

GCP

STUDENT

GCP STUDENT LIVING PLC

Environmental social governance report 30 June 2018

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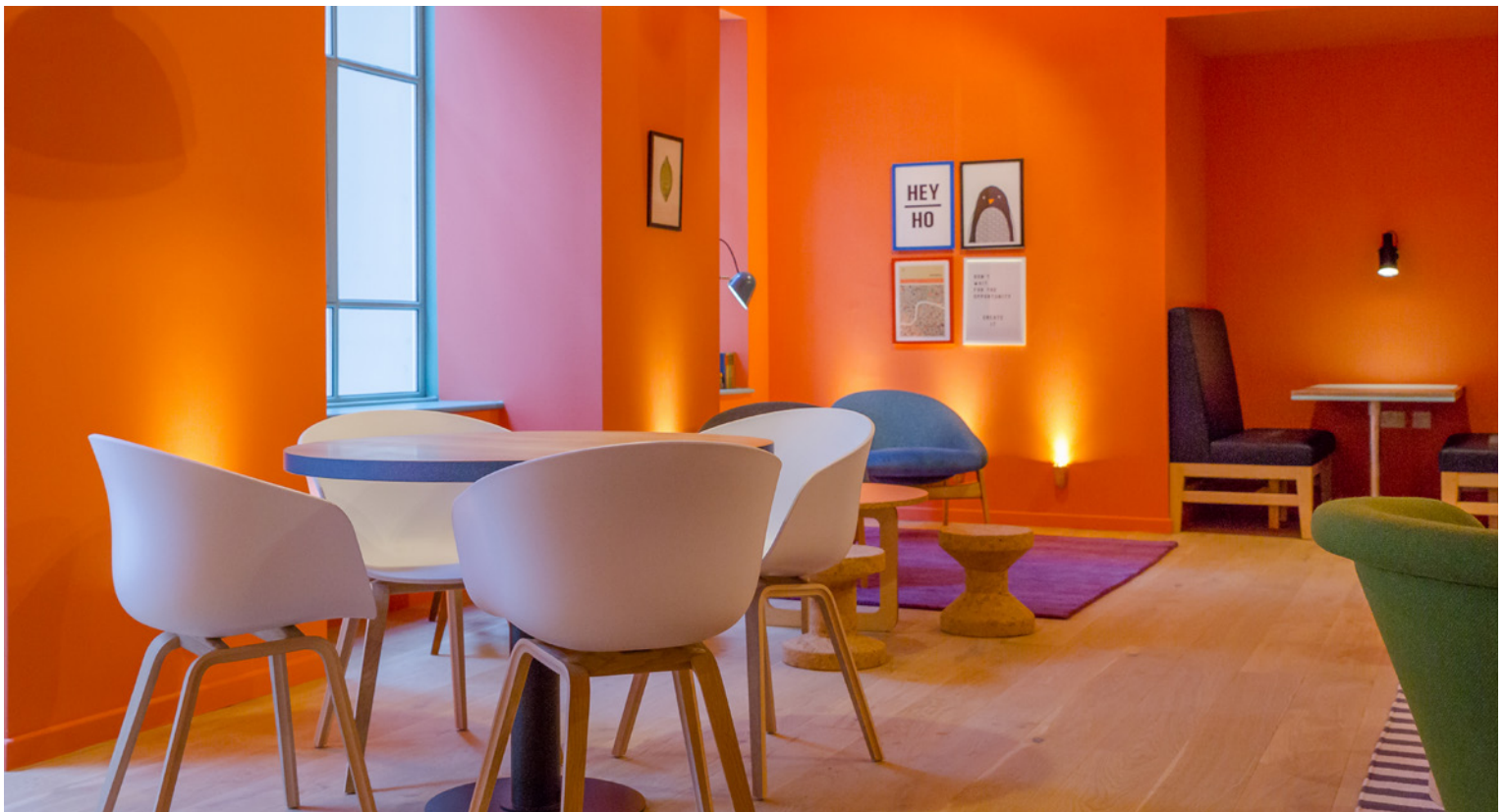
ABOUT US

GCP Student Living plc was the first real estate investment trust in the UK to focus on student residential assets.

The Company seeks to provide shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends with RPI inflation-linked income characteristics.

It invests in properties located primarily in and around London where the Investment Manager believes the Company is likely to benefit from supply and demand imbalances for student residential accommodation and a growing number of international students.

The Company has a premium listing on the Official List of the UKLA and trades on the Premium Segment of the Main Market of the London Stock Exchange. The Company had a market capitalisation of £566 million at 30 June 2018.



INTRODUCTION

The following report and data represent detailed analysis of the Company's EPRA Sustainability Performance Measures for the year ended 30 June 2018.

Data collection and sources

Data has been collected from the Company's Asset and Facilities Managers responsible for the operation of the Company's student accommodation buildings. Consumption data has been converted into tonnes of carbon dioxide equivalent by applying the published DEFRA carbon conversion factors.

Assurance

The Company does not currently obtain third party assurance for any data reported in its EPRA sustainability performance measures.

Reporting period

The reporting period is 1 July 2017 to 30 June 2018, comprising the financial year of the Company. Comparative data is for the previous financial year.

