

Impact Report 2025

Triodos Sterling Bond Impact Fund

> **New Section**

**Triodos Sterling Bond Impact Fund
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- A word from the portfolio manager
- A selection of bonds in portfolio
- Theory of Change
- Positive impact through bonds
- Impact achieved
- Do no significant harm
- Empowering mobility
- Engagement
- Company engagement
- Notes for the reader

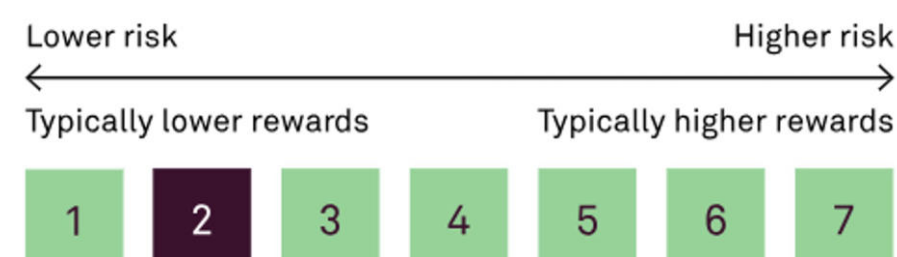
About the fund



Fund characteristics

Domicile	Luxembourg
Legal structure	Sub-fund of Triodos SICAV I
Asset class	GBP-denominated bonds
Inception date	October 2020
AuM per end December 2025	GBP 23.7 million
Benchmark	Bloomberg Barclays UK Gilt 1-5 year Total Return Unhedged GBP index (50%) and Bloomberg Barclays Sterling Non-Gilts Total Return Value Unhedged GBP index (50%)*
Managed by	Triodos Investment Management
Depositary	CACEIS Bank, Luxembourg Branch
SFDR	Triodos IM has classified this fund as article 9 under SFDR. This means that the fund pursues a sustainable investment objective.

Risk indicator



This is a marketing communication for professional investors only. Please refer to the [prospectus](#) and the PRIIPs KID of Triodos Sterling Bond Impact Fund before making any final investment decisions. An overview of risks related to an investment in the fund can be found in the KID and the prospectus. Further, please take notice of the sustainability aspects of the fund as found [here](#). A summary of investor rights in English can be found [here](#). Triodos Sterling Bond Impact Fund is managed by Triodos Investment Management. Triodos Investment Management holds a licence as alternative investment fund manager and UCITS manager and is under the supervision of the Autoriteit Financiële Markten and De Nederlandsche Bank in the Netherlands. Triodos Investment Management may decide to stop the marketing of its collective investment schemes in your country.

The value of your investment can fluctuate because of the investment policy. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.

Fund labels

The label is held by the fund on the reporting date of this document. The label attests that the fund meets the specific environmental, social and governance (ESG) standards and criteria set by the label provider. The label is awarded following an independent assessment based on the methodology defined by the label provider. The granting of the label does not imply that the fund achieves any particular sustainability outcome or that they are suitable for all investor preferences. For more information on the label and its methodology, please visit the label provider's website: [Square Mile 3D Investing](#).

* The fund is actively managed and the benchmark is used for performance measurement only.

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A word from the portfolio manager

2025 can be summarised as a year of significant global shifts. We have seen geopolitical instability, trade tensions, ongoing conflicts, extreme weather events, an increase in inequality and the rise of generative AI. What we need in such disruptive times is a financial system that serves society. Instead, we are witnessing a financial system that is drifting further away from this purpose.

Finance has increasingly become an end in itself. At Triodos Investment Management, we believe that finance can and should enable societies to flourish within planetary boundaries. We need a system that rebuilds finance for the future. This Impact Report shows that this belief can also be applied to the financial market by investing in and engaging with entities that deliver positive social, environmental and cultural change.

Impact highlights 2025

Top 3 transition themes



**Energy
transition**



**Societal
transition**



**Wellbeing
transition**

Triodos Sterling Bond Impact Fund increased its positive impact by adding more green and social bonds to the portfolio. New social bonds added to the portfolio were issued by Motability Operations Group, Places for People and Sovereign Network Group. Motability is the largest leasing company in the UK intended to enable disabled people to lease various vehicles, including wheelchair accessible vehicles. Both Places for People and Sovereign Network Group are housing associations focusing on affordable and quality homes.

The fund will enhance its impact by keeping regular UK Gilt exposure low and further optimising the distribution across the five transition themes.

Rosl Veltmeijer

Portfolio Manager Triodos Sterling Bond Impact Fund

Top 3 SDGs



3 GOOD HEALTH
AND WELL-BEING



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES
AND COMMUNITIES

"We increased the positive impact by adding more green and social bonds to the portfolio."



