

4 SFDR

Product name: Nederlands Hypotheken Fonds 1908

Legal entity identifier: 724500U53A4G7Z7FG128

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective:** ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** ___%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund invests in mortgage receivables via its label MUNT Hypotheken (MUNT), whereby the environmental and social characteristics related to climate change mitigation and adaptation, affordable housing and adequate living standards are applied in the underwriting and lending process.

The environmental and social characteristics related to the investment in mortgage receivables are identified in the Corporate Social Responsibility and Socially Responsible Investment Policy ('Sustainability Policy') of the Manager, and relate to climate change mitigation and adaptation, affordable housing and adequate living standards.

The environmental and social characteristics promoted by the Fund were met as follows:

Climate change mitigation and adaptation

On behalf of the Manager, MUNT stimulates its borrowers to make their property more sustainable by offering mortgage financing for Energy Saving Measures ("EBM") to existing and new MUNT mortgage borrowers. MUNT offers its borrowers the possibility to co-finance costs for EBM up to 106% Loan-to-Value ('LtV') and to exclude these costs from the calculation of the financing burden (up to a maximum of € 20,000 depending on the energylabel of the property).

MUNT has stimulated the application of these financing opportunities among its borrowers by introducing a simplified and automated application process and by promotion via several marketing campaigns.

In 2023 the percentage of MUNT borrowers that have taken up EBM financing has increased from 11.2% to 13.1%. In this way, the Manager makes a positive contribution to sustainability.

Affordable housing and adequate living standards

The Manager strives for responsible mortgage provision via its label MUNT Hypotheken to ensure the continuing affordability of the originated mortgages. MUNT's mortgage acceptance criteria fulfil the duty of care towards borrowers and are aimed at preventing over-crediting.

MUNT actively approaches borrowers where payment problems may arise in the future, for example in the case of interest-only mortgages. In those situations, in which a borrower has difficulty in meeting his obligations, MUNT will take special care of the interests of the borrower.

How did the sustainability indicators perform?

The Manager uses the following indicators to monitor whether the required environmental and social characteristics relating to climate change mitigation and adaptation, affordable housing and adequate living standards are applied to its investments in mortgage receivables:

Sustainability

indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- (i) The first environmental indicator identifies the mortgage receivables whereby the underlying property has an energy performance in line with an Energy Performance Certificate (EPC) of class A or higher.
- (ii) The second environmental indicator indicates the mortgage receivables the underlying property has achieved an energy efficiency improvement of at least 2 EPC classes and a minimum EPC of class D.
- (iii) The social impact indicator identifies the mortgage receivables whereby the mortgages which have been more than 1 month in payment arrears, have been fully cured, and have remained so to date.

On the 31st of December 2023, the following values of the sustainability indicators are applicable for the Fund:

- Environmental indicator 1: 25.71%
- Environmental indicator 2: 8.22%
- Social indicator: 80.00%

In 2023 the indicators are reported based on the outstanding balance of the loans. In 2022 (see next section) the indicators were based on outstanding number of loans. The impact of this change is limited but resulted in higher reported numbers in 2023.

● ***...and compared to previous periods?***

On the 31st of December 2022, the following values of the sustainability indicators are applicable for the Fund:

- Environmental indicator 1: 23.89%
- Environmental indicator 2: 5.36%
- Social indicator: 75.00%

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable. The Fund promotes Environmental/Social characteristics, but does not make any sustainable investments.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable. The Fund promotes Environmental/Social characteristics but does not make any sustainable investments.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

Not applicable

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable



How did this financial product consider principal adverse impacts on sustainability factors?

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

The Fund considers principal adverse impacts on sustainability factors. The Sustainability Policy of the Manager formulates sustainability criteria on the basis of which the investments of the funds under the management of the Manager are assessed in terms of (among other things) energy efficiency and social impact.

There are differences in the energy efficiency of the underlying properties of the mortgage receivables. The Manager is transparent to investors about the energy efficiency of the properties and stimulates borrowers to make improvements to the energy efficiency by offering financing opportunities for energy-saving measures.

When investing in mortgage receivables via its label MUNT Hypotheken, the Manager does not exclude mortgage receivables with a lower energy label. These investments can have a negative impact on sustainability. However, the Manager believes that by actively approaching its borrowers MUNT stimulates them to make their property more sustainable. For example by offering to finance the costs for energy-saving measures at favourable conditions, thereby contributing to the overall sustainability of the Dutch housing stock.

When granting mortgages, there is a risk that the mortgage product does not sufficiently match the profile and needs of the consumer. MUNT has a legal obligation to actively prevent this risk and strives for the continuing affordability of the originated mortgages. For example, MUNT's acceptance criteria for mortgages fulfil its duty of care towards borrowers and are aimed at preventing over-crediting. MUNT actively

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-

approaches borrowers where payment problems may arise in the future. In those situations where a borrower has difficulty meeting its payment obligations, MUNT takes extra care to take the interests of the borrower into account.

