2033. This ambitious near-term target reflects our commitment to rapid progress in emissions reduction.

We have set a broader target of being Net-Zero across all our emissions (including absolute Scope 3) by 2050 or sooner. Understanding our net-zero targets

We will be aligning with the SBTi and its definition of Net-Zero which is a minimum of a 90 per cent reduction in absolute emissions with a maximum of 10 per cent abated through offsets.

Previously, the baseline year had been set as 2019 to measure the progress of our targets. However, certain gaps in data collection and completeness for certain emissions sources in 2019 make comparisons unreliable. The baseline year for both our targets will be set in 2025, using 2025 data as the SBTi alignment process begins. While Scope 1, 2, and 3 data for 2024 is calculated, we are currently focused on refining our data collection and analysis methodologies. Thus, we have chosen to establish 2025 as our baseline. Once this process is complete, we will be well-positioned to report our progress against our targets. Year-on-year comparisons are currently available in our SECR reporting, though not yet in the Carbon Balance Sheet. We expect to expand our reporting capabilities following the SBTi alignment.

The targets differ between scopes due to the difficulty compiling and calculating Scope 3 data. Data collection for Scope 3 emissions is complex, involving gathering information from numerous suppliers, customers, and other stakeholders. This complexity makes setting specific and quantifiable targets for Scope 3 emission reductions within the same timeframe as Scope 1 and 2 more challenging. The 2033 target focuses on directly controllable emissions (Scopes 1 and 2) where data availability and control are more controllable.

Our targets have been explicitly linked back to the identified risks detailed in Tables 1, 2, and 3, where relevant. Additionally, we will seek to incorporate an internal carbon price within the next two years. We will also considering purchasing credits representing removals of carbon emissions from external projects.

### Our Carbon Balance Sheet

We are committed to calculating and disclosing our full carbon footprint each year, being transparent about how our emissions have changed and why. Our carbon balance sheet covers our full GHG emissions inventory for 2023 (01/01/2023 - 31/12/2023).

Due to data availability and quality constraints, we are a year behind in reporting. However, we are actively working to improve data availability. Next year's report will include Scope 3 emissions for 2024 and 2025 to align our reporting with the current period.

Our emissions are reported using a consolidation, operational control approach defined by the GHG Protocol. All emissions have been calculated following the GHG Protocol's Corporate Accounting and Reporting Standard. We have also aligned with the EPRA's (European Public Real Estate Association) sustainability best practice methodology, which is based on the GRI Standards.

Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets. Scope 2 consumption and emissions cover indirect emissions related to the consumption of purchased electricity in day-to-day business operations. Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by us i.e., grey fleet business travel undertaken in employee-owned vehicles.

- Our Scope 1 direct and Scope 3 indirect emissions (combustion of natural gas and transportation fuels) for this reporting year are 2,859.24 $tCO_2e$, resulting from the direct combustion of 15,608,664 kWh of fuel. This represents a carbon reduction of 12.5 per cent from 2023.
- Scope 2 indirect emissions (purchased electricity, heat & steam) for this reporting year are 3,831.32 $tCO_2e$, resulting from the consumption of 18,580,162 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon reduction of 5.1 per cent from 2023.
- Our operations have an intensity metric of 0.857 $tCO_2e$ per bed for this reporting year. This represents an increase in the operational carbon intensity of 6.5 per cent since 2023.

# Our Carbon Balance Sheet

**Table 14: Total Energy Consumption (kWh)**

| Utility and Scope | 2024 Consumption kWh | 2023 Consumption kWh |
|---|---|---|
| | UK | UK |
| **Scope 1 Total** | **15,498,346** | **17,860,825** |
| Natural Gas (Scope 1) | 15,498,346 | 17,860,825 |
| **Scope 2 Total** | **18,580,162** | **19,955,946** |
| Grid-Supplied Electricity (Scope 2) | 18,007,162 | 19,353,562 |
| Heat, Steam & Cooling (Scope 2) | 573,000 | 602,384 |
| **Scope 3 Total** | **110,318** | **n/a** |
| Transportation (Scope 3)* | 110,318 | n/a |
| **Total** | **34,188,826** | **37,816,771** |

*Scope 3 transport emissions have been calculated and included for the first time in 2024.

**Table 15: Total Location-based Emissions ($tCO_2e$).**

| Utility and Scope | 2024 Consumption $tCO_2e$ | 2023 Consumption $tCO_2e$ | Year on year % change |
|---|---|---|---|
| | UK | UK | |
| **Scope 1 Total** | **2,834.65** | **3,267.00** | **-13.23%** |
| Natural Gas (Scope 1) | 2,834.65 | 3,267.00 | -13.23% |
| **Scope 2 Total** | **3,831.32** | **4,038.95** | **-5.14%** |
| Grid-Supplied Electricity (Scope 2) | 3,728.38 | 4,007.63 | -7.00% |
| Heat, Steam & Cooling (Scope 2) | 102.94 | 31.32 | +288.67% |
| **Scope 3 Total** | **24.59** | **n/a** | **n/a** |
| Transportation (Scope 3)* | 24.59 | n/a | n/a |
| **Total** | **6,690.56** | **7,305.95** | **-8.42%** |

*Scope 3 transport emissions have been calculated and included for the first time in 2024.

**Table 16: Total Emissions Intensity Metric.**

| | Location-Based | | Market-Based | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Total Beds** | **7,808** | **9,078.00** | **7,808** | **9,078.00** |
| All Scopes $tCO_2e$ per Bed | 0.857 | 0.805 | 0.551 | n/a |
| **Percentage Change** | **+6.47%** | | **N/A** | |

## Year-on-Year Changes

Building energy: Both electricity and gas consumption, and therefore emissions, have fallen between 2023 and 2024. The number of beds in operation this year fell, meaning fewer students were occupying rooms. In turn, this will have reduced the demand for electricity and gas use, reducing overall consumption.

Transport: While Scope 1 emissions remained at zero in 2024, this year was the first year that data had been collected for Scope 3 transport. This introduction has caused an apparent rise in transport emissions, however year-on-year comparisons will be much more normalised going forward.

Intensity metric: Emissions per bed have increased this year. This is due to number of beds decreasing further than electricity consumption, increasing the electricity emissions per bed. The introduction of transport emissions have also contributed to the overall increase in emissions intensity.