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A selection of bonds in portfolio



Explore our [interactive world map](#) for an overview of all the fund's investments in 2025.

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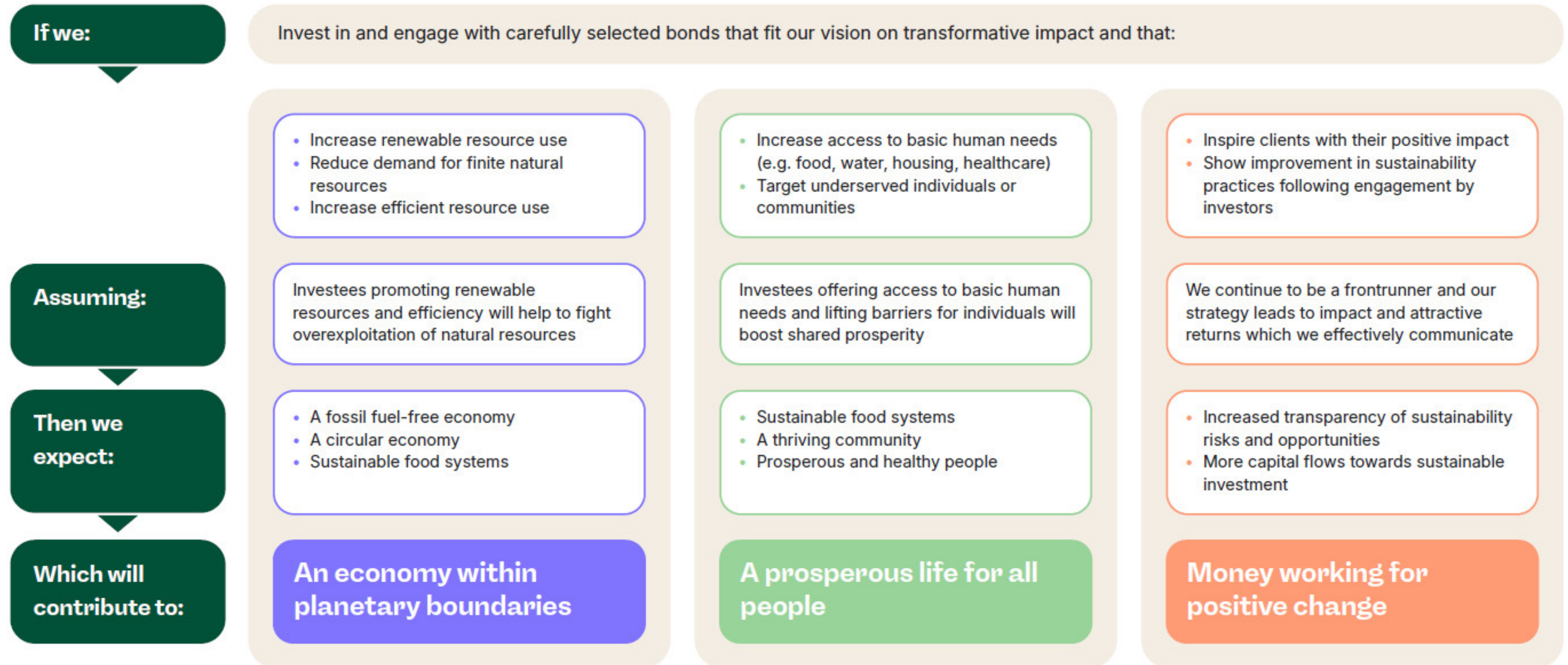
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Theory of Change

The Theory of Change underpins how Triodos Sterling Bond Impact Fund acts, invests and evaluates its activities.



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Positive impact through bonds

Our bond portfolio consists of impact and corporate bonds, issued by companies, semi-public institutions and UK government (Gilts). Apart from the Gilts, they all generate positive impact and contribute to at least one of our five transitions: food, resource, energy, societal and wellbeing.

