



T. ROWE PRICE FUNDS SICAV

Euro Corporate 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 Euro Corporate Bond 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 RIIM¹), 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 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.

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 corporate bonds that are denominated in euro. 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.

ArcelorMittal (3rd Quarter 2025 Engagement)

Focus	Environment, Governance
Company Description	ArcelorMittal is a multinational steel manufacturing corporation.
Engagement Objective	We engaged with ArcelorMittal to discuss and provide feedback on its climate strategy, progress on safety, and governance.
Participants	From ArcelorMittal: ESG Investor Relations Representative; Head of Investor Relations From T. Rowe Price Associates, Inc.: Global Head of Corporate Governance; Responsible Investing Analyst
Engagement Outcome	<p>Climate strategy</p> <p>ArcelorMittal retracted its carbon intensity reduction targets for 2030 given a challenging political and technology backdrop related to its green investments. That said, the company kept its net zero goal by 2050 unchanged.</p> <p>A set of updated medium-term decarbonization targets by 2035 are expected to be published in the second half of 2026; however, the company reiterated that it needs a clearer policy and technology backdrop before committing to any new targets. Specifically, it has highlighted stronger safeguards on trade, an improved Carbon Border Adjustment Mechanism framework in the European Union, and higher visibility on transition costs as three key elements that would be required to build a more confident view on medium-term decarbonization in its sector.</p> <p>The company highlighted that it is continuing to roll out electric arc furnace (EAF) projects where it makes the most sense. For example, it recently announced new EAF projects in France, where it has better visibility on costs.</p> <p>Safety</p> <p>We sought an update on safety, given it has been about one year since the company started to implement the recommendations of a recent safety audit. Safety performance in 2024 was only marginally better.</p> <p>The company explained that 2024 was not indicative. After the recommendations came out, every segment of the business came up with a thorough safety plan that received sign-off at the end of 2024. So, in practice, recommendations started to be implemented in January 2025.</p> <p>A few things have improved already in 2025. Increased oversight and further guidance on safety have been provided across the organization, additional training has been provided to leadership on safety culture, and there was an increase in participation in a recent internal survey on safety. The company's first half of 2025 financial report shows improved safety metrics.</p> <p>Governance</p> <p>The health and safety expert who we thought would join the Board by the 2024 annual general meeting (AGM) was apparently blocked from joining after the search process completed, by their Board chair on a different Board. We were told that the search had been restarted, but no new candidate joined at the 2025 AGM.</p> <p>The concentration of the Board and committee assignments is unusual, in our view. The chair and chief executive officer roles are held by members of the Mittal family. One non-executive director was chairing all the Board committees and serving as lead director, but they handed over their responsibility as chair of the Audit and Risk Committee after the 2024 AGM. We shared our perspective that serving as both lead director and chair of the most important Board Committees introduces significant key person risk and that it would be preferable for the responsibilities to be shared around other senior non-executives over time.</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.

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	345	91.5	3,573	89.4
● Orange	19	6.0	339	8.4
● Red	0	0.0	32	0.7
● Not in scope	2	-0.1	0	0.0
● Not covered	1	0.1	78	1.5
● Reserves	1	2.4	0	0.0
Total	368	100.0	4,022	100.0

● No/few Flags ● Medium Flags ● High Flags

The comparator benchmark of the Fund is the Bloomberg Euro-Aggregate:Corporates Bond Index EUR. 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	50.1
with Environmental Objectives	0.5	22.8
with Social Objectives	0.5	27.4

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%	96.6%
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	40.6%	83.7%
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%	96.6%

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): 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. 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. 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. 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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