SANTANDER SICAV

Société anonyme - société d'investissement à capital variable

Registered office: 6, route de Trèves,

L- 2633 Senningerberg, Grand-Duchy of Luxembourg

R.C.S. Luxembourg number: B 45.337

(the "**Company**")

NOTICE TO SHAREHOLDERS OF THE SUB-FUND
SANTANDER PROSPERITY
(the "Sub-Fund")

Luxembourg, 21 May 2025

Dear Shareholder,

The board of directors of the Company (the "**Board**") would like to inform you about some changes to the management of the Sub-Fund, as more fully detailed below with effective date as of 21 May 2025 (the "**Effective Date**").

Following the ESMA guidelines on funds' name issued on 14 May 2024, the management company of the Company performed a self-assessment and recommend the Company to proceed with some changes as described below.

In this context, and as of the Effective Date, the Board informs on the following changes:

- some minor adjustments on the ESG engagement and SFDR precontractual disclosure disclosed in the Prospectus without impact on the ESG engagement level, on the risk profile of the fund and its investment objective and policy and will have no impact on the costs for the investors. The fund will have a minimum of sustainable investments with a social objective of 80% and the fund will not invest in companies that do not comply with the Climate Transition Benchmark requirements set out in Article 12(1), points (a), (b) and (c) of Regulation (EU) 2020/1818

Please refer to the Appendix to read the revised pre-contractual disclosure of the Sub-Fund.

The legal fees and related expenses for legal advice and registration of the Sub-Fund with governmental agencies or stock exchanges, including the preparation and filing of applications, prospectuses or similar material allocated to the Sub-Fund will be borne by an entity of the Santander Group, as applicable.

Please be advised that the revised prospectus of the Company, reflecting the above change, will be available free of charge upon request at the registered office of the Company or from the Company's local representatives, as applicable.

Please do not hesitate to contact us or your financial adviser if you require any further clarification.

Yours faithfully,

The Board

APPENDIX -PRE-CONTRACTUAL DISCLOSURE

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Santander Prosperity

Legal entity identifier: 213800WJFHHC61MCKV72

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.

Sustainable investment objective

Does this financial product have a sustainable investment objective?

● ● ☒ **Yes**	● ○ ☐ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It will make a minimum of sustainable **investments with a social objective: 80**%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What is the sustainable investment objective of this product?

The Sub-Fund has a sustainable social objective to improve the wellbeing of society, by investing in companies that sell products and services related to mainly social issues in alignment with SDGs, with a particular focus on No Poverty, Good Health and Well-Being, Quality Education, Gender Equality, Decent work and Economic Growth and Reduced Inequalities that are related to three main social themes: 1) Health and Wellbeing, 2) Education and Financial Inclusion and, 3) Food and Nutrition.

The Sub-Fund's portfolio contributes to SDGs, with a particular focus on No Poverty, Good Health and Well-Being, Quality Education, Gender Equality, Decent work and Economic Growth and Reduced Inequalities, as it has a minimum proportion of sustainable investments in companies that comply with the following criteria:

- Exclusion of activities that have significant adverse impacts on sustainability factors and which are therefore not aligned with the Sub-Fund's sustainable investment objective.

- Companies involved in controversies considered critical, are excluded from the Sub-Fund's investment universe.

- Companies that do not comply with the Climate Transition Benchmark requirements set out in Article 12(1), points (a), (b) and (c) of Regulation (EU) 2020/1818 are excluded from the Sub-Fund's investment universe.

- For a company to be eligible, it must have at least 30% of its revenues related to the SDGs, though can also include other companies that, according to the Investment Manager's assessment, provide a relevant contribution to solve the main social challenges, that could be reinforced by the Investment Manager's engagement with the relevant companies.

No reference benchmark was designated for the purpose of attaining the sustainable investment objective.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Examples of indicators that are used:

- Exclusions: Indicators of exposure of companies' business to activities not permitted by the Sub-Fund's policy, including Climate Transition Benchmark exclusions requirements.

