

INFORMATION ON THE REMUNERATION POLICY AND ITS COHERENCE WITH THE INTEGRATION OF SUSTAINABILITY RISKS IN RELATION TO THE OBLIGATIONS ESTABLISHED IN REGULATION (EU) 2019/2088 – “SUSTAINABLE FINANCE DISCLOSURE REGULATION” (SFDR)

This document lists the most prominent principles and elements related to the way in which Santander Asset Management Luxembourg S.A., as part of Grupo Santander, manage remuneration for all employees, prioritizing an efficient risk management in line with applicable law:

- Remunerations are aligned with the interests of shareholders, focused on long-term value creation and are compatible with adequate and rigorous risk management, with long-term strategy, values and interests, as well as with maintaining a strong capital base. Key types and risk factors for the Santander Group are: Credit, Market, Liquidity, Structural, Operational, Compliance, Model, Reputational, Strategic, Environmental, Social and Climate Change Risks;
- Remuneration decisions are taken without any discrimination other than that arising from the performance assessment;
- The structure and amount of remunerations in each country complies with local laws and regulations and is consistent with the Group's policy, provided that local law does not prevent it;
- All key remuneration decisions are ensured to be adequately monitored and approved to guarantee their alignment with risk management. In particular, the risk supervision, regulation and compliance committee, together with the remunerations committee, oversees remuneration policy and the most impact-effective programmes to ensure their alignment with risk management;
- Together with the HR function, the Group's control functions, and in particular the Risks function, are actively involved in the management of remunerations within the powers defined in the Remuneration Policy and, in particular, implement the necessary control indicators and may propose adjustments to certain elements of remuneration, such as variable remuneration, depending on the management of all risks carried out during the period by each unit of the Group;
- The management of variable remuneration in Grupo Santander includes the definition of metrics consistent with prudent management of present and future risks; In addition to quantitative metrics, qualitative factors are also included to ensure that all types of risks are reflected, as well as sustainability and adequate performance assessment. Metrics used for the calculation of annual variable remuneration include ex ante adjustments to risks to ensure that variable compensation is fully in line with the risks assumed;
- In order to align the time horizon of risks and the measurement of results with the economic cycle of the entity in a multiannual framework, multiannual metrics and factors are applied, including those relating to risks or others that determine that such variable remuneration is paid only in the event of a solid capital base, these factors are based on the Group's performance in the corresponding financial year. In addition, for this same purpose, Grupo Santander has implemented deferred variable remuneration plans that reflect the requirements that for this purpose are defined in the applicable regulation;
- Santander Group includes explicit ex post risk adjustment mechanisms, malus clauses and claw back clauses, through which the entity can adjust the remuneration of a staff member, based on the results or risk management carried out in respect of specific incidents;
- Grupo Santander has a procedure for identifying material risk takers, reviewed by the control functions and aligned with the applicable regulations, the results of which are presented to the

remunerations and risk supervision, regulation and compliance committees at least once a year. It also has a duly updated register of the members of that group, which is available to the European Central Bank and other supervisory and regulatory bodies;

- The control functions of Grupo Santander incorporate into the management of its remuneration those specific elements established in the applicable regulation that ensure that the remuneration they receive is independent of the business areas on which they exercise their functions;