## Energy Efficiency Narrative

In 2024, Empiric Student Property actively engaged its student residents through an Energy Awareness Campaign, utilising competitions, social media, and interactive learning to promote energy saving. The Group also successfully reached its target of having over 55 per cent of its property portfolio achieve an EPC rating of B or higher. Furthermore, building efficiency was enhanced through renovation projects at Brook Studios and Summit House, which included the installation of solar panels, air source heat pumps, and smart in-room heating systems. Looking ahead to 2025, Empiric plans to procure 100 per cent of its electricity from renewable sources through its energy contracts and aims to increase the proportion of its portfolio with an EPC rating of B or higher to over 65 per cent. Additionally, over the next two years, the Group intends to align and validate its Net Zero strategy and targets with the Science Based Targets initiative.

### Understanding our emissions

Looking at our carbon balance sheet, we can see that capital goods (Scope 3, Cat 2) accounts for 44 per cent of our total carbon footprint, by far the largest category. It will therefore be the primary focus of our emissions reduction strategy going forward. The refurbishment of properties represents the majority of Category 2 spend, so strengthening upstream client relationships and working in partnership to reduce associated emissions will be our priority.

### Our Methodology

This report (including the Scope 1, 2 and 3 kWh consumption and $CO_2e$ emissions data) has been developed and calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard (World Resources Institute and World Business Council for Sustainable Development, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019). Government Emissions Factor Database 2023 as well as 2024 version 1 has been used, utilising the published kWh gross calorific value (CV) and $kgCO_2e$ emissions factors relevant for the reporting period 01/01/2023 - 31/12/2023 and 01/01/2024 – 31/12/2024.

For the purposes of this report, an operational boundary has been defined. All fifteen Scope 3 categories were assessed for relevance to the business, and nine were found applicable and quantified. The remaining six categories were deemed non-applicable due to the nature of Empiric Student Property's operations. Category 9: Downstream Transportation and Distribution – The business does not engage in downstream transportation or distribution of goods, Category 10: Processing of Sold Products – Only finished properties are leased, with no further processing involved. Category 11: Use of Sold Products – The Group leases properties rather than selling products that require further use-phase emissions analysis, Category 13: Downstream Leased Assets – Empiric do lease out properties, but they remain under empirics operational control so they are captured as part of Scope 1 &2, Category 14: Franchises – The business does not operate under a franchise model, and Category 15: Investments – Investments outside of operational activities are not material to Scope 3 emissions reporting.

To ensure complete data coverage, estimations were undertaken to cover missing billing periods for properties. These were calculated on a kWh/day pro-rata basis at the meter level. These full-year estimations were applied to two electricity supplies and one gas supply. The December 2024 billing period has been estimated based on average consumption across the January to November 2024 billing period. All estimations equated to 18.5 per cent of reported consumption. For the market-based emissions reporting methodology, an emissions factor of 0 $tCO_2$/kWh was applied to all electricity supplied from renewable energy contracts. Intensity metrics have been calculated using total $tCO_2e$ figures and the selected performance indicator for the relevant report period: Bed count for 2024 (2023) 7,808 (9,078).

**Table 17: Carbon Balance Sheet**

| Emissions Scope & Category | Greenhouse gas emissions inventory | |
|---|---|---|
| | FY23 Emissions $tCO_2e$ | % |
| **Scope 1** | **3,267** | **15.6%** |
| Natural Gas | 3,267 | 15.6% |
| **Scope 2 (Location-based)** | **4,039** | **19.1%** |
| Electricity | 4,008 | 19.1% |
| Purchased Heat | 31 | 0.1% |
| **Scope 3** | **13,656** | **65.1%** |
| 1. Purchased Goods & Services | 1,266 | 6.0% |
| 2. Capital Goods | 9,195 | 43.9% |
| 3. Fuel- and Energy-related Activities | 1,878 | 9.0% |
| 4. Upstream Transportation and Distribution | 14 | 0.1% |
| 5. Waste Generated in Operations | 886 | 4.2% |
| 6. Business Travel | 90 | 0.4% |
| 7. Employee Commuting | 299 | 1.4% |
| 8. Upstream Leased Assets | 27 | 0.1% |
| 9. Downstream Transportation and Distribution | N/A | N/A |
| 10. Processing of Sold Products | N/A | N/A |
| 11. Use of Sold Products | N/A | N/A |
| 12. End-of-life Treatment of Sold Products | 0.1 | 0.0004% |
| 13. Downstream Leased Assets | N/A | N/A |
| 14. Franchises | N/A | N/A |
| 15. Investments | N/A | N/A |
| **Total Emissions (Location-based)** | **20,963** | **100%** |
| **All $tCO_2e$ (Location-based) per Bed** | **2.68** | |

# Other Environmental Impacts

Beyond our commitment to reducing carbon emissions, Empiric is dedicated to minimising our environmental impact in the UK and across our portfolio. This includes proactive water and waste management initiatives and a comprehensive program of building upgrades to improve energy efficiency and reduce resource consumption. We also empower our student communities to participate in our sustainability journey through recycling programs and encouraging the donation of reusable goods.

## Waste Management

Our commitment to environmental stewardship extends to responsible waste management practices across all our operations. In alignment with GRI standards, this section outlines our strategies and performance related to waste generation, reduction, and disposal. we will disclose relevant performance indicators, including:

- Total waste generated (by type).
- Percentage of waste diverted from landfills.
- Amount of hazardous waste generated and disposed.
- Initiatives implemented to reduce waste and promote recycling.

By transparently reporting our waste management practices and performance, we demonstrate our commitment to minimising our environmental footprint and contributing to a more sustainable future.

## Mattress Recycling – Hello Student

One of our commitments to environmental responsibility at Hello Student has included a mattress recycling initiative in partnership with Global Student. Mattresses from Hello Student rooms are now reconditioned and recycled every three to four years. Valuable materials such as foam, metal springs and textiles are also reclaimed and repurposed for other uses, helping divert additional waste from landfills.

## #PackForGood Campaign – Hello Student

Our third year partnering with the British Heart Foundation ("BHF") for its #PackForGood campaign saw Hello Student collect and donate nearly 3,000 bags of preloved clothing and household items, raising over £63,000 for the BHF's life-saving research. Through our donations we also helped divert 23,994kg worth of waste, up 25 per cent on the previous year – highlighting our ongoing commitment to reducing waste at our student property sites. We'll also be continuing to support the #PackForGood campaign throughout the 2024 - 2025 academic year.

## Water & wastewater management

Water stewardship efforts involved implementing low-usage water taps and setting specific targets for each site. Transportation is environmentally conscious, with a fleet of electric vans being renewed and updated during the year. These vans provide green transport alternatives to our site teams who travel between our properties in the largest cities in which we operate.

