

LONDON'S GLOBAL UNIVERSITY



UCL



University College London

Sustainability Finance Framework

May 2021

Contents

1	The Foreword	1
2	Introduction to UCL	3
3	UCL's Sustainability Strategy	7
4	Framework Rationale	13
5	Framework Alignment	15
6	Sustainability Finance Framework	17
6.1	Use of Proceeds	18
6.2	Process for Project Evaluation and Selection	21
6.3	Management of Proceeds	22
6.4	Reporting	22
6.5	External Review	24
7	Case Studies	25
	Disclaimer	34



1. The Foreword



1 The Foreword

Sustainability inquiry has a long history at UCL; we undertake research into everything from the health impacts of climate change to novel plastic polymers, and provide sustainability-related education on subjects from global health, to the natural and physical sciences. In many ways, this continues the disruptive thinking that has been the status quo at UCL since 1826. But to truly embed sustainability into UCL, we believe that we should be practising what we preach – and implementing higher standards of sustainability throughout our core activities and operations.

This has been exemplified by our work over the past ten years. UCL's campus transformation programme has promoted the highest standards of sustainable performance, with our New Student Centre, opened in 2019, amongst the first BREEAM outstanding HE buildings in the UK. Working with our academic community, we have created tools such as the Lab Efficiency Assessment Framework (LEAF), aimed at improving the sustainability of scientific research and inquiry. This is now shared across the UK sector. And we have worked with external partners such as the Royal Institute of Chartered Surveyors, to develop the SKA HE standard for small projects. Again, this is now being widely used across the HE sector to deliver higher performing spaces in terms of sustainability.

Our Sustainability Strategy launched in 2019 sets out a bold framework for sustainability at UCL and is arguably one of the most ambitious across the UK HE sector. It seeks to draw on the talent, knowledge and experience within our community to deliver sustainable outcomes. We want to take the lessons from our research to inform the sustainable operation of a global university, use our operations as a test-bed for research and teaching, and inspire our students to be responsible citizens through what they see on campus and our research impact. These foundations are the building blocks for embedding sustainability across our institution, and delivering our headline objective of achieving net zero carbon by 2030. This ambitious commitment, as well as constructive engagement with our student and staff bodies, was central to recently earning the highest score in the University Carbon League Table out of 519 institutions.

The UCL Sustainability Bond represents the means by which we can deliver the ambition which we have set out in our Sustainability Strategy. It reinforces our commitment to sustainability, a hugely important facet of the University's activity, and supports our role as a catalyst for sustainable change across our wider society.

Dr Michael Spence

President and Provost



2. Introduction to UCL



2 Introduction to UCL

Founded in 1826 in the heart of London to open up higher education to those who had previously been excluded, University College London (“UCL” or the “University”) is one of the largest UK universities by student numbers, with more than 14,300 staff and 48,168 students from 150 different countries. UCL maintains 4 London campuses in Bloomsbury, Hampstead, Stratford and Canary Wharf, and we have more than 230 buildings comprising 6.5 million ft² across the UK. UCL is a diverse community with the freedom and courage to challenge, to question and to think differently. Through a progressive approach to teaching and research, UCL’s world leading academics, students and staff pursue excellence, break boundaries and make an impact on real world problems. As London’s global university, UCL has the unique opportunity to inspire a generation of change makers that will take the lead on climate and sustainability action across the world.

UCL’s powerful community of world-class academics, students, industry links, external partners, and alumni work together to explore new possibilities, and the University was:

- Rated 1st in the Research Excellence Framework (REF) 2014 power index⁽¹⁾
- Ranked 10th in the 2021 QS World University Rankings and in the top 30 globally for employability
- Home to 30 Nobel Prize laureates amongst alumni and current and former staff to date
- The first University in England to welcome students of any religion and to admit females on the same terms as males in 1878
- Ranked 1st place in the University Carbon League Table out of 519 institutions⁽²⁾ and achieved the 2021 Green Gown Award for Climate Action

UCL is addressing some of the key challenges of our time, and is making vital contributions to the public good. UCL 2034⁽³⁾, a 20-year institutional strategy guiding the University’s distinctive approach to research, education and innovation, is based on the following principal themes:

- Academic leadership grounded in intellectual excellence
- A global leader in the integration of research and education, underpinning an inspirational student experience

(1) <https://www.ucl.ac.uk/news/2014/dec/ucl-rated-top-uk-university-research-strength-ref2014>

(2) <https://www.ucl.ac.uk/sustainable/news/2021/jan/ucl-tops-university-carbon-league-table>

(3) <https://www.ucl.ac.uk/london/who-we-are/ucl-2034>



- Addressing global challenges through our disciplinary excellence and distinctive cross-disciplinary approach
- An accessible, publicly engaged organisation that fosters a lifelong community
- London's Global University: in London, of London and for London
- Delivering global impact through a network of innovative international activities, collaborations and partnerships

UCL is one of the world's pre-eminent research-led institutions, and now more than ever, the world looks to powerful research communities like ours to lead the push for change and to effect real impact.

UCL's environmental research activities are addressing the climate change challenge on multiple fronts, ranging from what we can do today, pioneering future system change, and putting sustainability at the heart of our campus. UCL conducts world-leading research, from climate modelling to the green economy, providing evidence for how climate change affects all aspects of life on earth, and idea generation for actions to address these challenges.



UCL's interdisciplinary approach means that researchers from all across UCL are collaborating to address sustainability challenges. A number of specific sustainability research centres have been established including the UCL Anthropocene, the Centre for Behaviour Change, the UCL Energy Institute, the UCL Plastic Waste Innovation Hub and the UCL Institute for Global Prosperity.