Narrative on performance

An explanation of the applied methodology and analysis has been presented, along with commentary where appropriate.

Segmental analysis

The Company is reporting on an operational control approach, in line with reporting for UK mandatory GHG reporting in the Company's annual report and financial statements.

The EPRA sBPR compliance tables below provide an overview of the EPRA sustainability performance measures that the Company is able to report on, and an explanation of where data cannot be reported.

ENVIRONMENTAL SUSTAINABILITY PERFORMANCE MEASURES

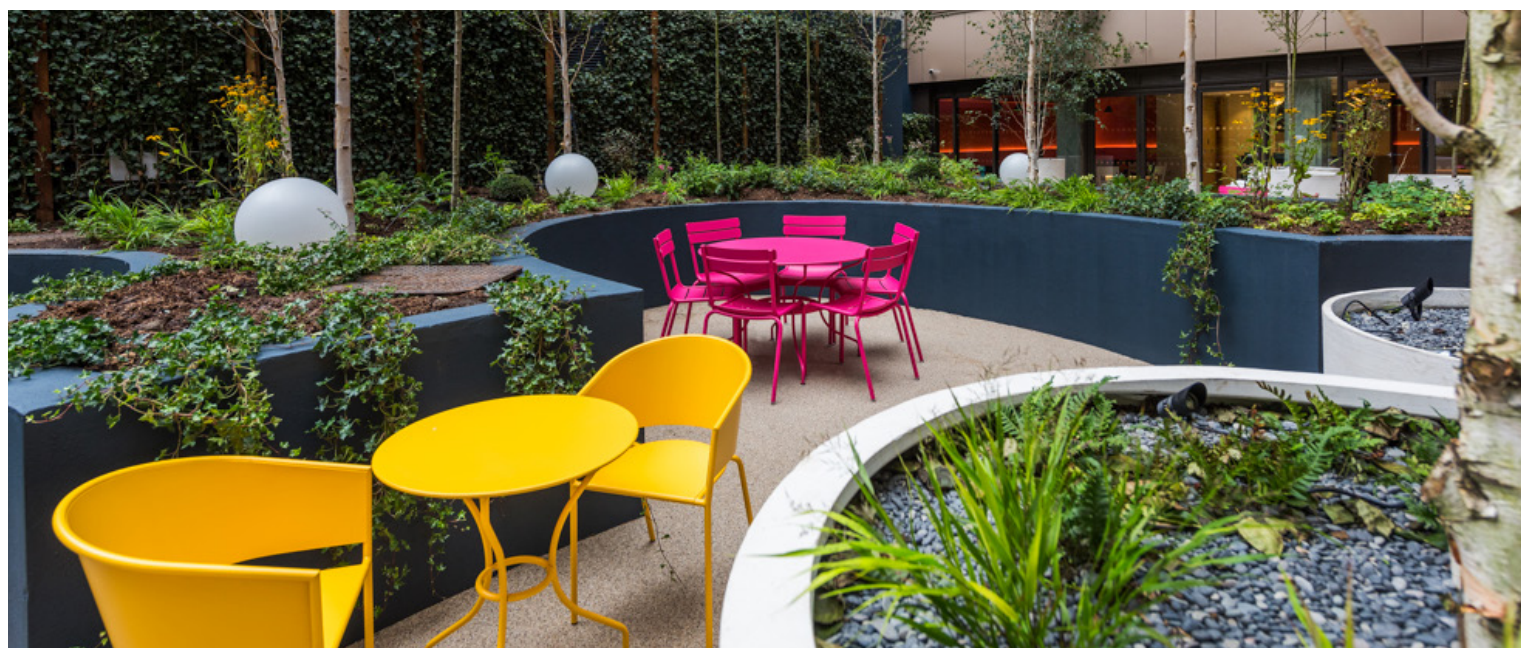
EPRA SUSTAINABILITY PERFORMANCE MEASURE		DATA REPORTED	LOCATION
Elec-Abs	Total electricity consumption	Yes	Page 9
Elec-LfL	Like-for-like total electricity consumption	Yes	Page 9
DH&C-Abs	Total district heating and cooling consumption	Yes	Page 9
DH&C-LfL	Like-for-like total district heating and cooling consumption	n/a	n/a
Fuels-Abs	Total fuel consumption	Yes	Page 9
Fuels-LfL	Like-for-like total fuel consumption	Yes	Page 9
Energy-Int	Building energy intensity	Yes	Page 9
GHG-Dir-Abs	Total direct GHG emissions	Yes	Page 10
GHG-Indir-Abs	Total indirect GHG emissions	n/a	n/a
GHG-Int	GHG intensity from building energy consumption	Yes	Page 10
Water-Abs	Total water consumption	Yes	Page 10
Water-LfL	Like-for-like total water consumption	Yes	Page 10
Water-Int	Building water intensity	Yes	Page 10
Waste-Abs	Total weight of waste by disposal route	Yes	Page 10
Waste-LfL	Like-for-like total weight of waste by disposal route	Yes	Page 10
Cert-Tot	Type and number of sustainably certified assets	No	n/a

