



T. ROWE PRICE FUNDS SICAV

European Select Equity Fund – ESG Report

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

As of 31 December 2024

ESG APPROACH

- The European Select 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 portfolio manager of the European Select Equity Fund believes that an ESG assessment is a vital part of properly assessing the sustainability of a business and that this is a critical component in assessing the quality of a company. Collaborating with our industry analysts and the responsible investing (RI) team, the portfolio managers seek to ensure that any material ESG factors are integrated into the investment thesis of a stock. Further, there is a regular dialogue with the RI team to assess the overall ESG risk profile of the whole portfolio.
- 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 high conviction portfolio of shares of European companies. 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.

SCA (3rd Quarter 2024 Engagement)

Focus	Environment
Company Description	SCA is a large private forest owner in Europe and a producer of forest products.
Engagement Objective	We engaged with SCA on climate strategy and biodiversity.
Participants	From SCA: Climate Lead; Investor Relations Representative From T. Rowe Price Associates, Inc.: Responsible Investing Analyst
Engagement Outcome	<p>We engaged with SCA to discuss its climate strategy. In particular, we wanted to understand some recent changes that it had made to one of its 2030 decarbonization targets, and we wanted to ask whether the company intends to set a long-term net zero target for Scope 1–3¹ emissions. We also discussed biodiversity and forestry certifications.</p> <p>Climate strategy</p> <p>SCA has developed and maintained a climate model since 2018 to quantify its net climate impact. The company believes that it had a net climate benefit of 12.8 million tons of CO₂ in 2023 (i.e., its business net removed 12.8 million tons of carbon dioxide from the atmosphere).</p> <p>SCA has recently updated one of its climate targets and is now aiming to remove 10 million tons of CO₂ equivalent from the atmosphere every year out to 2030 (previously it aimed to remove 15 million tons of CO₂ equivalent by 2030). Since its new target is a commitment to remove carbon from the atmosphere every year, rather than just in 2030, the company still felt that this was an ambitious aim.</p> <p>It also reiterated its target of reducing Scope 1–3 emissions 50% by 2030 (versus a 2019 baseline).</p> <p>SCA does not currently have a formal, long-term net zero target. We asked whether it intends to set one in the foreseeable future. SCA was clear that its long-term aim is for its entire value chain to be fossil-free, but this had not been formalized into a clear net zero target. Given the company is already meaningfully climate negative today, SCA did not think that this was a priority.</p> <p>Forest certifications and biodiversity</p> <p>All of SCA's forests are Forest Stewardship Council (FSC)- and Programme for the Endorsement of Forest Certification (PEFC)-certified. We discussed SCA's approach to tracking and protecting biodiversity in its forests.</p> <p>The company has several key performance indicators and data points that it tracks in relation to biodiversity, and it is constantly working to increase the quality and precision of these data. Much of this is reported in its integrated annual report.</p> <p>ESG disclosures</p> <p>SCA's ESG disclosures are strong. We asked whether the company was considering aligning its disclosures with the Taskforce on Nature-related Financial Disclosures (TNFD) framework. This was something that the company has considered, but it did not have any concrete updates.</p> <p>We will track whether (1) SCA aligns its disclosures with the TNFD framework and (2) sets a formal net zero target.</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.

Siemens (3rd Quarter 2024 Engagement)