As part of our commitment to TCFD compliance, we have assessed physical risks that may impact our business, including water stress. To better understand our supply chain's vulnerability to climate change, we conducted a climate scenario analysis of our supply chain and supply routes in 2024. In 2025, we aim to establish a water consumption baseline and set a water reduction target within the next two years. To mitigate water stress risks, our York site employs an independent water collection system. Furthermore, we are actively optimising water usage through the implementation of low-flow taps and efficient water management systems. Our St Mary's site in Bristol serves as an exemplary model, demonstrating the lowest water consumption of any known comparable living wall system. More information of which can be found in our latest ESG Report.

We actively promote recycling within our properties, implementing waste segregation practices to ensure responsible disposal. By providing bins and educating our students, we contribute to a culture of environmental consciousness. Waste segregation at select sites is managed through collaboration with our waste management 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 management brokers to ensure responsible waste monitoring and disposal. The data available from private waste collections significantly increased in 2024, allowing for a more accurate representation of waste intensity.

# EPRA Sustainability Performance Measures

**Table 18: Waste data 2024**

| EPRA Indicator | Environmental Performance Measures | Waste-Abs, Waste - LfL Waste | | | | | |
|---|---|---|---|---|---|---|---|
| | | Absolute (Total) | | | Like-for-Like (LFL) | | |
| | | 2023 | 2024 | % change | 2023 | 2024 | % change |
| Waste-Abs Proportion of waste by disposal route/Waste-LFL Proportion of waste by disposal route | Total weight of waste to landfill (tonnes) | 1623 | 828 | -49.0 | 1294 | 669 | -48.3 |
| | Total weight of recycling waste (tonnes) | 822 | 594 | -27.7 | 637 | 482 | -24.3 |
| | Total weight of waste to energy recovery facility (ERF) (tonnes) | 121 | 531 | 338.8 | 111 | 501 | 351.4 |
| Waste-Abs Total weight of waste by disposal route/Waste-LFL Total weight of waste by disposal route | Total weight of waste (tonnes) | 2566 | 1953 | -23.9 | 2042 | 1652 | -19.1 |
| | Proportion of waste consumption data estimated (%) | N/A | 78 | N/A | N/A | 63 | N/A |
| | Waste intensity (tonnes/Bed) | 0.28 | 0.25 | -10.7 | 0.28 | 0.23 | -19.2 |

**Table 19: Water data 2024**

| EPRA Indicator | Environmental Performance Measures | Waste-Abs, Waste - LfL Waste | | | | | |
|---|---|---|---|---|---|---|---|
| | | Absolute (Total) | | | Like-for-Like (LFL) | | |
| | | 2023 | 2024 | % change | 2023 | 2024 | % change |
| Water-Abs Total water withdrawal by source/ Water-LFL Like-for-like total water consumption | Total water consumption (m3) | 294,017 | 258,004 | -12.2 | 252,418 | 218,023 | -13.6 |
| | Proportion of water consumption data estimated (%) | 17 | 44 | 158.8 | 14 | 41 | 192.9 |
| Water-Int Building water intensity | Water intensity (m3/Bed) | 32.39 | 33.04 | 2.0 | 34.26 | 29.86 | -12.9 |

### 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 2025 ESG Report.

### Biodiversity

We recognise biodiversity's intrinsic value and the critical role it plays in maintaining healthy ecosystems. Empiric does not currently track or report on the significant direct and indirect impacts on biodiversity, including aspects such as habitat conversion, species reduction, pollution, introduction of invasive species, or changes in ecological processes. Additionally, no data is collected on the extent, duration, or reversibility of these impacts. However, we are looking into this, as Biodiversity Net Gain **("BNG")** is one of the evolving regulations that may impact them in the future.

### The Future Forest Company

As part of Energy Awareness Week in 2024, over 220 employees took part in a quiz, which was aimed at engaging and raising awareness of energy saving around the business. Employees who scored over 90 per cent in the quiz, had a tree planted in their name as part of The Future Forest Company. All trees were planted in Q3, and certificates were sent in November confirming that a tree has been planted in their name. This is a wonderful way to celebrate our commitment to energy awareness and sustainability.

### Sustainable buildings

### Brook Studios in Selly Oak, Birmingham

In 2024 we saw our newly renovated Hello Student accommodation at Brook Studios in Selly Oak, Birmingham complete. As part of our refurbishment programme, we've upgraded each studio apartment to create a modern finish and homely atmosphere. We also plan to improve the sustainability of the building through the installation of new solar panels, an air source heat pump and smart in-room heating systems, in line with our net-zero strategy to decarbonise our buildings.

### Summit House, Cardiff

We are proud to embrace renewable energy across our student buildings. As we strive towards our Net Zero by 2033 target, we're pleased to share that our recent transformation of Summit House in Cardiff included various features to enhance the sustainability of the building. This included adding solar panels, an air source heat pump, and smart in-room heating systems, which have been installed alongside other improvements and have breathed new life into this fantastic Hello Student property. We are hoping to replicate this across many of our sites over the next few years.

### Energy Resource Management

The completion of these projects, the successful Student Energy Awareness Week mentioned above, along with over 55 per cent of the portfolio now with an EPC rating of B or higher, resulted in significant strides being made during 2024 in energy efficiency and awareness. For 2025, the focus remains on further enhancing sustainability with a key objective being to procure 100 per cent of electricity from renewable sources through contractual requirements. The EPC target will be raised to over 65 per cent of the portfolio, achieving a B rating or higher. Additionally, the organisation aims to align and validate its Net Zero strategy and targets with the Science Based Targets initiative over the next two years, demonstrating a commitment to scientifically grounded climate action.

