T. ROWE PRICE FUNDS SICAV

Global Allocation Fund – ESG Report

Providing transparency on Environment, Social and Governance aspects of the Fund

As of 31 December 2024

ESG APPROACH

- The Global Allocation Fund benefits from the integration of ESG into the investment process of its building block strategies. We firmly believe the identification, analysis and integration of ESG factors add value to our global investment platform and will continue to dedicate resources towards this endeavor. T. Rowe Price has devoted considerable resources to building a dedicated Responsible Investing organization, which has dedicated ESG specialists that provide proprietary quantitative tools and research to support our fundamental research analysts and portfolio managers.
- The process of ESG integration takes place on two levels: first, with our research analysts as they incorporate environmental, social and governance factors into issuer valuations and ratings; and, second, with the portfolio manager as he balances these ESG factor exposures at the portfolio level. Both the analysts and portfolio manager are able to leverage dedicated, in-house resources to assist them in analyzing ESG criteria.
- Our ESG specialist teams provide investment research on ESG issues at the company level and on thematic topics. Additionally, they have built tools to help proactively and systematically analyze the environmental, social, and governance factors that could impact our investments. The foundation of the analysis is a proprietary flagging tool called the Responsible Investing Indicator Model (RIIM). It covers over 15,000 companies and pulls from data sets that are not in the wheelhouse of traditional financial analysis. These data sets include:
  - ESG performance data (e.g., number of accidents, carbon emissions, strength of whistle-blower programs, etc.);
  - ESG targets (e.g., plans to reduce carbon emissions, increase diversity, etc.)
  - ESG incidents and controversies (e.g., environmental fines paid, local community controversies/protests against a company, etc.)
- ESG integration is an important part of the fundamental investment mosaic for the underlying investment strategies and helps us identify well-managed companies. It is an important part of our investment process and we continue to enhance and broaden our capabilities in this arena.
- The fund is classified as Article 8 according to the Sustainable Finance Disclosure Regulation. Although the fund does not have sustainable investment as an objective, the promotion of environmental and social characteristics is achieved through the fund's commitment to maintain at least 10% of the value of its portfolio invested in Sustainable Investments. The fund avoids issuers whose activities we may consider harmful to the environment and/or society through the application of our proprietary screen, the T. Rowe Price Responsible Exclusion List.

INVESTMENT OBJECTIVE: To maximise the value of its shares, over the long term, through both growth in the value of, and income from, its investments.

INVESTMENT PROCESS: The fund is classified as Article 8 under SFDR (the EU's Sustainable Finance Disclosure Regulation); it promotes, among other characteristics, environmental and/or social characteristics and the companies in which the investments are made follow good governance practices. The fund is actively managed and invests mainly in a diversified portfolio of bonds, shares and other investments from issuers around the world, including emerging markets. Although the fund does not have sustainable investment as an objective, the promotion of environmental and/or social characteristics is achieved through the fund's commitment to maintain at least 10% of the value of its portfolio invested in sustainable investments, as defined by the SFDR. In addition to the E/S characteristics promoted, the fund also applies the investment manager's proprietary responsible screen (the T. Rowe Price Responsible Exclusion List). The fund may use derivatives for hedging, efficient portfolio management and investment purposes. The fund may also use derivatives to create synthetic short positions in currencies and debt securities. For full investment objective and policy details refer to the prospectus. The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.

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RECENT COMPANY ENGAGEMENTS

We maintain a regular dialogue with the management teams of companies represented across the portfolio. Our investment-driven engagement program frequently identifies targets through our proprietary RIIM analysis, governance screening and analysts' fundamental research. While we engage with companies in a variety of different contexts, ESG engagement focuses on learning about, encouraging or exchanging perspectives on the environmental practices, corporate governance or social issues affecting their business.

