



T. ROWE PRICE FUNDS SICAV

## Global Focused Growth Equity Fund – ESG Report

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

As of 31 December 2024

### ESG APPROACH

- The Global Focused Growth Equity Fund uses ESG integration as part of its investment process. This means incorporating environmental, social and governance factors to enhance investment decisions. Our philosophy is that ESG factors are a component of the investment decision—meaning that they are not the sole driver of an investment decision, nor are they considered separately from more traditional analysis.
- The process of ESG integration takes place on two levels: first, with our research analysts as they incorporate ESG factors into company valuations and ratings, and second, with the portfolio manager as he balances these ESG factor exposures at the portfolio level. Both the analysts and the portfolio manager are able to leverage dedicated, in-house resources to assist 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.)
- The companies we buy will typically have high quality characteristics as well, with this qualitative assessment based on our analysis of their future economic relevance. As such, our primary emphasis is on company fundamentals, which include the consideration of environmental, social and governance factors. We find that this process tends to yield an ESG-friendly set of companies; however, we also screen the portfolio using T. Rowe Price's proprietary RIIM analysis at regular intervals. This helps us understand the ESG characteristics of the portfolio and makes us aware of any elevated exposures to specific ESG factors.
- 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 increase the value of its shares, over the long term, through growth in the value of 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 shares of companies that have the potential for above average and sustainable rates of earnings growth. The companies may be anywhere in 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 and efficient portfolio management. 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.

**MercadoLibre (1<sup>st</sup> Quarter 2024 Engagement)**

<b>Focus</b>	Environment
<b>Company Description</b>	MercadoLibre is a large online trading platform in Latin America and a leader in e-commerce.
<b>Engagement Objective</b>	We engaged with MercadoLibre on its climate strategy.
<b>Participants</b>	From MercadoLibre: Investor Relations (ESG Engagement) Representative From T. Rowe Price Associates, Inc: Responsible Investing Analyst
<b>Engagement Outcome</b>	<p>We engaged with MercadoLibre on its climate strategy, including its net zero aspirations.</p> <p>The company's climate risk management plan includes stress tests and climate scenarios linked to possible impacts on its logistics operations. It currently has no climate-related policy, but discussions are ongoing. While there is no available incremental disclosure related to projects that enhance climate resilience, there are other initiatives underway, such as purchasing renewable energy in Brazil and Mexico (which comprise 50% of logistical operations). There are a few obstacles in the transition to electric vehicles (EVs), however. The company is not sure if it will be able to get to 100% electric transportation. Securing supply of EVs and installing their own charging networks with their own capital expenditure are the main obstacles. At present, MercadoLibre is looking at using biofuels for larger trucks.</p> <p>While the company has not set public net zero targets, it has been collaborating with the Science Based Targets initiative (SBTi) for a little over a year. The methodology for e-commerce logistics does not yet exist, which is a similar rationale that leading rivals provide for not establishing science-based targets. MercadoLibre has set internal targets for business units that it may disclose.</p> <p>The company provided the latest updates of its sustainability strategy and was receptive to our feedback to provide more disclosure related to its climate strategy, EV adoption, and progress in setting emissions reduction targets.</p>

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.

## Infineon (4<sup>th</sup> Quarter 2024 Engagement)

<b>Focus</b>	Environment
<b>Company Description</b>	Infineon is a leading semiconductor manufacturer based in Germany.
<b>Engagement Objective</b>	We engaged with Infineon to discuss its climate strategy and its role in improving the power consumption of chips used in data centers.
<b>Participants</b>	From Infineon: ESG Representative; Investor Relations Representative  From T. Rowe Price Associates, Inc.: Responsible Investing Analyst
<b>Engagement Outcome</b>	<p>Given the backdrop of rising concerns on power availability and energy intensity of high performance computing and generative AI, we believe semiconductors will play a role in improving energy efficiency. We also see indication that many of the company's customers are focused on energy efficiency and power management. Regarding Infineon's carbon and net zero strategies, the company continues to reduce its footprint through setting carbon reduction goals. Infineon has a goal to reduce its Scope 1 and 2<sup>1</sup> emissions by 70% and to use 100% renewable energy by 2025. In December 2023, the company committed to set a science-based target for Scope 3 emissions. Infineon is actively engaging in discussions with governments to enhance renewable energy availability, especially in Asia, and we believe the company is on track to meet its targets. The company is also considering the financial and operational impact of achieving net zero and plans to finalize a long-term strategy next year.</p> <p>Infineon is a critical player in improving energy efficiency within the green data center space where it holds a 40% market share globally but is less so in pure artificial intelligence (AI) data center space. Revenue from pure AI data centers was roughly USD 100 million this year and is expected to reach USD 1 billion by 2030. Infineon offers full-system solutions that address power efficiency from grid to point-of-load in servers. The company's innovations include using silicon carbide and gallium nitride to optimize power conversion and reduce losses.</p> <p>The company is focusing on solutions like vertical power supply architecture, which reduces energy losses from 10%–12% to 2%, which enables significant savings in large data centers. Infineon is working closely with major hyperscalers and semiconductor companies like Nvidia, AMD, and Intel to ensure greater efficient power management in AI-driven data centers.</p> <p>This engagement allowed to us discuss the company's progress toward its carbon strategy.</p>

<sup>1</sup> 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.