- Controversy indicator: Those companies that are involved in controversies considered critical are excluded from the universe of investments.

- Companies' metrics related to SDGs. Companies in the investment universe have a link, through company specific metrics, to underlying indicators of the relevant SDG targets. These metrics are used to measure the attainment of the sustainable objectives. For a company to be eligible, it must have at least 30% of its revenues related to the SDGs, though can also include other companies that, according to the Investment Manager's assessment, provide a relevant contribution to solve the main social challenges, that could be reinforced by the Investment Manager's engagement with the relevant companies.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

To ensure that the positive contribution to a social and/or environmental objective does not significantly harm other objectives, the Investment Manager has defined a number of safeguards based on its internal methodology with the aim of demonstrating that there is an intention not to cause such harm. These safeguards are:

- Consideration of principal adverse impact indicators: With the objective of measuring the possible impact on other environmental or social objectives other than those pursued through the contribution as explained in the following paragraph.

- Activity in controversial sectors: By excluding activities considered to be controversial to ensure minimum exposure among sustainable investments. Significant exposures to sensitive sectors such as fossil fuels, controversial weapons, among others, as well as investments exposed to severe disputes are analysed and excluded.

- Neutral sustainable performance: To ensure that each issuer's sustainability practices meet minimum ESG requirements.

If an investment fails to comply with any of these safeguards, the Investment Manager con-siders that it is not possible to guarantee that there is no significant harm and is not considered a sustainable investment.

How have the indicators for adverse impacts on sustainability factors been taken into account?

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-corruption and anti-bribery matters.

The Investment Manager considers the principal adverse impacts on sustainability factors when making investment decisions.

In addition, these indicators are considered in the analysis of the principle of not causing significant harm (DNSH) according to a number of internally defined relevance thresholds based on quantitative and qualitative technical criteria. These thresholds may be:

- Absolute thresholds: Considering that issuers with significant exposure to fossil fuels (PAI 4), violate international standards (PAI 10) and/or are exposed to controversial weapons (PAI 14) do not comply with the DNSH principle.

- Sectoral thresholds: Considering that, for issuers that fall within the worst performing threshold of their sector of activity, it is not possible to ensure that DNSH is properly complied with.

Currently, the Investment Manager is aware that the availability and data quality of all indicators in Table 1 and those relevant in Tables 2 and 3 of Annex I to SFDR is limited. Therefore, it carries out an internal analysis of the coverage and quality of the data and considers those indicators that ensure the robustness and reliability of the DNSH analysis.

The Investment Manager will seek to reduce the heterogeneity of the data from the PASI indicators through collaboration with data issuers and providers and will periodically as-sess whether the data quality is adequate enough to be included in the DNSH analysis.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Respect for good business practices and human rights is an integral part of the Investment Manager's values and a minimum performance standard to carry out its activities in a legitimate manner.

In this sense, the Investment Manager's actions are based on the principles set in the OECD Guidelines for Multinational Companies and the ten principles of the United Nations Global Compact, among others. This commitment is reflected both in Grupo Santander's corporate policies and in those of the Investment Manager's and are part of its sustainability risk integration procedure.

Finally, the Sub-Fund's investments are periodically monitored in accordance with any of these international guidelines, through an analysis of controversies. Companies involved in controversies considered critical, are excluded from the Sub-Fund’s investment universe.

Does this financial product consider principal adverse impacts on sustainability factors?

X **Yes,** The Investment Manager 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. 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 Sub-Fund could cause to the outside.

Information on the PAIs that are considered are available on the following website https://www.santanderassetmanagement.lu/document-library/policies.

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 analysed 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 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.

No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The selection of the companies is made from the eligible universe to which an avoid harm screen and a positive screen are applied as described below.