While most of the meetings we hold with company managements will include some discussion of ESG topics, we differentiate meetings held with a heavy focus on ESG, meaning ESG issues were the sole items on the agenda or made up a meaningful part of the meeting. Agenda items are classified as "meaningful" when they take up a significant portion of the meeting or are a significant factor in the investment case.

The following are selected examples of recent engagements with companies held in or considered for the portfolio. The examples are not meant to be representative of every engagement held, but to illustrate the types of ESG engagements we are having with the managements of our investment companies.

Microsoft (3rd Quarter 2024 Engagement)

Focus	Environment
Company Description	Microsoft is a multinational technology conglomerate.
Engagement Objective	We engaged with Microsoft to discuss environmental challenges associated with data centers and discussed clean energy adoption, carbon emissions, and water consumption.
Participants	From Microsoft: Director of ESG Engagement From T. Rowe Price Associates, Inc.: Responsible Investing Analyst
Engagement Outcome	Given the backdrop of rising concerns on power availability and energy intensity of high-performance computing and generative AI, we believe hyperscalers will play a role in decarbonizing data center operations and the data center supply chain, as well as improving water intensity. We see indications globally that stakeholders and regulators are focused on data center power consumption and water usage. Microsoft committed to achieving 100% renewable energy for its operations by 2025, excluding unbundled Renewable Energy Certificates. Additionally, its “100% renewable energy, 100% of the time” goal highlights its effort to source renewable power as close to its operations as possible, although geographic limitations pose significant challenges, in our view. Microsoft’s collaboration with Brookfield Energy has been a transformative step in securing future Power Purchase Agreements. The company does not currently plan to disclose power usage effectiveness (PUE) at the site level, but we conveyed these data are helpful. On the emissions front, Microsoft identified Scope 3[1] emissions—associated with materials such as concrete, steel, and semiconductors—to be its primary challenge. With this in mind, we believe that renewable power is a much easier problem to manage for Microsoft. To address embedded carbon, the company has introduced a provision in its supplier code of conduct requiring renewable energy use to help reduce upstream emissions. But, in order to reach their carbon negative target, they will rely on carbon removal strategies. Regarding water usage, Microsoft places importance on water usage effectiveness (WUE) as a key metric for sustainable data center operations. The company aims to be water positive by 2030 and provide regional disclosures on water withdrawal. We conveyed that it would be valuable to disclose regional water replenishment data to further enhance transparency and track its progress in this area. We shared our view that disclosing PUE, WUE, and water replenishment would be meaningful metrics to disclose.

[1] Scope 1: direct emissions from owned or controlled sources; scope 2: indirect emissions from the generation of purchased electricity, steam, or cooling; scope 3: all other indirect emissions.

Unless otherwise noted, data were provided by the company during the engagement or are available through company reports.

Chubb (4th Quarter 2024 Engagement)