Our research is having a real world impact - since 2020, UCL has played a central role in supporting the UK's response to COVID-19. UCL was involved in developing testing and tracking systems, predicting the future of the outbreak and advising, challenging and critiquing the government's response to the crisis. Expert and practical assistance has been provided to external bodies and the global community, notably with the CPAP breathing aid which has won multiple awards from the Royal Academy of



Engineering and the 2020 Health Service Journal Award for Acute Innovation of the Year for engineering a “just-in-time” COVID-19 solution.

A number of UCL staff members and honorary academics have been named on the UK Government’s Scientific Advisory Group for Emergencies (“SAGE “) and its sub-committees, and have taken a prominent role in advancing public knowledge about COVID-19 by advising world leaders and urgently researching new ways of tackling the virus.

UCL has a diverse and global supply chain and is committed to eradicating modern slavery. We want to ensure all staff and workers are paid a fair wage and feel valued, and as an example, pay the London Living Wage and are working towards the Mayor of London’s Good Work Standard. In our annual Modern Day Slavery Statement⁽⁴⁾ we outline our steps to minimise slavery throughout our supply chain; for example using the Ethical Trading Initiative’s ETI Base Code to take targeted action in our high risk areas and requiring our suppliers to evidence how they are enforcing effective systems to tackle slavery in their supply chains.

UCL’s endowment fund is managed in accordance with an ethical investment policy⁽⁵⁾ which is overseen by UCL’s Investments Committee. The Investments Committee meets four times a year and reports through Finance Committee to Council. The Investments Committee membership comprises three external members with investments expertise and appointed by Council, and has two Ex Officio posts, including UCL’s Treasurer.

UCL divested from fossil fuels in December 2019 and committed not to invest in companies involved in fossil fuel extraction or production in future. UCL adopts investment strategies that seek to minimise and ideally eliminate irresponsible corporate behaviour, focusing on avoiding investments which encourage (amongst others):

- Environmental degradation
- Armament sales to military regimes
- Human rights violations
- Institutionalisation of poverty through discriminatory market practices
- Racial or sexual discrimination
- Tobacco production and manufacture

(4) <https://www.ucl.ac.uk/sustainable/modern-slavery>

(5) <https://www.ucl.ac.uk/sustainable/sustainability-ucl/positive-climate/ethical-investment>



3. UCL's Sustainability Strategy

3 UCL's Sustainability Strategy

At UCL, we believe that everyone has the potential to create new possibilities. That's why our students and staff work together to embed sustainability through our campus and culture. Our world-leading sustainability research informs how we run our institution and provides inspiration for our teaching.

Two hundred years ago we challenged the accepted idea of who could study together at University. We changed ourselves to make inclusivity possible and we now live in a country that embraces diversity in education. That same pioneering spirit drives us forward to become sustainable.

Sustainability is embedded within all aspects of the University's operations, through its teaching, research and campus. We have been granted a "First Class" award by People & Planet's University League (2019)⁽⁶⁾ which ranks UK universities on their environmental and ethical performance. We've also achieved ISO 14001: 2015 standard accreditation (environmental management) for 2019⁽⁷⁾ and ISO 50001⁽⁸⁾ (energy management) accreditation in recognition of our commitment to reducing our impact on the environment. We are also playing a leading role in responding to challenges across all United Nations Sustainable Development Goals (UN SDGs)⁽⁹⁾.

That's why we have established an ambitious sustainability strategy: 'Change Possible: The Strategy for a Sustainable UCL 2019-2024' (the "Sustainability Strategy"), which is our plan for a truly Sustainable UCL. We want to tackle the climate emergency, the ecological crisis and the pressing social and environmental issues facing our local community. The Foundation Programmes have been designed to focus on embedding sustainability across our operations, our core activities and the way we undertake and promote research. Our three Signature Campaigns are reflected in the Use of Proceeds of this Sustainability



(6) <https://peopleandplanet.org/university/129411/ul19>

(7) <https://www.ucl.ac.uk/sustainable/news/2019/jul/ucl-celebrating-re-certification-iso14001>

(8) <https://www.iso.org/iso-50001-energy-management.html>

(9) <https://www.ucl.ac.uk/sustainable-development-goals/>



Finance Framework and are underpinned by strong Foundations which guide all key aspects of our strategy.

Sustainability Foundations:

- **UCL Inspires Action** – inspire sustainability action on an international scale through our education, research and engagement. Every student has the opportunity to study and to be involved in sustainability through the UCL education programme
- **UCL is Run Sustainably** – embedding the value of sustainability through the way we operate and demonstrating what a truly sustainable University looks like. Sustainability is fully integrated into our planning, processes and delivery and we are focused on making the UCL campus a showcase of how a city-centre global institution can operate
- **UCL Shapes the Debate** – making the most of our research agenda which is rooted in positive social change, environmental protection and social equality. We increase the impact of our research by sharing best practices and connecting researchers with industry and community partners globally

Sustainability Campaigns:

- **Positive Climate** – UCL will use its climate change expertise and research to reduce carbon emissions, demonstrating how it is not only possible to limit global warming to 1.5 degrees, but that this offers a more equitable, healthier and happier future, targeting to:
 - Achieve net zero carbon buildings by 2024 and a net zero carbon institution by 2030⁽¹⁰⁾
 - Inspire and enable climate change action and research
 - Seek to generate 100% renewable energy by 2030
 - Reduce energy consumption by 40% by 2024 (vs. 2019 baseline)



