



T. ROWE PRICE FUNDS SICAV

Global Investment Grade Corporate Bond Fund – ESG Report

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

As of 31 December 2024

ESG APPROACH

- The Global Investment Grade Corporate Bond 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 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.)
- The portfolio is constructed on the basis of identifying the best risk/reward opportunities from the global fixed income universe. Key to this is proprietary bottom-up research that includes the assessment of ESG factors by our analysts who work in collaboration with the dedicated ESG specialist team. We complement this approach with regular screening of the portfolio using T. Rowe Price's proprietary RIIM analysis. This helps us understand the ESG characteristics of the portfolio and makes us aware of any elevated exposures to specific ESG factors from a risk management perspective.
- 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 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 investment-grade corporate bonds 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 debt securities and credit indices. 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.

CVS Health (4th Quarter 2024 Engagement)

Focus	Environment, Social
Company Description	CVS Health provides health care and retail pharmacy services.
Engagement Objective	We engaged with CVS Health on cybersecurity; health equity; and ESG disclosure.
Participants	<p>From CVS Health: Senior Vice President (SVP), Chief Sustainability Officer; SVP, Chief Governance Officer, Corporate Secretary & Assistant General Counsel; VP, Compensation & Workforce Analytics; Executive Director, Investor Relations</p> <p>From T. Rowe Price Associates, Inc.: Head of Corporate Governance; Responsible Investing Analyst</p>
Engagement Outcome	<p>We engaged with CVS Health to provide feedback on its approach to cybersecurity and health equity. Despite significant cyber risk exposure, the company provides relatively limited transparency in this area.</p> <p>Cybersecurity</p> <p>We discussed the company's approach to cybersecurity in light of the high-profile Change Healthcare cyberattack at UnitedHealth and spate of cyberattacks across the health care sector during 2024. CVS Health continues to make significant investments in this area and pointed to the significant ongoing risk related to third-party systems.</p> <p>We requested the company provide more transparency on oversight for cybersecurity/data privacy and preventative measures undertaken to avoid breaches (e.g., ISO 27001 certification, threat penetration testing, employee training) in its sustainability disclosure. The company's main impact report makes no reference to this topic. We will monitor for progress.</p> <p>Health equity</p> <p>CVS Health also provided an update on its health equity efforts. This continues to be a significant focus of the sustainability efforts of all managed care organizations or MCOs. We reiterated our interest in additional disclosure in this area. Several companies provide additional information regarding chronic condition outcomes and have set public targets related to various National Committee for Quality Assurance (NCQA)/Healthcare Effectiveness Data and Information Set (HEDIS) variables, for instance. CVS Health has not yet provided the requested disclosure, but it was receptive to the request and we extended the deadline.</p> <p>ESG disclosure</p> <p>CVS Health's Scope 3¹ emissions data have been highly volatile—we therefore also briefly touched on the company's approach to carbon accounting. The year-to-year swings have been driven by changes to the company's approach to measuring emissions from purchased goods and services. The company is seeking to increase the use of primary data (rather than spend-based estimations) to provide a more consistent baseline.</p> <p>We also provided feedback that the company should look to consolidate its various ESG reporting documents into a single report. The existing format makes it challenging for users to find relevant information.</p> <p>The engagement allowed us to share our view on ESG disclosure and suggest additional transparency in several areas. Namely, we recommended the company enhance its disclosure on cybersecurity matters (e.g., management oversight and information on preventative measures undertaken by the company).</p>

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.

Western Digital (2nd Quarter 2024 Engagement)