Focus	Environment
Company Description	Siemens is a diversified global industrial conglomerate based in Munich, Germany.
Engagement Objective	We engaged with Siemens to discuss the company's greenhouse gas (GHG) emissions avoided and longer-term climate strategy, including data center growth.
Participants	From Siemens: Head of Climate and ESG Disclosure, Investor Relations Representative From T. Rowe Price Associates, Inc.: Responsible Investing Analyst
Engagement Outcome	<p>We engaged with Siemens to provide feedback on the company's disclosure of GHG emissions avoided. We also discussed its longer-term strategy to reduce Scope 3¹ emissions and reach net zero and the growth of data centers.</p> <p>Siemens' reporting on the environmental impact of its products and services is good, and the company is taking steps for further improvement. In fiscal 2023, Siemens helped customers avoid 190 million metric tons of carbon dioxide equivalent emissions thanks to its energy-efficient frequency converters and other products. Its next sustainability report will cover the contribution of software, electrification, and automation technology thanks to an improved greenhouse gas accounting methodology that the company is developing with an external consultant.</p> <p>About 99% of Siemens' total greenhouse gas emissions are Scope 3, and the company plans to reduce them by 30% by fiscal 2030 and by 90% by fiscal 2050 to reach net zero value chain emissions by that time. Recent Scope 3 emissions reduction has been underwhelming, however, with total Scope 3 emissions staying flat and upstream supply chain emissions declining just 1% over the past three years. Siemens noted that the business has grown by roughly a third since it established its climate targets, and emissions should have effectively plateaued and decrease in the coming years. The company has stepped up its supplier engagement efforts and has observed a decline in emissions in recent years among the suppliers it has engaged with on climate issues. However, reducing product emissions remains a challenge. Siemens is incrementally investing in research and development to support product design decarbonization.</p> <p>We discussed opportunities in Siemens' data center business. Though the business started about five years ago and accounted for 1.5% of total fiscal 2023 revenue, it is the company's most vibrant vertical with rapid revenue growth projected in the near term. Siemens is building a new U.S. factory specializing in low-voltage equipment for data center white spaces and securing long-term contracts for the planned buildout of hyperscalers. The company plans to respond to increased demand for cooling with cooling technology (e.g., artificial intelligence-enabled energy efficiency software and energy-efficient heating, ventilation, and air conditioning). More disclosure on decarbonizing data centers will appear in Siemens' upcoming annual and sustainability reports.</p> <p>The engagement gave us an opportunity to provide feedback to Siemens regarding its disclosure of GHG emissions avoided, its Scope 3 emissions reduction strategy, and the expected growth in data centers. We will monitor disclosure on GHG emissions avoided to capture more products and services (e.g., software, electrification, and automation) and look for improved performance on reducing Scope 3 emissions.</p>

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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	35	90.1	383	91.6
● Orange	2	5.6	27	7.4
● Red	0	0.0	2	0.9
● Not in scope	0	0.0	0	0.0
● Not covered	1	1.6	2	0.1
● Reserves	1	2.7	0	0.0
Total	39	100.0	414	100.0

● No/few Flags ● Medium Flags ● High Flags

The comparator benchmark of the Fund is the MSCI Europe 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	56.3
with Environmental Objectives	0.5	16.8
with Social Objectives	0.5	39.6

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 (EUR):

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%	97.3%
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	40.8%	97.3%
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%	95.7%

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 (EUR):

PAI Indicator	Metric Description	Unit of Measurement	Metric Value	Metric Coverage (%)
1. GHG Emissions	Scope 1 GHG emissions	mtCO ₂ e	138	95.7%
	Scope 2 GHG emissions	mtCO ₂ e	43	95.7%
	Scope 3 GHG emissions	mtCO ₂ e	4,031	95.7%
	Total GHG emissions	mtCO ₂ e	4,212	95.7%
2. Carbon footprint	Carbon footprint	mtCO ₂ e per mn invested	460.2	95.7%
3. GHG intensity of investee companies	GHG intensity of investee companies	mtCO ₂ e per mn revenue	764.7	95.7%
4. Exposure to companies active in fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Percentage of total invested	6.8%	97.3%
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	53.5%	88.3%
6. Energy consumption intensity	Energy consumption in GWh per million of revenue of investee companies	GWh/mn of revenue	0.3	95.7%
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%	97.3%
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%	97.3%
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

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): Currency - Currency exchange rate movements could reduce investment gains or increase investment losses. Issuer concentration - Issuer concentration risk may result in performance being more strongly affected by any business, industry, economic, financial or market conditions affecting those issuers in which the fund's assets are concentrated. 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. The Management Company reserves the right to terminate marketing arrangements.

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