⁽¹⁰⁾ UCL has committed to be a net zero carbon university by 2030. This includes scope 1, 2 and 3 carbon sources with the exception of carbon related to staff and student commuting and investments



- **The Loop** – UCL will tackle unsustainable consumption by reducing waste and specifying the best products for people and planet, targeting:

- 85% recycling rate across general waste
- Reducing our waste per person by 20% by 2024
- Elimination of unnecessary and non-essential single-use plastics from campus by 2024, with a particular focus on those used in catering, construction, offices and events
- Targeted and innovative steps to address and minimise slavery and exploitation throughout our supply chain



- **Wild Bloomsbury** – UCL will introduce nature-based solutions to Bloomsbury to improve our local environments and connections to our community, targeting:

- Creation of a vibrant and livable Bloomsbury by re-introducing nature
- Increasing health and wellbeing for Bloomsbury community
- Creation of 10,000m² of extra biodiverse space, including green walls, brown roofs and pocket gardens to increase biodiversity and reduce the impacts of pollution in the heart of London



We are committed to providing every student at UCL the opportunity to study and be involved in sustainability by 2024, through the curricular, co-curricular and extra-curricular offer. To achieve our aims, we are supporting staff to become sustainability champions through training and engagement.

UCL is supported in its sustainability strategy by its student body. Student's Union UCL has set its own target to be the most sustainable Students' Union in the UK, with the stated aim that the organisation minimises its environmental footprint, and makes a positive contribution to ensuring a sustainable environment and community for future generations of students. Student's Union UCL has published its own Sustainability Strategy and Action Plan, with a mission to “embed sustainability in everything we do and to help educate and empower our members to take positive action and to have the skills and opportunities to be leaders of wider societal change on issues of sustainability”.



Elements of our waste reduction programme include increasing sharing and repairing schemes to reduce the amount of new items that need to be purchased, streamlining the number of suppliers, maximising the value of our waste products through increasing facilities for new recycling streams while maintaining our zero waste to landfill status.

The UCL Sustainable Building Standard (2020)⁽¹¹⁾ (the “Building Standard”) is integrated into all relevant building projects and provides a standard for the sustainable design, construction and operation of our built environment. We recognise that our interest in the buildings we occupy often spans decades, and even centuries; therefore, we must future-proof our built assets, ensuring that they are robust and flexible enough to withstand the test of time. We design to achieve BREEAM Excellent (Outstanding encouraged) with due regard to lifecycle value, for all new build and major refurbishment projects, and to achieve SKA HE (Gold) or compliance with Mini-SKA /SKA Labs standards for smaller refurbishments and fit out projects. We ensure a buffer of at least 5% above BREEAM Excellent at Design Stage. The Building Standard guides all major projects to require a circular economy statement covering embodied carbon of the superstructure and substructure (with a goal of reducing embodied carbon by 40% and/or to <math><500\text{kg CO}_2/\text{m}^2</math>) and to provide an outline of opportunities to retain existing materials, ultimately targeting zero waste to landfill for all construction projects.

We have achieved a number of accredited sustainability awards. In terms of UCL estates development, we have 22 projects certified under BREEAM or SKA as well as achieving recognition and national awards, including:



New Student Centre
 Winner of prestigious Prix
 Versailles world
 architecture award
BREEAM Outstanding



22 Gordon Street
 Home of the UCL Bartlett
 School of Architecture
BREEAM Excellent



Bentham House
 Redevelopment
 shortlisted in New
 London Awards 2019
BREEAM Excellent

(11) <https://www.ucl.ac.uk/estates/policies/2020/jul/ucl-sustainable-building-standard>



On Queen Elizabeth Olympic Park, in East London, two buildings – Marshgate and Pool Street West – will provide solid foundations to the UCL East campus. With planning approval received, and construction started on both buildings, they are expected to be completed in time for the start of the 2022 and 2023 academic years. Key sustainability features include a car free site with c.1,500 cycle spaces, 560m² of green roof on Pool Street West and 1,000m² of solar panels to be installed on the Marshgate building.



Queen Elizabeth Olympic Park

Pool Street West has received interim certifications, namely Pool Street West (Academic Facilities) – BREEAM Outstanding and Pool Street West (Residences) – BREEAM Excellent. Moreover, PEARL (Person-Environment-Activity Research Laboratory) in Dagenham, our world-leading laboratory and large-scale built-environment simulation facility is set to be our first net zero carbon building in operation.



PEARL, Dagenham

UCL recognises the importance of diversity, in our University and society as a whole. We have worked with AccessAble to provide access guides to staff, students and visitors, and design all new / refurbished buildings according to our inclusive design strategy. We have also made positive steps towards improving access, retention and progression for students across communities, supported by our Access and Participation Plan 2020/21 – 2024/25⁽¹²⁾, which sets out how we



Accessibility at UCL

encourage and support students to apply to UCL and how we will effect institutional change to address the retention and attainment of gaps that appear once students are studying with us. Our approach to diversity is multi-faceted, delivering access to education for all irrespective of race, gender, age, physical and mental well-being and for those who have had more challenging pasts including care leavers and refugees who we will target in our work, while developing ways to identify and track experiences whilst at UCL.

We provide more information relating to specific sustainability projects in section 7, Case Studies.

