

# Voting Policy

March 2025

Santander Asset  
Management  
Luxembourg S.A.



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## 1. Introduction

Santander Asset Management Luxembourg (hereinafter "SAMLUX") has the fiduciary duty to act in its clients' best interest. To meet this duty and according to market standards, SAMLUX considers a key activity the effective and responsible exercise of voting rights.

The objective of this policy is to describe the principles followed by SAMLUX when executing the voting rights of listed companies in which investment vehicles maintain positions. These principles comply with high-level standards in relation to the exercise of voting rights associated with the assets managed by SAMLUX.

Responsibility on environmental, social and governance (hereinafter ESG) issues is essential when evaluating the assets in which SAMLUX invests in. The principles and guidelines described in this policy are in line with this approach and are essential to promote a good long-term performance of the assets managed by SAMLUX.

## 2. Scope of application

This policy applies to all vehicles managed by SAMLUX. Due to their portfolio holdings, these vehicles have political rights such as the right and/or obligation to participate in General Shareholders' Meetings through delegation, vote or attendance and be part of the decision-making of the aspects discussed in these meetings

The general principle of SAMLUX is to exercise its voting rights whenever possible and when the costs associated with exercising them do not exceed the potential benefits for fund participants. Other constraints that may have an impact on vehicles will also be considered, such as share blocking restrictions (limitations on the sale and transfer of shares during a specified period).

To determine the companies in which SAMLUX will exercise the political rights inherent to the securities that make up the portfolios of its managed funds, SAMLUX will comply at least with the quantitative and qualitative criteria established in the applicable regulations, without prejudice to the fact that in certain cases it may meet other criteria that determine the exercise of political rights in situations where it is considered appropriate.

SAMLUX shall exercise the right to attend and vote at the General Shareholders' Meetings of issuers in which it holds equity positions, without regard to the quantitative proportion of that position and provided that the voting right can be exercised and when the costs associated with exercising them do not exceed the potential benefits for fund participants.

Likewise, in general, voting will not be carried out in AGMs in relation to third-party UCITS and ETFs unless it is deemed necessary for operational purposes or in the interest of vehicles managed by SAMLUX.

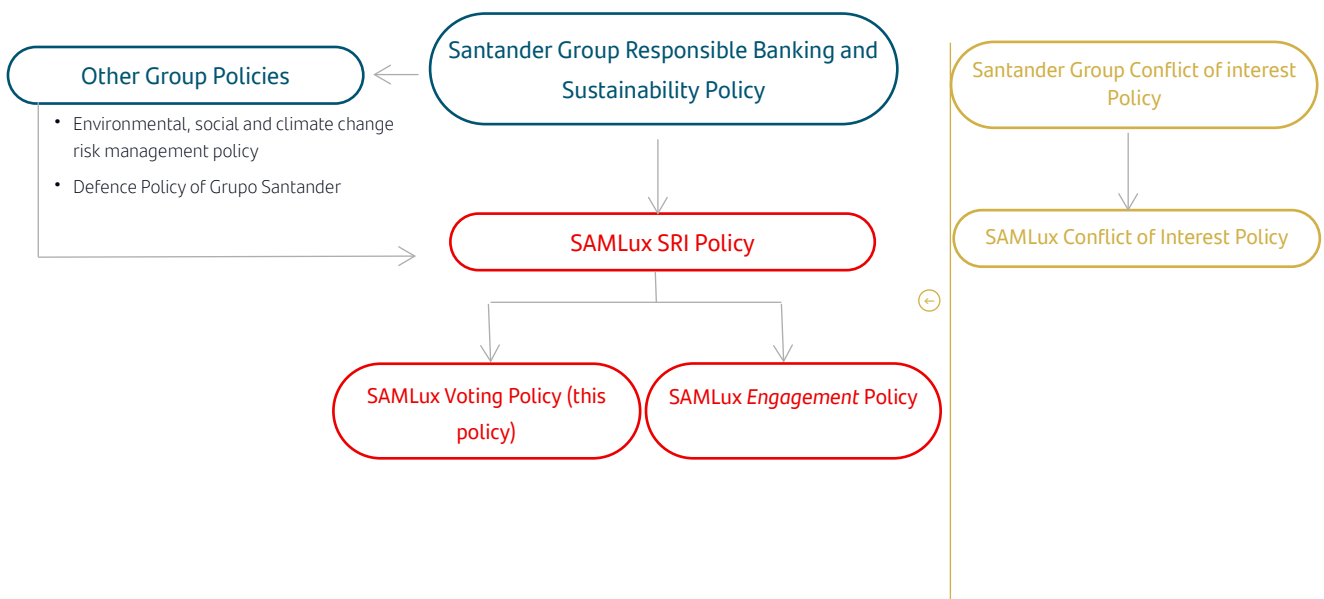
### 3. General principles and relationship with other policies