Impact bonds

- > Green, social and sustainable bonds issued by companies, semi-sovereigns and sovereigns
- > Bond proceeds are used to generate positive impact
- > Assessment of Green or Social Bond Framework
- > Additionality of the projects financed
- > Issuer adheres to Triodos Minimum Standards

33%

Corporate bonds

- > Regular corporate bonds
- > Issuer's business model contributes to the five Triodos transitions
- > Issuer adheres to Triodos Minimum Standards

59%

Gilts

- > Regular gilts
- > Sovereigns signed and rectified main UN conventions
- > Only used to mitigate liquidity risks, manage interest rate risk and credit quality if needed

7%

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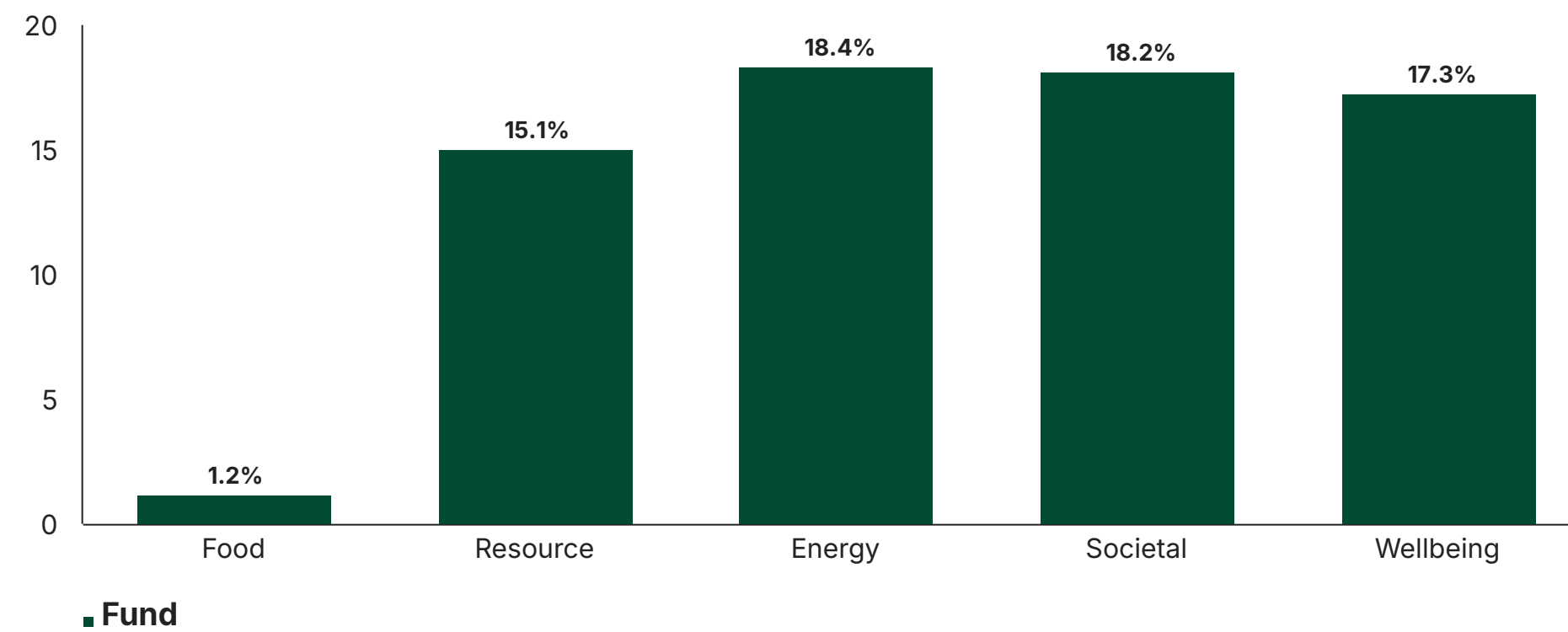
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Impact achieved

Our investments are selected for their contribution* to one or more of our five transition themes and the UN Sustainable Development Goals (SDGs).

This contribution is based on the percentage of revenue from products and services with positive impact. For corporate bonds, a minimum of 33%¹ of the company revenue from products and services must positively contribute to the transitions. For impact bonds, a minimum of 75% of the bond proceeds must positively contribute to at least one of our transition themes. At fund level, we uphold an internal minimum of 50%. The total positive impact is not necessarily equal to the sum of the contributions to each transition, as some products and services with positive impact can be linked to multiple transition themes. This 'double counting' is eliminated at fund level to calculate the total positive impact.

Contribution to the transitions



Total positive impact

Fund: 69.5%

¹ At fund level, we uphold an internal minimum of 50%

Investment examples

Societal transition | Sovereign Network Group

Sovereign Network Group is a charitable housing association. The proceeds of the sustainability bond are used to finance affordable housing, green buildings, energy efficiency, renewable energy and clean transportation projects. The proceeds of this social bond are 100% allocated to the Societal transition and contribute to SDG 11 (Sustainable cities and communities).

Resource transition | Severn Trent

Severn Trent is a water and waste utility active in the United Kingdom, Europe and the United States. The proceeds of its sustainability bonds are used to finance projects that restore biodiversity, reduce pollution and leakage. In total, 92% of the proceeds of the bonds is aligned with the Resource transition, 7% with the Energy transition and 1% with the Societal transition. The bonds contribute to SDGs 3 (Good health and wellbeing), 6 (Clean water and sanitation) and 13 (Climate action).