An exclusion screening is applied pre-investment to avoid investing in companies whose activities have significant adverse impacts on sustainability factors in line with Climate Benchmark Transition requirements, and which are therefore not aligned with the Sub-Fund's sustainable investment objective, or that clearly violate recognized international norms and standards

Companies excluded include those who have any business activities (measured in terms of turnover) related to controversial weapons, armament, tobacco production, coal mining, coal-based power generation and fossil fuels. Additionally, there is an analysis of controversies leveraging external data provider research that allows to identify the violation of certain ESG values, such as those promoted by the UN Global Compact. Companies involved in controversies considered critical, are excluded from the Sub-Fund's investment universe.

Once companies with significant adverse impacts have been removed from the investment universe of the Sub-Fund, a positive screening ensures the selection of companies whose business intend to generate positive social outcomes and contribute to the achievement of SDGs, with a particular focus on No Poverty, Good Health and Well-Being, Quality Education, Gender Equality, Decent work and Economic Growth and Reduced Inequalities that are related to three main social themes: 1)Health and Wellbeing, 2)Education and Financial Inclusion and, 3)Food and Nutrition.

Companies in the investment universe have a link, through company specific metrics, to underlying indicators of the relevant SDG targets.

These metrics are used to measure the attainment of the sustainable objectives.

For a company to be eligible, it must have at least 30% of its revenues related to the SDGs, though can also include other companies that, according to the Investment Manager's assessment, pro-vide a relevant contribution to solve the main social challenges, that could be reinforced by the Investment Manager's engagement with the relevant companies.

After completing the above exclusions and positive screenings, the Sub-Fund's portfolio construction methodology includes fundamental and quantitative factors in its process. That will allow the Investment Manager to build a portfolio assigning different weightings to the different names to maximize the risk/reward characteristics of the Sub-Fund's overall portfolio.

What are the binding elements of the investment strategy used to select the investment to attain the sustainable investment objective?

The binding elements used in the selection of investments are the exclusions and positive screen criteria described in the investment strategy.

- Exclusions:
    - Companies who have any business activities (measured in terms of turnover) related to controversial weapons, armament, tobacco, coal mining, coal-based power generation and fossil fuels.
    - Companies involved in controversies considered critical, are excluded from the Sub-Fund's investment universe.
- Positive screen: For a company to be eligible, it must have at least 30% of its revenues related to the SDGs, though can also include other companies that, according to the Investment Manager's assessment, provide a relevant contribution to solve the main social challenges, that could be reinforced by the Investment Manager's engagement with the relevant companies.

As a result of these binding elements the minimum percentage of sustainable investments of the Sub-Fund is 80%.

What is the policy to assess good governance practices of the investee companies?

The Investment Manager has its own ESG analysis methodology in which quantitative and qualitative metrics are identified and selected, that measure the performance of companies in the management of each ESG factor, these include metrics to measure the existence of company policies and commitments. This methodology includes its own governance indicators that specifically assess performance in terms of corporate governance and business ethics and the quality of the information provided. Good governance practices of investee companies, which include the key pillars of sound management structures, employee relations, remuneration of staff and tax compliance, are assessed through the analysis of controversies leveraging external data provider research that allows to identify corporate governance, business ethics and public policy incidents.

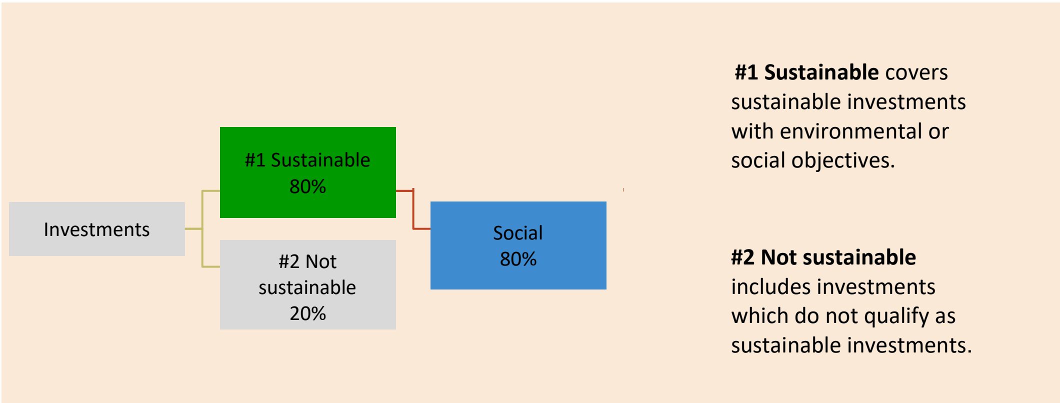
The Investment Manager believes that companies with a higher governance score show a better ability to manage resources, mitigate key ESG risks and opportunities and meet benchmark corporate governance expectations. On the contrary, those that demonstrate a negative performance do not meet the minimum requirements to be categorized as sustainable investment. Additionally, a periodic analysis of controversies is carried out in order to identify inappropriate governance practices that may pose a material risk.