(12) <https://www.ucl.ac.uk/widening-participation/about-us/ucl-access-and-participation-plan>



4. Framework Rationale



4 Framework Rationale

The Sustainability Finance Framework (the “Framework”) aligns UCL’s strategic and sustainability priorities with its funding and financial strategy. UCL has selected a number of key investment and expenditure areas which are fundamental to its Sustainability Strategy and deliver tangible environmental and societal impacts. UCL looks to attract investors who are supportive of these goals, in accordance with its own education ethos. Stakeholders are valuable partners in supporting UCL’s journey and contribution to a more equitable and sustainable society.

The Framework provides UCL the flexibility to issue Green, Social or Sustainability bonds or loans (“Sustainable Financial Instruments”), to support its environmental and social objectives.



5. Framework Alignment

5 Framework Alignment

UCL's Framework aligns to the following principles/guidelines as published by the International Capital Markets Association ("ICMA") and Loan Market Association (LMA):

- ICMA Green Bond Principles ("GBP") – (June 2018)⁽¹³⁾
- ICMA Social Bond Principles ("SBP") – (June 2020)⁽¹⁴⁾
- ICMA Sustainability Bond Guidelines ("SBG") – (June 2018)⁽¹⁵⁾
- LMA Green Loan Principles – (February 2021)⁽¹⁶⁾
- LMA Social Loan Principles – (February 2021)⁽¹⁷⁾

The four core components of the principles are:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

(13) <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf>

(14) <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Social-Bond-PrinciplesJune-2020-090620.pdf>

(15) <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Sustainability-Bonds-Guidelines-June-2018-270520.pdf>

(16) https://www.lma.eu.com/application/files/9716/1304/3740/Green_Loan_Principles_Feb2021_V04.pdf

(17) https://www.lma.eu.com/application/files/1816/1829/9975/Social_Loan_Principles.pdf



6. Sustainability Finance Framework

6 Sustainability Finance Framework

6.1 Use of Proceeds

An amount equivalent to the net proceeds (the “Net Proceeds”) of Sustainable Financial Instruments raised under this Framework, will be allocated to the acquisition, financing or refinancing, in whole or in part, of new or existing eligible sustainable projects (“Sustainable Projects”) as outlined below. Sustainable Projects are to support the delivery of our Sustainability Strategy and in doing so, make a contribution to the Sustainable Development Goals (“SDGs”) of the United Nations, which are also identified.

On a best efforts basis, UCL expects to allocate the Net Proceeds to Sustainable Projects originated, approved, financed or completed between 36 months before the issuance date of a Sustainable Financial Instrument to 24 months after the issuance date, as well as to the refinancing of existing physical Green assets.

Type	ICMA Eligible Category	Use of Proceeds –Sustainable Projects Eligibility Criteria	UCL Sustainability Strategy	UN SDG
Green	Green Buildings	<p>New construction projects, existing buildings and major refurbishment projects achieving or aiming to achieve at least one of:</p> <ul style="list-style-type: none"> New Build – Construction in line with the UK Green Building Council’s (UKGBC’s) Net Zero Carbon Building Framework; BREEAM ‘Excellent’ or higher; giving due regard for life cycle value Major Refurbishment – Construction in line with the UK Green Building Council’s (UKGBC’s) Net Zero Carbon Building Framework; BREEAM ‘Excellent’ or higher; giving due regard for life cycle value Minor refurbishment – Construction in line with RICS SKA HE⁽¹⁸⁾ with a target assessment level of Gold 	Positive Climate	  
Green	Energy Efficiency	<p>Investments or expenditure on projects which may include:</p> <ul style="list-style-type: none"> Systems and smart controls which help to optimise environmental management - minimising energy usage and in some cases improving health and wellbeing. For example, through the use of sensors and building management technologies 	Positive Climate	 

(18) UCL has worked with the Royal Institute of Chartered Surveyors to adapt their SKA building methodology for the HE sector. The methodology focuses on delivering good practice sustainability measures in small refit/refurbishment projects



Type	ICMA Eligible Category	Use of Proceeds –Sustainable Projects Eligibility Criteria	UCL Sustainability Strategy	UN SDG
		<ul style="list-style-type: none"> Upgrading building fabric to achieve enhanced insulation levels and durability Efficiency improvements to heating, ventilation and lighting systems Addition of low or zero carbon technologies (e.g. heat pumps, renewables) where appropriate 		
Green	Renewable Energy	<p>On-site or off-site renewable energy investments including installation or refurbishment of district energy networks using renewable power and installation of solar panels across campus</p> <p>Investments in or expenditure on off-site renewable electricity backed by relevant certification e.g. REGO, and from projects operating at life-cycle emissions lower than 40gCO₂/kWh)</p>	Positive Climate	  
Green	Environmentally Sustainable Management of Living Natural Resources and Land Use	Natural interventions across campus buildings, such as brown roofs and pocket gardens to improve biodiversity and wider ecological services, whilst providing valuable amenity space as part of UCL's public realm to support physical and mental wellbeing of University students and staff	Wild Bloomsbury	 
Green	Sustainable Water and Wastewater Management	Projects which reduce water consumption or facilitate water re-use e.g. installing meter reading devices, water efficient sanitaryware, water recycling and treatment systems and leak detection	UCL is Run Sustainably	 
Green	Climate Change Adaptation	Investments in or expenditures on UCL campus buildings and public realm to adapt to future climate change scenarios; provision of shaded areas, sustainable urban drainage systems and flood mitigation, such as the Astor College Blue Roof drainage system	Positive Climate	
Green	Pollution Prevention and Control	<p>Investments in projects and expenditure on:</p> <ul style="list-style-type: none"> Initiatives to reduce plastic waste across campus sites Improvements in waste management systems to achieve waste reduction or increase waste recycling, including the provision of water fountains to reduce plastic bottle waste 	The Loop	

