



T. Rowe Price Emerging Markets Discovery Equity Pool

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

As of 30 September 2025

ESG APPROACH

- The portfolio uses environmental, social and governance (ESG) integration as part of its investment process. This means incorporating environmental, social, and governance factors to enhance investment decisions. Emerging markets are teeming with value traps, which make it particularly important to incorporate ESG factors into our investment decision-making as they help us avoid these value traps. 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 around 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)
 - 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.)
- Our approach to environmental and social factor integration is differentiated at the sector and industry levels, where our RIIM model helps us to determine the materiality of any given factor. Material ESG factors play an integral part in our risk/reward assessment of each company. Once all the factors have been assessed, the conclusions can influence whether to include or exclude the company or at what weight to add the company to the portfolio. Usually, ESG factors are considered as a component of the final investment decision.

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, 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.

Samsung Life Insurance (1st Quarter 2025 Engagement)

Focus	Governance
Company Description	Samsung Life Insurance is a multinational insurance provider headquartered in South Korea.
Engagement Objective	We met with Samsung Life Insurance ahead of the company's annual general meeting (AGM) to discuss its Board composition.
Participants	From Samsung Life Insurance: Investor Relations Representative From T. Rowe Price Associates, Inc.: Governance Analyst
Engagement Outcome	<p>Yoo Il-ho is up for reelection at the upcoming AGM as an outside director to Samsung Life Insurance's Board of Directors, and we wanted further context surrounding Mr. Yoo's directorship at Hyosung Group, which has experienced major governance controversies. Samsung Life Insurance explained that Mr. Yoo was first elected as an independent director in 2022 and that he is the former deputy prime minister and minister of strategy and finance in South Korea. In these roles, Mr. Yoo played an instrumental part in bridging the gap between insurance companies and regulators as Samsung Life Insurance navigated key changes related to IFRS 17 Insurance Contracts regulations and solvency rules. Although the company prepared for these changes about five years ago, Mr. Yoo's presence on the Board was still beneficial. In 2024, he was appointed as an independent chair to oversee Board operations.</p> <p>Mr. Yoo currently serves on the Board of Hyosung Corp, which has faced a series of governance controversies. Samsung Life Insurance believes Mr. Yoo played a limited role as an independent director, as most decisions at Hyosung Corp were dominated by executives with independent directors having very limited involvement. However, based on investor feedback, the Board is aware of market concerns regarding Mr. Yoo's directorship at Hyosung. We provided feedback suggesting that Mr. Yoo should reconsider his directorship given his limited influence and should disassociate himself from controversial companies. The company reassured us that, as Samsung Life Insurance is a financial company, it is subject to more regulations and stricter governance requirements. Therefore, Mr. Yoo's thorough appointment process has been reviewed by regulators.</p> <p>Samsung Life Insurance has not yet provided "value-up" disclosure, but it mentioned that shareholder return is a key priority for the Board. From 2023 to 2024, the dividend payout increased from 35% to 38%, and the company aims for a 50% dividend payout over the medium to long term. Samsung Life Insurance is also expecting strong profit growth which, along with shareholder return policies, should drive consistent improvement in return on equity.</p> <p>We also discussed the Insurance Business Act, which has been under discussion for a decade regarding potentially imposing limits on the ownership of affiliated companies by insurance companies. Samsung Life Insurance holds 8% of Samsung Electronics, and if such an amendment is implemented, it may be forced to sell part of its stake in Samsung Electronics. Samsung Life Insurance believes there is currently a low probability that the act will be passed. Given that Samsung Electronics is widely owned by retail shareholders, forcing Samsung Life Insurance to sell shares may not be in the minority shareholders' best interest. Another possibility is that even if the act passes, there could be a five- to seven-year grace period for Samsung Life Insurance to gradually reduce its stake. The company conducted scenario analysis but reassured us that it is uncertain if the amendment will be implemented.</p> <p>Our engagement with Samsung Life Insurance provided us with greater context surrounding the election of Mr. Yoo to the Board of Directors, including his instrumental role in the business and the fact that he is not directly involved in the controversies at Hyosung Corp.</p>

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

SK Hynix (1st Quarter 2025 Engagement)

Focus	Governance
Company Description	SK Hynix is a South Korean manufacturer of semiconductor products.
Engagement Objective	We engaged with SK Hynix on Board composition and remuneration.
Participants	From SK Hynix: Investor Relations Representative From T. Rowe Price Associates, Inc.: Governance Analyst
Engagement Outcome	<p>Board composition</p> <p>SK Hynix appointed a new Board director, Mr. Han, at the 2025 annual general meeting (AGM). He is the chief executive officer and president of SK Square, a major shareholder of SK Hynix, and has extensive experience in corporate development. SK Hynix does not plan to expand the Board and believes the current skill mix is well balanced. Board members have relevant experience in finance and legal matters. Ideal future nominees should have more technology backgrounds. The company also provides extensive training to independent directors and holds sessions for them ahead of Board meetings.</p> <p>Remuneration</p> <p>The Compensation Committee is 75% independent, with no executives on the committee. The non-independent director is from SK Square, which, as the largest shareholder, wishes to have oversight on pay. However, he is not heavily involved in remuneration discussions, which are mainly driven by independent directors.</p> <p>At the 2025 AGM, the company proposed lowering the remuneration limit from KRW 20 billion to KRW 15 billion. The company explained that the remuneration limit had increased from KRW 12 billion to KRW 20 billion, with a payout of 63%. In 2023, the company experienced an industry downcycle, resulting in a payout of only 37%. In 2024, the payout was 22%, providing ample headroom. Another consideration is that there will be one less independent director in 2025, making it reasonable to lower the remuneration limit.</p> <p>Executive compensation is determined by the Compensation Committee, which reviews performance key performance indicators (KPIs). At this stage, the company cannot disclose detailed KPIs, but at a high level, the performance KPIs cover earnings, operations, technology, and ESG. We provided feedback that there is room to further improve disclosure on pay to enhance accountability. The company mentioned that it is on the Board's agenda, although the specific timeline remains uncertain.</p> <p>The engagement provided us with the opportunity to obtain an update on Board composition and remuneration.</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	45	68.1	660	70.4
● Orange	19	27.2	501	28.6
● Red	2	0.8	26	0.9
● Not Covered	0	0.0	2	0.2
● Reserves	1	3.9	0	0.0
Total	67	100.0	1,189	100.0

● No/Few Flags ● Medium Flags ● High Flags

The benchmark of the Fund is the MSCI Emerging Markets Index Net.

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.

Portfolio holdings in this report are presented gross of any non-reclaimable withholding tax. Any non-reclaimable withholding tax is included in position market values. Portfolio diversification data is calculated net of any non-reclaimable withholding tax. Any non-reclaimable tax withheld is not reflected in category market values.

Fund Assets, holdings-based analytics (excluding portfolio turnover), and portfolio attribution 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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