* Based on ISS ESG sustainable solutions data set, data as per 31 December 2025

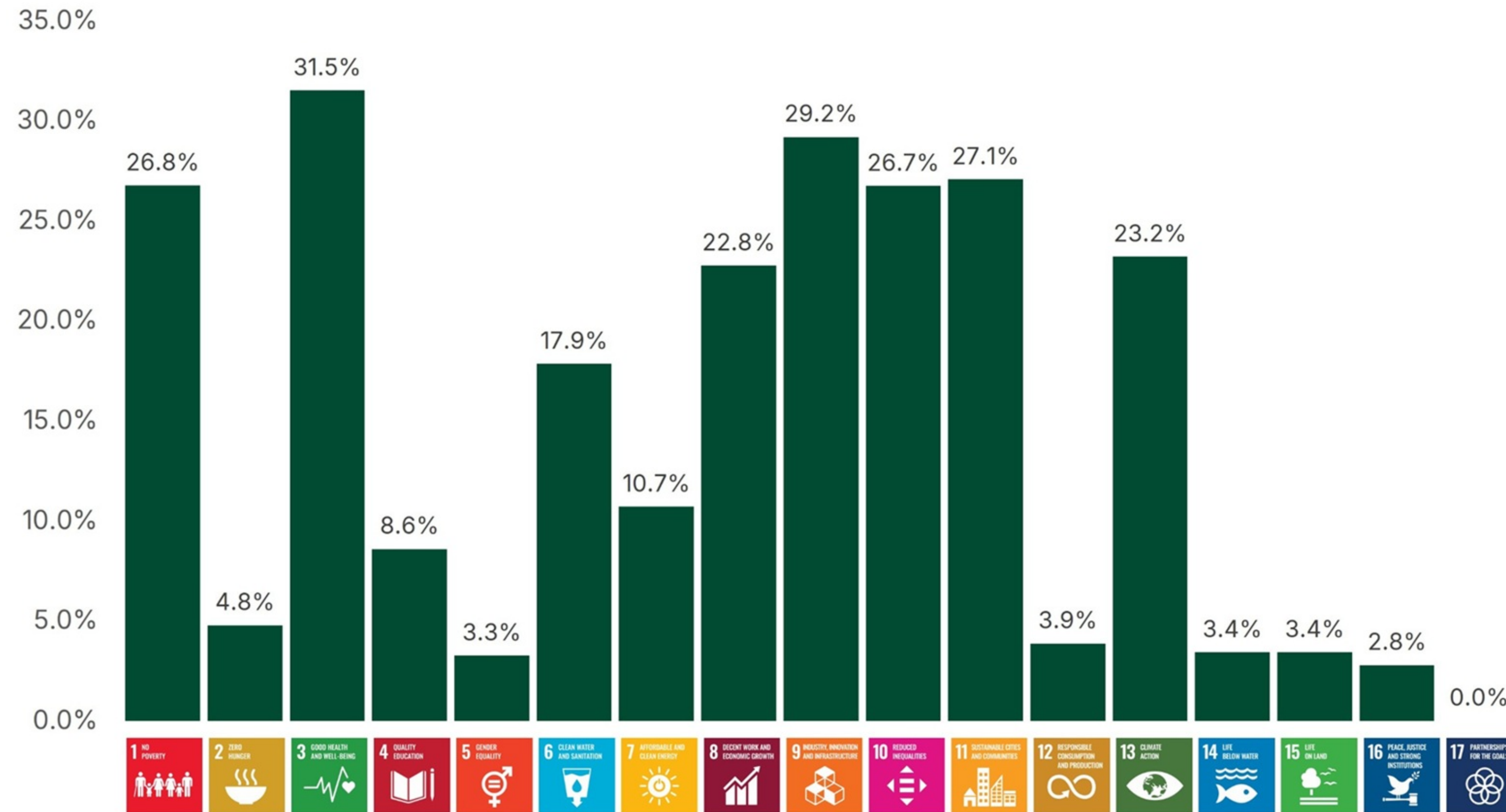
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Contribution to the UN SDGs

The contribution to individual SDGs may fluctuate between 0% and 100%. However, the sum of percentages to all SDGs can be below or above 100% as products and services can be linked to multiple SDGs.



Find out [more](#) about how we manage and measure impact.

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Do no significant harm

To make sure that its investments do not cause any significant harm, the fund continuously monitors alignment with the strict Triodos Minimum Standards. In the course of 2025, the fund excluded no companies from the portfolio due to either a breach of the Minimum Standards, or a persisting unacceptable risk.