In accordance with SAMLUX's principles, the exercise of voting rights is one of the parts that SAMLUX takes into consideration within the general structure of investment decision-making and the investment process. The management criteria of investment vehicles are based not only on the valuation and analysis of the economic and financial information of the companies or on the evaluation of other investment analysis parameters, but also on knowledge of the management and strategy of companies through communication and information obtained from the companies' executive management.

In this sense, it is assessed whether the directors are involved in ensuring the long-term success of the companies they manage and whether they act in the collective interest of the shareholders, considering not only financial aspects, but also environmental, social, and good governance aspects in their management.

This policy is based on the applicable regulations in each case, as well as on the best practices contained in international conventions and protocols, codes of conduct and guides applicable in this area<sup>1</sup>.

Furthermore, this policy is complemented by other SAM and Santander Group policies, according to the following chart:



<sup>1</sup> More information in the Appendix.

## 4. Voting orientation guide

SAMLUX has its own voting criteria aligned with regulation and codes of good practices, incorporating local and sectoral particularities as well as international best practices. In addition, SAMLUX has the information of proxy advisors, which includes, among others, the analysis of ESG information. In any event, the final decision on how to vote rests with SAMLUX and is made in accordance with the voting criteria defined in this policy.

The most relevant aspects that SAMLUX considers when defining its voting position (for, against or abstain) at the General Shareholders' Meetings are detailed below. Any issue not covered in this document will be voted based on the principles reflected in the regulation and codes of good practice applicable in each case.

SAMLUX tends to support proposals that increase the value of investment vehicles and their long-term investors. SAMLUX shall abstain from voting or vote against in cases where it has reservations about the governance of the company, the resolution discussed contravenes the interests of the shareholders, the resolution is unclear, there is insufficient information available, or it contravenes any of SAMLUX's ESG criteria defined in its SRI policies and commitments.

SAMLUX expects companies to address, take appropriate measures and follow up on proposals submitted to General Shareholder Meetings that have received a significant percentage of votes against. When voting on agenda items that have faced significant opposition in previous meetings, factors such as the level of opposition received, the actions taken by the issuer, and/or the outcomes of any engagements conducted will be taken into account, especially in proposals related to remuneration

In addition, SAMLUX values engagement activities with companies to receive more information on the issues to be voted on at General Meetings and/or to convey their voting expectations. The results of these dialogues can influence the direction of the vote.

About resolutions proposed by shareholders, SAMLUX will follow the principles reflected in this policy.

Wherever possible, voting shall be done by electronic means. If this is not an available option, voting will be carried out by physical means.

### Operational items

#### Approval of financial and non-financial results and audit reports

SAMLUX will support the approval of financial and non-financial results and reports, and audit reports unless, among others, there are concerns about the data reflected in the reports submitted for approval, the audit procedures used, or absence of information.

#### Appointment of auditors

SAMLUX will generally support proposals for the re-election of external auditors and/or proposals authorizing the board to set the auditors' fees, unless the name of the auditor and its fees have not been disclosed; the duration of the contract or the auditor's fees exceed the limits set out in the applicable regulation; or there are reasons to believe that the auditor has issued an inaccurate opinion of the financial situation of the company, among others.

#### Allocation of income

SAMLUX will generally support the proposals for the allocation of income unless the dividend payout ratio has been systematically low without adequate explanation, or the payout is excessive given the company's financial position. Regarding stock (scrip) dividend proposals, a case-by-case analysis will be carried out considering, among others, whether the proposal allows for a cash option, or if the proposal is in line with market standards.



### Amendments to articles of association

Amendments to the articles of association will be assessed on a case-by-case basis. Among others, SAMLUX will not support proposals that have a negative impact on the rights and interests of shareholders.

### Virtual meetings

SAMLUX will generally support proposals to convene General Shareholders' Meetings in hybrid format and proposals to hold General Meetings in virtual format will be assessed on a case-by-case basis, always considering the provisions reflected in the regulation and the codes of good practice applicable in each case.