SOCIAL PERFORMANCE MEASURES

EPRA SUSTAINABILITY PERFORMANCE MEASURE	DATA REPORTED	LOCATION
Diversity-Emp Employee gender diversity	Yes	Page 12
Diversity-Pay Gender pay ratio	Yes	Page 12
Emp-Training Employee training and development	Yes	Page 12
Emp-Dev Employee performance appraisals	Yes	Page 12
Emp-Turnover New hires and turnover	Yes	Page 12
H&S-Emp Employee health and safety	Yes	Page 13
H&S-Asset Asset health and safety assessments	Yes	Page 13
H&S-Comp Asset health and safety compliance	Yes	Page 13
Comty-Eng Community engagement, impact assessments and development programmes	Yes	Page 13

GOVERNANCE PERFORMANCE MEASURES

EPRA SUSTAINABILITY PERFORMANCE MEASURE	DATA REPORTED	LOCATION
Gov-Board Composition of the highest governance body	Yes	Page 17
Gov-Selec Process for nominating and selecting the highest governance body	Yes	Page 18
Gov-Col Process for managing conflicts of interest	Yes	Page 18




BUSINESS MODEL

The Company’s primary objective is to provide shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends.




WHERE, WHAT AND HOW

CORE ACTIVITIES

FINANCIAL MANAGEMENT




WHERE THE ASSETS ARE LOCATED






Primary focus in and around London

Proximity to HEI and/or major transport hub

High supply-side barriers



WHAT THE COMPANY BUYS



Intelligent design to optimise long-term returns

Large-scale assets benefiting from operating efficiencies

Modern purpose-built accommodation



HOW THE COMPANY OPERATES



High-specification facilities

Hotel level service

Competitive pricing

INVESTMENT MANAGEMENT



REINVESTMENT/ LIFECYCLING



ASSET MANAGEMENT



OUTPUTS

FINANCIAL

The Company invests in assets primarily in and around London which can deliver long-term sustainable rental growth and value. The Company has generated returns of 12.5% since IPO compared to the target of 8-10%. The portfolio continues to deliver strong operational performance, having achieved full occupancy for the 2017/18 academic year and generating rental income of £35.8 million.

PHYSICAL

All of the properties focus on intelligent design with comfort and wellbeing at their core. Making the most efficient use of space in the rooms frees up space in the building for cinemas, gyms, shared kitchens and other spaces that build communities and lifelong connections. By investing in areas that are undergoing regeneration, such as in Wembley, and Brighton, the Company is helping to improve the local area and reduce pressure on housing stock.

SOCIAL

The Company's buildings provide the best possible spaces for residents to nurture, grow and build relationships. Students and graduates receive help to meet potential employers and learn more about the world of work, initiatives include seminars from specialists from all fields as well as providing classes to improve skills such as languages, cookery, health and fitness.

STAKEHOLDER ENGAGEMENT

The Company's business model is designed to deliver positive long-term outcomes for all stakeholders.

The stakeholder model on page 7 demonstrates how the Company interacts with all of its stakeholders. These relationships provide the foundation for the Group's growth and sustainability, which in return provides benefits to all parties.

Shareholders

The Company creates earnings that benefit shareholders through dividends and capital appreciation. The Board and the Investment Manager recognise the importance of shareholder relations. The Company primarily engages with investors through its corporate broker and the Investment Manager, who maintain an ongoing dialogue with shareholders through daily market interactions, shareholder presentations, investor seminars, analyst presentations, site visits and marketing presentations.

In addition, the Board engages with the Company's shareholders at the general meetings of the Company, which shareholders are encouraged to attend. The Chairman and his fellow Directors make themselves available to discuss matters with shareholders outside of these formal meetings as appropriate. Shareholders wishing to communicate directly with the Board should contact the Company Secretary at the registered office.

Further dialogue with shareholders is achieved through the annual and half-year reports, news releases via RNS and the Company's website.

Customers

The Company aims to provide inspirational places for students to live and work. Its buildings are designed with this aim in mind to help students to get the very best out of their university experience. The Company also partners with institutions that have pushed the boundaries in education and which can open doors for life after university. The Company works with leading education institutions such as INTO, QMUL, Ravensbourne, ACM and global shared workspace leaders, WeWork.

Society

Infrastructure

By investing in areas that are undergoing regeneration, such as in Wembley and Brighton, the Company is helping to improve the local area and reduce pressure on housing stock in areas where there are supply and demand imbalances. The Company takes a highly selective approach to the locations in which it seeks to invest, with the key focus being on delivering long-term sustainable rental growth and value. It considers understanding a building's relationship with the community and its contribution to the wellbeing of society an important factor.

Social and community

The Company is committed to being socially responsible and the Directors consider community involvement to be an important part of that responsibility. It is indirectly involved with a number of social and local community initiatives via the Asset and Facilities Managers, such as initiatives to give back to the local area through sponsorship and local events. Positively impacting local communities can help foster community relationships and contribute to local prosperity.

Suppliers

The Group's supply chain comprises primarily UK-based suppliers or specialist contractors providing goods or services in the UK. These are mostly property management related services, such as property maintenance, lifecycle works, as well as other technical services. There are also real estate services such as development, construction and refurbishment. The Asset and Facilities Managers have overall responsibility for the procurement of property management services.