Investments are also assessed on their principal adverse impacts (PAIs) in line with SFDR guidelines for Article 9 funds. The GHG intensity, fossil fuel involvement, non-recycled waste, negative effect on biodiversity, UNGC / OECD violations and excessive CEO pay ratios illustrate the lower negative impact of the portfolio companies' activities compared to those of the benchmark: Bloomberg Barclays UK Gilt 1-5 year Total Return Unhedged GBP index (50%) and Bloomberg Barclays Sterling Non-Gilts Total Return Value Unhedged GBP index (50%)





The impact indicators are calculated using PAI data from Morningstar Sustainalytics¹.

The higher carbon footprint compared to the benchmark can be explained by the higher share of corporates in the fund compared to the benchmark, as the carbon footprint data only covers corporates. Furthermore, note that with a low coverage ratio, the non-recycled waste data does not provide meaningful insight.


Read [more](#) about the calculation methodology used.

¹ Source: Morningstar Sustainalytics, data as per 31 December 2025


Environmental

			Fund	Index
	GHG intensity scope 1 + 2			
	5%	more	62.93 t CO ₂ / EURm 59.4% coverage	59.76 t CO ₂ / EURm 25.0% coverage
	Fossil fuel involvement			
		equal	3.0% involvement 73.4% coverage	3.0% involvement 33.2% coverage
	Non-recycled waste			
	226%	more	1.01 t / EURm 13.5% coverage	0.31 t / EURm 7.8% coverage
	Negative effect on biodiversity			
	100%	less	0.0% involvement 73.4% coverage	3.6% involvement 33.3% coverage

Social

			Fund	Index
	UNGC / OECD violations			
		equal	0.0% involvement 73.4% coverage	0.0% involvement 33.3% coverage

Governance

			Fund	Index
	Excessive CEO pay ratio			
	21%	less	117.99 times median 39.4% coverage	149.40 times median 16.7% coverage

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Empowering mobility

Impact bonds are emerging as a powerful tool for financing projects that deliver meaningful social and environmental benefits. A recent addition to our impact bond portfolio is **Motability Operations**, the UK's largest vehicle leasing provider, serving over 800,000 individuals.

Motability Operations is not just a leasing provider; it is a catalyst for change. Catering specifically to the needs of disabled individuals, the company enhances independence and accessibility through its tailored mobility solutions. This vital service empowers its customers to navigate their lives with greater freedom and confidence. At the heart of its activities is the Motability Scheme, which allows eligible customers to exchange their mobility allowance for leased vehicles, including cars, wheelchair accessible vans, scooters and powered wheelchairs. The payments for these leases are facilitated directly by the UK Government, effectively eliminating credit risk for Motability Operations and ensuring affordability for its users.

Affordability is a cornerstone of the Motability Scheme, with leasing packages priced approximately 45% lower than alternative market options. But the company doesn't stop there; it is also committed to advancing the transition to electric vehicles (EVs). As of FY24, EVs make up about 9% of its fleet. The company targets an 80% customer transition to EVs by 2032.

A clear fit

Through its affordability, EV transition goals and reinvestment of profits, Motability Operations continues to drive positive change in the mobility sector. By

ensuring disabled individuals have reliable and cost-effective transport options, it solidifies its role as a leader in inclusive transportation solutions.

This makes it align perfectly with our impact bond strategy. The social bond, which is part of the fund's portfolio, contributes to the societal transition. Its proceeds will be used to finance both the existing fleet and the new vehicles added to the Motability Scheme, including ICEs, hybrids and EVs. All vehicles are for the use or benefit of qualifying disabled customers, consistent with the company's business operation.

The bond's framework is very transparent, disclosing its consistency with the issuer's sustainability strategy, the allocation of proceeds to finance new projects or refinance existing projects, the look-back period (max 24 months, which is favourable from our perspective), the portfolio approach implying an annual impact report until full allocation, a clear process for project evaluation and selection, and a well-defined methodology for impact indicators.



Motability Operations is not just a leasing provider; it is a catalyst for change.