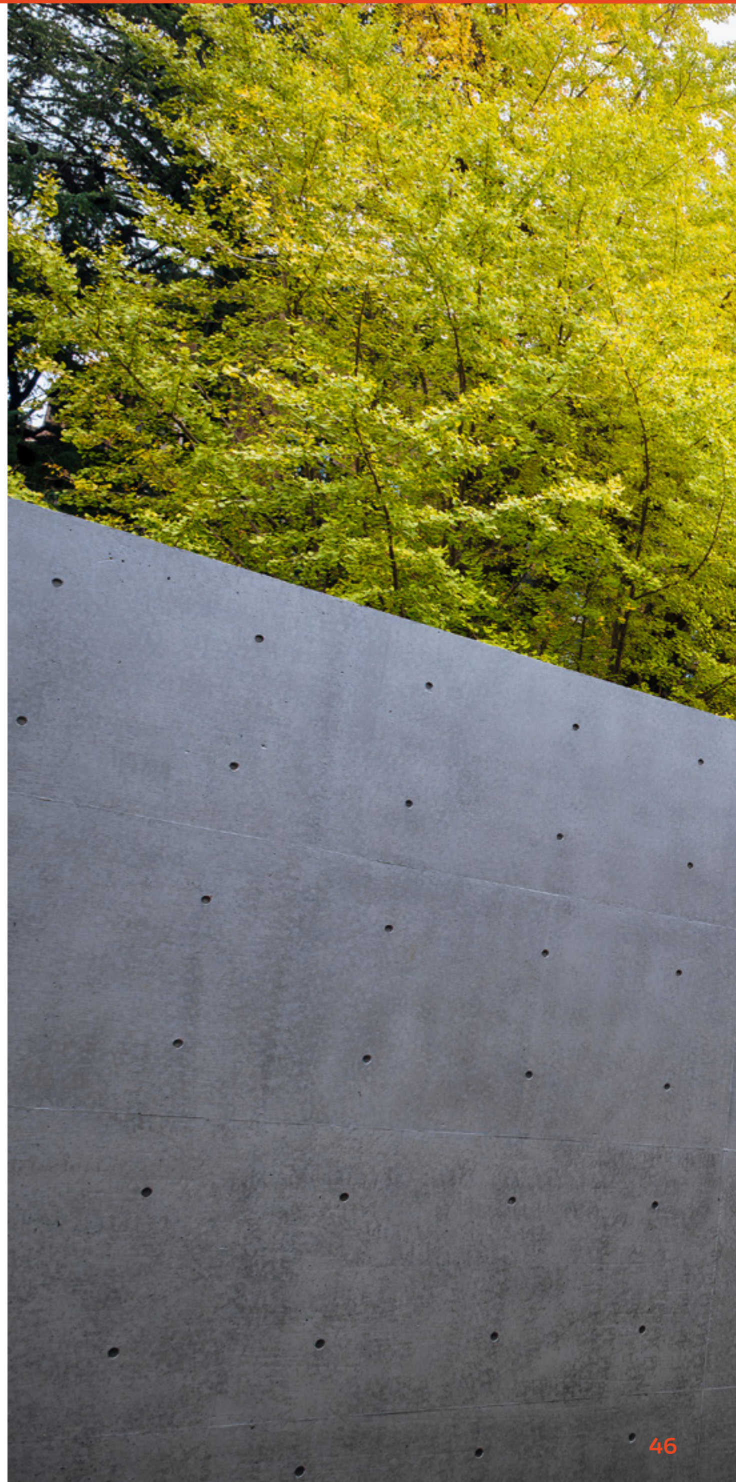


**Table 20: Consumption Data 2024**

| EPRA Indicator | Environmental Performance Measures | Waste-Abs, Waste - LfL Waste | | | | | |
|---|---|---|---|---|---|---|---|
| | | Absolute (Total) | | | Like-for-Like (LFL) | | |
| | | 2023 | 2024 | % change | 2023 | 2024 | % change |
| Elec-Abs Total energy consumption from electricity/Elec-LFL Like-for-Like total electricity consumption | Total energy consumption from electricity (kWh) | 19,353,562 | 18,007,162 | -7.0 | 17,496,466 | 16,798,323 | -4.0 |
| DH&C-Abs Total energy consumption from district heating & cooling/DH&C-LFL Like-for-like total district heating & cooling consumption | Total energy consumption from district heating & cooling (kWh) | 602,384 | 573,000 | -4.9 | 602,384 | 573,000 | -4.9 |
| Fuels-Abs Total energy consumption from fuels/ Fuels-LFL Like-for-like total fuel consumption | Total energy consumption from fuels (kWh) | 17,860,825 | 15,498,346 | -13.2 | 14,912,196 | 14,400,998 | -3.4 |
| | Proportion of district heating & cooling consumption data estimated (%) | 0 | 19 | 19 | 0 | 19 | 19 |
| | Proportion of district heating & cooling consumption data estimated (%) | 0 | 0 | 0 | 0 | 0 | 0 |
| | Proportion of fuels consumption data estimated (%) | 0 | 18 | 18 | 0 | 18 | 18 |
| Energy-Int Building energy intensity | Building energy intensity (kWh/Bed) | 4,166 | 4,365 | 4.8 | 4,481 | 4,351 | -2.9 |
| GHG-Dir-Abs Total direct GHG emissions | Total direct GHG emissions (Scope 1) ($tCO_2e$) | 3,267 | 2,835 | -13.2 | 2,728 | 2,634 | -3.4 |
| GHG-Indir-Abs Total indirect GHG emissions | Indirect GHG emissions (Scope 2) ($tCO_2e$) | 4,039 | 3,831 | -5.1 | 3,654 | 3,582 | -2.0 |
| | Indirect GHG emissions (Scope 3) ($tCO_2e$) | 13,656 | Not Calculated | N/A | 12,734 | Not Calculated | N/A |
| GHG-Int Greenhouse gas intensity from building energy | Greenhouse gas intensity from building energy ($tCO_2e$/Bed) | 0.80 | 0.85 | 6.7 | 0.87 | 0.85 | -2.2 |

# Social

## Our Approach

We are committed to ensuring fair treatment and ethical practices for all workers, including those who are not directly employed by our organisation. Our policies and procedures are designed to uphold labour standards and promote a positive working environment for everyone who contributes to our business. 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.

### Social Targets and Impact

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 following table highlights the 2024 progress against our social goals.