Public sector

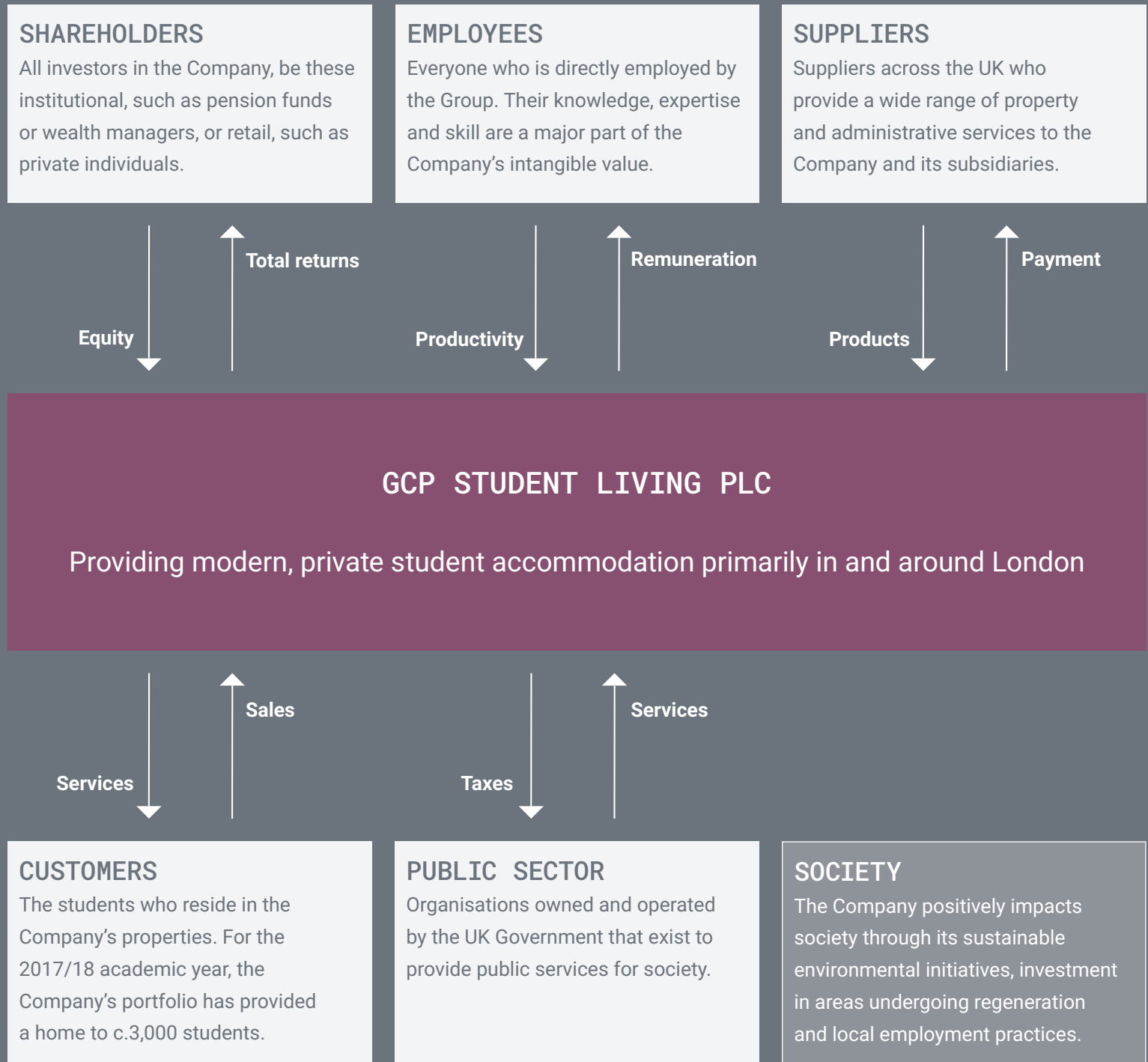
The Group contributes to the public sector through payment of taxes, such as VAT, employment taxes, stamp duty land tax and the payment of community levies such as the Community Infrastructure Levy.

Employees

The Group rewards people both financially and through personal development. Scape has overall responsibility for the supervision and provision of asset management services through oversight and management of the employees of GCP Operations Limited, a subsidiary of the Company.

The engagement and wellbeing of employees is important to the Company. Employee research is conducted through staff forums and surveys and the results are fed back to the board of GCP Operations Limited on a regular basis.

STAKEHOLDER MODEL



ENERGY AND CARBON DATA

The Company aims to operate a fully sustainable business model with a low carbon footprint.