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## 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		Benchmark	
	No. of securities	% weight	No. of securities	% weight
● Green	60	85.1	2,015	81.5
● Orange	10	14.1	591	17.9
● Red	0	0.0	35	0.6
● Not in scope	0	0.0	0	0.0
● Not covered	1	0.1	6	0.1
● Reserves	1	0.7	0	0.0
<b>Total</b>	<b>72</b>	<b>100.0</b>	<b>2,647</b>	<b>100.0</b>

● No/few Flags ● Medium Flags ● High Flags

The comparator benchmark of the Fund is the MSCI All Country World Net 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	51.0
with Environmental Objectives	0.5	24.4
with Social Objectives	0.5	26.6

## 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 value 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%	99.3%
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	32.7%	99.3%
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%	99.3%

The table below displays the remaining PAI indicators as of the report date. These are displayed for reporting purposes. Metric values are shown in the Base Currency of the fund (USD):

PAI Indicator	Metric Description	Unit of Measurement	Metric Value	Metric Coverage (%)
1. GHG Emissions	Scope 1 GHG emissions	mtCO <sub>2</sub> e	44,044	97.0%
	Scope 2 GHG emissions	mtCO <sub>2</sub> e	20,515	97.0%
	Scope 3 GHG emissions	mtCO <sub>2</sub> e	788,443	97.0%
	Total GHG emissions	mtCO <sub>2</sub> e	853,002	97.0%
2. Carbon footprint	Carbon footprint	mtCO <sub>2</sub> e per mn invested	221.5	97.0%
3. GHG intensity of investee companies	GHG intensity of investee companies	mtCO <sub>2</sub> e per mn revenue	522.8	97.0%
4. Exposure to companies active in fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Percentage of total invested	4.9%	99.3%
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Percentage of non-renewable energy	48.0%	86.5%
6. Energy consumption intensity	Energy consumption in GWh per million of revenue of investee companies	GWh/mn of revenue	0.2	94.2%
7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	Percentage of total invested	0.0%	99.3%
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million invested, expressed as a weighted average	Ktons per mn invested	n/a	n/a
9. Hazardous waste	Tonnes of hazardous waste generated by investee companies per million invested, expressed as a weighted average	Ktons per mn invested	n/a	n/a
11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Percentage of total invested	0.0%	99.3%
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	Percentage of pay gap	n/a	n/a

## 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<sub>2</sub>e** - 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):** Currency - Currency exchange rate movements could reduce investment gains or increase investment losses. Emerging markets - Emerging markets are less established than developed markets and therefore involve higher risks. Liquidity - Liquidity risk may result in securities becoming hard to value or trade within a desired timeframe at a fair price. 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.** 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. 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.

## ADDITIONAL DISCLOSURES

Source: MSCI. MSCI and its affiliates and third party sources and providers (collectively, "MSCI") makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. Historical MSCI data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

Holdings-based analytics are calculated using T. Rowe Price's internal Investment Book of Records (IBOR). Due to timing and accounting methodology differences, IBOR data may differ from the Accounting Book of Records (ABOR) data provided by the Fund's accountant.



## IMPORTANT INFORMATION

The Funds are sub-funds of the T. Rowe Price Funds SICAV, a Luxembourg investment company with variable capital which is registered with Commission de Surveillance du Secteur Financier and which qualifies as an undertaking for collective investment in transferable securities ("UCITS"). Full details of the objectives, investment policies and risks are located in the prospectus which is available with the key investor information documents (KIID) and/or key information document (KID) in English and in an official language of the jurisdictions in which the Funds are registered for public sale, together with the articles of incorporation and the annual and semi-annual reports (together "Fund Documents"). Any decision to invest should be made on the basis of the Fund Documents which are available free of charge from the local representative, local information/paying agent or from authorised distributors. They can also be found along with a summary of investor rights in English at [www.troweprice.com](http://www.troweprice.com). The Management Company reserves the right to terminate marketing arrangements.

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