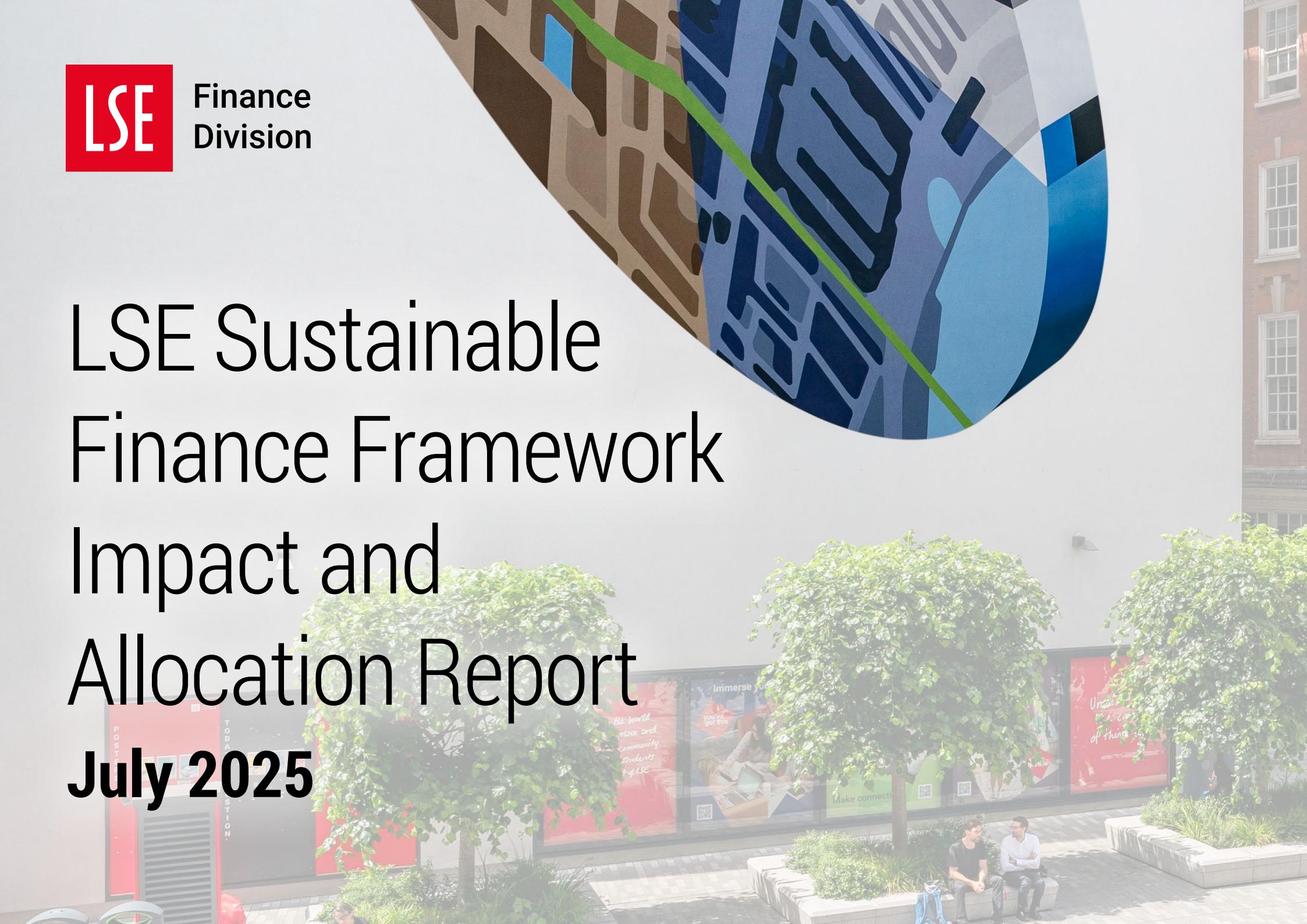




Finance
Division

LSE Sustainable Finance Framework Impact and Allocation Report

July 2025



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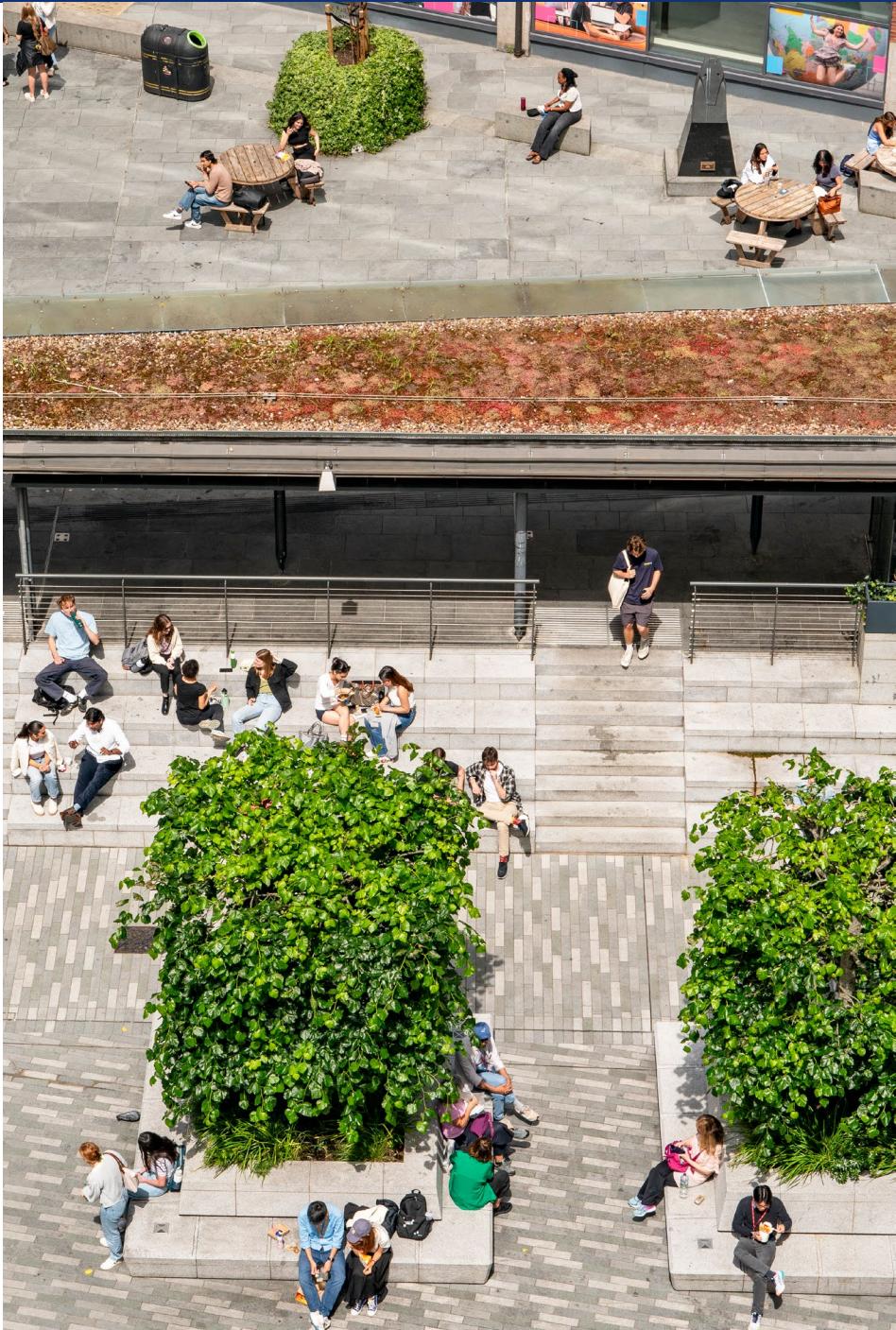
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Sustainability at LSE

Sustainability is a core commitment in LSE's 2030 Strategy and Ethics Code, supported by the School's Environmental and Energy Management Systems which are externally certified to ISO 14001 and ISO 50001.

The School's Sustainability Strategic Plan sets out priorities across research, education, engagement, investment and campus operations, guiding progress toward net-zero carbon emissions.

Our governance structure ensures strong oversight of sustainability performance. The Sustainability Leadership Board, chaired by the Deputy President and Vice Chancellor, oversees delivery against the plan, while specialist working groups support implementation across the estate and wider community. The School is consistently recognised as a sector leader, achieving a "First Class" rating in the People & Planet Green University League and ranked 6th globally and 3rd in the UK in the 2026 QS Sustainability Rankings.