Focus	Environment
Company Description	Chubb is a large, U.S.-based property and casualty (P&C) insurance company.
Engagement Objective	We engaged with Chubb on the company's climate strategy and its approach to ESG reporting.
Participants	From Chubb: Deputy General Counsel; Global Climate Representative From T. Rowe Price Associates, Inc.: Head of Corporate Governance; Responsible Investing Analyst
Engagement Outcome	A nonprofit organization that uses shareholder resolutions to promote ESG issues, As You Sow, again filed a shareholder proposal at Chubb's 2024 annual general meeting requesting the company to report on its efforts to reduce its Scope 3[1] greenhouse gas (GHG) emissions. The asks made concerning insurance-associated emissions are still premature for mainstream investors when very few P&C peers currently disclose this information globally and when there is not widespread industry acceptance of the Partnership for Carbon Accounting Financials (PCAF) Standard (a methodology to measure and disclose GHG emissions associated with financial activities). The proposal continues to attract significant minority support, and Chubb has been frustrated by proxy advisor Institutional Investor Services' (ISS) unwillingness to substantively engage on this matter. In 2024, Chubb significantly expanded its Task Force on Climate-Related Financial Disclosures (TCFD) disclosure and included additional information on (1) underwriting standards, (2) client engagement on those standards, and (3) the company's Climate+ underwriting practice (which is focused on underwriting opportunities stemming from the energy transition and decarbonization). We discussed the implementation of Chubb's methane emissions and flaring standard for the oil and gas sector. The company also intends to issue a standard on cement focused on the use of alternative fuels in the production process and air pollution controls. In addition, Chubb will not underwrite new cement facilities, unless they are built carbon capture and storage ready. Chubb now also includes a range of key performance indicators regarding its engagement with clients in the oil and gas sector. We requested that the company include similar information in the future in relation to its new cement underwriting standard. Chubb has also added additional quantitative information on the size of its Climate+ business for the first time this year. We suggested providing additional visibility on the individual lines of business that comprise the Climate+ business' total reported premiums. We also briefly touched on the company's approach to ESG reporting. Its disclosure is broadly adequate overall, but the company has taken a lighter touch versus many peers. Philosophically, the company believes it should direct the resources it has toward seeking to address the energy transition and green underwriting opportunities rather than diverting resources away from engaging with clients to work on sustainability reporting. As a Swiss-domiciled company, Chubb falls under the scope of the Corporate Sustainability Reporting Directive (CSRD) for FY25, which requires extensive reporting that is not always financially material. The company had a positive view on disclosing against the International Sustainability Standards Board's (ISSB) standards, given this framework is grounded in financial (rather than double) materiality. The engagement allowed us to share our views on climate disclosure and request additional transparency in several areas (e.g., additional information on client engagement in relation to Chubb's cement underwriting standard and its Climate+ practice).

[1] Scope 1: direct emissions from owned or controlled sources; scope 2: indirect emissions from the generation of purchased electricity, steam, or cooling; scope 3: all other indirect emissions.

Unless otherwise noted, data were provided by the company during the engagement or are available through company reports.

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the SICAV sub-fund, and no assumption should be made that the securities identified and discussed were or will be profitable.

ESG RIIM PROFILE

The T. Rowe Price Responsible Investing Indicator Model (RIIM) rates companies, governments and securitized assets in a traffic light system measuring their environmental, social, and governance profile and flagging issuers with elevated risks. For certain types of investments, including, but not limited to, cash, currency positions, and particular types of derivatives, an ESG analysis may not be relevant or possible due to a lack of data. Where ESG considerations are integrated into the investment research process, we may conclude that other attributes of an investment outweigh ESG considerations when making investment decisions.

	Portfolio	
	No. of securities	% weight
Green	913	71.6
Orange	236	17.0
Red	11	0.0
Not in scope	106	1.0
Not covered	24	0.8
Reserves	1	9.5
Total	**1,291**	**100.0**

● No/few Flags ● Medium Flags ● High Flags

The comparator benchmark of the Fund is the 60% MSCI All Country World Net Index, 28% Bloomberg Global Aggregate Bond USD Hedged Index, 12% ICE BofA US 3-Month Treasury Bill Index. The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.

SUSTAINABILITY INDICATOR

The fund is classified as Article 8 according to the Sustainable Finance Disclosure Regulations (SFDR).

The sustainability indicator used by the fund is a minimum of 10% of the value of the fund's portfolio held in securities that the investment manager identifies as sustainable investments.

The percentage exposure of the fund to sustainable investments is:

	Target Minimum Commitment %	Fund Exposure %
Sustainable Investments	10.0	32.7
with Environmental Objectives	0.5	12.6
with Social Objectives	0.5	20.2

PRINCIPAL ADVERSE IMPACT (PAI) INDICATORS

Under the European Union Sustainable Finance Disclosure Regulations (SFDR), investment managers are required to take into account Principal Adverse Impact (PAI) indicators, a set of metrics that highlight the potential negative impacts on sustainability factors that result from investment decisions. This is integrated into our ESG analysis at a security level.

