



THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE ■

LSE Sustainable Finance Framework Impact Report

July 2023

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Sustainability at LSE

The London School of Economics and Political Science is one of the leading universities in the Higher Education sector and is well-regarded both nationally and internationally.

In 2022/23, LSE continued to inform and engage around the world with decision-makers to promote dialogue and decisive action on sustainability and climate change, with leadership from the Grantham Research Institute on Climate Change and the Environment. The School had 15 academic representatives at COP28. LSE continues to collaborate with a varied range of external partners; including as a participant in the Queen's Platinum Jubilee Challenge to accelerate the transition to net zero emissions in the tertiary education sector. This culminated in the release of a sector-led proposal on this topic in January 2023, aimed to guide action and connected thinking.

In March 2022, LSE launched its Sustainable Finance Framework (SFF), to raise private finance to fund environmentally and socially sustainable projects at LSE. The establishment of the Sustainable Finance Framework aligns the School's social purpose and Sustainability Strategic Plan with its funding and financial strategy. S&P 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 private placement proceeds. This report covers the finance period from August 2022 to July 2023. The next report, due in early 2024, will cover the period August 2023 to July 2024.

In line with the Sustainable Finance Framework, this report has been approved by the 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. It has also been reviewed by the School's Financial Management Board (FMB) which is responsible for the review, allocation and approval of eligible projects under the SFF.

The School's Sustainability Leadership Board meets termly to discuss progress towards creating a more sustainable LSE, guided by the School's Sustainability Strategic Plan. The plan was published in 2020 and covers six key themes: Research, Education, Engagement and Leadership, Investment, Our School and Collaboration.



Allocation of Funds and Management of Proceeds

Allocation of funds

In March 2022, the School developed a Sustainable Finance Framework (SFF) under which its latest private placement for £175 million was issued under. By July 2023, £125 million of the private placement had been received with £75 million being received in July 2022 and £50 million received in March 2023.

The projects summarised in this report fall under the “Green Buildings” and “Access to essential services” categories. Under the Sustainable Finance Framework, funds received will be used for the following purposes:

- 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 ≥ B; LEED ≥ Gold; BREEAM ≥ “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 leavers, Black and Minority Ethnic (“BME”) students, young people with caring responsibilities, and applicants from low socio-economic backgrounds. These are outlined in the School’s Access and Participation Plan

The table to the right summarises the allocation of funds received from the private placements that were issued under the Sustainable Finance Framework.

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.

Eligible project	Total allocated	KPI
Green Building- Marshall Building	£98,149,682	BREEAM Certification – Excellent
Green Building- Firoz Lalji Global Hub	£7,143,033	BREEAM Certification- Outstanding (projected)
Access to Essential Services- Bursaries supporting students from underrepresented groups	£12,999,901	1,941 students supported
Total allocated	£118,292,615	
Total proceeds received	£125,000,000	
Percentage of proceeds allocated	95%	



Allocation of Funds and Management of Proceeds

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

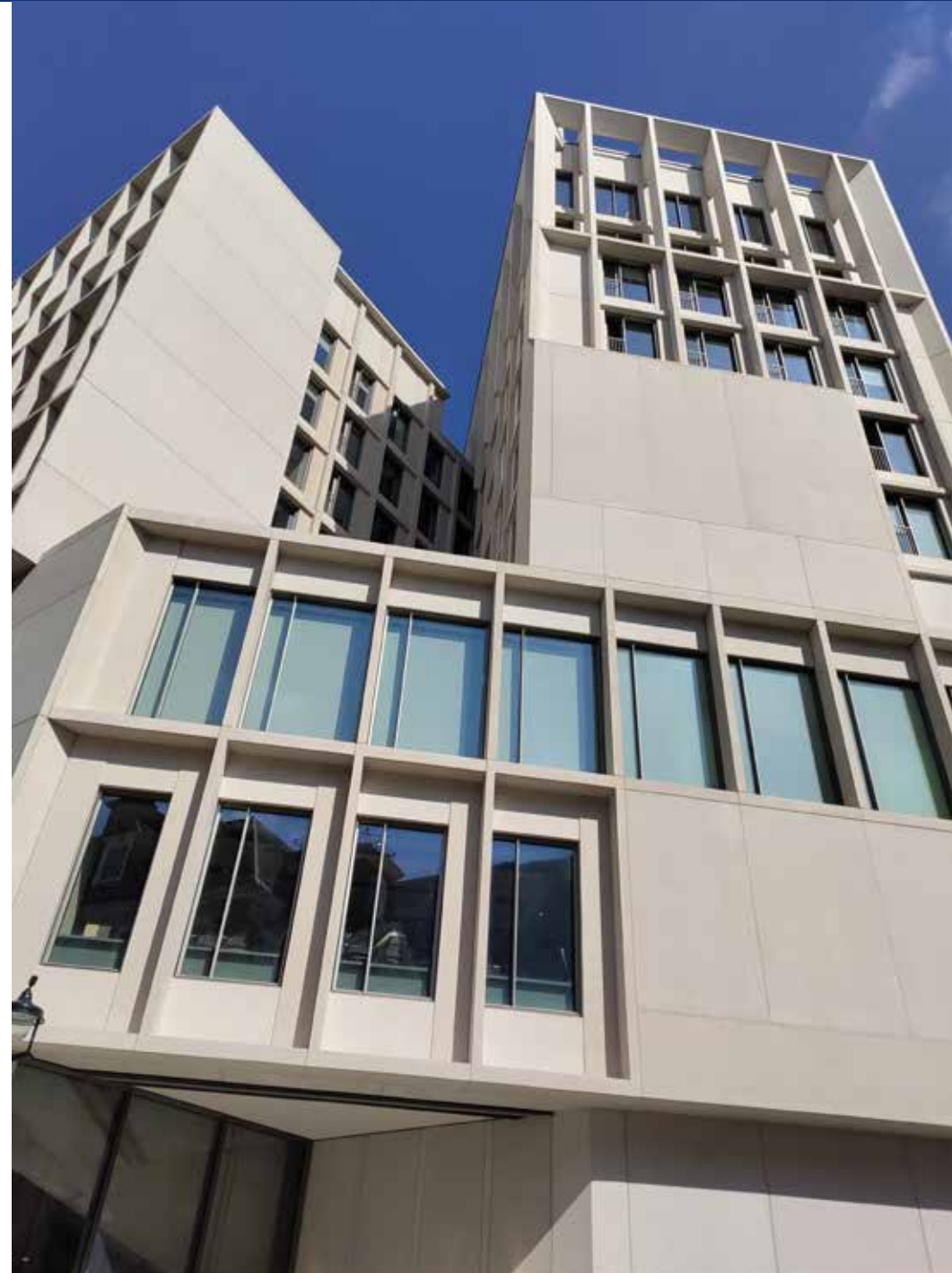
External verification of the allocated and unallocated portions of the Net Proceeds has been provided by an external auditor and the accompanying certification is provided.