Environmental impact

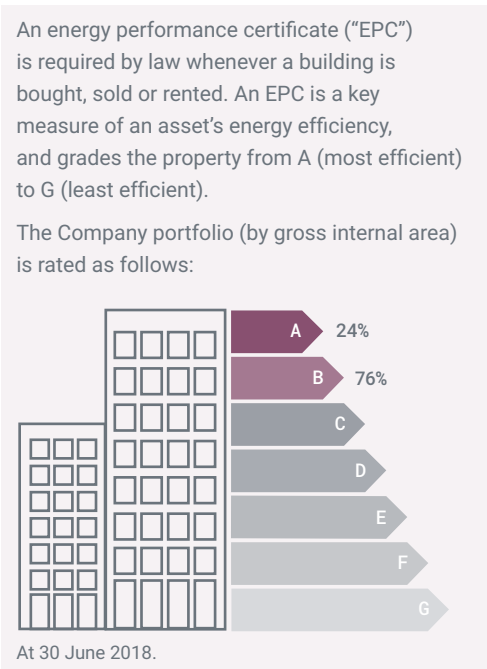
The Group is committed to being both socially and environmentally responsible and recognises the impact it has on the environment. It has delegated the day-to-day asset and facilities management to the Asset and Facilities Managers, who are responsible for the provision of energy supplies, including the procurement of renewable energy, managing the Group’s waste schemes and raising general awareness of environmental impact and waste reduction amongst the Group’s employees and residents.

Sustainability

The Group’s environmental sustainability measures include the use of highly efficient combined heat and power systems, ground source heat pumps and intelligent interior heating and lighting to minimise GHG emissions. The Company’s property portfolio incorporates green roof space, rainwater harvesting and sustainable waste management, including diverting waste from landfill to generate renewable electricity via the waste management process. In the year to 30 June 2018, Scape procured the conversion of 58% of property waste into renewable energy and 42% into national recycling schemes.

Energy efficiency

The Company’s buildings are either procured by the Company or acquired as newly operational and therefore conform to the highest standards of energy efficiency. The properties are designed with energy efficiency in mind, with 100% of the portfolio with an EPC rating of B or above.



Greenhouse gas emissions

This section contains information on GHG emissions required by the Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013 (the “Regulations”).

Reporting period

The reporting period is 1 July 2017 to 30 June 2018, comprising the financial year of the Company. Comparative data is for the previous financial year.

Methodology

The principal methodology used to calculate the emissions reflects the UK Government’s Environmental Reporting Guidance (2013 version). The Company has reported on all of the emission sources required under the Regulations. The Company does not have responsibility for any emission sources that are not included in the carbon emissions data table on page 9.

Organisational boundary

An operational control approach was used to define the Company’s organisational boundary and responsibility for GHG emissions. The Company owns 100% of the property assets it operates and has therefore reported on that basis. All material emission sources within this boundary have been reported upon, in line with the requirements of the Regulations.

Intensity ratio

In order to express the GHG emissions in relation to a quantifiable factor associated with the Company’s activities, the intensity ratio per bed has been chosen. It is considered that this intensity ratio will provide a uniform basis of comparing data between the Company’s different properties and take into account the commercial areas within each of the properties. This will also allow comparison of the Company’s performance over time, as well as with other companies in the Company’s peer group.

Carbon emissions data	Year ended 30 June 2018	Year ended 30 June 2017
Absolute energy use:		
Residential gas (kWh)	9,356,436	6,526,010
Residential oil (kWh)	—	—
Residential electricity (kWh)	5,701,264	4,121,815
Absolute CO₂e emissions (tonnes CO₂e)	3,335	2,899
Residential gas emissions (tonnes CO ₂ e) (Scope 1)	1,721	1,201
Residential oil emissions (tonnes CO ₂ e) (Scope 1)	—	—
Residential electricity emissions (tonnes CO ₂ e) (Scope 2)	1,614	1,698
Total residential emissions (tonnes CO₂e) (Scopes 1+2)	3,335	2,899
CO₂e emissions per sq ft	0.0043	0.0050
Residential gas and oil emissions (tonnes CO ₂ e/sq ft) (Scope 1)	0.0022	0.0021
Residential electricity emissions (tonnes CO ₂ e/sq ft) (Scope 2)	0.0021	0.0029
Total residential emissions (tonnes CO ₂ e/sq ft) (Scopes 1+2)	0.0043	0.0050

Methodology/notes:

The principal methodology used to calculate the emissions reflects the UK Government's Environmental Reporting Guidance (2013 version). The Company has reported on all the emission sources required under the Regulations. An operational control approach was used to define the Company's organisational boundary and responsibility for GHG emissions. The Company owns 100% of the property assets it operates and has therefore reported on that basis. All material emission sources within this boundary have been reported upon, in line with the requirements of the Regulations.

Impact area	EPRA Code	Units of measure	Indicator	2018	2017
Total electricity consumption	Elec-Abs	Annual Kwh	All properties	5,701,264	4,121,815
Like-for-like total electricity consumption	Elec-Abs-Lfl	Annual Kwh	All properties	4,873,169	4,121,815
Total district heating and cooling consumption	DH&C-Abs	Annual Kwh	All properties	1,202,730	n/a
Total fuel consumption	Fuels-Abs	Annual Kwh	All properties	15,057,700	10,647,825
Like-for-like total fuel consumption	Fuels-Abs-Lfl	Annual Kwh	All properties	12,331,536	10,647,825
Building energy intensity	Energy-Int	Kwh/appropriate denominator	All properties	4,229	3,602

Methodology/notes:

Total consumption on an absolute basis has increased year-on-year due to Scape Wembley becoming operational.

Like-for-like data Scape Wembley has been excluded in the current year like-for-like data to ensure a comparable portfolio year-on-year. The asset became operational part way through the current reporting year.

District heating Scape Greenwich is the only property with district heating and cooling systems and therefore consumption and like-for-like data is identical.