## **Board of directors' composition and structure**

Board decision-making should be guided by a culture that promotes sustainable and long-term value creation. SAMLUX appreciates that company boards are open to dialogue and hold meetings with investors. The quality of information provided on corporate governance is essential for shareholders. SAMLUX also expects companies to align with the good governance codes applicable in their jurisdiction.

### Board structure and election of directors

Boards of directors should be formed by an appropriate number of directors. Proposals to change the structure of the board will be assessed on a case-by-case basis, in accordance with applicable law and/or codes of good practice in each case.

SAMLUX expects that the proposals for the election of directors will be presented as separate items in the notice of General Meetings. SAMLUX takes into consideration the publication of detailed information on the profile, experience, and category of the members of the board of directors, and notes that there are no indications of lack of suitability or situations of conflicts of interest, breach of duties or criminal actions, among others.

Furthermore, companies should set limits on the length of directors' terms. In this respect, SAMLUX generally expects that the term of office of board members will not exceed four years.

### Board independence

Boards of directors should be composed of an appropriate proportion of independent directors. In large cap companies SAMLUX generally expects at least half of the directors to be independent. In non-large cap companies and/or controlled companies, at least one third of the directors should be independent. In addition, SAMLUX will consider the regulations and reference standards applicable in each geography.

### Board diversity

Companies should promote diversity in the composition of boards of directors. SAMLUX expects the least represented gender on the board to represent an adequate percentage of the total number of directors. SAMLUX will consider applicable local regulations and codes of good practice.

### Board leadership

SAMLUX considers a good practice to separate the roles of CEO and chairman. If the position of chairman and CEO is held by the same person, SAMLUX values positively the appointment of a lead independent director.

### Dedication of directors

Board members should devote the necessary time to the performance of their duties as directors. In general, SAMLUX expects directors to hold no more than five positions of director in listed companies. For the purposes of calculating this limit, a non-executive director role counts as one position, a non-executive chairman function counts as two positions, and an executive director (or comparable) function counts as three positions.

### Board committees

SAMLUX considers a good practice to have specialized committees reporting to the board. SAMLUX expects companies to set up an audit committee as well as a nomination and remuneration committee. For small and medium-sized companies, other structures more appropriate to the type of company could be considered, always in accordance with the applicable regulations.

The audit, nomination and remuneration committees should be composed of non-executive directors and at least half of their members should be independent directors. Likewise, their chairs should be independent directors and their members should have the relevant technical expertise to perform their duties.

In addition, local regulations, and standards applicable in each case shall be considered regarding board committees and their composition.

### Discharge of the board

SAMLUX will generally support the discharge of directors unless there is reliable information about significant and compelling controversies that indicate the board is not fulfilling its fiduciary duties.

## Compensation

### Compensation of executive directors

Companies should provide shareholders with clear and complete information on directors' remuneration systems. Among other issues, SAMLUX expects companies to disclose the amounts paid to directors and their different elements, the alignment between the company's results and the executive directors' remuneration, the objectives linked to variable incentives and their level of achievement.

The remuneration policy should reflect an appropriate balance between short-term and long-term variable remuneration and should avoid focusing particularly on short-term variable elements. It should also establish a clear link between the company's financial and non-financial results and the remuneration of executive directors and drive the creation of long-term shareholder value.

The remuneration policy should avoid guaranteed or discretionary remuneration and set limits for the different elements of remuneration. SAMLUX also values the inclusion of claw back and malus clauses as a protection measure against actions by directors that may be detrimental to the company. Regarding the long-term incentive structure, it should be appropriate and include dilution, vesting periods and performance conditions among others.

The level of remuneration of executive directors should not be excessive in relation to the company's performance and market practices. Significant increases in remuneration should also be explained.

Termination payments shall be assessed on the basis of total remuneration, in any event, they should not exceed those amounts derived from local regulatory requirements and/or best market practice. Pension or share award arrangements with executive directors after the term of office should not adversely affect the interests of shareholders or be contrary to good market practice.

### Compensation of non-executive directors

Companies should provide shareholders with clear and comprehensive information on non-executive directors' remuneration, its elements, and the different amounts.

SAMLUX expects that the remuneration of non-executive directors will not include variable elements linked to the company's performance, or other elements that may affect their independence. Furthermore, their remuneration should not be excessive in comparison with market practice, and their elements and amounts will be assessed in accordance with applicable regulation and codes of good practice.