# Social Targets and Impact

**Table 21: Social-specific 2024 targets, outcome and progress**

| Social 2024 Target | Outcome and 2024 Progress |
|---|---|
| Establish Legal Register | Register is complete and maintained on Barbour |
| Deliver Wellbeing Management System and Framework, including lone working | New wellbeing standards developed and launched with lone-working support systems launched |
| Deliver Incident Management Guides to ensure consistent management and escalation of site-based incidents | Eight new documents were created and launched in 2024 to assist team members in supporting our customers with disabilities. These include guidance for writing Personal Emergency Evacuation Plans and how to handle assistance animals and reasonable adjustment requests.<br>New documentation has also been created to outline how team members can assist customers during times of crisis. |
| Complete dynamic risk assessments of all sites, specific to local area | To be completed in next reporting period |
| Create a Security Self-Assessment tool | Security assessment tool launched |
| Launch apprenticeship scheme | Apprenticeship scheme and leadership development programme for supporting future leaders, "Hello Future Stars" launched. |
| Define diversity focus areas and targets | Diversity target set for the Senior Management Team. |
| Provide training and accreditation to maintenance operatives | Training and accreditation of our maintenance operatives has continued through 2024. |
| Achieve a net promoter score of +33 | Our net promotor score ("NPS") has improved and continues to rise. Our Q4 2024 GSLI survey results showed an NPS of +32. |
| Achieve employee engagement scores within the top 25th percentile of an externally benchmarked comparator group | Achieved, with employee engagement at 78 per cent and an eNPS score of 44 |
| Mental Health First Aid training for all sites | We achieved our goal to provide Mental Health First Aid training across all sites. |
| Improve customer response times targeting resolution within 72 hours on 70 per cent of cases raised via the Student App | Customer response times improved to 69 per cent within 72 hours. |
| Invest over 300 days in community or charitable support initiatives | Our team members reached our target of over 300 days invested in charitable and community initiatives. |
| Launch behaviour programme | During 2024, we launched and completed an engaging energy awareness campaign which received great customer feedback and drove improved energy-saving behaviour. |

**"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

For disclosures related to our people, such as employee benefits, and considering our primary operations are within the UK, our 'significant locations of operations are likely defined at the Group level UK operations. This allows for a comprehensive overview of our workforce-related practices within our core activity area. At the Group level UK operations. This is because their core business activities, assets, and employees are concentrated within the United Kingdom.

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 2024 was 369 corresponding to 301 full-time employees and 68 part-time employees. An six per cent increase from 2023, where we had 348 employees in total. Depending on the role, we provide part-time and temporary working opportunities, where possible.

## Workforce Demographics and Statistics

During 2024, the Remuneration Committee reviewed pay and benefits across the wider workforce, with particular consideration given to the ongoing impact of the rate of inflation and the impact of the Real Living Wage increase. The 2024 annual pay review for the workforce resulted in an average salary increase of 4.4 per cent. The annual review will be moved from 1 January to 1 April 2025 and will result in an average salary increase of 4.1 per cent, with our lowest-paid employees continuing to receive increases in line with the Real Living Wage, which for 2024 was above the rate of inflation at five per cent. Recognising the change in the effective date for annual pay reviews, we have granted each employee an extra day of annual leave in 2025.

## Investing in Future Talent

In 2024, we launched a leadership development programme "Hello Future Stars" designed to support our businesses future leaders. 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 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 22: The average hours of training that employees have undertaken in 2024**

| | 2024 | 2023 |
|---|---|---|
| Average number of training hours completed per employee | 8 hours | 21 hours |

**Table 23: % Of total employees who received a regular performance and career development review in 2024**

| | 2024 | 2023 |
|---|---|---|
| % of total employees who received a regular performance and career development review in 2024 | 100% | 100% |

## 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 2024 was 22 per cent.

**Table 24: Employee turnover in 2024**

| | 2024 | 2023 |
|---|---|---|
| Empiric | 22% | 15% |

**Table 25: Number of permanent new hires in 2024**

| | 2024 | 2023 |
|---|---|---|
| Under 30 | 44 | 43 |
| Between 30-50 | 48 | 42 |
| Over 50 | 14 | 17 |
| Total | 106 | 102 |

## Employee Engagement

We maintain open communication channels with our employees through various avenues. These include the 'One Team Collective' ("OTC"), a formal employee representative group; an anonymous online suggestion box ('Talk To Us'); regular Q&A sessions with our executives; quarterly internal service surveys; and annual engagement surveys. These initiatives collectively enable frequent and diverse feedback sharing between employees and the Executive Committee.

**Table 26: Employee Engagement Questionnaire**

| | |
|---|---|
| 90 per cent | Number of employees that would recommend ESP or Hello Student as a great place to work |

90 per cent of employees said that they would recommend ESP or Hello Student services as a great place to work. This is a 5 per cent increase on 2023's figure of 85 per cent and testament to the positive and supportive culture we have built and developed.

Engaged and passionate employees in a safe working environment positively contribute to our strategy, reputation and performance. In Q1 and Q4 2024, 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 2025, asking more questions. We will publish the results of the 2025 questionnaire in our next ESG Report.

**Table 27: Our 2024 key statistics**

| 2024 | 2023 |
|---|---|
| 369 Employees | 348 employees |
| 7 per cent of full-time employees live within a 25km radius of our head office | 25 per cent of full-time employees live within a 25km radius of our head office |
| 43 per cent male: 57 per cent female ratio split of all employees | 62 per cent male: 38 per cent female ratio split of all employees |
| 72 per cent of Senior Management are aged between 30 and 50 | 81 per cent of Senior Management are aged between 30 and 50 |
| 32 per cent of Senior Management are female | 33 per cent of Senior Management are female |
| 100 per cent of employees received regular performance and career development reviews in 2024. | 100 per cent of employees received regular performance and career development reviews in 2023 |
| 81 per cent of those who took parental leave in 2023 returned to work | 70 per cent of those who took parental leave in 2022 returned to work |
| 41 per cent of permanent new hires in 2024 were under the age of 30 | 42 per cent of permanent new hires in 2023 were under the age of 30 |

**"At ESP, we believe that happy and engaged employees are the cornerstone of our success. Our open and honest communication fosters a sense of belonging and ensures everyone feels heard and valued. Regular pulse checks through our bi-annual employee engagement surveys provide invaluable insights into employee satisfaction and allow us to proactively address concerns, ensuring a positive and fulfilling work experience for all."**