Appropriate denominator Consumption per bed has been chosen as the denominator.

ENERGY AND CARBON DATA CONTINUED

Impact area	EPRA Code	Units of measure	Indicator	2018	2017
Total direct GHG emissions	GHG-Dir-Abs	Annual metric tonnes CO ₂	All properties	3,335	2,899
GHG emissions intensity from building consumption	GHG-Int	Tonnes CO ₂ /appropriate denominator	All properties	0.9	1.0

Methodology/notes:

Appropriate denominator Consumption per bed has been chosen as the denominator.

Impact area	EPRA Code	Units of measure	Indicator	2018	2017
Total water consumption	Water-Abs	Annual cubic metres	All properties	169,329	118,360
Like-for-like total water consumption	Water-Abs-Lfl	Annual cubic metres	All properties	114,279	118,060
Building water intensity	Water-Int	Annual cubic metres	All properties	47.6	37.9

Methodology/notes:

Like-for-like data Scape Wembley has been excluded in the current year like-for-like data to ensure a comparable portfolio year-on-year. The asset became operational part way through the reporting year.

Appropriate denominator Consumption per bed has been chosen as the denominator.

Impact area	EPRA Code	Units of measure	Indicator	2018		2017	
Total weight of waste by disposal route	Waste-Abs	Annual metric tonnes and proportion by disposal route	Tonnes of waste	551	100%	548	100%
			Waste to energy	458	83%	457	83%
			Waste to landfill	3	0%	2	0%
			Waste to recycling	90	16%	89	16%
Like-for-like total weight of waste by disposal route	Waste-Abs-Lfl	Annual metric tonnes and proportion by disposal route	Tonnes of waste	463	100%	548	100%
			Waste to energy	390	84%	457	83%
			Waste to landfill	3	1%	2	0%
			Waste to recycling	70	15%	89	16%

Methodology/notes:

Like-for-like data Scape Wembley has been excluded in the current year like-for-like data to ensure a comparable portfolio year-on-year. The asset became operational part way through the reporting year.

SOCIAL

The Company is committed to being socially responsible.

Diversity and equality

The Group is committed to achieving a working environment which provides equality of opportunity and freedom from unlawful discrimination on the grounds of race, sex, pregnancy and maternity, marital or civil partnership status, gender reassignment, disability, religion, beliefs, age or sexual orientation. The Group's policy aims to remove unfair and discriminatory practices and to encourage full contribution from its diverse community. It is committed to actively opposing all forms of discrimination and values diversity amongst its workforce.

Further information on the Group's diversity policy is included in the corporate governance statement on page 53 of the Company's annual report for the year ended 30 June 2018.

Gender breakdown

The gender breakdown of the Group's Directors, senior management and employees at 30 June 2018 is detailed below:

GENDER BREAKDOWN



SOCIAL CONTINUED

SOCIAL PERFORMANCE MEASURES DATA

Impact area	EPRA Code	Units of measure	Indicator	2018		2017	
				Female	Male	Female	Male
Employee gender diversity	Diversity-Emp	Number of employees	Board of Directors	2	3	1	3
			Senior management	2	5	3	5
			Employees	72	49	39	43
			Total	76	57	43	51
Gender pay ratio	Diversity-Pay	Percentage differential					
			All employees	-13.2%	+13.2%	-7.9%	+7.9%

Impact area	EPRA Code	Units of measure	Indicator	2018	2017
Employee training and development	Emp-Training	Hours per annum	All employees	6.2 hours average	6.2 hours average
Employee performance appraisals	Emp-Dev	Percentage of employees	All employees	100%	100%
New hires and turnover	Emp-Turnover	Percentage of employees	All employees	53%	38%

Methodology/notes:

Scape has overall responsibility for the supervision and provision of asset management services through oversight and management of the employees of GCP Operations Limited, a subsidiary of the Company.

SOCIAL PERFORMANCE MEASURES DATA CONTINUED

Impact area	EPRA Code	Units of measure	Indicator	2018	2017
Employee health and safety	H&S-Emp	Injury rate, lost day rate, accident severity rate and absentee rate	Injury rate	7.9%	6.8%
			Lost day rate	0.0%	0.0%
			Accident severity rate	0.0%	0.0%
			Absentee rate	1.7%	1.3%
Asset health and safety assessments	H&S-Assets	Percentage of assets	All properties	100% – Scape employs independent fire risk assessors that are registered with BAFE. They also act as our consultants in all aspects relating to fire safety. Scape employs Peninsula as H&S advisers. Peninsula operates the Business Safe online platform.	
Asset health and safety compliance	H&S-Comp	Percentage of assets	All properties	100% – In the previous six years of operational business providing student accommodation, there have been no incidents or reports identified of non-compliance with regulations or voluntary codes.	
Community engagement, impact assessments and development programmes	Comty-Eng	Percentage of assets	All properties	The Company is indirectly involved in a number of social and local community initiatives via the Asset and Facilities Managers such as initiatives to give back to the local area through sponsorship and local events.	