<p>Green</p>	<p>Clean Transportation</p>	<p>Investments in projects and expenditure on:</p> <ul style="list-style-type: none"> • Providing the infrastructure to enable healthy and active travel choices such as walking, cycling (storage, racks, lifts) and scooting • Improving access to public transportation • Electric vehicle charge infrastructure and acquiring battery electric vehicles where required for necessary operational reasons • Travel and harmful emissions avoidance measures, such as video conferencing technology 	<p>UCL is Run Sustainably</p>	 
<p>Social</p>	<p>Access to Essential Services (Education)</p>	<p>Programmes, scholarships, and bursaries to make education more accessible including but not limited to:</p> <ul style="list-style-type: none"> • Adaptation and design of buildings and/ or services to provide inclusive education, in particular for the benefit of Target Populations including disabled or impaired populations e.g. lift access, ramps and handrails <p>UCL's Access and Participation Plan, which includes financing for supporting the long term development of economic and social groups including mature, disabled and statistically underserved Target Populations</p>	<p>UCL Inspires Action</p>	 
<p>Social</p>	<p>Socio-Economic Advancement and Empowerment</p>	<p>Financing support of PhD level charitable research conducted through the UCL Doctoral Training Programmes ("DTPs") (maintenance stipend costs and tuition fees in some cases), as well as investment in building infrastructure to support such research that advances one or more of the UN SDGs and contributes to scientific or social advancement, benefitting specific Target Populations. Examples of key expenditure items include:</p> <ul style="list-style-type: none"> • Health and medical programme research for the benefit of Target Populations including disabled and/or elderly persons, in partnership with organisations such as the Medical Research Council ("MRC"), Wellcome Trust and British Heart Foundation • Investment in facilities to house institutions which conduct research for specific Target Populations including disabled and/or elderly persons, such as the UCL Queen Square Institute of Neurology, UK Dementia Research Institute and the UCLH National Hospital for Neurology and Neurosurgery 	<p>UCL Inspires Action</p>	 

6.2 Process for Project Evaluation and Selection

Sustainability is a key element in UCL's decision-making. A dedicated 15+ person Sustainability Team, which combines subject matter experts across key environmental and social issues and reports into the Vice President (Operations), has been appointed to provide expert professional leadership to UCL's sustainability agenda and now the Framework. This team is responsible for maintaining a tracker of projects and will work with Estates and Finance Officers in the preparation of allocation reporting for consideration by the University's executive management team and Council.

UCL Council ("Council") is UCL's governing body and oversees the management and administration of UCL and the conduct of its affairs. Council delegates authority to the Provost, as chief executive, for academic, corporate, financial, estate and human resources management of UCL. It normally meets six times each year and is responsible for the approval of the UCL Sustainability Strategy and monitoring progress against its strategic objectives. To ensure the Framework is appropriately managed and monitored, Council will retain ultimate oversight of the implementation and execution of the Framework, including:

- Reviewing and approving updates to the Framework in respect of UCL's Sustainability Strategy (which includes approving the addition of new categories as eligible Sustainable Projects) and other market standards
- Reviewing and approving the allocation of projects and investments under the Framework
- Approving annual allocation and impact reporting

In support of this and on an ongoing basis, the University's executive management team will: review spend allocations, assess the projects and investments to be allocated or financed under the Framework for ongoing eligibility, ensure those that have been disposed of or are no longer considered to be eligible are replaced on a best-efforts basis and make recommendations to Council for approval.

Prospective capital investment in the estate will in future be assessed against the Framework and by reference to its contribution to UCL's sustainability objectives overall. The identification, evaluation and inclusion of other non-capital projects will be monitored on an ongoing basis by the University's executive management team.

6.3 Management of Proceeds

UCL intends to allocate an amount equivalent to the Net Proceeds from transactions issued under this Framework to a portfolio of eligible Sustainable Projects, selected in accordance with the Use of Proceeds eligibility criteria and the Process for Project Evaluation and Selection. UCL's Sustainability Team will maintain a register tracking Sustainable Projects to which Net Proceeds are to be allocated, or have been allocated, with associated investments recorded in its accounting systems. This will allow the balance of allocated and unallocated amounts to be tracked over time. Pending full allocation to Sustainable Projects, UCL may use any unallocated funds for either debt repayment and/or other transactions in line with its treasury policy – which may include cash deposits, investments in money market funds or otherwise for temporary refinancing purposes.

6.4 Reporting

UCL will make and keep publicly available reporting on its website relating to the allocation of Net Proceeds and wherever feasible report on the impact of the Sustainable Projects financed, within 12 months from the issuance of any Sustainable Financial instrument. Reporting will be renewed at least annually until full allocation of the Net Proceeds. Any material developments, such as modification of the framework or significant changes to the portfolio allocation, will be reported appropriately in a timely manner.

Allocation Reporting:

UCL's allocation reporting is expected to include at least:

- A description of the Sustainable Projects financed under the Framework with a breakdown of the allocated amounts by project category/sector/geography, with examples
- The financing instrument used (by ISIN) and prevailing outstanding nominal balance of that instrument
- The amount and/or percentage of new and existing projects (split between financing and refinancing)
- Information on how any unallocated proceeds are being held

Impact Reporting:

UCL will communicate the positive benefits facilitated by proceeds raised under the Framework along with its allocation reporting. UCL will report against a number of example Impact Indicators where feasible and as outlined below, identifying where particular items of investment have supported the achievement of its sustainability targets outlined in the

Sustainability Strategy section of this Framework. UCL intends to report, on a best efforts basis where possible, in alignment with the ICMA Framework for Impact Reporting.