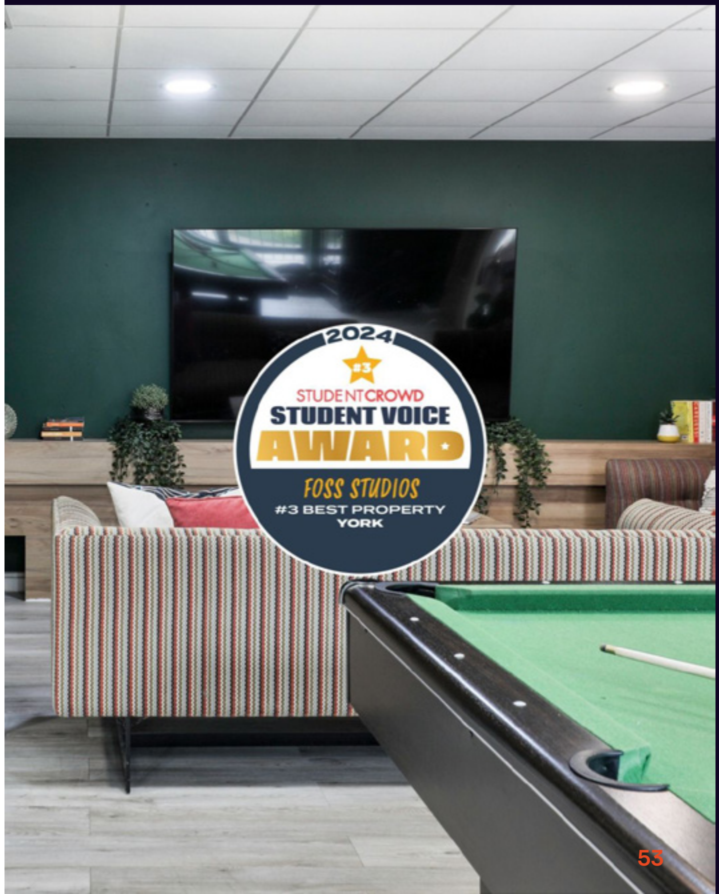
Group People Partner

# Workplace Awards

We are dedicated to creating a vibrant and inclusive company culture, which is reflected in our global recognition, including from Global Student Living. Our top priority is ensuring an outstanding living experience for our students, and we are thrilled that our Hello Student team's exceptional service has been certified at the highest level. The following table showcases our recent awards.

**Table 28: List of recognition and awards in 2024**

| Awards won in 2024 |
|---|
| Gold Certified Operator status by GSLI |
| Winner: Portobello House - Student Crowd Best Property per City Awards |
| Winner: London Road Apartments - Student Crowd Best Property per City Awards |
| Cara Fearnley, Operations Director, was awarded the "Rising Star" accolade at the Property Week Student |
| Award: Best Wellbeing Provision for UK & Ireland at the 2024 GSLI awards |
| 3rd Place: St Peters Studios - Student Crowd Best Property per City Awards Aberdeen |
| 3rd Place: Pavillion Court - Student Crowd Best Property per City Awards Canterbury |
| 3rd Place: Clifton Place - Student Crowd Best Property per City Awards Exeter |
| 3rd Place: Pennine House - Student Crowd Best Property per City Awards Leeds |
| 3rd Place: Foss Studios - Student Crowd Best Property per City Awards York |

# Global Student Living Index

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

Having been awarded Gold / Platinum Certified Operator status in 2024, this incredible recognition is a testament to the honest feedback and experiences shared by our customers in the GSLI index 2024.

## Key Findings of the Global Student Living Survey 2024

Hello Student, our operating brand, has become one of the most effective, responsible and recognisable in the sector. In the 2024 Global Student Living Index, Hello Student was awarded Gold Operator Certification, with an NPS score of +32, well exceeding the average for University and Private Halls (+12 and +19 respectively), and a further improvement on 2023 when we scored +30.5. We pride ourselves on high quality customer service and amenities.

## Global Student Living Awards 2024

We are delighted that Hello Student won the Best Student Wellbeing accolade at the GSLI awards. In Q2 2024, 79 per cent of our students said our accommodation had a positive impact on their wellbeing. This is testament to our hard work and focus on prioritising the health and welfare of our student customers.


## Student Crowd: Best Property Per City Awards

Student Crowd analysed student accommodation rankings from over 45,000 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 per cent verified students studying at UK universities. We are delighted that our Hello Student property ‘Portobello House’ won first place for Sheffield and ‘London Road Apartments’ won first place in Sheffield. We also received seven other awards, either 2nd or 3rd place across the various regions.

In 2024, a special mention was given to Oldgate House in Huddersfield as an outstanding property with exceptional student feedback. Oldgate House could not qualify as it is based in a city that didn’t meet the Student Crowd Award requirement (only cities with at least five properties, each having received more than ten reviews in the past 12 months, were included in the awards).

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

**“Amazing support, I appreciate the support provided, rooms clean and comfortable, feeling safe all the time knowing there’s a team there.”**

A verified student on 28 June 2024 via Student Crowd, commenting on Hello Student Ocean View in Falmouth.

**“I’ve been staying at Willowbank for 9 months now and I’ve been having a lovely time. The staff are lovely and super helpful and as kind as possible. The location is amazing and the surrounding area is quiet and peaceful. I would definitely recommend students to stay here.”**

A verified student on 19 September 2024 via Student Crowd, commenting on Hello Student Willowbank in Glasgow.

**“The location is very good, close to the University of Bristol. There are supermarkets and other facilities around, and there is a gym. They also provides rooms for students to study. The front desk staff are also very friendly.”**

A verified student on 3 December 2024 via Student Crowd, commenting on Hello Student St Mary’s in Bristol.

### Property Week's Student Accommodation Awards

We were proud to see that Cara Fearnley, our Operations Director, was awarded the "Rising Star" accolade at the Property Week Student Accommodation Awards in November 2024. This recognition highlights her exceptional contributions and dedication to operational excellence across our entire portfolio. Cara embodies our company values and serves as an inspiration to our team.

Furthermore, our Chief Commercial Officer, Gemma Le Marquer, hosted a thought-provoking panel discussion at the conference, exploring the transformative impact of integrated technology on the student accommodation sector as we prepare for Generation Alpha. This platform provided valuable insights and positioned ESP at the forefront of industry innovation.

### StudentCrowd: Student Voice Awards

We are proud to have been recognised by StudentCrowd in their 2024 Student Voice Awards, which are based entirely on student reviews. This achievement reflects our commitment to providing exceptional service to our residents.

- Portobello House was awarded "Best Property in Sheffield.
- London Road Apartments was awarded "Best Property in Southampton.
- St Peter Studios, Pavilion Court, Clifton Place, Pennine House, and Foss Studios were recognized as top-three properties in Aberdeen, Canterbury, Exeter, Leeds, and York, respectively.

These awards demonstrate our dedication to creating a positive and supportive living experience for our students.

# 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 Group at the end of 2024 is shown in the table below.

The Board believes that being inclusive improves opportunities for our students, employees, people and the communities in which we operate, creating long-term value for our business and society. The Board and its committees consider diversity for every appointment. The female representation of the Board during 2023 and 2024 was 33 per cent, being two out of six Board members in total. As diversity remains an important topic for our business, and within the Real Estate sector, the Board is mindful of, and reviews annually, gender and ethnic diversity across the entire workforce, within the Senior Leadership Team and at Board level.

Table 29 shows the representation of females in executive and senior management positions within the Group in 2023 vs 2024.