#### Equity-based compensation

SAMLUX will generally support equity compensation plans as long as they are aligned with shareholders' interests and promote long-term value creation. Equity compensation plans should be focused on the long term, and the amount of compensation to be transferred should not be excessive relative to the market. In addition, performance conditions should be disclosed where applicable.

### Capital structure and corporate transactions

#### Share issuance requests

Requests for the issuance of shares will be assessed on a case-by-case basis considering the requirements reflected in the regulations and standards applicable in each geography. Among other issues, the limits established in issuances with pre-emptive rights and/or with the exclusion of pre-emptive rights, issuance periods and/or issuance conditions will be analyzed.

#### Capital increases

Proposals to increase authorized capital will be assessed on a case-by-case basis considering the requirements reflected in the regulations and standards applicable in each geography. In the case of capital increases that include authorization for the issue of shares or other convertible securities, the limits established in issuances with pre-emptive rights and/or with the exclusion of pre-emptive rights, issuance periods and/or the conditions of the authorization will be assessed.

#### Reduction of capital

SAMLUX will support proposals to reduce capital for routine accounting purposes unless the terms are unfavorable to shareholders. Proposals to reduce capital in connection with corporate restructuring will be analyzed on a case-by-case basis.

#### Capital structures

SAMLUX will support proposals that seek to maintain or convert the capital structure to a "one share-one vote" system. Proposals for the creation or continuation of capital structures with loyalty shares or shares with dual and/or similar rights will be assessed in accordance with the applicable regulations and standards in each geography.

#### Preferred stock

SAMLUX will generally support proposals to create new class of preferred stock taking into account their proportion of the issued capital and provided that they do not adversely affect the rights of existing shareholders. In addition, applicable regulations and codes of good practice will be considered in each case.

#### Debt issuance requests



Requests for the issuance of debt will be assessed on a case-by-case basis considering the requirements reflected in the regulations and standards applicable in each geography. Among other issues, the limits established in issuances with pre-emptive rights and/or with the exclusion of pre-emptive rights, issuance periods and/or issuance conditions will be analysed.

#### Shares repurchase plans

Regarding share repurchase programs, SAMLUX will assess the limits set and their duration. Furthermore, SAMLUX, in accordance with the applicable regulation in each case, will not support those proposals where the repurchase can be used for takeover defenses; there is clear evidence of abuse of similar authorities; there is no safeguard against selective buybacks; and/or pricing provisions and safeguards are deemed to be unreasonable considering market practice.

#### Corporate transactions

Corporate transaction proposals will be analyzed on a case-by-case basis. Among other issues, the public information available on such transactions, and will assess the advantages and disadvantages of the proposed transactions such as valuation, market reaction, justification of the transaction, conflicts of interest, or impact on interest groups.

SAMLUX will not support those proposals where sufficient information is not provided to enable shareholders to make an informed decision on the transaction.

#### Related-party transactions

Related-party transactions will be assessed on a case-by-case basis considering factors such as the parties involved, the nature of the asset to be transferred or the service to be provided, the pricing of the transaction, the views of independent directors and/or independent financial advisers, the rationale for the transaction or the potential conflicts, among others.

#### Anti-takeover measures

SAMLUX will not support anti-takeover measures proposals unless they are structured in such a way that they give shareholders the ultimate decision on any proposal or offer.

### **Environmental and social issues**

SAM's voting guidelines encourage companies to consider non-financial aspects by incorporating ESG criteria into the voting policy, with the aim of driving best practices, acting in accordance with SAM's socially and responsible investment policies, and protecting clients' interests.

#### Environmental and social aspects

SAMLUX will support social and environmental proposals that drive good practices while promoting value creation for shareholders and other stakeholders. The following factors will be considered when determining the vote on the different proposals: whether the proposal is reasonable; the potential impact on the value of the company's shares; its alignment with applicable regulation, reference standards and industry practices; the existence of ESG controversies; or the resources needed to implement these proposals by the companies.

SAMLUX will tend to support shareholder proposals that seek greater disclosure on topics such as human and labor rights, occupational safety and health, environmental and biodiversity practices, and climate change risk management, among others.

In addition, SAMLUX may consider voting against certain agenda items in cases where evidence of poor supervision and management of environmental and social risks by the board are identified.

