



T. ROWE PRICE FUNDS SICAV

## Dynamic Global Bond Fund – ESG Report

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

As of 31 December 2025

### ESG APPROACH

- The T. Rowe Price Dynamic Global Bond Fund uses ESG integration as part of its investment process. This means incorporating the analysis of governance and sustainability factors for the purpose of maximizing financial performance. Our philosophy is that governance and sustainability factors are evaluated alongside more traditional investment factors such as valuation, financials, industry trends and macroeconomics. Where these factors are financially material, they are considered as part of the investment decision.
- ESG integration at T. Rowe Price is a collaborative process between portfolio managers, research analysts, and dedicated ESG specialist resources. Our specialist governance and sustainability teams at T. Rowe Price Associates, Inc. (TRPA) and T. Rowe Price Investment Management, Inc. (TRPIM) provide investment research on environmental, social, and governance issues at the security and industry level, and on thematic topics. Our equity and credit analysts utilize governance and sustainability research in their fundamental analysis (where financially material). TRPA and TRPIM have each built a proprietary responsible investing indicator model (collectively RIIM<sup>1</sup>), which forms the foundation of our ESG integration process.
- 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 50% of the value of its portfolio invested in issuers and/or securities that are rated as 'Green' by the T. Rowe Price proprietary Responsible Investor Indicator Model (RIIM). The fund applies the T. Rowe Price RIIM Rating Criteria. 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.

<sup>1</sup> RIIM refers to the proprietary responsible investing indicator models built by TRPA and TRPIM. RIIM rates issuers using a traffic light system; where green indicates no/few ESG concerns, orange indicates medium ESG concerns, and red indicates high ESG concerns/risk. The TRPA RIIM model has a framework for rating corporate, sovereign, securitized and municipal issuers, whereas the TRPIM RIIM model only has a framework for rating corporate issuers. TRPIM was established as a separately registered U.S. investment adviser, with a separate ESG team from TRPA. Decisions for the TRPA and TRPIM ESG teams are made completely independently but use a similar approach, framework, and philosophy.

**INVESTMENT OBJECTIVE:** To generate income while offering some protection against rising interest rates and a low correlation with equity markets.

**INVESTMENT PROCESS:** The fund is actively managed and invests mainly in a portfolio of bonds of all types 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 50% of the value of its portfolio invested in issuers and/or securities that are rated as 'Green' by the T. Rowe Price proprietary Responsible Investor Indicator Model (RIIM). 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, debt securities, credit indices and equities. 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.

## International Bank for Reconstruction and Development (2<sup>nd</sup> Quarter 2025 Engagement)

<b>Focus</b>	Social
<b>Company Description</b>	The International Bank for Reconstruction and Development (IBRD) is a supranational agency and the financing arm of the World Bank Group.
<b>Engagement Objective</b>	We engaged with the IBRD to convey our views and share best practice feedback on a range of sustainable finance topics and targets.
<b>Participants</b>	<p>From IBRD: Senior Financial Officer, Debt Origination, Capital Markets, and Investments; Senior Financial Officer, Capital Markets and Investments, Treasury; Head of Investor Relations and Sustainable Finance, Capital Markets and Investments</p> <p>From T. Rowe Price Associates, Inc.: Head of ESG, Fixed Income; Investment Analyst</p>
<b>Engagement Outcome</b>	<p>This meeting was the latest in a series of engagements we have had with the IBRD. IBRD provides financial support and policy advice to help middle-income and creditworthy low-income countries to help reduce poverty and respond to regional and global challenges.</p> <p><b>Impact and allocation reporting</b></p> <p>Following our previous engagements, we had encouraged the IBRD to consider providing bond-level impact and allocation reporting and to align its impact reporting with the International Capital Market Association's (ICMA) core impact key performance indicators (KPIs). We had encouraged the World Bank to report the allocation of its sustainable development bonds according to the ICMA-eligible categories.</p> <p>Detailed reporting has now been made available.</p> <p><b>New financing policy on funding nuclear power generation</b></p> <p>The World Bank's June 2025 financing policy update rescinded the agency's longstanding ban on funding nuclear power generation projects. We encouraged the IBRD representatives to provide incremental details on what the new policy would be. Additionally, we encouraged the bank to provide clear details on how it relates to the World Bank's twin mandates, namely to end extreme poverty and boost shared prosperity on a livable planet. The IBRD representatives agreed with us and noted that, given this arguably represented a material change for the agency, it would need to be clearly communicated, alongside relevant policy updates.</p> <p>The engagement enabled us to share best practice on a number of sustainable finance topics and targets. We intend to monitor IBRD's progress in providing details on how rescinding the previous ban on funding nuclear generation projects relates to its mandate.</p>

