T.RowePrice

T. ROWE PRICE FUNDS SICAV

Emerging Local Markets 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 Emerging Local Markets 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[1]), 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.

[1] *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 maximise the value of its shares through both growth in the value of, and income from, its investments.

INVESTMENT PROCESS: The fund is actively managed and invests mainly in a diversified portfolio of bonds of all types from emerging market issuers, with a focus on bonds that are denominated in the local currency. 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 and debt securities. For full investment objective and policy details refer to the prospectus. The manager is constrained by the benchmark due to its use in portfolio construction. The benchmark is also used for performance comparison purposes.

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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.

Mexico (1st Quarter 2024 Engagement)

Focus	Environment, Social, Governance
Company Description	Mexico
Engagement Objective	We engaged with Mexico’s Ministry of Finance for a discussion on sustainability.
Participants	From Ministry of Finance: Head of Public Credit and International Affairs From T. Rowe Price Associates, Inc.: Responsible Investing Analyst
Engagement Outcome	We attended a group meeting with Mexico hosted by the Emerging Markets Investors Alliance in order to follow up on PEMEX’s progress on publishing its Sustainability Plan 2023–2050. PEMEX (or Petróleos Mexicanos) is the state-owned petroleum corporation managed and operated by the Mexican government. We asked the minister of finance when PEMEX was expected to publish its Sustainability Plan. The Mexican officials recognized the importance of communicating PEMEX’s sustainability efforts to the market but noted that they did not anticipate PEMEX publishing a medium-term strategy in the near future. For context, this engagement followed up on our meeting with Mexico in December 2022 as well as a group call hosted by PEMEX in September 2023, both of which included discussions around PEMEX’s Sustainability Plan. Although PEMEX’s long-term strategy had not been released at the time of the engagement, the company did publish an “ESG Outlook” report, which included several 2027 targets related to greenhouse gas emissions reduction, water management, energy efficiency, and safety.

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.

Colombia (1st Quarter 2024 Engagement)

Focus	Environment, Social
Company Description	Colombia
Engagement Objective	We provided feedback on Colombia's updated Green, Social, and Sustainable Bond Framework, via issuer syndicate.
Participants	From T. Rowe Price Associates, Inc.: Responsible Investing Analyst
Engagement Outcome	**Green Bond** We recommended that Colombia provide greater specificity regarding eligible green projects, including more detailed information on relevant external certification schemes (e.g., Forest Stewardship Council (FSC) certification for forest management related projects) and explicit specific greenhouse gas (GHG) thresholds for relevant eligible green expenditures. (For example, life-cycle GHG emissions from the generation of electricity less than 100 CO_2e/kWh for hydropower.) We noted that the second-party opinion report referenced an exact list of eligible expenditures—detailing their nature and location—to be financed by the bond. We encouraged Colombia to make some of this information easily accessible for investors, which would help assess the credibility of proceeds. **Green Bond—Ecosystem Services and Biodiversity** Colombia's framework includes an "Ecosystem Services and Biodiversity" eligible category, which includes reforestation, deforestation control, and forest governance measures as well as investments in satellite systems analysis, aerial monitoring, and enforcement initiatives. We welcomed the inclusion of this category in the framework given that deforestation is a key issue in Colombia. We suggested that Colombia address the growing contribution of organized crime and drug trafficking to deforestation in the region. We also recommended including projects aimed at protecting marine biodiversity. The types of projects listed in the framework for Ecosystem Services and Biodiversity category are currently broad (such as "Protection, conservation, and sustainable use of biodiversity and ecosystem services" and "Protection and conservation of natural resources management"). We encouraged Colombia to provide greater detail on specific initiatives, such as expanding protected areas and offering economic incentives for conservation and sustainable use of forests. **Disclosure (Social)** For its post-issuance reporting, we recommended that Colombia focus on clear, quantitative key performance indicators, aligned with the International Capital Market Association's (ICMA) Framework for Impact Reporting—particularly for less common eligible categories that can be difficult to measure, such as the "Socio-economic advancement and reduction of inequalities" and "Peacebuilding." We also advised Colombia to disclose the social co-benefits associated with projects, such as jobs created through renewable energy projects, citing post-issuance reporting from the UK and the Netherlands as good examples. Overall, the engagement enabled us to share our views on Colombia's Green, Social, and Sustainable Bond Framework and to provide best practices on green eligibility criteria and post-issuance reporting.

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	97	84.9	407	89.8
Orange	12	10.4	23	9.6
Red	0	0.0	0	0.0
Not in scope	17	-0.1	0	0.0
Not covered	2	0.3	3	0.6
Reserves	1	4.4	0	0.0
Total	**129**	**100.0**	**433**	**100.0**

No/few Flags Medium Flags High Flags

The comparator benchmark of the Fund is the J.P. Morgan Government Bond Index- Emerging Markets Global Diversified. The manager is constrained by the benchmark due to its use in portfolio construction. The benchmark is also used for performance comparison purposes.

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	84.9

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 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 (%)
16. Investee countries subject to social violations	Number of investee countries subject to social violations.	Absolute number	0	96.5%

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): 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. Country (Russia and Ukraine) - Russian and Ukrainian investments may be subject to higher risks associated with custody and counterparties, liquidity, market disruptions, as well as strong or sudden political risks. 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. Frontier markets - Frontier markets are less mature than emerging markets and typically have higher risks, including limited investability and liquidity. 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. 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.

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IMPORTANT INFORMATION

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