



1. Introduction

About

Reykjavík University (RU), established in 1998 in the City of Reykjavík, is the second largest university in Iceland with around 3,800 students at a time. RU has its roots in the Technical College of Iceland, founded in 1964 and the School of Computer Studies, founded in 1988. RU has seven academic departments, a preliminary study programme, and a continuing education programme.

RU's majority owner is The Icelandic Chamber of Commerce's educational fund, along with the Federation of Icelandic Industries and Confederation of Icelandic Enterprise. Dividend payments to owners are prohibited and all profits are to be re-invested in RU's operations.

RU's role is to create and disseminate knowledge to increase competitiveness and quality of life for individuals and society with ethics, sustainability, and responsibility as guiding principles. RU aims to prepare society for the future. RU's social objective is to provide access for all to higher education, including underserved and marginalized groups.

Funding Structure

RU's funding structure is based on government support and through tuition. Private universities receive annual contributions approved by the Icelandic Parliament both for education and research, making the funding structure a mix of public and private.

Using debt instruments, RU sees an opportunity to transparently provide these social impacts both to its constituents and stakeholders, and to investors, particularly those interested in ESG investments. RU aims to find investors who align with these values. RU's Social Bond Framework provides the financial flexibility to support these commitments fiscally.

Through the mixed private/public funding structure and governmental student loans, RU can continue to provide an affordable education and further provide financial access through the implementation of affordable housing for students.



2. Reykjavik University's Sustainability Strategy

RU's Approach to Sustainability

a) RU's Overarching Sustainability Objectives and Strategy

RU's approach to sustainability is focused on its mission to provide access to higher education for all, to develop the capability of students and future generations, and to educate its student body in a way that reflects sustainable development.

RU places a strong focus on reducing inequalities. Teaching methods favour those who have less support for their studies at home, as group work and discussion/practice groups are a feature. RU's goal is to make higher education accessible to all, regardless of their background. This reflects its main objective of ensuring equal status and opportunities for all students and employees, as stated in the University's Equality Plan.

b) RU's Social Responsibilities

Through research, knowledge, and the financial means universities possess, RU can share and pass down new knowledge, generate impact through technological innovation, address global challenges, change the physical landscape as landowners, build and foster international connections and talent, and improve lives.

RU has clearly stated its role "to create and disseminate knowledge in order to enhance the competitiveness and quality of life for individuals and society, guided by good ethics, sustainability, and responsibility." RU aims to fulfil this by providing access to essential services (education) in an affordable way

c) RU's Sustainability Strategy supporting Regulations, Standards and Frameworks

RU currently focuses on and embraces the responsibilities of the UN's Sustainable Development Goals (SDGs), the Sustainability Institute Forum (SIF), and the UN Principles for Responsible Management Education (PRME).

From time to time, the Regulations, Standards and Frameworks will be updated to comply with future changes to social financing guidelines and taxonomies as well as to general sustainability financing market practices and/or changes in RU's own operation.

Social Financing Impact

Overall financing in 2021, or 100% of the Social Bond proceeds were allocated to eligible expenses from the same year. The impact of the financed projects is divided amongst three main indicators; the total number of students reached in the year, student dropout ratio amongst all the 1.335 newly enrolled students that year (as of March 20, 2023) and the ratio of students with special needs, as shown in Table 1.



Access to essential services	Total financing m ISK	Social financing m ISK	Social financing percentage	Indicator	Total impact	
					2021	2022
Access to essential services	12.000	12.000	100%	Number of students reached	4.365	4.302
				Dropout ratio of new students	19,96%	19,10%
				Ratio of students with special needs	12%	12%

Table 1: Social Financing Impact

Number of Students Reached

In 2022, the re-financing reached a total of 4.302 individual students. Of the 4.302 students reached, 1.087 students graduated from RU in 2022, thereof 7 students who completed two study programmes, resulting in a total of 1.094 study track graduations. Amongst those 1.094 graduates in 2022, 55,85% were males, 44,15% women and 0% non-binary individuals. A total of 56 graduates, or 5,1%, were foreign citizens.

As part of RU's objective to increase access to higher education, it has strong focus on supporting the undereducated. RU was one of the first bodies in Iceland to offer preliminary study programmes for those who do not qualify to start a university education. With successful completion of the programme, students are qualified for university education, not limited to RU. Students in the programme are eligible for governmental student loans. This has proven useful – a high percentage of the graduates from the programme go on to further studies. In 2023, the University plans to put in place (with the cooperation of Landsbankinn) a grant for students from groups who are less likely to attend university, such as those from non-Icelandic speaking backgrounds.

a) Dropout ratio of new students

The Icelandic Ministry of Higher Education, Science and Innovation has recently drafted a definition of dropouts: „*How many former students who dropped out can be assumed to have definitively dropped out?*”. However, in RU's instance, dropout ratios refer to all students dropping out for various reason. Some students may intend to continue their studies later, thus why drop out ratios do not necessarily reflect the number of students who have no intent to return to their studies.

In 2022, the dropout ratio amongst all newly enrolled students was 19,1%. It is RU's policy to offer support for all students to ensure the greatest likelihood of study completion and graduation on time and support students' well-being. This includes study counselling, psychological support, study support, reading facilities, group work rooms, and access to direct interaction with teachers, departments, and other staff. All student support, including revision classes before exams and student union membership, is provided at no cost for students.

b) Ratio of Students with Special Needs



As part of RU's objective to increase access to higher education, it has strong focus on supporting students with special needs so they can maximise their abilities and enhance their strength during their time at the University. RU does so by creating conditions enabling students with disabilities, specific learning difficulties and other impairments to actively participate in the University's operations. The supporting system extends to students with disabilities or impairment including but not limited to temporary disablement due to accident, hearing impairment, deafness, visual impairment, legal blindness, dyslexia, dyscalculia, ADHD, Tourette, Asperger, cancer, MS, MND and mental impairment.

Use of Social Bond proceeds allocated towards students with special needs in 2022 was 12%. Actions that fall under the category extending to disability or impairment include various solutions on the University's agenda for the coming years. The refinancing supports RU's aim to accommodate to all students, as RU's buildings are designed to be suitable for disabled individuals, including wheelchair accessibility and fulfilling escape route requirements for individuals who are disabled.