Energy and carbon remain LSE's most material environmental impacts. The School continues to invest in efficiency measures and low-carbon technologies, including the installation of air-source heat pumps, optimisation of building management systems and expansion of onsite renewables. These measures contributed to improved energy intensity and reduced total emissions in 2024/25. All electricity is procured from renewable sources under REGO-backed contracts, and the School is assessing long-term options such as a Power Purchase Agreement to further support UK renewable generation.

We continue to embed sustainability within our estate development programme. All major projects are expected to meet ambitious environmental performance standards and apply circular-economy principles in design and construction. This includes the development of 35 Lincoln's Inn Fields, delivered under the Sustainable Finance Framework.



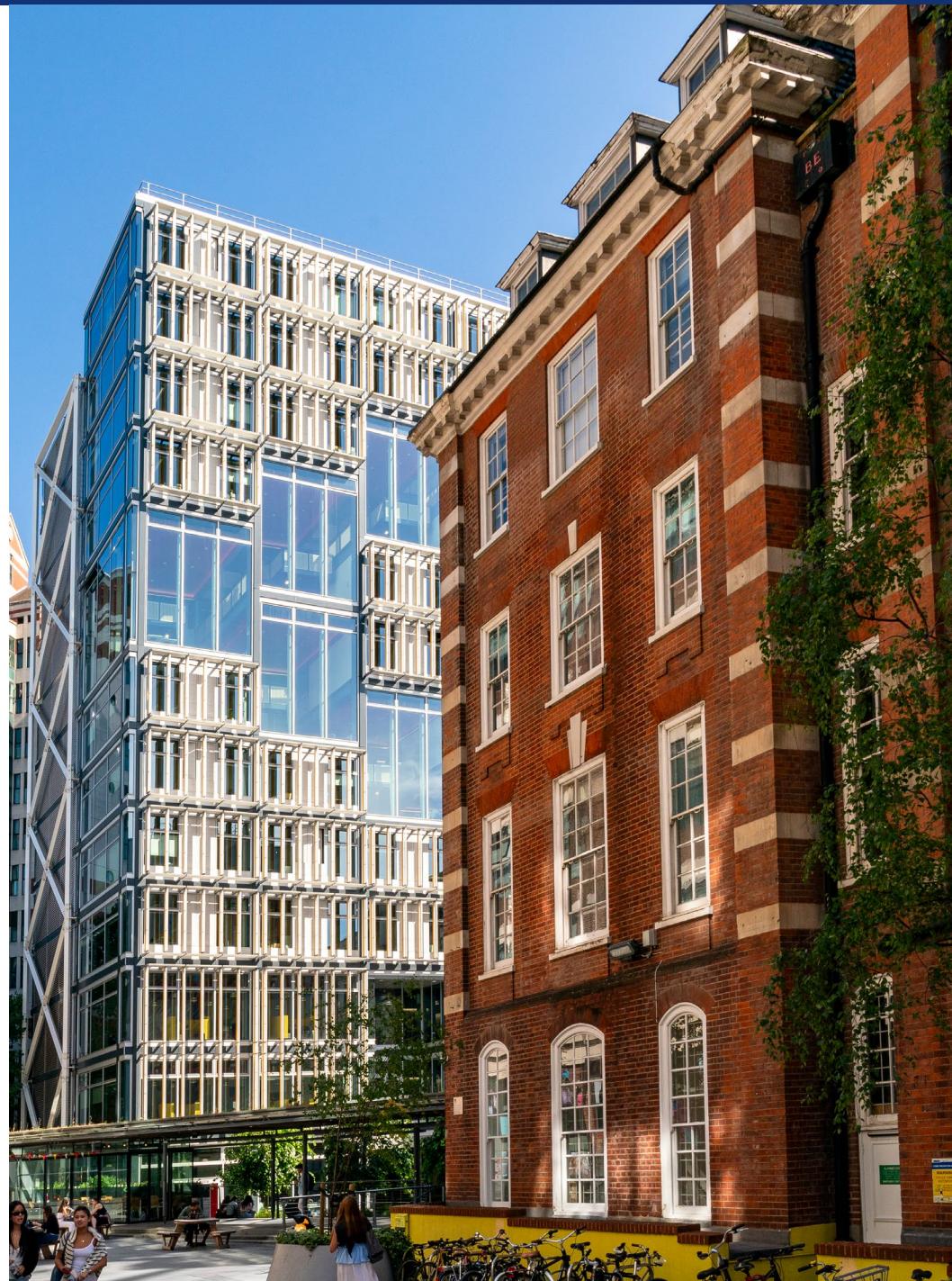
Sustainable Finance Framework

In 2022, LSE launched its Sustainable Finance Framework (SFF), to raise financing to fund environmentally and socially sustainable projects at LSE.