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

## The Southern Company (3<sup>rd</sup> Quarter 2025 Engagement)

<b>Focus</b>	Environment, Governance
<b>Company Description</b>	The Southern Company (Southern) is a gas and electric utility holding company.
<b>Engagement Objective</b>	We engaged with Southern to discuss its shareholder meeting results, executive compensation, and climate commitments.
<b>Participants</b>	<p>From Southern: Corporate Secretary; Sustainability Strategy Representative; Shareholder Engagement Representative</p> <p>From T. Rowe Price Associates, Inc.: Head of Corporate Governance, Americas; Responsible Investing Analyst</p>
<b>Engagement Outcome</b>	<p>Southern's proposal to amend its charter to reduce the supermajority vote to a majority was approved by shareholders after several failed attempts in prior years.</p> <p>Regarding Board refreshment, the 13-member Board has five directors who have joined within the last three years, and the Board continues to evaluate ongoing refreshment.</p> <p>On compensation, return on equity and total shareholder return are expected to remain primary metrics in setting compensation targets.</p> <p>Given the significant load growth and anticipated capital investments needed to meet the demand, Southern is reviewing a range of financing alternatives. As part of the process, the Board may request an increase in authorized shares and/or authority to issue preferred stock to provide for maximum flexibility as the company considers its options.</p> <p>We also discussed decarbonization. In 2024, Southern achieved a 49% reduction in greenhouse gas (GHG) intensity ahead of schedule. However, the company now expects GHG intensity to remain stable, or decrease slightly, given possible significant growth in power demand in the next few years in part driven by material AI computing growth. The company's goal to net zero by 2050 remains unchanged, but it will release updated interim GHG intensity goals once discussions on power demand with the Georgia regulator are finalized.</p> <p>The engagement provided us with the opportunity to gain further insights into a number of governance and sustainability issues at Southern.</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	
	No. of securities	% weight
● Green	134	67.9
● Orange	22	2.9
● Red	0	0.0
● Not in scope	43	-0.7
● Not covered	33	1.1
● Reserves	1	28.8
<b>Total</b>	<b>233</b>	<b>100.0</b>

● No/few Flags ● Medium Flags ● High Flags

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 to maintain at least 50% of the value of its portfolio invested in issuers and/or securities that are rated "Green" by the T. Rowe Price proprietary Responsible Investor Indicator Model ("RIIM").

The percentage exposure of the fund in issuers and/or securities that are rated "Green" is:

	Target Minimum Commitment %	Fund Exposure %
Green Issuers/Securities	50.0	67.9

## 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 (%)
16. Investee countries subject to social violations	Number of investee countries subject to social violations.	Absolute number	0	74.6%

## 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

**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):** 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. 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 - 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. 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. 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. 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. Prepayment and extension - Mortgage- and asset-backed securities could increase the fund's sensitivity to unexpected changes in interest rates. 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. Security liquidity - Any security could become hard to value or to sell at a desired time and price. 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.** Conflicts of Interest - The investment manager's obligations to a fund may potentially conflict with its obligations to other investment portfolios it manages. 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. Custody - In the event that the depositary and/or custodian becomes insolvent or otherwise fails, there may be a risk of loss or delay in return of certain fund's assets. Cybersecurity - The fund may be subject to operational and information security risks resulting from breaches in cybersecurity of the digital information systems of the fund or its third-party service providers. ESG - ESG integration as well as events may result in a material negative impact on the value of an investment and performance of the fund. Inflation - Inflation may erode the value of the fund and its investments in real terms. Investment fund - Investing in funds involves certain risks an investor would not face if investing in markets directly. Market - Market risk may subject the fund to experience losses caused by unexpected changes in a wide variety of factors. Market liquidity - In extreme market conditions it may be difficult to sell the fund's securities and it may not be possible to redeem shares at short notice. Operational - Operational risk may cause losses as a result of incidents caused by people, systems, and/or processes. Sustainability - Funds that seek to promote environmental and/or social characteristics may not or only partially succeed in doing so.

## ADDITIONAL DISCLOSURES

Company specific data were provided by the company during an ESG engagement or are available through company reports. Information presented has been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness.

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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