Focus	Environment, Social, Governance
Company Description	Western Digital is a leading integrated provider of storage technology, specializing in hard disk drives (HDDs).
Engagement Objective	We engaged with Western Digital on governance, compensation, renewables, emissions, cybersecurity, and artificial intelligence (AI).
Participants	<p>From Western Digital: Vice President (VP), Investor Relations and Financial Planning & Analysis; VP, Executive Compensation; VP, Securities and Corporate Governance; Director, Corporate Sustainability Strategy</p> <p>From T. Rowe Price Associates, Inc: Portfolio Manager, Head of Corporate Governance; Investment Analyst; Responsible Investing Analyst</p>
Engagement Outcome	<p>We engaged with Western Digital on a variety of ESG topics. We discussed the company's plans to adjust compensation before, during, and after the split of its HDD and Flash businesses. At the time of the FY24 compensation plan design, the committee was considering milestone metrics tied to the upcoming strategic review. However, the strategic review was finalized too late, so the committee decided without that clarity, milestones should not be included. The committee has shifted the focus of compensation from product-related metrics (such as exabyte chip metrics) to metrics related to cash conversion cycle and efficient working capital operation. There are also stand-alone performance metrics for individuals. Another standalone metric that will be used in compensation is reducing operational emissions (scope 1 and 2¹) based on supply chain demand to lower carbon emissions. The committee has also decided to develop six-month plans instead of annual plans because targets for a full year would not align executives with the timeline of the company split. While the company mostly elaborated on its synergy milestones, we highlighted the relevance of process milestones in order to ensure potential weaknesses in financial controls, due to risks through the separation, are properly mitigated.</p> <p>Western Digital has a goal to run its global emissions on 100% renewable energy by 2030, which is a supporting goal for its 2032 scope 1 and 2 net zero emissions goal. The company is 4% ahead of its targeted trend line through the combination of onsite generation and virtual power-purchase agreements. Market conditions are challenging in APAC (namely Malaysia), but it has devised workarounds in these instances. Many semiconductor companies have goals related to their value chain, but given Western Digital is planning to split its businesses, we will see the company re-baseline both companies. However, the company is still committed to its existing Science Based Targets initiative (SBTi) goal to reduce scope 3 use-phase emissions per terabyte by 50% by 2030.</p> <p>We also asked the company to discuss its approach to preventing and mitigating cyber and ransomware attacks. Western Digital has experienced data breaches before, related to security vulnerabilities in hard drives that allowed hackers to remotely wipe user data. Provided that generative AI lowers the barrier of entry for cyber and ransomware attacks, we asked the company about its strategy to mitigate these harms. The company is conducting a double materiality assessment at present where data privacy and security are rising as key themes, and will publish this data as it comes available, likely within a year.</p> <p>We gained greater insight into the company's operational milestones before, during, and after the split of its HDD and Flash businesses to ensure that risks are mitigated and financial controls are intact. We also requested more information related to the company's cybersecurity strategy and will look to see how scope 3 emissions are rebased after the company split.</p>

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

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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	205	76.5	13,167	79.2
● Orange	68	17.2	2,880	17.4
● Red	0	0.0	197	1.3
● Not in scope	15	-0.4	0	0.0
● Not covered	13	3.0	530	2.0
● Reserves	1	3.6	0	0.0
Total	302	100.0	16,774	100.0

● No/few Flags ● Medium Flags ● High Flags

The comparator benchmark of the Fund is the Bloomberg Global Aggregate Corporate Bond Index Hedged to USD. 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	42.2
with Environmental Objectives	0.5	18.1
with Social Objectives	0.5	24.1

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%	88.4%
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	31.3%	73.5%
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%	85.6%

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

mtCO₂e - 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. Contingent convertible bond - Contingent Convertible Bonds may be subject to additional risks linked to: capital structure inversion, trigger levels, coupon cancellations, call extensions, yield/valuation, conversions, write downs, industry concentration and liquidity, among others. Country (China) - Chinese investments may be subject to higher levels of risks such as liquidity, currency, regulatory and legal risks due to the structure of the local market. 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. Emerging markets - Emerging markets are less established than developed markets and therefore involve higher risks. High yield bond - High yield debt securities are generally subject to greater risk of issuer debt restructuring or default, higher liquidity risk and greater sensitivity to market conditions. Interest rate - Interest rate risk is the potential for losses in fixed-income investments as a result of unexpected changes in interest rates. Liquidity - Liquidity risk may result in securities becoming hard to value or trade within a desired timeframe at a fair price. Sector concentration - Sector concentration risk may result in performance being more strongly affected by any business, industry, economic, financial or market conditions affecting a particular sector in which the fund's assets are concentrated. Total Return Swap - Total return swap contracts may expose the fund to additional risks, including market, counterparty and operational risks as well as risks linked to the use of collateral arrangements.

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. 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.

ADDITIONAL DISCLOSURES

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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. The Management Company reserves the right to terminate marketing arrangements.

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