The establishment of the Sustainable Finance Framework aligns the School's charitable objectives and values with its funding and financial strategy. Standard & Poor Global Ratings provided a Second Party Opinion confirming the framework's alignment to international Green and Social Bond Principles.

The projects summarised in this report fall under the "Green Buildings" and "Access to essential services" categories within the SFF, which governs the use of the School's green financing proceeds. This report covers the period from August 2024 to July 2025 (in line with LSE's 2024/25 financial year). Impact and Allocation Reports for [2022/23](#) and [2023/24](#) are available on LSE's website.

In line with the SFF, this report has been approved by LSE's Financial Management Board, which is responsible for the review, allocation and approval of eligible projects under the SFF. It has also been reviewed by LSE's Finance and Estates Committee, a sub-committee of the School's Council that is responsible for the governance of finance and estates matters, in accordance with the authority delegated to it by the School's Council.



Allocation of Funds and Management of Proceeds

Funds raised

LSE has raised the following financing under the Sustainable Finance Framework (SFF) since its launch in 2022:

- **Private placements of £175 million.** So far, £125 million has been drawn, with the funds being fully allocated and externally reviewed by July 2024, as confirmed in the [2023/24 Impact and Allocation Report](#). The remaining £50m will be drawn in the 2027/28 financial year.
- **Term loan of £130m.** This was fully drawn in 2024/25 and is reported on for the first time in this year's report, with £14.9m being allocated so far.

Allocation of Funds

The projects summarised in this report fall under the 'Green Buildings' and "Access to essential services" categories. Under the SFF, these are used for the following purposes respectively:

- Construction or refurbishment of energy efficient buildings on campus that have received or are expected to receive one (or more) of the following certifications; EPC \geq B; LEED \geq Gold; BREEAM \geq 'Very good' or similar recognised national or international standard
- Access/outreach programmes and bursaries which support students from underrepresented groups access an undergraduate education at LSE, such as care experienced students, disabled students, Black and Minority Ethnic ('BME') students, young people with caring responsibilities, and applicants from disadvantaged socio-economic backgrounds. Further information is outlined in the School's [Access and Participation Plan](#).



Allocation of Funds and Management of Proceeds

Management of Proceeds

The Net Proceeds of finance raised under the SFF are managed by LSE's Finance team, who maintain a register tracking Sustainable Projects to which Net Proceeds are to be allocated, or have been allocated, with associated expenditure recorded in LSE's financial accounting system.

Unallocated proceeds

Pending full allocation to eligible projects under the Sustainable Finance Framework, LSE holds any unallocated funds in line with its Treasury Management policy which include the funds being held or invested in bank accounts, term deposits, money market funds or investment grade bonds.

External Review

External assurance over the claims and assertions relating to the allocation of Net Proceeds is obtained from an external auditor (DNV) on an annual basis and the accompanying certification is provided.





Allocation of Funds and Management of Proceeds

The table below summarises the allocation of funds received from the financing obtained under the Sustainable Finance Framework:

Period	Eligible Project - Allocated Expenditure			Total Allocated Expenditure	SFF Impact and Allocation Report	External assurance
	Green Building – Marshall Building	Green Building – 35 Lincoln's Inn Fields	Access to Essential Services			
August 2022 - July 2023	£98,149,682	£7,143,033	£12,999,901	£118,292,615	2022/23 Impact and Allocation report	2022/23 Assurance
August 2023 - July 2024	£ –	£6,707,385	£ –	£6,707,385	2023/24 Impact and Allocation report	2023/24 Assurance
August 2024 - July 2025	£ –	£14,915,075	£ –	£ 14,915,075	Contained within this document	2024/25 Assurance
	£98,149,682	£ 28,765,493	£12,999,901	£139,915,075		
KPI	BREEAM Certification – Excellent	BREEAM Certification – Outstanding (projected)	1,941 students from under-represented groups supported			
Financing	Total Proceeds Received	Total Allocated	Remaining to Allocate	<i>This will be fully allocated as construction work on 35 Lincoln's Inn Fields continues over the next few years (see page 7)</i>		
Private Placements	£125,000,000	£125,000,000	£ –			
Term Loan	£130,000,000	£14,915,075	£115,084,925			
	£255,000,000	£139,915,075	£115,084,925			



Impact reporting – Green Buildings – 35 Lincoln's Inn Fields

The redevelopment of 35 Lincoln's Inn Fields (to be named the Firoz Lalji Global Hub) continues to progress. Once complete, the building will house an agora and events space, the Firoz Lalji Institute for Africa, Extended Education and teaching spaces, the Data Science Institute, and the Departments of Mathematics and Statistics.