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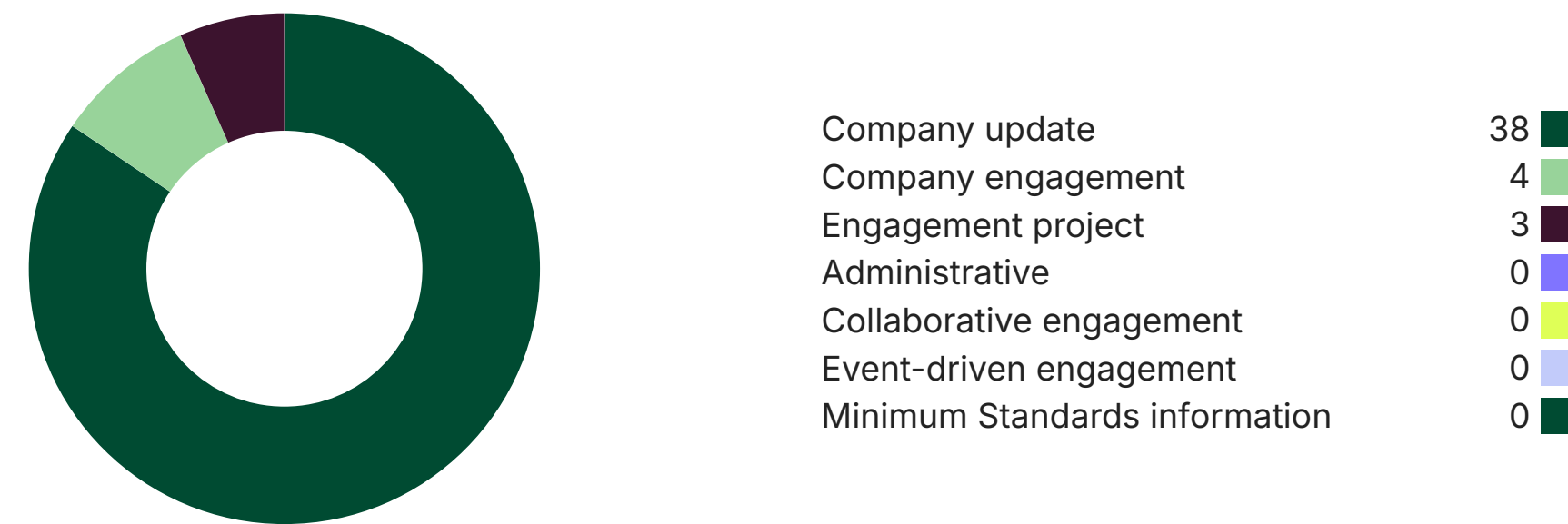
Company engagement

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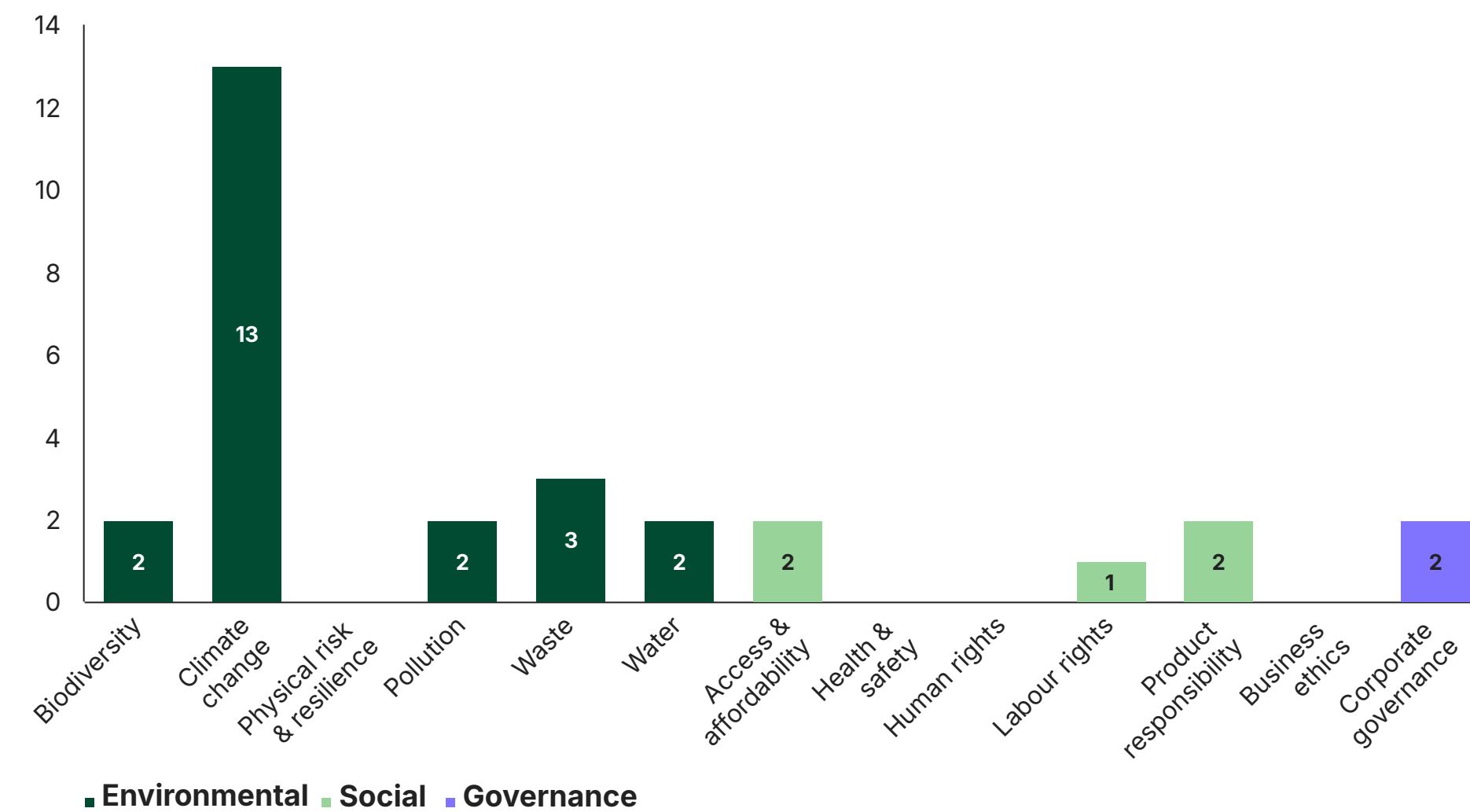
Engagement