## Climate-related issues

Proposals linked to climate transition plans will be analyzed on a case-by-case basis. Among others, the following factors will be assessed:

- The extent to which the company's climate related disclosures are in line with TCFD (Task Force on Climate Related Financial Disclosures) recommendations and other market standards.
- Disclosure of greenhouse gas emissions (scopes 1, 2 and 3).
- The completeness and rigor of company's short-, medium-, and long-term targets for reducing greenhouse gas emissions (scopes 1, 2, and 3 if relevant).
- Whether the company has sought and received third-party approval that its targets are science-based.
- Whether the company has made a commitment to be Net Zero by 2050 (scopes 1, 2, and 3).
- Whether the company discloses a commitment to report on the implementation of its plan.
- Whether the company's climate data has received third-party assurance.
- Disclosure of how the company's lobbying activities and its capital expenditures align with company strategy.
- The challenges of the company's sector and the alignment of the plan with the practices of its peers.

In addition, for companies that are significant emitters of greenhouse gases<sup>2</sup>, SAMLUX may consider voting against certain agenda items in cases where it is identified that the company is not taking the minimum necessary steps to align with Net Zero by 2050.

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<sup>2</sup> Companies targeted by Climate Action 100+ Initiative or other relevant initiatives.

## 5. Conflicts of interest

Exercising the right to vote can sometimes lead to potential conflicts of interest for SAMLUX and its clients. SAMLUX has policies and procedures in place to manage potential conflicts in a way that protects the interests of all its clients. If a potential conflict of interest arises, SAMLUX will implement measures to avoid it or, where appropriate, manage it through the competent internal body. In addition, the investor shall be adequately informed whenever the potential conflict of interest cannot be avoided.

In the event of a potential conflict of interest, the provisions of this Policy, SAM's Global Conflict of Interest Policy, and SAMLUX Conflict of Interest Policy will apply.

Furthermore, SAMLUX does not exercise its voting rights at the General Meetings of Banco Santander SA or other Group societies through positions in investment funds. In addition, SAMLUX will not exercise the right to vote (or will abstain, when applicable) on agenda items related to the appointment or re-election of proprietary directors representing Banco Santander SA.

In addition, SAMLUX follows the following premises to avoid or manage potential conflicts of interest:

- SAMLUX has this Voting Policy aligned with best practices and monitors and updates it periodically.
- Voting rights are exercised in the best interest of clients to protect and enhance the long-term value of their holdings.
- SAMLUX has an adequate organizational structure that guarantees that its employees act independently and neutrally in their missions and responsibilities.
- Training is provided to employees and members of the board of directors that allow them to identify, escalate and manage conflicts of interest.
- There are voting forums where solutions to possible conflicts of interest are discussed and agreed upon.
- The information for voting decisions comes, inter alia, from the analysis carried out by external and independent proxy advisors.

Potential conflicts of interest arising from voting activity shall be managed in accordance with the Conflict-of-Interest Policy.

## 6. Transparency

SAMLUX promotes transparency and adequate and timely disclosure of information by portfolio companies to enable informed decision making. SAMLUX will exercise the right to information that the managed institutions hold against listed companies, using the available tools, especially the websites of listed companies providing information to shareholders: the annual corporate governance report, the annual sustainability report, the internal codes of conduct, the shareholders' agreements, and any other relevant information.

Likewise, SAMLUX encourages transparency in its voting activities. This policy is publicly available on SAMLUX website in the "Sustainability" section. In addition, SAMLUX will present on the website the statement of the voting activity for the past year.

SAMLUX reports on the implementation of this policy and the way in which it has exercised its voting rights in accordance with regulatory transparency requirements.

Additionally, on certain occasions and at the request of institutional clients, SAMLUX may provide greater detail on its voting activity at the General Shareholders' Meetings in which it participates.

## 7. Responsibilities and governing bodies

The voting process is coordinated together with the global SRI team. This team is monitoring General Shareholders' Meetings, analysing the proxy advisor voting recommendations, and reviewing their alignment with SAMLUX's voting criteria, but the last responsible of it is SAMLUX. It is also recording information and decisions taken and for regular communication to voting forum and other forums where SAMLUX's SRI strategy is monitored, under the final supervision of the Conducting officer in charge of Operations. It helps to prepare the content of the annual report on voting activities.

This team monitors companies' ESG performance and leads engagement activities and therefore provides the necessary information to define a voting position. This team works closely with other areas for the implementation and development of the voting policy. All the activities carried out by the global SRI team are closely monitored from SAMLUX.