Some PAI indicators have limited data availability which may lead to misrepresentative values for the fund. In these cases, the metric vale and data coverage are displayed as n/a in the following tables.

In addition, the investment manager considers the following PAI indicators at an aggregate fund level. Metric values are shown in the Base Currency of the fund (USD):

PAI Indicator	Metric Description	Unit of Measurement	Metric Value	Metric Coverage (%)
10. Violations of UNGC principles and OECD guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Percentage of total invested	0.0%	71.6%
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of board members	Average ratio of female board members	23.6%	68.5%
14. Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Percentage of total invested	0.0%	70.3%

GLOSSARY OF TERMS

Metric coverage - The percentage of the portfolio for which PAI data is available
GHG - Greenhouse gas emissions
Scope 1 GHG emissions - Direct greenhouse gas emissions by the fund
Scope 2 GHG emissions - Indirect greenhouse gas emissions made by the fund
Scope 3 GHG emissions - All other indirect emissions that occur in the funds value chain
mtCO_2e - Metric tonnes of carbon dioxide equivalent
Carbon footprint (Scope 1,2 & 3 emissions) - The total greenhouse gas emissions per million invested in the fund
GWh - Gigawatt Hours
Ktons - Kilotonnes
UNGC - The United Nations Global Compact
OECD - The Organization for Economic Co-operation and Development
No data - no data is available or can be calculated for the indicator

RISKS - The following risks are materially relevant to the fund (refer to prospectus for further details): ABS and MBS - Asset-Backed Securities (ABS) and Mortgage-Backed Securities (MBS) may be subject to greater liquidity, credit, default and interest rate risk compared to other bonds. They are often exposed to extension and prepayment risk. Credit - Credit risk arises when an issuer's financial health deteriorates and/or it fails to fulfill its financial obligations to the fund. Currency - Currency exchange rate movements could reduce investment gains or increase investment losses. Default - Default risk may occur if the issuers of certain bonds become unable or unwilling to make payments on their bonds. Derivative - Derivatives may be used to create leverage which could expose the fund to higher volatility and/or losses that are significantly greater than the cost of the derivative. Distressed or defaulted debt securities - Distressed or defaulted debt securities may bear substantially higher degree of risks linked to recovery, liquidity and valuation. Emerging markets - Emerging markets are less established than developed markets and therefore involve higher risks. Interest rate - Interest rate risk is the potential for losses in fixed-income investments as a result of unexpected changes in interest rates. Prepayment and extension - Mortgage- and asset-backed securities could increase the fund's sensitivity to unexpected changes in interest rates. Small and mid-cap - Small and mid-size company stock prices can be more volatile than stock prices of larger companies. Style - Style risk may impact performance as different investment styles go in and out of favor depending on market conditions and investor sentiment.

General fund risks - to be read in conjunction with the fund specific risks above. Counterparty - Counterparty risk may materialise if an entity with which the fund does business becomes unwilling or unable to meet its obligations to the fund. Equity - Equities can lose value rapidly for a variety of reasons and can remain at low prices indefinitely. ESG and sustainability - ESG and Sustainability risk may result in a material negative impact on the value of an investment and performance of the fund. Geographic concentration - Geographic concentration risk may result in performance being more strongly affected by any social, political, economic, environmental or market conditions affecting those countries or regions in which the fund's assets are concentrated. Hedging - Hedging measures involve costs and may work imperfectly, may not be feasible at times, or may fail completely. Investment fund - Investing in funds involves certain risks an investor would not face if investing in markets directly. Management - Management risk may result in potential conflicts of interest relating to the obligations of the investment manager. Market - Market risk may subject the fund to experience losses caused by unexpected changes in a wide variety of factors. Operational - Operational risk may cause losses as a result of incidents caused by people, systems, and/or processes.

IMPORTANT INFORMATION

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