### Improving provision for customers with additional needs

To improve the handling of reasonable adjustments, eight new documents were created and launched to assist team members in supporting our customers with disabilities. These included guidance for writing Personal Emergency Evacuation Plans and how to handle assistance animal and reasonable adjustment requests. These developments ensure that customers receive accurate information and feel supported from the moment they book, while also bringing the Group into full compliance with the Equality Act.

**Table 29: Gender Diversity Statistics**

| Gender pay gap | Mean 2024 | Mean 2023 | Median 2024 | Median 2023 |
|---|---|---|---|---|
| Group gender pay gap | 13.45% (Male paid more than female) | 10.1% (Male paid more than Female) | 3.17% (Male paid more than female) | 1.85% (Male paid more than Female) |
| Group gender bonus gap | 44.76% (Male paid more than female) | 29.33% (Male paid more than Female) | –47.08% (Female paid more than male) | -15.50%(Female paid more than male) |

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Male | Female | Male | Female |
| Executive Management | 3 | 2 | 3 | 2 |
| Senior Management | 17 | 8 | 14 | 7 |
| Total Employees | 204 | 163 | 201 | 147 |

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

# A Focus on Wellbeing

### Anti Bullying Week

In support of Anti-Bullying Week, ESP and Hello Student participated in 'Odd Socks Day' on Tuesday 12 November, to raise awareness about the importance of embracing individuality and celebrating differences. Our teams across all locations wore mismatched socks to symbolise the uniqueness of each individual. To further support this important cause, we encouraged donations to Stop.Breathe. Think of a charity providing mental health support to young people.

### Company-wide Policies

We conduct regular and comprehensive reviews of all Company policies each year, to ensure they are free from any unintentional bias related to gender, ethnicity, or disability. We also integrate information on part-time work, flexible hours, and maternity leave where appropriate.

### Employee Benefits

To attract and retain top talent, we offer a comprehensive and adaptable benefits package. This package includes a range of benefits, from private healthcare to family-friendly policies, designed to support our employees' well-being. We are committed to providing competitive benefits to both full-time and part-time employees across the group. Employee freedom of association is fully respected.

### A Focus on Wellbeing

The wellbeing and mental health of our students and employees is a top priority for the Board, both commercially and as a duty of care for the continued safety of our customers and our people. We are continuously reviewing and improving processes across the Group to look after staff and improve colleagues' wellbeing.

### Employee Wellbeing

Our 'Wellbeing Standard' 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 Group's agreed stress management strategy.

Two Mental Health First Aid courses were delivered by our Wellbeing Manager who is a qualified Mental Health First Aid instructor. The aggregated scores demonstrated an impressive increase in confidence and knowledge among participants. Reported confidence in addressing mental health incidents rose from 6.1 to 8.8, and knowledge scores improved from 5.9 to 9.2. These outcomes are a testament to the effectiveness in empowering attendees to handle mental health concerns with greater assurance and competence.

We have also established several forums, to offer colleagues a variety of ways to share their views with the executive committee. For example, a formal employee representative group (One Team Collective' (OTC)); an anonymous 'Talk To Us' online suggestion box; and internal service surveys or annual engagement surveys. We conducted a Group wide survey in 2024, we also completed a series of roadshows with the Executive Team who made themselves available to all employees at three separate venues around the UK.

The One Team Collective (OTC), now in its third 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 four times in 2024 and is supported by Alice Avis, the Group's Senior Independent Director who attended one meeting in person and maintains regular dialogue with the Collective's Chair throughout the year.

### Wear it Green Day

In support of Mental Health Awareness Week, team members at Empiric and Hello Student wore green to show solidarity and help raise awareness of the stigma surrounding mental health. Throughout the week, teams shared various activities and resources to help raise awareness, ranging from conversation starter leaflets to movement calendars and competitions.

### Customers Wellbeing

In our 24-hour business, we understand that customers can face significant wellbeing challenges outside of typical working hours. These situations can place unique demands on our team members, especially when they are working alone. To provide comprehensive support, the Operational Risk and Wellbeing team has developed a dedicated SharePoint site offering:

- Mental health guidance to help our teams spot the warning signs of mental ill health;
- Signposting information to help connect customers with appropriate resources; and
- A repository of newly created documentation outlining how we assist customers during times of crisis.

This site is a cornerstone of our commitment to ensuring that team members have the guidance and tools needed to provide effective support, even during the most difficult situations.

External data completed by students via the GSLI 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 which led to being awarded Platinum Operator certification officially in 2024 from GSLI 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 2024, Empiric continued to build and develop a programme of events for students to engage in and feel part of a community, in response to the customer feedback. This involved current students welcoming new students in on check in day. We have designed improved amenity space for residents to be able to socialise or study in a communal environment. This has been delivered at our Brunswick and Victoria Point sites in 2024.

# Health and Safety

### Mitigating risk

Amendments to our standard form tenancy agreement were made to mitigate operational risks. Key changes included implementing a minimum age requirement for overnight guests, addressing safeguarding concerns, and introducing a clause to prohibit accommodation of individuals with unspent criminal convictions. These improvements have been adopted and aid enhanced customer wellbeing within our buildings, while reducing the Group's exposure to risk.

### Raising the profile

Our Wellbeing Manager was invited to be a panel member at the 2024 GSLI conference, where our commitment to promoting wellbeing provision at our sites was showcased. Our efforts were reflected in the GSLI survey results, where customers rated whether they considered their accommodation team cared about their wellbeing. Hello Student scored well at 74 per cent, with 78 per cent stating that their accommodation has an overall positive impact on their wellbeing.

We were delighted to have our efforts recognised within the industry and awarded Best Wellbeing Provision for UK & Ireland at the 2024 GSLI awards.

### Health and Safety

Health and Safety is the responsibility of the Board and reports are regularly provided to keep Directors updated of incidents or improvements. We track the number of reportable incidents across the Group on an annual basis. Health, safety and fire audits were conducted and completed during the year. A three-year plan is being progressed to enhance our monitoring and investment to ensure all our buildings are as safe and secure as possible. The implementation of SafetyNet, a custom low-code incident reporting system, revolutionised our approach to health and safety. SafetyNet includes functionalities like Fire Risk Assessment, Audits, Compliance Checklists, Dashboards, and Contractor Management. Safety and professionalism are of utmost importance across all our sites. Since its launch, SafetyNet has significantly increased reported incidents, leading to thorough investigations and risk reduction measures. The transition to digital reporting has streamlined ease of completion, facilitating timely and enhanced compliance monitoring. While our Annual Report 2024 itself serves as a high-level summary of the Group's safety performance, the increased incident reporting facilitated by SafetyNet directly enables thorough investigations into these occurrences.