Demolition and early works were completed in September 2025, after which McLaren Construction took possession of the site and began site setup and early design coordination. Main construction activity is scheduled to begin in January 2026, with completion expected in late 2027. The building is expected to formally open in April 2028.

Sustainability is a core driver of the project, supported by a suite of ambitious environmental targets that guide design and delivery. The building is targeting leading performance standards, including Passivhaus, BREEAM Outstanding, EPC A and WELL Platinum certification. Current design and construction stages indicate it remains on track to achieve these objectives.



Impact reporting – Green Buildings – 35 Lincoln's Inn Fields

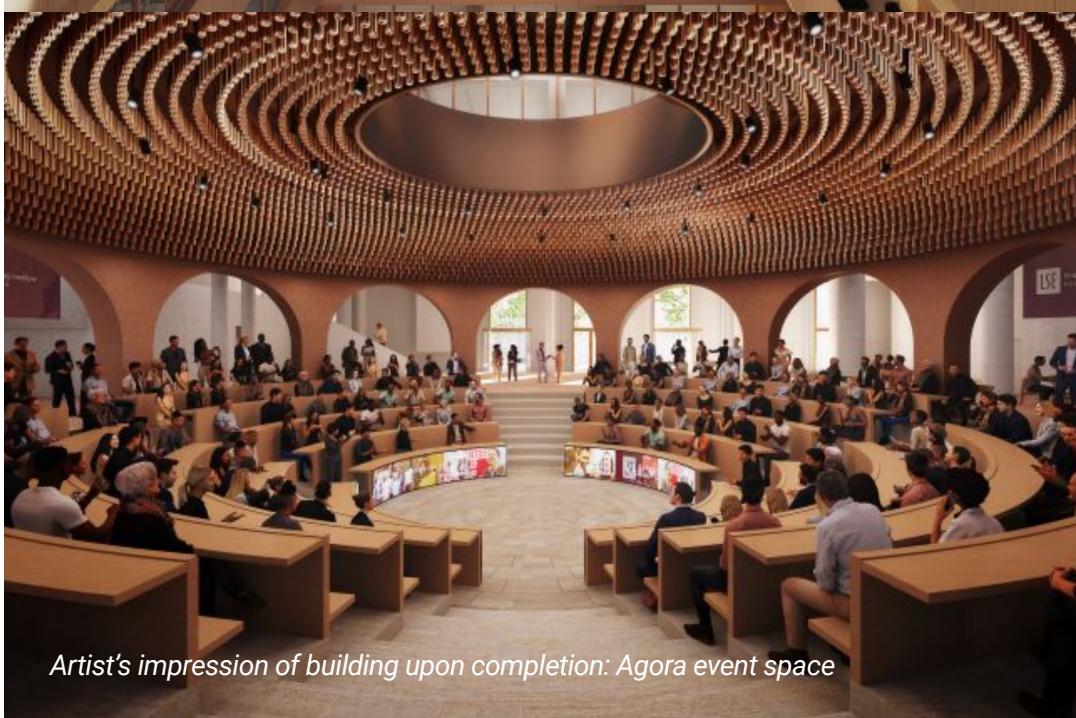
The project is participating in the UK Net Zero Carbon Buildings Standard pilot, with active work underway to reduce embodied carbon and embed circular-economy principles such as material retention, reuse and recycling, with the design retaining 60% of the existing structures. Carbon modelling will continue throughout the construction phase to monitor performance and assess alignment with the emerging national standard.

Passivhaus principles remain integral to the approach, with specialist advisors embedded within the contractor team and regular workshops planned to ensure design intent is maintained through construction. A structured Soft Landings process is also in place, with activities across all key stages to support building performance at handover and during early occupation.

Overall, the project continues to advance in line with its sustainability objectives, with strong oversight and governance in place to manage risks and ensure continued alignment with the School's wider environmental commitments.



Artist's impression of building upon completion: Gallery space



Artist's impression of building upon completion: Agora event space