Human rights

The Group respects human rights and aims to provide assurance to internal and external stakeholders that it will carry out its affairs in accordance with the principles of the Universal Declaration of Human Rights. No human rights concerns have arisen within the Group's operations or, to the best of its knowledge, within its supply chain during the year ended 30 June 2018. The Board is satisfied that, to the best of its knowledge, the Group's principal advisers, which are listed in the corporate information section on the inside back cover of the annual report 2018, comply with the provisions of the Modern Slavery Act 2015.

EPRA PERFORMANCE METRICS

The Company continues to deliver strong performance.

EPRA performance measure	Definition	EPRA performance measure	30 June 2018 £'000	30 June 2017 £'000
EPRA earnings	Earnings from operational activities.	EPRA earnings	13,493	11,619
		EPRA EPS (basic)	3.51p	3.99p
		EPRA EPS (diluted)	3.51p	3.99p
Group specific adjusted earnings	Group specific adjusted earnings excludes the non-recurring transactions arising in the year, adding licence fees on forward-funding agreements which are treated as capital in the financial statements.	Adjusted earnings	15,410	13,623
		Group specific adjusted EPS (basic)	4.01p	4.69p
		Group specific adjusted EPS (diluted)	4.01p	4.69p
EPRA NAV	NAV adjusted to include properties and other investment interest at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.	EPRA NAV	574,210	466,994
		EPRA NAV per share (diluted)	149.12p	139.08
EPRA NNNAV	EPRA NAV adjusted to include the fair values of: (i) financial instruments; (ii) debt; and (iii) deferred taxes.	EPRA NNNAV	574,210	466,994
		EPRA NNNAV per share (diluted)	149.12p	139.08
EPRA NIY	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property with (estimated) purchasers' costs.	EPRA NIY	5.04	5.00
EPRA 'topped-up' NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives).	EPRA 'topped-up' NIY	5.04	5.00
EPRA vacancy rate	Estimated market rental value (ERV) of vacant space divided by the ERV of the whole portfolio.	EPRA vacancy rate	Refer to note 5	Refer to note 5
EPRA costs ratio	Administrative and operating costs (including and excluding costs of direct vacancy divided by gross rental income.	EPRA costs ratio	43%	38%

NOTES TO THE CALCULATION OF EPRA PERFORMANCE MEASURES

1. EPRA earnings

For calculations, please refer to note 14 to the financial statements.

2. EPRA NAV

	30 June 2018 £'000	30 June 2017 £'000
NAV per the financial statements	574,210	466,994
Effect of dilutive instruments	—	—
Fully diluted NAV	574,210	466,994
Fair value of derivative financial instruments	—	—
Deferred tax liability	—	—
EPRA NAV	574,210	466,994
Fully diluted number of shares	385,064,556	335,768,782
EPRA NAV per share	149.12	139.08

3. EPRA NNNAV

EPRA NNNAV is equivalent to EPRA NAV, see note 2.

4. EPRA NIY

Calculated as the value of investment properties divided by annualised net rents:

	30 June 2018 £'000	30 June 2017 £'000
Investment properties	784,424	634,640
Less: development properties	(196,500)	(59,100)
Completed property portfolio	587,924	575,540
Allowance for estimated purchase costs	18,578	20,322
Gross up completed property portfolio valuation	606,502	595,862
Annualised cash passing rental income	36,724	35,286
Property outgoings	(6,149)	(5,422)
Annualised net rents	30,575	29,864
Topped-up net annualised rent	30,575	29,864
EPRA NIY	5.04	5.00
EPRA topped-up NIY	5.04	5.00

NOTES TO THE CALCULATION OF EPRA PERFORMANCE MEASURES CONTINUED

5. EPRA vacancy rate

The Company's buildings were fully occupied for the 2018/19 academic year and for the previous academic year.

6. EPRA cost ratios

	30 June 2018 £'000	30 June 2017 £'000
Operating and administration costs	15,380	10,936
Less ground rent	(247)	(242)
Less recoverable service charge income and other similar costs	(226)	(148)
EPRA costs (including direct vacancy costs)	14,907	10,546
Gross rental income	35,790	28,806
Less recoverable service charge income and other similar items	(226)	(148)
Gross rental income	35,564	28,658
EPRA cost ratio (including direct vacancy costs)	42%	37%

Property related capital expenditure analysis

	30 June 2018 £'000	30 June 2017 £'000
Acquisitions	78,642	197,149
Subsequent capital expenditure	23,577	849
Total capital expenditure	102,219	197,998

Methodology/notes:

Acquisitions	The cost of acquisition of investment properties and capital expenditure in respect of development properties.
Subsequent capital expenditure	Capital expenditure post acquisition includes the costs of refurbishment.

CORPORATE GOVERNANCE

The Board is committed to maintaining the highest standard of corporate governance.

EPRA Code: Gov-Board

Board of Directors

The Board consists of five non-executive Directors. It seeks to ensure that it has an appropriate balance of skills and experience, and considers that, collectively, it has substantial recent and relevant experience of financial and public company management, the UK real estate sector and investment companies. Under the leadership of the Chairman, the Board is responsible for the effective stewardship of the Company's affairs, including corporate strategy, corporate governance, risk assessment and overall investment policy. The Directors have overall responsibility for the review of investment activity and performance and the control and supervision of the Investment Manager and the Asset and Facilities Managers, including Scape, which is responsible for the day-to-day oversight of the Group's employees.