Example Impact Indicators used may include:

Type	ICMA Category	Example Impact Indicators
Green	Green Buildings	<ul style="list-style-type: none"> Building certification (rating obtained) Energy consumption (kWh per m²) Carbon emissions (kg CO₂e) and/or intensity (kg CO₂e/m²)
Green	Energy Efficiency	<ul style="list-style-type: none"> Energy consumption (kWh) and or intensity (kWh/m²) Energy savings (MWh pa) GHG emissions avoided (kg CO₂ p.a.)
Green	Renewable Energy	<ul style="list-style-type: none"> On-site renewable electricity generated (kWh) Offsite renewable energy purchased (kWh) backed by relevant certificates Annual GHG emissions avoided (kg CO₂ p.a.)
Green	Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> Expenditure on projects to increase biodiversity such as brown roofs and pocket gardens Amount of space created/allocated (m²)
Green	Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> Number and types of water saving projects invested in Volume of water saved/reduced (m³)
Green	Climate Change Adaptation	<ul style="list-style-type: none"> Number & type of installations financed Number of UCL buildings benefitted by such investments
Green	Pollution Prevention and Control	<ul style="list-style-type: none"> Number and types of investment made to reduce plastic waste across campus buildings Waste diverted from landfill (t) or waste sent to landfill Waste per FTE of employee and student headcount Recycling rate (%) Water refill stations installed
Green	Clean Transportation	<ul style="list-style-type: none"> Number and type of clean transportation facilities installed Number of EV charge points funded Emissions avoided
Social	Access to Essential Services (Education)	<ul style="list-style-type: none"> Number of vulnerable and disadvantaged students benefitting financially and amount of benefits granted Value of scholarships, bursaries and awards granted to vulnerable students Number and type of inclusivity / access projects benefitting from funding
Social	Socio-Economic Advancement and Empowerment	<ul style="list-style-type: none"> Number of PhD research students benefitting from and value of funding / contributions provided Information about benefits stemming from specific research, when published Investment in relevant research facilities / institutes (£m)

6.5 External Review

DNV Business Assurance Services UK Limited (“DNV”) has been appointed to confirm the alignment of the Framework to the Green Bond Principles – June 2018, the Social Bond Principles – June 2020, the Sustainability Bond Guidelines – June 2018 as published by the ICMA, the Green Loan Principles – February 2021 and the Social Loan Principles – February 2021.

DNV has provided a Second Party Opinion (SPO) of UCL’s Framework, which can be found on UCL’s website. This review will cover issuance of multiple Sustainable Financial Instruments issued under this framework.

External verification of the allocated and unallocated portions of the Net Proceeds will be provided by an external auditor along with any allocation reports issued whilst Sustainable Financial Instruments are outstanding. The level of assurance provided will be disclosed. UCL will also disclose information about the auditing of its impact reporting where feasible.



7. Case Studies

7 Case Studies

7.1 Green Buildings

Student Centre achieves BREEAM Outstanding

Located on Gordon Street in the heart of UCL's prestigious central campus, the New Student Centre, which was completed in 2019, provides a mix of learning spaces varying in character and size, creating different types of individual study and group collaboration settings, as well as more social learning environments. The building is a flagship for sustainability at the University. Going well beyond regulatory and planning requirements, an environmental assessment was carried out resulting in the highest possible BREEAM 'Outstanding' rating at final certification, a significant achievement matched by only a handful of buildings in the UK.

The 5,764m² building includes an array of sustainability features, including ground-source heat pumps, natural ventilation features, minimal waste through construction and use of highly durable materials. It also benefits from a Japanese style garden, green roof and 250m² of solar photovoltaic panels.



Bentham House achieves BREEAM Excellent

The £21.7m redevelopment of Bentham House, completed in 2018, involved a major refurbishment and extension of the two existing buildings which are home to the UCL Faculty of Law, including 1,500m² of new space.

With an emphasis on environmental performance the extension has achieved a BREEAM Excellent rating at final certification, including a number of best-practice features. High levels of insulation, together with efficient heating, lighting, ventilation and controls mean that energy performance is around one third better than regulatory requirements. Photovoltaic panels were also installed to reduce the carbon impact of the building and a green roof helps to improve biodiversity, with drought-resistant planting eliminating the need for a separate irrigation system. Priority was given to the use of low impact building



materials, taking into account issues including resource use, pollution and climate change impacts.

7.2 Energy Efficiency

Keeping chemists warm with super insulated windows

Completed in 2017, all 600 windows in the Christopher Ingold Chemistry building were replaced with double glazed units saving 166 tonnes CO₂ per year (~£29,000) and improving user comfort. Photographs from a thermal imaging camera clearly show a significant decrease in heat loss from the windows, and the improvements have already been felt by staff in the department. Andrea Sella, Professor of Chemistry, says he has been largely able to keep the heating off in his office since January 2020, and no longer finds his office affected by the dust and pollution of central London.



7.3 Renewable Energy

Solar power for the campus

One contribution towards being a zero carbon institution in 2030 is for UCL to generate more of our own energy from renewable sources. In central London, the easiest way to do this is to produce zero carbon electricity using solar panels. The Institute of Archaeology and the Langton Close hall of residence were the first recipients of these panels. The solar photovoltaic panels are producing around 13,000 kWh every year, preventing almost 4 tonnes of carbon emissions. The output from the panels can be seen in the reception area of the Archaeology building – so students and staff can see the impact of renewable energy at UCL in real time. UCL was pleased to be able to collaborate with the UCL student Clean Energy Society to undertake the Langton Close solar panel project;



providing valuable experience for the students involved and helping to communicate the project among the student body.