In addition to our engagement agenda, we discuss a range of topics that are important to us as an impact investor with companies we invest in.

Company contact purpose



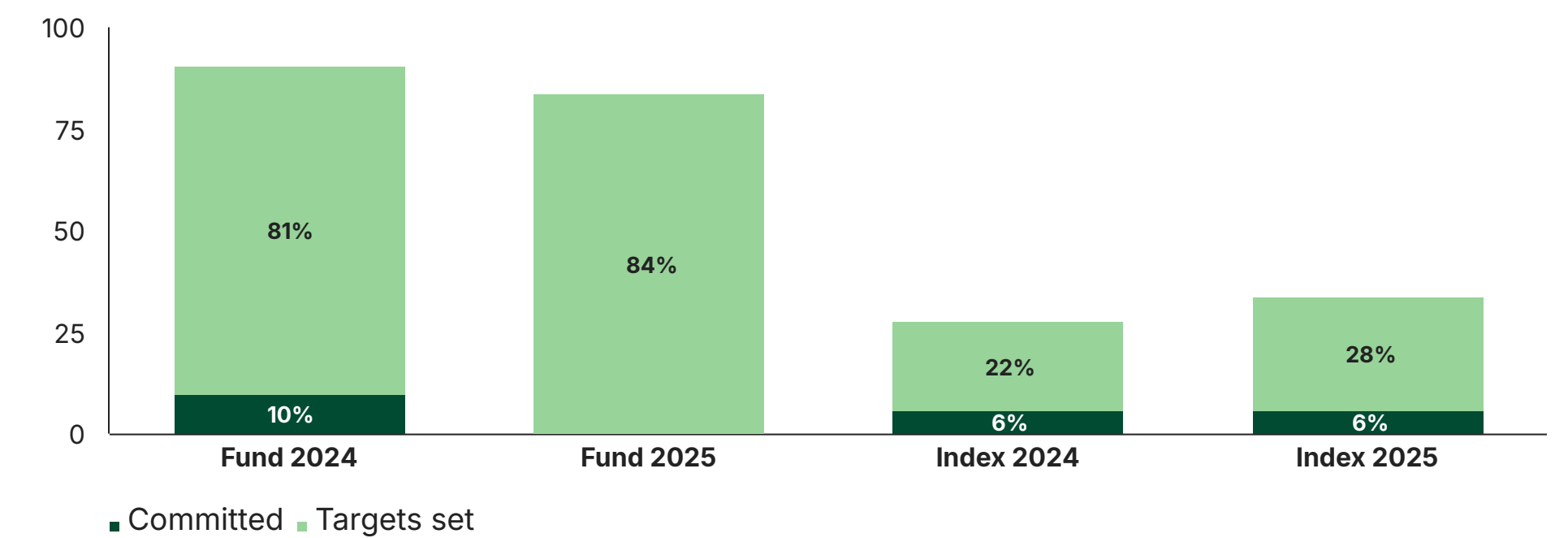
ESG topics discussed



ESG topics discussed

# bond issuers engaged with	26
% impact bonds in portfolio	33%

SBTi alignment



As part of our climate change engagement, we measure two company milestones: 1. a company is committed to setting science-based targets, 2. a company has set science-based targets, in line with the 1.5°C trajectory. For the purposes of SBTi calculations, only the corporate bond holdings within the portfolio are considered. Cash positions and fund-of-funds investments are excluded.