The terms and conditions of the appointment of the Directors are formalised in letters of appointment, copies of which are available for inspection at the Company's registered office. None of the Directors has a contract of service with the Company nor has there been any other contract or arrangement between the Company and any Director at any time during the year.

Board operation

The Board of Directors is responsible for the long-term success of the Company and the Group. It provides overall leadership, sets the strategic aims of the Group and ensures that the necessary resources are in place for the Company to meet its objectives and fulfil its obligations to shareholders within a framework of high standards of corporate governance and effective internal controls.

The Directors have adopted a formal schedule of matters specifically reserved for their approval. These include the following:

- investment and business strategy of the Company;
- approval of annual and half-yearly reports and financial statements and accounting policies, prospectuses, circulars and other shareholder communications;
- acquisitions and disposals of student residential accommodation, teaching facilities and/or subsidiaries of the Company;
- raising new capital and approval of major financing facilities;
- approval of the valuation of the Company's portfolio of student residential assets;
- approval of the NAV of the Company;
- approval and recommendation of dividends;
- Board appointments and removals; and
- appointment and removal of the Investment Manager, Auditor and the Company's other service providers.

Meetings

The Company has six scheduled Board meetings a year, with additional meetings in respect of share issuances, property acquisitions and regulatory matters arranged as necessary. At each Board meeting, the Directors follow a formal agenda which is circulated in advance by the Secretary. The Secretary, the Administrator and the Investment Manager regularly provide the Board with financial information, including an annual expenses budget, together with briefing notes and papers in relation to changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice. A description of the Group's risk management and internal control systems is set out in the strategic report on pages 35 to 39 of the Company's annual report for the year ended 30 June 2018.

Service providers

The Company's main functions are delegated to a number of service providers, each engaged under separate contracts. The management of the Company's portfolio is delegated to the Investment Manager, which manages the assets in accordance with the Company's objectives and policies. At each Board meeting, representatives from the Investment Manager are in attendance to present reports to the Directors covering the Company's current and future activities, portfolio of assets and its investment performance over the preceding period. The Board and the Investment Manager operate in a fully supportive, co-operative and open environment and ongoing communication with the Board is maintained between formal meetings.

CORPORATE GOVERNANCE CONTINUED

EPRA Code: Gov-Select

Independence of the Directors

The independence of the Directors is reviewed as part of the annual evaluation process and each Director is considered to be independent in character and judgement and entirely independent of the Investment Manager. None of the Directors sit on the boards of any other companies managed by the Investment Manager.

Re-election and retirement of Directors

Under the Company's articles of association and in accordance with the AIC Code, Directors are subject to election by shareholders at the first annual general meeting after their appointment. Thereafter, at each annual general meeting any Director who has not stood for re-election at either of the two preceding annual general meetings shall retire. In addition, one-third of the Directors eligible to retire by rotation shall retire from office at each annual general meeting.

Beyond these requirements, the Board has agreed a policy whereby all Directors will seek annual re-election at the Company's annual general meetings. This is in line with the recommendations of the AIC Code for FTSE 350 companies, although the Company currently does not fall into this category.

Following formal performance evaluation as detailed above, the Board strongly recommends the election/re-election of each of the other Directors on the basis of their experience and expertise in investment matters, their independence and continuing effectiveness and commitment to the Company.

EPRA Code: Gov-Col

Conflicts of interest

It is the responsibility of each individual Director to avoid an unauthorised conflict of interest situation arising. The Director must request authorisation from the Board as soon as he or she becomes aware of the possibility of an interest that conflicts, or might possibly conflict, with the interests of the Company ("situational conflicts"). The Company's articles of association authorise the Board to approve such situations, where deemed appropriate.

A register of conflicts is maintained by the Secretary and is reviewed at Board meetings, to ensure that any authorised conflicts remain appropriate. The Directors are required to confirm at these meetings whether there has been any change to their position. The Board has adopted the policy of maintaining a gifts and hospitality register to record all gifts and hospitality in excess of £50 accepted by the Directors from the Company's service providers and other relevant third parties. This register is reviewed at Board meetings.

The Board is responsible for considering Directors' requests for authorisation of situational conflicts and for deciding whether or not the situational conflict should be authorised. The factors to be considered will include: whether the situational conflict could prevent the Director from properly performing their duties; whether it has, or could have, any impact on the Company; and whether it could be regarded as likely to affect the judgement and/or actions of the Director in question. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to take the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances.

GLOSSARY

AIC	Association of Investment Companies
Company or GCP Student	GCP Student Living plc
EPRA	European Public Real Estate Association
EPRA NNNAV	EPRA NAV adjusted to include the fair values of: (i) financial instruments; (ii) debt; and (iii) deferred taxes.
GHG	Greenhouse gas
Group	GCP Student Living plc and its subsidiaries
HEI	Higher education institution
H&S	Health and safety
NAV	Net asset value
NIY	Net initial yield
sBPR	EPRA Sustainability Best Practices Recommendations
Scape	Scape Student Living Limited – Asset and Facilities Manager for Scape Shoreditch, Scape East, Scape Greenwich, Scape Surrey, Scape Wembley, Scape Bloomsbury, Podium and The Pad

GCP
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