### Voting and engagement forums

The voting and engagement forums (hereinafter "voting forums") are bodies where voting activity is guided and supervised, promoting coordination between the relevant global and local bodies, and always in accordance with the voting policy and the collective interest of the funds' participants. The voting committees will meet on ad-hoc basis to assess specific aspects related to the implementation of the policy, especially regarding the voting principles and guidelines.

Communication will be via e-mail and/or through face-to-face or telematic meetings, as required.

The forums are composed of the heads of the following areas:

- Global SRI Team
- Conducting officer in charge of Portfolio
- Conducting officer in charge of Risk
- Conducting officer in charge of Compliance or any other member of the Compliance Team
- Legal Team
- Equity investment managers (depending on the funds to discuss)

The voting forums should:

- Follow up on relevant business events.
- Guarantee that the exercise of voting rights is carried out in accordance with the provisions of this policy.
- Prevent and, where appropriate, manage any potential conflicts of interest derived from the exercise of voting rights.

In addition, the forums will consider SAM's engagement activities with the companies to be voted on and ensure that the voting policy is applied in a consistent manner.

SAMLUX's senior management is regularly informed of the voting activities.

## 8. Policy ownership and updates

The owner of this policy is the Board of Directors of SAMLUX, which is responsible for the approval and supervision of its application.

This policy will be subject to review and adoption by the Conducting officers in charge of Portfolio and Compliance.

The content of this policy constitutes a process of continuous improvement that will be reflected in the periodic reviews of this document. This policy was last revised in March 2025 and is published on SAMLUX's website.

## 9. Change track

Version	Responsible Area	Description	Approval Committee	Approval date
1	Compliance SAMLUX	Voting policy approval	Board SAMLUX	
2	Compliance SAMLUX	Review Circular 18/698	Board SAMLUX	02/2019
3	Compliance SAMLUX	Review and update the Policy according to the Global Sustainability Policy Standards	Board SAMLUX.	03/2022
4	Portfolio & Compliance SAMLUX	Review of SAMLUX and the Global voting policy	Board SAMLUX	04/2023
5	Portfolio & Compliance SAMLUX	Review of SAMLUX and the Global voting policy	Board SAMLUX	04/2024
6	Portfolio & Compliance SAMLUX	Minor changes in "Relationship with other policies scheme"	Board SAMLUX	09/2024
7	Portfolio & Compliance SAMLUX	Minor changes in the information regarding the monitoring of the level of opposition received by issuers in previous meetings	Board SAMLUX	03/2025

## Appendix I: Glossary of terms

**Socially responsible investment (SRI):** Type of investment that applies financial and extra-financial criteria in the analysis and investment processes.

**Fiduciary duty:** Legal obligation of one of the parties to act in the best interest of the other. The most important fiduciary duties are to act in the best interest of the client, avoid any conflict of interest (duty of loyalty) and act with due care, skill and diligence (duty of prudence).

**ESG criteria:** Environmental, social and governance criteria.

**General Shareholders' Meeting:** Administrative and oversight body where key decisions are made on the operation of the company. In the text of this policy, this concept refers to both Ordinary General Meetings and Extraordinary General Meetings.

**Voting rights:** Shareholders' right to vote at General Shareholders' Meetings on corporate policy matters, including decisions on the composition of the board of directors, the initiation of corporate actions, the making of substantial changes in the operations of the corporation, etc.

**Engagement:** Practice of monitoring the behaviour of companies and establishing a dialogue with them, with the aim of improving availability of information and promoting change in terms of strategy, risk management, ESG performance, etc.



## Appendix II: Reference standards

This policy is based, inter alia, on the following standards:

- United Nations Principles for Responsible Investment (UN PRI)
- Local Stewardship Codes (e.g.: CNMV Investor Code of Good Practice and CNMV Unified Good Governance Code of Listed Companies in Spain, UK Stewardship Code, AMEC Stewardship Code in Brazil, etc.)
- International Corporate Governance Network (ICGN) Global Stewardship Principles
- OECD Principles of Corporate Governance
- Priorities and principles of the Net Zero Asset Managers Initiative
- Priorities and principles of the Climate Action 100+ Initiative
- United Nations Global Compact
- United Nations Sustainable Development Goals
- United Nations Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights
- OECD guidelines for multinational enterprises
- The International Labour Organisation's (ILO) Fundamental Conventions
- United Nations Convention against Corruption
- Agreements reached at the 2015 COP21 summit on climate change in Paris.
- Financial Stability Board (FSB) Task Force on Climate Related Financial Disclosures Recommendations