What is the asset allocation and the minimum share of sustainable investments?

To determine the values to invest, the mandate of the Sub-Fund described previously in this document will be taken into account. To this end, these criteria are taken into account in the decision-making process on the Sub-Fund's investments.

The minimum percentage of sustainable investment of this Sub-Fund is 80%. Please note that, for the sake of clarity, the percentages related to Sustainable Investments with Social objectives are calculated based on the total investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



How does the use of derivatives attain the sustainable investment objective?

Not applicable – the Sub-Fund does not use derivatives to attain the sustainable investment objective.

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

The Sub-Fund does not intend to make taxonomy-aligned sustainable investments and alignment has therefore been assessed to be 0%.

Did this financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

X No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

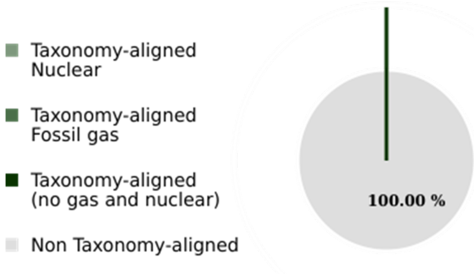
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

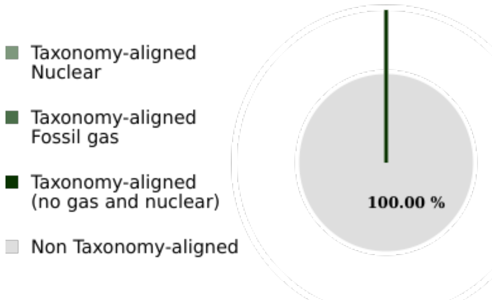
Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are 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.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

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

What is the minimum share of investments in transitional and enabling activities?

The Sub-Fund has a minimum share of 0% in transitional activities and of 0% in enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

What is the minimum share of sustainable investments with a social objective?

The minimum social objective for this Sub-Fund is 80%

80% of the portfolio is considered as socially sustainable investment, as it complies with the criteria mentioned above (exclusions and positive screen).

The selection of the companies is made from the eligible universe as per the investment strategy of the Sub-Fund, which are aligned with the sustainable objective to improve the wellbeing of society, by investing in companies that sell products and services related to mainly social issues in alignment with SDGs (at least 30% of companies’ revenues related to the SDGs).

Specific metrics are used that measure the percentage of company revenues derived from products and / or services that generate a social impact aligned with the SDG´s of the fund and provided by an external ESG data provider (MSCI, in this case).

What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The rest of the portfolio not classified as sustainable investments will have the purpose of providing liquidity to the portfolio and a hedging purpose for the efficient management of interest rate, currency and credit risks (i.e. derivatives, cash, etc…) and will not negatively affect the Sub-Fund´s objective.

The Investment Manager seeks investments that integrate sustainability risks so as not to affect the objective of sustainable investment of the Sub-Fund and establishing minimum environmental or social safeguards, such as the consideration of the main principal adverse impacts, or the monitoring of the DNSH principle.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.santanderassetmanagement.lu/document-library/policies

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.