The scope of incidents reported within SafetyNet is comprehensive, encompassing traditional health and safety concerns and security and well-being, providing the Group with a holistic understanding of its overall risk landscape. This commitment to safety extends to all individuals working on the Group's sites, covering both all employees and onsite subcontractors, who are mandated to participate in the SafeContractor accreditation process to ensure essential criteria and industry-specific regulations are met for a secure and dependable partnership. This ensures they meet essential criteria and adhere to industry-specific regulations, to ensure a secure and dependable partnership.

**Table 30: Health and Safety Statistics**

| Description | Statistics |
|---|---|
| Injury Rate (IR) | 2.7 |
| Lost Day Rate (LDR) | 1.8 |
| Accident Severity Rate (ASR) | 0.009 |
| Absence Rate (AR) | 2.4 |
| Work-related facilities for all direct employees | Nil |
| % of assets for which H&S impacts are assessed or reviewed for compliance or improvement | 100 |

The increased incident reporting, enabled by SafetyNet, provides valuable data that is analysed to understand the current risk landscape, evaluate the effectiveness of existing processes and interventions, identify areas for improvement, and ultimately drive a culture of continuous enhancement in health and safety across the organisation. The comprehensive nature of the reported data (covering security and wellbeing in addition to traditional safety) allows for a holistic approach to risk management and process improvement.

## Supporting Fire Safety Week

To enhance fire safety awareness among our student residents, Hello Student accommodation site teams conducted engaging and interactive campaigns. Activities included fun quizzes, hazard spotting games, and informative sessions led by friendly mascots. These initiatives aimed to promote fire safety best practices in an enjoyable and memorable manner.

Throughout the week, evacuation drills were conducted across all sites to ensure the smooth and efficient execution of emergency procedures. The safety and well-being of our residents and staff are paramount. These proactive safety campaigns are integral to our safety culture, fostering a vigilant and informed community while fulfilling our duty of care.

## Communities

In alignment with GRI standards, this section outlines our commitment to fostering positive relationships, contributing to sustainable development, and addressing the needs of our stakeholders.

## Book donation

As we continue to support student welfare and our local communities, we're thrilled to share that our operating brand, Hello Student has recently donated books to ESOL (English for Speakers of Other Languages) City of Glasgow College students. This initiative aims to help students, whose primary language is not English, providing valuable resources to support their language learning journey. The diverse range of donated books will benefit students enrolled in ESOL programmes at the College, supplementing classroom instruction and offering opportunities for independent study and language practice.

## Charity and Local Community Work in 2024

We are committed to supporting our communities and making a positive social impact. In the past year, our efforts have included:

Supporting Mental Health: We raised over £3,300 for 'Stop.Breathe. Think', a charity providing free counseling sessions to young adults and children. Our team actively participated in awareness campaigns and fundraising events, including a Mount Snowden climb and local team initiatives. This support has enabled 112 young people to access vital mental health services.

Community Engagement: Our team dedicated 225 days to volunteering within their local communities. We encourage all employees to dedicate a day each year to supporting local causes, such as litter picking, hospice support, food bank assistance, and gift wrapping for children.

Supporting the British Heart Foundation: We raised over £60,000 for the British Heart Foundation by organising local collections and donating thousands of unwanted belongings from students.

These initiatives demonstrate our commitment to social responsibility and align with our company value of supporting others.

# Modern Slavery and our Supply Chain

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.

While most of our direct suppliers are based in the UK, we are aware that some of their materials are sourced from around the world. However all of our service suppliers are based in the UK and are SafeContractor accredited and are therefore regarded as low risk

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; and
- developing strong relationships with UK-based suppliers and contractors that align with our business code of conduct expectations.

Furthermore, with nearly 7,700 students and 369 employees under our care, we have a duty to ensure their safety, which includes freedom from modern slavery.

Prior to recruiting staff, we complete checks on all Right to Work documents, including passports, share codes and overseas VISAs. We also complete DBS checks on all front-line operational staff. On appointment, employees are expected to familiarise themselves with our policies which they must confirm they have read and understood.

The policies are available on an internal intranet site and include:

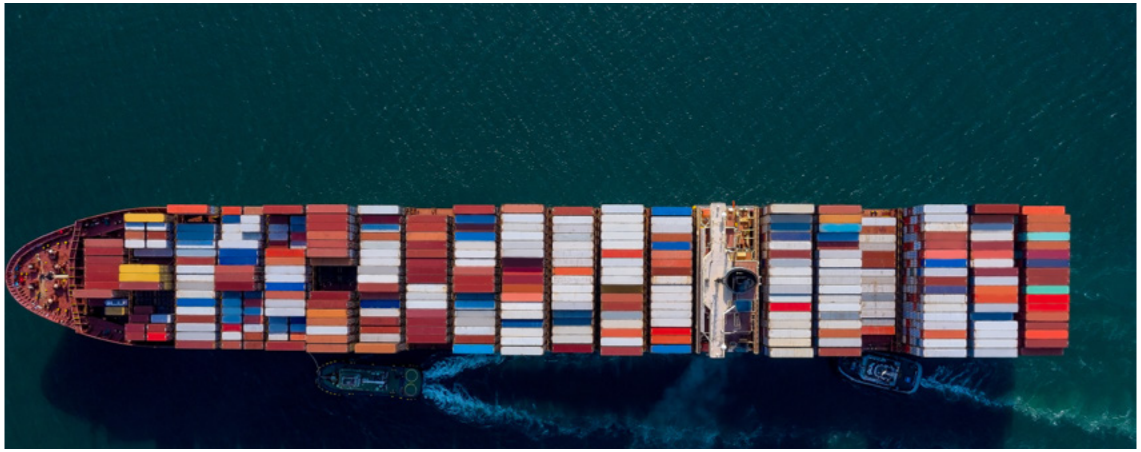
- Data Protection
- Whistleblowing and Grievance Policies î Anti Bribery
- Anti Money Laundering
- Diversity, Equality and Inclusion
- Duty to prevent Sexual Harassment

Additionally, employees must complete training to ensure they have a high level of understanding of the risks throughout our business. For modern slavery they are provided with practical guidance and 'red flags' they should identify in the workplace or within the student accommodation.

Any concerns or grievances may be raised using the Whistleblowing policy which can be found on the website. The policy applies to all employees, suppliers, agents, contractors and customers of Empiric Student Property plc, and its subsidiary Hello Student Management Limited.

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 Modern Slavery statement please refer to www.hellostudent.co.uk or www.empiric.co.uk



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