7.4 Environmentally Sustainable Management of Living Natural Resources and Land Use

Sarah's Garden is a community project at the UCL Institute of Education (IOE), which opened in 2018. Created and maintained by students, staff and alumni, the garden is dedicated to the memory of Sarah Douglas, an IOE staff member. The garden not only provides a valuable biodiverse habitat in the centre of London but also gives an opportunity for staff and students to both use the garden as amenity space and volunteer in its maintenance.



7.5 Sustainable Water and Wastewater Management

An evidence based approach to water reduction

Students taking the Engineering Thinking module of the BAsc course worked with Sustainable UCL and the UCL plumbers on a project to investigate water consumption and waste.

The South Junction male toilets are among the busiest at UCL, so they were the perfect location to test whether switching from an automatic flush on a timer to a flush button that needs pushing would reduce water use while maintaining hygiene. The new push-button flushes were installed with infra-red sensors built by the students to monitor which flushing



system was more popular. Alongside the physical interventions, the students had devised a behaviour survey, and a poster campaign to encourage people to consider their water use.

The project produced three reports, suggesting that a combination of presence detection & timed flushing provided the most water-efficient, hygienic flushing system. This approach is now being used across UCL's washroom refurbishment programme.



7.6 Climate Change Adaptation

Reducing surface water run-off with green roofs

UCL's central London location means that there is a significant need to reduce surface water run-off from roofs and other hard surfaces to prevent flooding. UCL has taken the approach of turning some of the flat roofs on campus into green roofs including the roofs on Gordon House, 1-19 Torrington Place and 22 Gordon St.

Green roofs absorb CO₂, improve a building's thermal performance, increase rainwater retention thereby reducing storm water run-off, and reduce the life-cycle costs of a roof by protecting it from climatic changes, UV light and mechanical damage.





7.7 Pollution Prevention and Control

Ditch the Disposable at UCL

The introduction of separate 15p pricing for disposable coffee cups a year ago, part of our 'Ditch the Disposable' campaign has helped to increase drinks sales in reusable cups from around 5% to well over 20% across the campus. Some outlets are already achieving figures close to our initial 30% target. As a result, we have saved almost 250,000 disposable cups across UCL. And whilst disposable cups can't be recycled with our standard mixed recycling, dedicated coffee cup recycling bins are now being trialled in the main refectory. Supporting the campaign, in 2019/20, nine water fountains were installed across the campus. By adding more fountains, we are hoping to reduce single-use plastic on campus. The fountains are in locations with easy access for students to fill up their bottles. This included a portable unit being set up in the main quad over the hot summer months.



7.8 Clean Transportation

New cycle parking

Over the 2020 summer closure, UCL has installed approx. 600 cycle racks including six bike hangars that provide secure and weatherproof cycle storage. UCL now has 1,000 spaces across campus supporting our community to travel to university in a climate-friendly way. UCL has also launched a buddy scheme to connect experienced UCL cyclists with staff and students who are new to commuting by bike, to assist them with feeling safe on their route to and from UCL.





7.9 Access to Essential Services (Education)

Widening access to higher education

UCL has made positive steps to improving access, retention, progression and success of students from all walks of life. Building a “diverse community of committed, engaged and intellectually curious students” is embedded within our 20-year institutional strategy. We recognise that, within our intake, there is a relatively low proportion of students from key underrepresented groups and there are outcome gaps once studying. Our Access and Participation Plan⁽¹⁹⁾ outlines how we encourage and support students applying to and studying at UCL, and how we will effect institutional change to address gaps that appear.

We dedicate significant UCL funded resources to identifying and supporting key target groups, and focus our activity on those areas shaded in red below.



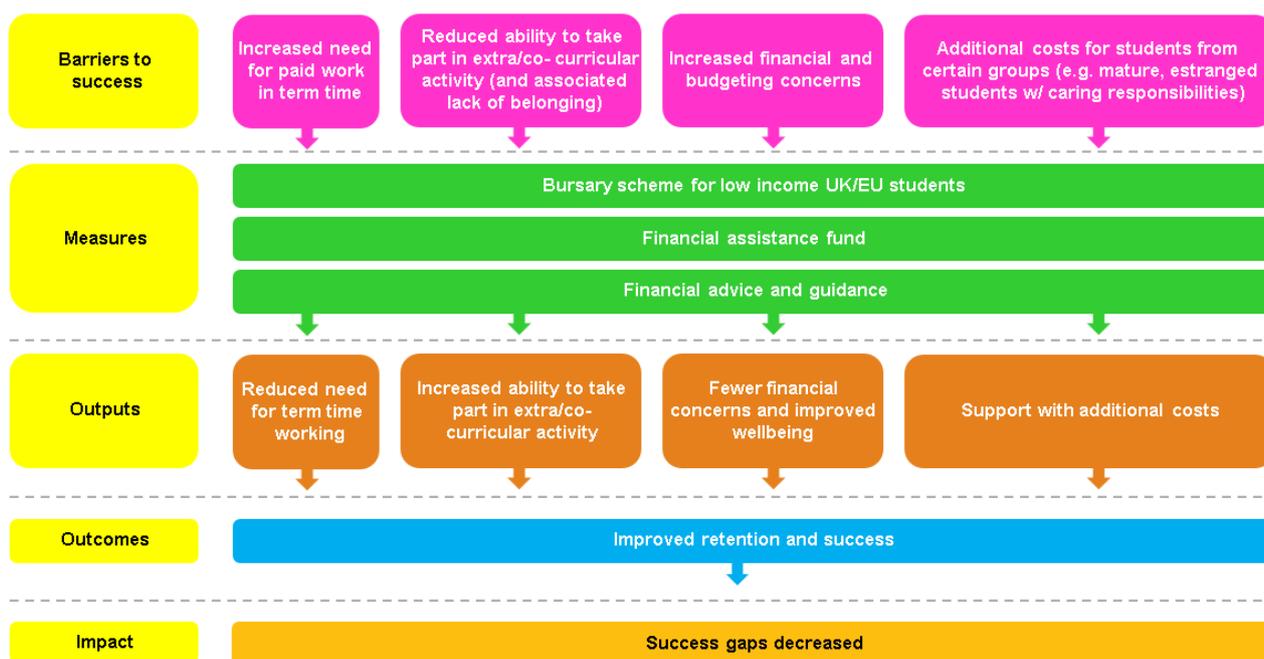
We aim to eliminate:

- Gaps in access between the most and least represented groups by 2030-31
- Non-continuation gap between young and mature students by 2030-31
- Attainment gap between BME and white students by 2024-25
- Attainment gap between black and white students by 2030-31

We created a Student Success team in 2019/2020 to focus on tackling some of these issues, and every faculty Dean at UCL has made a pledge focused on culture change and closing the attainment gap.

(19) <https://www.ucl.ac.uk/widening-participation/about-us/ucl-access-and-participation-plan>

UCL's financial support is informed by a theory of change, which outlines how we believe our provision contributes to increased retention and success. We use this model to inform our Undergraduate Bursary scheme, based on household income, which has been influential in improving retention and performance rates of students in particular from low participation neighborhoods, with no parental experience of higher education, or from underrepresented ethnic backgrounds.



Our Access and Participation framework receives regular monitoring by senior management within UCL's Student and Registry Services department and is overseen by the Vice-Provost (Education and Student Affairs).

7.10 Socio-Economic Advancement and Empowerment

IoN-DRI

We are building a world-class environment to fight neurological disease through the IoN-DRI programme. The programme will deliver a new hub that will be one of the leading translational neuroscience centres in the world. UCL is a global leader in pioneering research into neurological diseases such as dementia, Alzheimer's disease, multiple sclerosis, Huntington's disease, neuromuscular diseases, Parkinson's disease, motor neuron diseases, stroke and epilepsy. The IoN-DRI programme was set up to enable a purpose-built facility on Grays Inn Road, alongside new and more efficient ways of



working, to translate UCL's exceptional research power into developing treatments for these devastating conditions. The IoN-DRI facility is due for completion in 2024.



Research – making health care accessible for all

UCL funded research plays a critical role in shaping the world we live in. Our health care research is just one area in which our work helps to identify inequalities and change outcomes for those in need. Through the UCL School of Life and Medical Sciences, and other associated UCL institutes, we comprise Europe's largest partnership of world leading applied health and care researchers, delivering the greatest volume of 4* applied research in the UK (REF2014). Since 2013 we have been awarded over £541m in grants. One such example of our pioneering work is a research programme, commissioned to start in October 2019 and running until September 2024, funded by the National Institute of Health Research (NIHR) and titled Applied Research Collaboration North Thames (ref: NIHR200169). This collaboration with other leading universities, the NHS, councils and communities across North Thames is led by Professor Rosalind Raine. The partnership develops innovative world-leading applied health research which meets the needs of our communities, locally and nationally. Five broad themes are covered: mental health, multimorbidity, population health and social care, innovation and implementation science, health economics and data science. Professor Raine's research focuses on inequalities and includes studies involving multiple socially disadvantaged communities, all involved as equal partners in the research. More information about this example research programme can be found via the video link below.

<https://www.youtube.com/watch?vfq8WLiXflm>

Disclaimer

This document is intended to provide non-exhaustive, general information. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by University College London ("UCL"). No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by UCL as to the fairness, accuracy, reasonableness, or completeness of the information in this document.

The statements in this document represent an intention on the part of UCL to act in the manner set out in this document as at the date of this document. Nothing in this document creates a legal or commercial obligation on UCL to act in accordance with this document and the intentions set out in this document may be subject to update, modification or amendment from time to time.

This document may contain statements about future events, projections, expectations, prospects and estimates that are forward looking statements (together, "forward looking statements"). None of the forward looking statements in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such forward looking statements have been prepared are correct or exhaustive or fully stated in this document. UCL undertakes no obligation to update, modify or amend this document, to reflect actual changes in assumptions or changes in factors affecting forward looking statements or to otherwise notify each recipient of this document if any forward looking statement set forth herein changes or subsequently becomes inaccurate.

This document is not intended to be and should not be construed as providing legal or financial advice. Each recipient of this document should consult with its own legal, tax, regulatory, accounting or investment advisers to the extent necessary. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities. Nothing contained herein shall form the basis of any contract or commitment whatsoever. This document has not been approved by any security regulatory authority.

The distribution of this document may be subject to legal restrictions in some countries. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them.

Save to the extent referred to in the second party opinion prepared in connection with this document, the information in this document has not been independently verified. UCL is under no obligation to update or keep current the information contained herein.

Each recipient of this document is solely liable for any use of the information contained in this document and UCL shall have no responsibility for any damages, direct, indirect or otherwise, arising from the use of this document by any recipient of this document.