

Additional information for products promoting social and/or environmental characteristics

Art.8¹ | Web | Santander Latin America Investment Grade

Summary

The Sub-Fund incorporates Environmental, social, and governance ("ESG") criteria in the selection process of its holdings. The holdings in the portfolio of the Sub-Fund will be selected according to both financial and ESG ranking criteria, with both being taken into consideration for eligibility and conviction of the investment. To this end, elements of financial, environmental, social and governance analysis are used to obtain a more complete view of the assets in which it invests, taking into consideration, among other aspects, ESG characteristics such as care for the environment, social aspects such as promoting respect for human rights and good governance and business ethics.

The Management Company, through its decision and control mechanisms, ensures that the assets in which the Sub-Fund invests comply with the ESG characteristics promoted by the Sub-Fund, based on the ESG information on assets provided by ESG data providers and on which it applies its own analysis methodology to obtain an assessment of the ESG performance of those assets by granting an ESG rating to the issuer.

The Sub-Fund does not have a sustainable investment objective. However, it partially makes investments considered sustainable investments aimed at achieving environmental and/or social objectives with a minimum sustainable investment commitment of 5%, which partly corresponds to environmentally sustainable investments not aligned with the taxonomy and partly to socially sustainable investments.

The binding elements used in the selection of investments for the promotion of environmental, social and corporate governance characteristics are the criteria described in the investment strategy.

- **Exclusion criteria based on the issuer's activity:** Activities considered not aligned with the Sub-Fund's social and environmental characteristics are excluded from the investable universe.
- **Controversy analysis to identify breaches of internationally recognized norms and standards:** Those companies that are involved in controversies considered critical are excluded from the investable universe.
- **ESG Integration strategy:** ESG assessment is combined with financial information and systematically integrated into investment decisions.
- **ESG target:** The Sub-Fund's aims to beat the ESG performance of its benchmark.

However, as an exception, some investments could be considered as compliant with the environmental or social characteristics promoted by the Sub-Fund in the following cases:

- They are considered sustainable investments, (in accordance with the management's company's own analysis and methodology) and may be classified as green, social or sustainable bonds, and are part of the universe of assets that the Sub-Fund's may invest in pursuant to its promoted ESG characteristics, after prior validation by the Management Company.
- Investment funds without ESG rating but that promote ESG characteristics. (Investment Funds considered Art. 8 under SFDR) and/or targeting sustainable investments (Art. 9 under SFDR).

The Management Company carries out an analysis and monitoring with the aim of detecting and mitigating the main adverse impacts on sustainability arising from the activity of the companies in which it invests in accordance with its own methodology and indicators that can be consulted at www.santanderassetmanagement.lu.

(1) Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector ("SFDR").

It also maintains specific due diligence policies regarding these impacts in accordance with its investment policy.

The Investment Manager takes into account the main adverse impacts on sustainability factors when making investment decisions. These include all mandatory indicators in table 1 and a selection of optional indicators in tables 2 and 3 as described in Annex I of the Regulatory Technical Standards supplementing SFDR. To this end, it monitors a number of environmental and social indicators (KPIs) which, through the consideration of published information on the issuers in which it invests, make it possible to warn of the negative effects that investments made by this product could cause to the outside.

For this Sub-Fund, the mitigation of such adverse impacts is carried out by applying certain exclusion criteria for those sectors with the greatest potential to generate them, as well as assessing and monitoring possible disputes of the companies analyzed that could lead to significant impacts due to non-compliance with internationally recognized standards or regulations. In addition, an ESG analysis is applied, allowing managers to have a more complete view of the assets to invest in order to prevent potential risks and adverse impacts. In addition, the monitoring activities carried out in the area of ESG are key to detect these potential adverse impacts on sustainability, to monitor the management of these adverse impacts by companies and establish procedures in the event of an inadequate or insufficient response by companies. Information on how principal adverse impacts on sustainability factors were considered for this Sub-Fund will be provided in the annual report.

Currently, the Investment Management works with limited availability and quality of data for the indicators. For this reason, a periodic analysis is carried out, through collaboration with issuers and data providers, of the coverage and quality of the data to ensure the robustness and reliability of the indicators and to integrate this information into management.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

Important information

"This document is intended to provide information that summarizes the main characteristics of the product and under no circumstances constitutes a contractual agreement, a recommendation, personalized advice, an offer or solicitation.

It is recommended that the Prospectus and the KIID (Key Investor Information Document) are consulted before taking any investment decision, subscribing or purchasing shares or redeeming investments, together with the list of countries where the product is registered for sale, available at www.santanderassetmanagement.lu or via authorized intermediaries in your country of residence. The product described in this document may not be eligible for sale or distribution in certain jurisdictions or to certain categories or types of investors. This product may not be directly or indirectly offered or sold to or for the benefit of a United States Person under FATCA regulation (Foreign Account Tax Compliance Act), in line with the selling restrictions of the prospectus of the fund.

This fund has a prospectus which is drafted in English and can be obtained from www.santanderassetmanagement.lu

For product information, please contact Santander Asset Management Luxembourg S.A. (43, Av. John F. Kennedy, L-1855 Luxembourg - Grand Duchy of Luxembourg), management company of the fund under the supervision of Commission de Surveillance du Secteur Financier (CSSF). The depositary and administrator of the fund is JP Morgan SE, Luxembourg Branch (6, route de Treves, L-2633 Senningerberg - Grand Duchy of Luxembourg).

Investment in mutual funds may be subject to investment risks, including but not limited to, market risk, credit risk, issuer and counterparty risk, liquidity risk, foreign currency risk and, where applicable, risks pertaining to emerging markets. Additionally, if funds hold investments in hedge funds, assets, real estate funds, commodities and private equity, it should be noted that these can be subject to valuation and operational risks inherent in this type of assets and markets as well as the risk of fraud or risk derived from investing in unregulated or unsupervised markets or unlisted assets.

Prior to investment in the fund, it is advisable that the investor seeks personalized advice regarding taxation as it depends on the individual circumstances of each investor and may change in the future.

Investors can obtain a summary of investor rights from www.santanderassetmanagement.lu

Information herein is believed to be reliable, but Santander Asset Management Luxembourg S.A. does not warrant its completeness or accuracy. Santander Asset Management Luxembourg S.A. assumes no responsibility for any use of the information contained herein.

© Santander Asset Management Luxembourg S.A.. All Rights Reserved."