Impact reporting, Green Buildings – Marshall Building

The Marshall Building opened in 2022. Designed by Dublin-based Grafton Architects, the large, multi-purpose building occupies a pivotal position at the southern corner of Lincoln's Inn Fields and embeds LSE's presence in one of London's most iconic garden squares.

It houses a mixture of academic departments and research centres whilst also offering substantial teaching and learning space, a sports centre, arts rehearsal facilities and a catering outlet.





Impact reporting, Green Buildings – Firoz Lalji Global Hub

Our newest building project, 35 Lincoln's Inn Field (to be named the Firoz Lalji Global Hub) will be our first net-zero building in construction and operation and built to Passivhaus standards. The design has now reached the Royal Institute of Architects (RIBA) Stage 3 with the Estates Division, including the Sustainability Team, advising from the client side. Circular economy principles of design have been incorporated, such as material retention, reuse, and recycling of the building fabric, including looking at end-of-life scenarios for building materials. Sustainability has been consulted when exploring how the building will impact air quality, energy and carbon, landscape, BREEAM and more.





Impact reporting – Access to Essential Services

LSE Bursary

The LSE Bursary provides targeted and means-tested financial support to Home UG students from lower income households. The Bursary aims to ensure that students with lower household incomes can access LSE, and that they are able to thrive and succeed during their time at LSE.

Bursary awards of between £500 - £4,000 are made via to Home UG students each academic year, based on household income data provided to, and verified by, the Student Loans Company. Between 19/20 – 22/23, 3,354 LSE Bursary awards were made to current LSE students. On average, approximately one third of the Home UG student population received an LSE Bursary each year.

In 22/23, all Bursary recipients received an additional cost-of-living payment equivalent to 10% of their Bursary. The cost-of-living payment aimed to support

Bursary recipients with essential living costs during a period of unexpectedly high inflation in the UK. Through this provision, LSE focused on supporting the continuation of Bursary recipients' studies at LSE and reducing risks from the increased cost-of-living to their wellbeing and attainment.

Between 19/20 – 22/23, the School's total investment in the LSE Bursary and the 22/23 cost of living support was £11.6 million.

Additionally, the School awards Discretionary Bursaries to Home UG students with exceptional financial need. These awards are made either as a top up to the standard LSE Bursary or as an alternative award if a student's household income sits outside of the Student Finance threshold. Between 19/20 – 22/23, the School's total investment in the Discretionary Bursary was over £350,000.

Impact reporting – Access to Essential Services

Impact evaluation

To evaluate the impact of the LSE Bursary on recipients, each year Bursary recipients are surveyed in the year following their award. Findings from the most recent survey (of 2021/22 Bursary recipients) showed that the Bursary has a significantly positive impact on recipients:

- **Supporting continuation:** 91% of respondents said that the LSE Bursary was 'very important' or 'important' to being able to continue with their studies at LSE.
- **Increasing student satisfaction:** 83% of respondents agreed that the Bursary had allowed them to feel more satisfied with their life as a student.
- **Supporting academic engagement:** As a result of receiving financial support from LSE, 84% of respondents felt that they were able to concentrate on their studies without worrying about finances. Nearly half of respondents (45%) said they were able to work fewer hours in a paid employment as a result of the financial support provided.
- **Reducing anxiety:** The Bursary also supported the wellbeing of most respondents, with 88% agreeing that receiving financial support made them feel less anxious than they would have felt otherwise.

Student feedback



The Bursary has supported me in many ways. Academically, it has helped with buying essential study resources, particularly buying a new laptop for university. I also use the Bursary for general student resources such as printing, flash cards, mind maps etc. Socially, having the Bursary has meant that I have more confidence in going out with friends. The Bursary has also helped with household costs as well – there have been months where money has been tight in my household and most of my Bursary has been used towards supporting them. Without the Bursary I would have been more hesitant about spending on studying resources and social activities as my finances would have been stretched.

Third year LLB student (21/22 and 22/23 LSE Bursary recipient)

This evaluation demonstrates that the LSE Bursary is successfully reducing barriers for students from lower income households to access the School and enable this group of students to fully participate in student life at LSE. As a result, the Bursary is creating a more equitable and inclusive School environment in which all students can reach their potential.