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By engaging with companies in our portfolios, we aim to drive positive change for society and the environment, while also boosting companies' long-term value. Below are three illustrative examples.

BT Group

BT Group is one of the largest British telecommunications and network providers. As one of the top emitters in our funds, we actively engaged with BT on its emission reduction plan and energy use. Given its high electricity consumption and network footprint, discussions focused on its renewable energy procurement strategy and on-site energy generation.

We also discussed BT's ambition to build a circular business by 2030 and a circular tech ecosystem by 2040. Engagement centred on zero waste to landfill, copper recycling from legacy networks and the expansion of router, set-top box and smartphone takeback and refurbishment schemes.

Procter & Gamble

US company Procter & Gamble provides branded consumer products, focused on household and personal care. Its primary ESG risks relate to supply chain sustainability. These risks include biodiversity loss, deforestation and water stress. Packaging circularity is also a significant risk, as the recyclability and reusability of materials directly impact the environmental footprint and regulatory compliance.

In 2025, we engaged with P&G on executive remuneration and plastics and packaging. We addressed the scalability and consistency of P&G's plastics strategy across its global operations. In addition, we expressed concern regarding the discontinuation of the ESG modifier in executive incentives, which we view as a missed opportunity to strengthen long-term accountability.

United Utilities

United Utilities provides water and wastewater services across the North West England. The company faces environmental risks related to infrastructure capacity, storm overflows and regulatory compliance.

In 2025, we discussed the company's strategy to reduce combined storm overflows (CSO) spill events, as well as measures to upgrade treatment works and implement natural interventions such as forest buffers.

The company reported reductions in spill duration and CSO activations despite higher rainfall. While challenges remain, its transparent reporting is encouraging. We monitor regulatory outcomes, track infrastructure and CSO targets.

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Engagement GHG emitters

Since 2020, we have actively engaged with high-GHG-emitting companies on pressing climate issues, stimulating them to reduce their emissions. The examples below show some results.

National Grid

National Grid is a British multinational electricity and gas utility company.

Operating electricity and gas transmission and distribution networks in the UK and US, National Grid has set ambitious short- and long-term reduction targets for scope 1, 2, and 3 emissions. The company is currently slightly behind its targets, and its long-term net-zero goal is no longer approved by the Science Based Targets initiative (SBTi).

However, this reflects challenges in aligning with the SBTi's evolving methodology for utilities, rather than a lack of climate ambition. We therefore voted in favour of the company's climate strategy at the 2025 AGM. Still, ongoing engagement will focus on ensuring progress across all emission scopes.

East Japan Railway

East Japan Railway is a leading global rail operator, including the Shinkansen, and is also expanding into real estate and urban development. Its climate strategy prioritises reducing operational emissions, improving energy efficiency and shifting to lower-carbon power sources.

Engagement focused on its decarbonisation efforts, energy mix and real estate expansion, including high scope 1 emissions vs. peers. Key topics included renewable energy procurement, green building certifications and electrified rolling stock.

Ongoing monitoring will track progress in power decarbonisation, renewable sourcing and alignment of future targets with global climate frameworks.

SNCF Réseau

SNCF Réseau is the French national railway company, providing passenger and freight rail services in France and across Europe.

The company can be considered a frontrunner regarding its climate strategy as its reduction targets were already approved by SBTi in 2019 and are in line with the most ambitious pathway of 1.5°C warming. The company is close to meeting its scope 1 and 2 reduction target of 30% reduction by 2030.

Our engagement with the company focuses on how the company aims to meet its reduction targets.

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About Triodos Investment Management

Triodos Investment Management is a pure-play impact investor with a global reach. We enable professional investors to leverage their capital to drive positive social and environmental change, offering a comprehensive range of impact investment solutions across all asset classes.

Our investment strategy is centred around five key transition themes: the food, resource, energy, societal and wellbeing transitions. These themes reflect our commitment to advancing the transition towards a green, resilient and inclusive economy.

Assets under management as of 31 December 2025: EUR 5.5 billion. Triodos Investment Management is a wholly owned subsidiary of Triodos Bank, an expert in sustainable banking.

www.triodos-im.com

Investing in positive change

For more information about our impact investment strategies and solutions, please contact our Business Development team. Based locally, they support institutional and intermediary investors across Europe.

Get in touch with our Business Development team [here](#).

Visiting address

Landgoed de Reehorst
Hoofdstraat 10
3972 LA Driebergen
The Netherlands

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Text

Triodos Investment Management

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