The Manager will periodically describe the actions taken in the context of sustainability in the most recent reference period and the effects this has had on the prevention and mitigation of significant negative effects on sustainability. Relevant information on principal adverse impacts on sustainability factors will be disclosed in the PAI statement of the Fund Manager.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2023

Largest investments	Sector	% Assets	Country
Residential mortgages	Mortgages	99%	Netherlands
Cash	Cash	1%	Netherlands



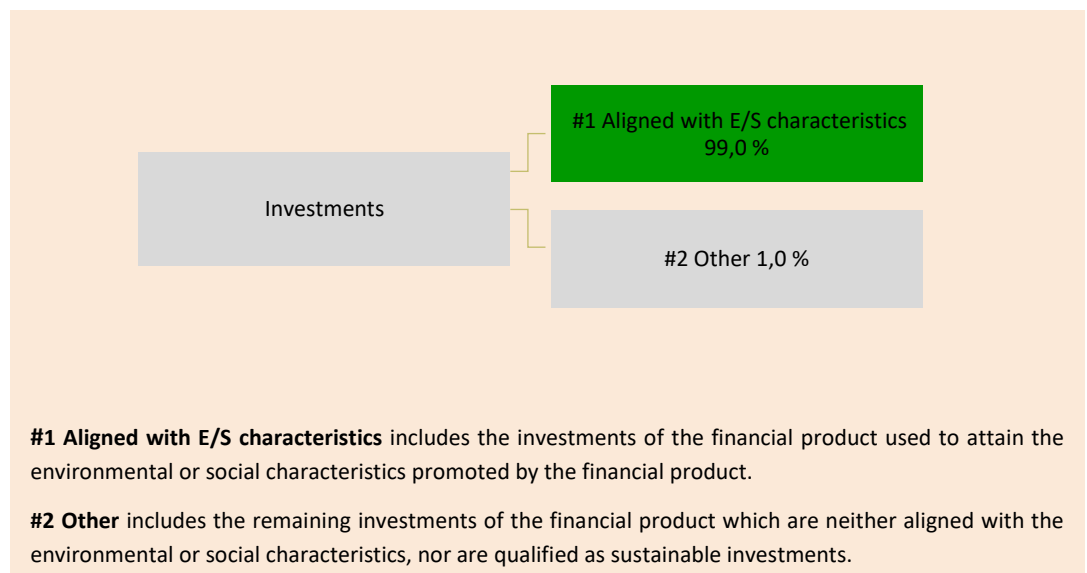
What was the proportion of sustainability-related investments?

What was the asset allocation?

The Manager has invested 99 % of the portfolio in mortgage receivables that promote the environmental and/or social characteristics in a manner as described above. A minor portion of the portfolio, 1 %, is invested in ancillary assets that are not aligned with environmental and/or social characteristics, for example, cash and cash like instruments.

In which economic sectors were the investments made?

The Fund only invests in Dutch residential mortgages



Asset allocation describes the share of investments in specific assets.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



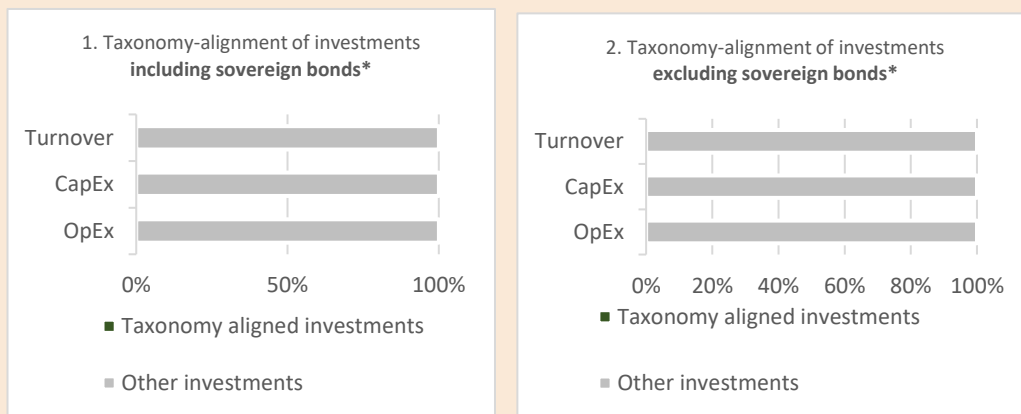
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

Not applicable. The Fund promotes Environmental/Social characteristics, but does not make any sustainable investments.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

● What was the share of investments made in transitional and enabling activities?

Not applicable.

● How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable. The Fund promotes Environmental/Social characteristics, but does not make any sustainable investments.



What was the share of socially sustainable investments ?

Not applicable. The Fund promotes Environmental/Social characteristics, but does not make any sustainable investments.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The Fund is allowed to invest only in mortgages receivables. The Fund may hold cash with the purpose of efficient portfolio management, according to the disclosures made in its prospectus. These other investments are not subject to any environmental or social safeguards.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

In order to continue to activate our borrowers to make their homes more sustainable, MUNT started a cooperation with De Energiebespaarders in 2023. De Energiebespaarders allow borrowers to review the sustainability profile of their property online and be directly linked to an installer who can implement energy-saving measures.

MUNT has also continued to offer financing for energy saving measures to its customers. End 2023 MUNT has €202.6 million in energy saving depots outstanding compared to €162.8 million end 2022. Energy savings can be financed via a specific depot but can also be financed through a standard construction depot. This information is not registered. The total amount of financed energy measures is therefore expected to be equal or higher than the before mentioned amounts.

In 2023 MUNT has explicitly allowed the financing of properties whereby biobased materials have been used. The financing of properties primary build with wooden materials was already approved in 2022, but was implemented as of January 2023.

With regards to our social policy, we have further developed the 'Active Customer Management' policy. We have approached mortgage customers who will experience a specific event within 10 years, such as retirement or the end of the term of the mortgage. By approaching mortgage customers in a timely manner, they can take action and avoid problems. In addition, to lower the threshold for mortgage customers to contact our Special Servicing Department, the telephone number of this department has been included in the online customer portal of MUNT Hypotheken.